



City of Lafayette, Colorado

# ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the year ended  
December 31, 2023



# **City of Lafayette, Colorado**

Annual Comprehensive Financial Report  
For the fiscal year ended  
December 31, 2023

Prepared by the Finance Department:

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**City of Lafayette, Colorado**  
 Comprehensive Annual Financial Report  
 For the fiscal year ended December 31, 2023

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# Introductory Section

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June 25, 2024

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

Councilors and Residents of the City of Lafayette, Colorado:

The Annual Comprehensive Financial Report of the City of Lafayette, Colorado for the year ended December 31, 2023, is hereby submitted. This report provides information about the City to its residents, investors, general public, and others who may have an interest in the financial well-being of the City. This transmittal letter is designed to be read with the Management's Discussion and Analysis (MD&A) which can be found immediately following the report of the independent auditor.

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

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

This Annual Comprehensive Financial Report includes four sections: introductory, financial, statistical, and compliance. The introductory section includes this transmittal letter, the City's organizational chart and a list of principal officials. The financial section includes Management's Discussion and Analysis, the government-wide and fund financial statements,

notes to the financial statements, and the combining and individual fund financial statements and schedules, as well as the independent auditor's report on the financial statements and schedules. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The compliance section includes continuing disclosures on the City's debt as well as the State required Local Highway Finance Report.

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

The Lafayette City Charter and state law require that an annual audit be conducted by an independent certified public accountant. The accounting firm of Eide Bailly, LLP was selected to perform the audit. The independent auditor's report on the City's financial statements and schedules is included in the financial section of this report. Based on the results of the audit, the City of Lafayette's financial statements for the fiscal year ended December 31, 2023, received an unmodified ("clean") opinion in the independent auditor's report.

### **Profile of the Government**

According to the Census Bureau, Lafayette currently has a population of 32,318 living in its 9.5 square mile area, up from 24,453 people according to the 2010 Census, representing a 32% increase over the ten years and ranking Lafayette as the 31st most populated community in Colorado.

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

The Council is composed of seven members who are elected on a non-partisan basis from the City at large. Provision is made for the overlapping of terms with most of the Council elected every two years. Councilors select the Mayor, who presides at public meetings and represents the City in interactions with other governmental entities.

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

The organization of the City government was created to assure maximum flexibility in organizational structure to allow for adjustment to new demands and changing circumstances as Lafayette grows and prospers. The City provides a full range of services including: police

and fire protection, ambulance/transport, water and sanitary sewer services, the construction and maintenance of streets and infrastructure, planning and building, recreational activities, library services, and cultural events. The Charter includes provisions for proper budgeting, fiscal control, auditing, and economical fiscal procedures supporting the provision of these services.

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

### **Factors Affecting Financial Condition**

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

#### Local Economy

The City of Lafayette is located in eastern Boulder County between the City of Boulder to the west, Longmont to the north, and the greater Denver metro area to the south and east. This central location allows Lafayette to contribute to, and benefit from, regional economic activity and local market dynamism. The City has an educated workforce boasting a 73% employment rate with 63% of its residents holding a bachelor's degrees or higher according to the U.S. Census. The employment profile for Lafayette reflects a notable representation in high-paying occupations such as Computer and Mathematics; Life and Physical Sciences; and Architectural and Engineering occupations, all of which have average wages in excess of \$100,000 per year. Median household income in Lafayette is \$105,819, exceeding the state and national median incomes of \$89,302 and \$74,580, respectively.

Lafayette's favorable employment and household income profile combines with its good location along regional transportation corridors to help drive its broad and stable revenue base relative to its size. U.S. Highway 287 runs north-to-south through Lafayette, State Highway 7 runs east-to-west, and Lafayette is bounded by the Northwest Parkway on its southern border providing convenient connections to U.S. Highway 36 to the south and Interstate 25 to the east. All four of these major transportation routes allow Lafayette to support and serve a balanced employment and commuter base with 11,049 workers in-commuting and 11,896 out-commuting on a daily basis.

Lafayette experienced moderating revenue growth in 2023 after successive years of robust double-digit percentage growth coming out of the Covid-19 pandemic. Overall tax revenue for the City grew 0.1% in 2023 driven by a mixture of performance across categories. Sales and use tax grew 0.4% to \$27.3 million driven by outperformance in motor vehicle use tax which grew 10.4% to \$3.0 million. Sales tax declined 0.5% to \$21.8 million in 2023 driven primarily by a 16.2% decline in utilities sales tax on account of declining energy prices relative to prior years. This softness in the utilities category was buoyed only by modest growth in the

retail sales, food tax, and restaurant categories which grew modestly at 2.2%, 2.1% and 1.5%, respectively. These growth rates were below the regional rate of inflation consistently north of 3.5% suggesting Lafayette's consumer base felt pressured to adjust consumption patterns to accommodate broadly increasing household expenses. Property tax served as a stabilizing revenue source in 2023 generating \$11.1 million in total revenues based on a citywide valuation of \$654.8 million less dedicated tax increments. The City expects strong future property tax collections on account of extraordinary real estate market appreciation that will be captured in the assessment period for the 2024 and 2025 fiscal years.

### Long Term Financial Planning

The continued economic uncertainty of the post-Covid inflationary environment has made a systematic, strategic and disciplined approach to planning City projects, programs, and service delivery critically important. The City relies on long-term planning processes that are flexible enough to quickly address the impacts of unforeseen economic trends and events while also recognizing the need to maintain stability in the organization and municipal service delivery models. In 2023, the City continued to make strategic investments in operational capacity, equipment replacement funding, and capital improvements that relied on conservative revenue projections and planned use of fund balance when necessary. All spending plans align with 5 and 10-year revenue forecasts and financing strategies to ensure balanced budgets.

Within the City's utility portfolio, the City completed a comprehensive rate study for the Water Utility and Water Reclamation Utility that set both utilities on the revenue paths needed to ensure long-term sustainability. In the Water Utility, this rate path included a 9% mid-year rate increase in 2023 followed by 21% increases set for 2024 and 2025 to allow the City to make critical investments in water sourcing and storage. These investments are especially important in light of water shortages in the western U.S. caused by the effects of climate change. In the Water Reclamation Utility, the adopted rate path included a 9% increase set for 2024 that is intended to bolster operational funding and provide for additional capital investment in system rehabilitation and replacement. This investment strategy follows on the heels of the completion of the \$46.5 million reclamation facility expansion that will be completed in late 2024.

The City is continuing to leverage strategic plans to help inform operational priorities and capital investment plans. These strategic plans include a Comprehensive Plan, a Multi-Modal Transportation Plan, a Parks, Recreation and Open Space Plan, an Affordable Housing and Economic Development Plan, a Climate Action Plan, a Wildlife Plan, and a citywide Classification and Compensation study. These plans not only lay out spending priorities, but also speak to the revenue mechanisms needed to support them including, but not limited to, impact fees, development exactions, taxes, grants, multi-jurisdictional cost sharing, economic incentives and more.

Based on the City's current economic environment and revenue trends, the City believes it is well-positioned to continue to provide quality public services to the residents and visitors of Lafayette while maintaining a strong financial condition.


## Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its Annual Comprehensive Financial Report for the fiscal year ended December 31, 2022. This was the 36th consecutive year the City has received this prestigious award. To be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized Annual Comprehensive Financial Report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

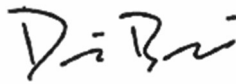
## Acknowledgments

The Annual Comprehensive Financial Report is the result of cooperative efforts of many people. We wish to convey our appreciation to the dedicated members of the Finance team who contributed to and assisted with the successful completion of the audit. We would also like to thank all the City departments who provided assistance and support, and to the City Council for their leadership and support in conducting the financial operations of the City in a responsible and progressive manner.



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Kady Doelling  
City Administrator



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Devin Billingsley  
Chief Financial Officer



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

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**City of Lafayette  
Colorado**

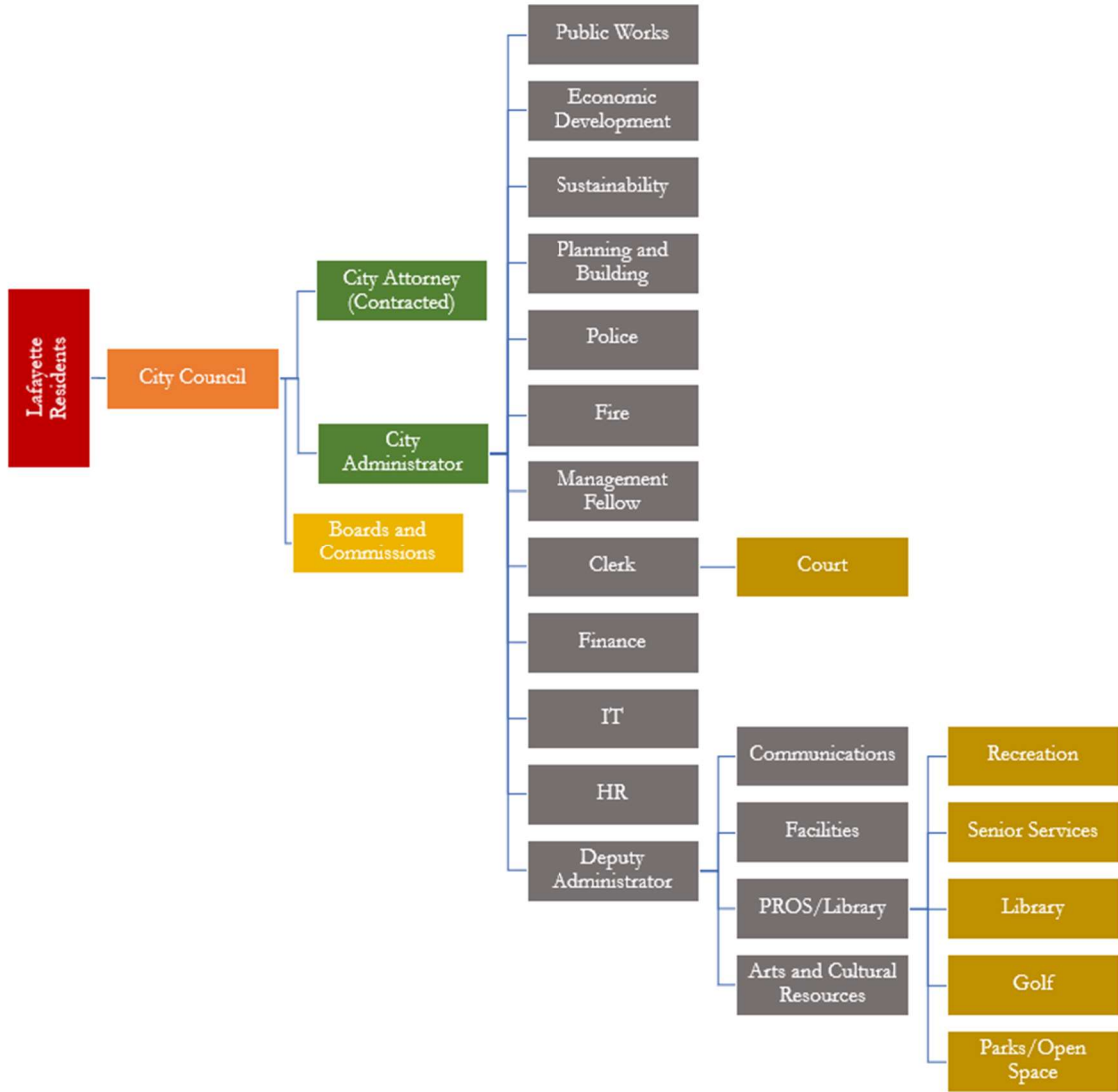
For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

December 31, 2022

*Christopher P. Morrill*

Executive Director/CEO

# City Organizational Chart





# Financial Section

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## Independent Auditor's Report

To the Honorable Mayor and City Council  
City of Lafayette

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Lafayette (the City), as of and for the year ended December 31, 2023, 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, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City, as of December 31, 2023, 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 (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City, 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.

#### *Adoption of New Accounting Standard*

As discussed in Note 1 to the financial statements, the City has adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 96, *Subscription Based Information Technology Arrangements*, for the year ended December 31, 2023. As a result of implementing the standard, there was no effect on the general fund, capital projects fund, aggregate remaining funds, and governmental activities beginning fund balance and net position as of January 1, 2023. Our opinions are not modified with respect to this matter.

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### ***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.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City'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 – General Fund, Schedule of the Proportionate Share of the Net Pension Asset (Liability) and Contributions – FPPA Statewide Defined Benefit Plan, Schedule of the Proportionate Share of the Net Pension Asset (Liability) and Contributions – FPPA Statewide Hybrid Plan, and Schedule of the Proportionate Share of the Net Pension Asset (Liability) and Contributions – Volunteer Fire Department Pension Plan, 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 fund financial statements and the individual budgetary comparison schedules 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 fund financial statements and the individual budgetary comparison schedules 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 auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 25, 2024 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.

*Ernst & Young LLP*

Denver, Colorado  
June 25, 2024

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## Management's Discussion and Analysis

The City of Lafayette's ("the City") management offers readers this narrative overview and analysis of the City's financial activities for the fiscal year ended December 31, 2023. We encourage readers to consider the information presented here in conjunction with additional information furnished in the letter of transmittal, found earlier in this report, in addition to the financial statements and footnotes which follow this section. Amounts in this section are rounded for purposes of easier understanding.

### Financial Highlights:

- The City's total net position at the end of 2023 was \$462.0 million, an increase of \$29.9 million, or 7%, over the prior year. Of this amount, \$309.8 million is related to net investment in capital assets and another \$9.7 million is restricted in how it can be spent. The remaining \$142.5 million is unrestricted and may be used to meet the City's ongoing obligations in accordance with financial policies. Governmental net position increased by \$12.6 million, or 6%, and business-type net position increased by \$17.3 million, or 8%.
- At December 31, 2023, the City's governmental funds reported combined ending fund balances of \$69.5 million, an increase of \$1.2 million, or 2%, from 2022.
- The General Fund, the City's primary operating fund, reported unassigned fund balance of \$25.9 million.
- The City's outstanding bonded debt, including premiums, totaled \$55.4 million, a decrease of \$3.4 million compared to the prior year.

### Overview of the Financial Statements:

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

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

The statement of net position presents information on all of the City's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference between these categories reported as net position. Over time, increases or decreases in net

position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

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

Both of the government-wide financial statements distinguish City functions that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The City's governmental activities include general government (including the City's urban renewal authority activities), public safety, public works, and parks and recreation. Business-type activities include the Water Fund, Water Reclamation Fund, Storm Water Fund, Waste Management Fund, and a Golf Course Fund.

The government-wide financial statements can be found on pages 38-39 of this report.

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

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

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

During 2023 the City had fourteen individual governmental funds. The General Fund is considered a major fund, as is the Capital Projects Fund. Their fund information is presented separately in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances. The remaining individual governmental

fund statements are provided in the form of combining statements in a later section of this report.

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

The basic governmental fund financial statements can be found on pages 41-44 of this report.

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

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

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water Utility Fund, Water Reclamation Utility Fund, Golf Course Fund, Storm Water Fund, and Waste Management Fund. Since they are defined as proprietary funds, the internal service funds are combined into a single, aggregated memo presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements elsewhere in this report.

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

The basic proprietary fund financial statements can be found on pages 45-48 of this report.

**Notes to the financial statements.** The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements can be found on pages 51-96 of this report.

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents certain supplementary information concerning the City's progress in funding its obligation to provide pension benefits to its active commissioned police and firefighters, as well as its former volunteer firefighters, and a budgetary comparison schedule for the General Fund and Capital Projects Fund. These schedules can be found on pages 102 – 140 of this report.

The combining statements referred to earlier in connection with non-major governmental funds and internal service funds are presented immediately following the required supplementary information on pages 108-140.

## Government-wide Financial Analysis

The Statement of Net Position and Statement of Activities for 2023 are compared with the results of the prior year in order to review the City's progress towards maintaining financial stability.

### Analysis of Net Position

As noted above, over time net position may serve as a useful indicator of a government's financial position. As of December 31, 2023 the City's net position (assets and deferred outflows of resources less liabilities and deferred inflows of resources) was \$462.0 million, an increase of \$29.9 million, or 7%, over the total at December 31, 2022. The City reported positive balances in net position for both governmental and business-type activities. Net position increased by \$12.6 million in its governmental activities and \$17.3 million in its business-type activities.

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

	<b>Statement of Net Position as of December 31 (in thousands)</b>					
	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
<b>Assets</b>						
Current and other assets	\$ 89,175	\$ 105,832	\$ 100,485	\$ 120,843	\$ 189,660	\$ 226,675
Capital assets	163,299	154,813	194,143	167,009	357,442	321,822
Total assets	252,474	260,645	294,628	287,852	547,102	548,497
Deferred Outflows of Resources	5,122	2,748	297	373	5,419	3,121
<b>Liabilities</b>						
Long-term liabilities	11,048	9,692	50,763	52,897	61,811	62,589
Other liabilities	12,459	17,196	13,560	21,959	26,019	39,155
Total liabilities	23,507	26,888	64,323	74,856	87,830	101,744
Deferred Inflows of Resources	2,108	16,264	572	623	2,681	16,887
<b>Net Position</b>						
Net investment						
in capital assets	155,737	146,730	154,025	147,145	309,761	293,875
Restricted	9,714	8,970	-	-	9,714	8,970
Unrestricted	66,530	63,719	76,005	65,552	142,535	129,271
Total net position	\$ 231,981	\$ 219,419	\$ 230,030	\$ 212,697	\$ 462,010	\$ 432,116

Current and other assets decreased by \$37.0 million, or 16%, compared to the prior year's balance. This decrease is mainly due to the decrease in restricted cash and investments due to the continued capital construction of the Water Reclamation Treatment Facility which is financed through the Water Reclamation Bonds issued in 2021. Capital assets increased by \$35.6 million or 11%, this increase is due to explanation provided above as construction continued on the Water Reclamation Project through 2023. For more details on the wastewater treatment plant project, see Note 11.

Other liabilities decreased by \$13.1 million, or 34%. This decrease is mainly due to a decrease in accounts payable related to the Water Reclamation Fund wastewater treatment plant project as of December 31, 2023 compared to December 31, 2022. See Note 11 for more details on this project.

The decrease of \$14.2 million or 84% in deferred inflows was due to the delay in certification of the mill levies by Boulder County. No deferred inflows were recognized for property taxes as Boulder County certified the mill levies in 2024 leaving the City no legally enforceable claim to the property tax revenue in 2023. The largest portion of the City's net position (\$309.8 million, or 67%) reflects its investment in capital assets (e.g., land, buildings, equipment, and infrastructure) less any related debt used to acquire those assets that remains outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Restricted net position accounts for \$9.7 million, or 2%, of total net position, representing resources that are subject to external restrictions on how they may be used. The remaining component of net position is unrestricted, representing \$142.5 million, or 31%, of the City's total net position and may be used to meet ongoing obligations to the City's residents and creditors.

## Changes in Net Position

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

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
<b>Revenues</b>						
Program revenues						
Charges for services	\$ 7,001	\$ 6,660	\$ 25,559	\$ 26,157	\$ 32,560	\$ 32,817
Operating grants and contributions	6,924	2,015	-	-	6,924	2,015
Capital grants and contributions	2,389	1,280	9,275	3,555	11,664	4,835
General revenues						
Property taxes	11,610	11,660	-	-	11,610	11,660
Sales and use tax	27,277	27,164	-	-	27,277	27,164
Franchise taxes	1,396	1,339	-	-	1,396	1,339
Excise taxes	565	658	-	-	565	658
Grants	227	202	-	-	227	202
Investment earnings (loss)	3,111	(673)	4,779	255	7,890	(418)
Subscriptions	-	-	18	-	18	-
Leases	(375)	389	49	35	(326)	424
Other	789	918	310	133	1,099	1,051
<b>Total revenues</b>	<b>60,914</b>	<b>51,612</b>	<b>39,990</b>	<b>30,135</b>	<b>100,904</b>	<b>81,747</b>
<b>Expenses</b>						
General government	11,502	10,712	-	-	11,502	10,712
Judicial	726	594	-	-	726	594
Public safety	19,404	14,996	-	-	19,404	14,996
Public works	5,427	4,499	-	-	5,427	4,499
Culture and recreation	10,896	9,968	-	-	10,896	9,968
Interest on long-term debt	397	412	-	-	397	412
Water	-	-	9,350	7,673	9,350	7,673
Water reclamation	-	-	5,611	4,672	5,611	4,672
Golf course	-	-	3,483	3,043	3,483	3,043
Storm water	-	-	1,581	1,026	1,581	1,026
Waste management	-	-	2,632	2,423	2,632	2,423
<b>Total expenses</b>	<b>48,352</b>	<b>41,181</b>	<b>22,657</b>	<b>18,837</b>	<b>71,009</b>	<b>60,018</b>
Increase in net position	12,562	10,431	17,333	11,298	29,894	21,729
Net position - beginning	219,419	208,988	212,697	201,399	432,116	410,387
Net position - ending	\$ 231,981	\$ 219,419	\$ 230,030	\$ 212,697	\$ 462,010	\$ 432,116

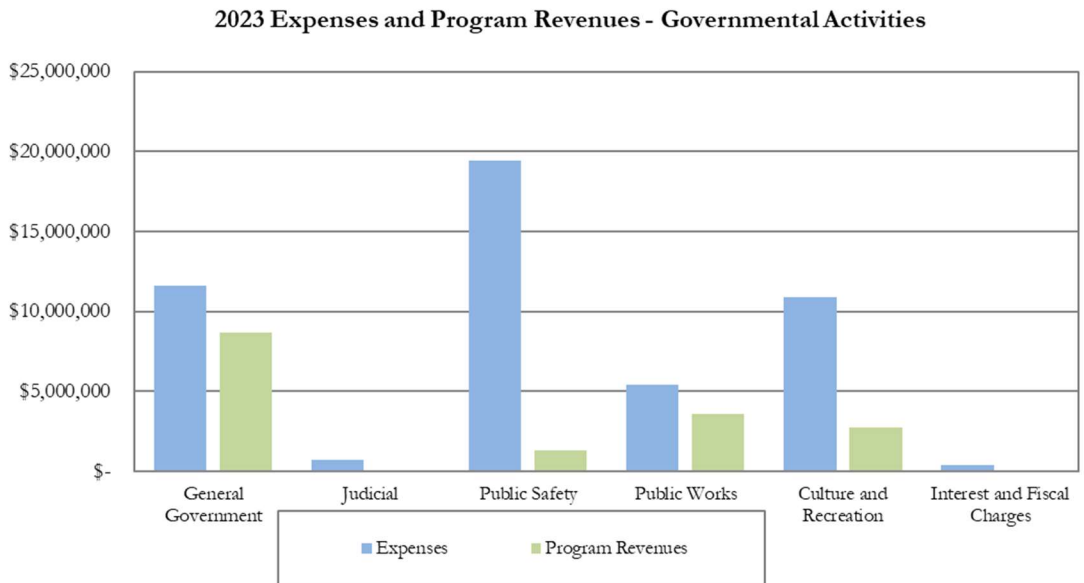
## Governmental activities

During 2023, the City's primary revenue sources for governmental operations included taxes, accounting for 67% of total governmental revenues. Charges for services represented 11% of revenues, while operating and capital grants and contributions represented 15% of total governmental revenues. Program revenues are directly associated with a specific activity, including charges for services, operating and capital grants, and therefore exclude tax revenues and certain other revenue sources. Program revenues account for 27% of total revenues related to governmental activities in 2023. Program revenues of \$16.3 million were \$32.0 million less than expenses. This is an ordinary occurrence for governments and indicates that taxes provide a primary source of revenues to support governmental operations.

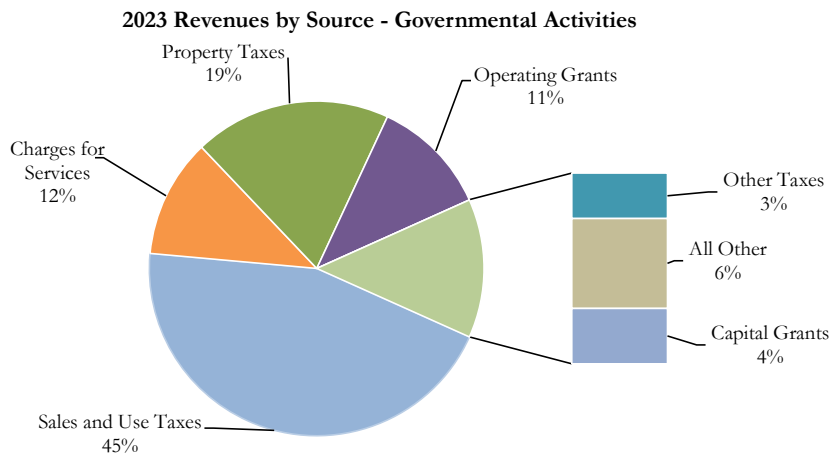
Revenues in total increased \$9.3 million, or 18%, compared to the prior year. Capital grants and contributions increased \$1.1 million, or 87%, compared to the previous year mainly due to an increase in developer dedicated infrastructure in 2023. Operating grants and contributions increased \$4.9 million or 244% mainly due the revenue recognition in 2023 of \$5.4 million of American Rescue Plan Act (ARPA) funding utilized in 2023 to assist an affordable housing project within the City. Additionally, due to improved economic conditions in 2023 in comparison to 2022, investment earnings increased \$3.8 million or 562%.

Expenses of governmental activities increased \$7.2 million, or 17%, compared to the prior year. This increase was due to an increase of budgeted funds throughout the governmental funds to strategically begin to address underinvestment in organizational capacity, rectify operating deficiencies, and make needed investments in capital infrastructure.

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



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



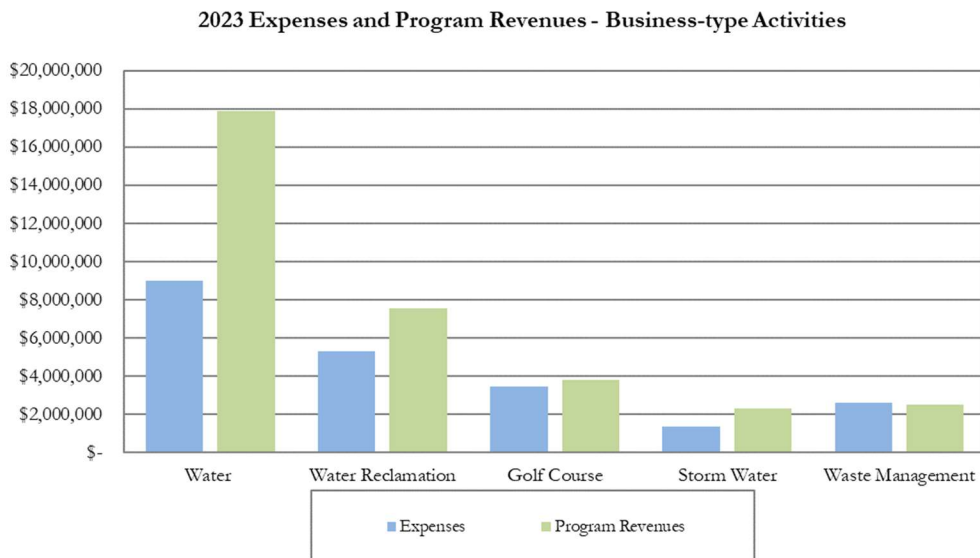
## Business-type activities

Business-type activities primarily rely on charges for services to support related expenses. Charges for services of \$25.6 million for business-type activities represented 64% of 2023 revenues.

The other primary source of revenue, representing 23% of revenues, comes primarily from capital contributions in the form of tap fees, developer-constructed donated capital and reimbursements, and grants. Capital grants and contributions increased \$5.7 million in 2023 mainly due to the funding received for the City’s water dedication requirement for a large project that started construction in 2023.

Expenses increased by \$3.8 million, or 20%. This increase is mainly due to an increase in operating and personnel expenses across the proprietary funds.

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



## Financial Analysis of the City’s Funds

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

Fund balances are the differences between assets and deferred outflows of resources, and liabilities and deferred inflows of resources in a governmental fund. The non-spendable fund balance includes amounts that are not in spendable form or amounts that are required to be maintained intact. Restricted fund balance includes amounts that can be spent only for the

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

These funds are accounted for using the modified accrual basis of accounting. At the end of 2023, the City reported a combined fund balance of \$69.5 million, an increase of \$1.2 million, or 2%, compared to the prior year's fund balance. The fund balance of the General Fund, the primary operating fund of the City, decreased \$4.8 million, or 11%. At the end of 2023, the unassigned fund balance of the General Fund was \$25.9 million, a decrease of \$5.9 million, or 19%. Operating results for 2023 reflect \$5.3 million transfers out of the General Fund, \$5.2 million was to the Capital Projects Fund to be used for a variety of transportation and road maintenance projects and \$100 thousand to the Waste Management Fund

As a measure of the General Fund's liquidity, it is useful to compare unassigned fund balance to total fund expenditures. The unassigned fund balance of \$25.9 million represents 61% of General Fund 2023 actual operating expenditures and 59% of 2023 budgeted operating expenditures. The remainder of the fund balance for the General Fund is either non-spendable (\$2.6 million), restricted (\$1.0 million) or committed (\$8.8 million).

The fund balance of the Capital Projects Fund decreased \$667 thousand. The fund balance in the Other Governmental Funds increased by \$6.7 million, or 71%.

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

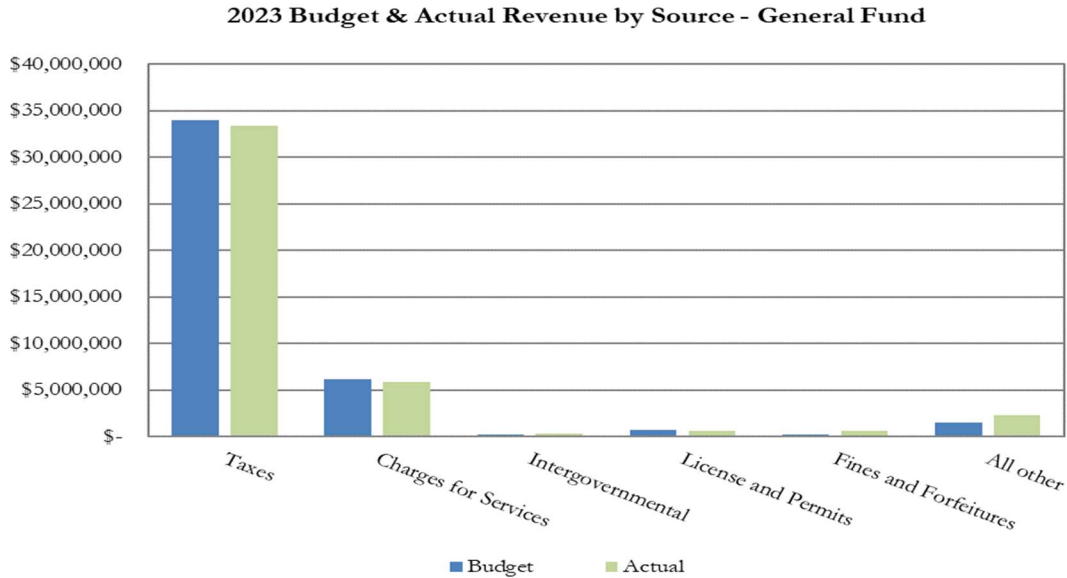
*Proprietary Funds* – Information on the proprietary funds provides the same type of information found in the government-wide statements. Factors concerning the finances of these funds have been discussed above in the business-type activities section.

### **General Fund Budgetary Highlights**

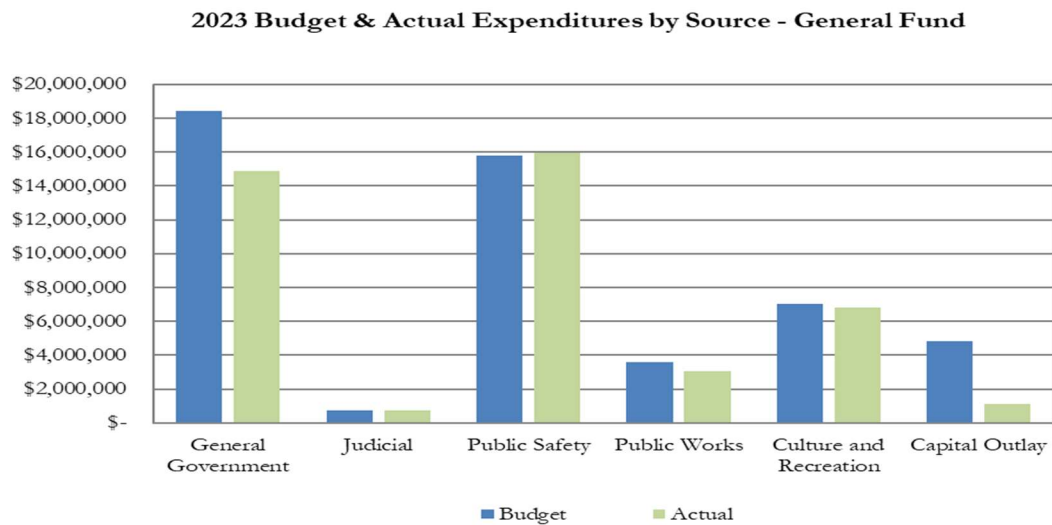
The City's final budget differs from the original budget in that it contains supplemental appropriations to carry forward unused prior year budget items for multi-year projects as well as for new or refined estimates of costs that were not anticipated in the originally adopted budget. The 2023 General Fund original budget provided for a deficit of \$949 thousand, reflecting revenues of \$42.8 million, expenditures of \$43.8 million and net transfers to other funds of \$3.2 million. The final budget provided for a deficit of \$7.5 million, reflecting revenues of \$42.9 million, expenditures of \$50.4 million and net transfers to other funds of \$5.1 million. Revenue sources increased \$103 thousand to \$42.9 million in the final budget. The expenditure and other financing uses budget increased \$8.5 million to \$55.5 million in the final budget. The primary expenditure changes to the original budget were carryovers of capital projects and the addition of various consulting studies and implementation of such studies.

Actual results for 2023 in the General Fund was a surplus of \$517 thousand. Expenditures were under budget in almost all divisions and categories of expenditures for various reasons, including open positions and extended timelines for capital projects.

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



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



## Capital Assets

The City's investment in capital assets for its governmental and business-type activities as of December 31, 2023 amounts to \$357.4 million (net of accumulated depreciation), an increase of \$35.6 million, or 11%, compared to the prior year balance. The investment in capital assets includes land and land rights, water rights, public art, buildings, water and wastewater systems, improvements, machinery and equipment, park facilities, roads, storm drainage, other infrastructure, capitalized leases and Subscription-Based Information Technology Arrangements (SBITA).

The following table reflects amounts in thousands of dollars:

**Capital Assets as of December 31, 2023 and 2022 (net of accumulated depreciation, in thousands)**

	Governmental Activities		Business-type Activities		Total Primary Government	
	2023	2022	2023	2022	2023	2022
	(as restated)	(as restated)	(as restated)	(as restated)	(as restated)	(as restated)
Land and open space	\$ 84,105	\$ 83,927	\$ 9,912	\$ 9,912	\$ 94,017	\$ 93,839
Water rights	-	-	49,671	49,571	49,671	49,571
Public art	514	493	-	-	514	493
Buildings	20,949	20,871	1,655	1,768	22,604	22,639
Improvements other than buildings	3,157	2,367	1,692	1,266	4,849	3,633
Infrastructure	33,216	31,460	63,434	67,047	96,650	98,507
Equipment	4,892	4,032	2,157	1,282	7,049	5,314
Construction in progress	14,353	9,863	65,574	36,112	79,927	45,975
Right to use lease land	135	23	-	-	135	23
Right to use lease building	806	852	-	-	806	852
Right to use lease equipment	583	104	27	3	610	107
SBITA	589	821	21	48	610	869
Total capital assets	\$ 163,299	\$ 154,813	\$ 194,143	\$ 167,009	\$ 357,442	\$ 321,822

Major capital improvements during the fiscal year ended December 31, 2023, included the following:

*Governmental Activities (total additions - \$19.2 million)*

- Various street improvements (\$8.7 million)
- Purchase of vehicles and equipment (\$2.3 million)

*Business-type Activities (total additions - \$32.2 million)*

- Goose Haven reservoir project (\$2.1 million)
- Relocation of water and stormwater lines due to expansion of major roadway (\$1.8 million)
- Water Reclamation Treatment Facility project (\$24.1 million)
- Northern Integrated Supply Project (\$1 million)

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

## Debt Administration

At December 31, 2023, the City had total bonded debt outstanding of \$50.1 million (excluding \$2.5 million in special assessment debt for which the City has no obligation). Of this amount, \$2.4 million consists of general obligation debt backed by the full faith and credit of the City. The remaining \$47.7 million represents debt issued by the City’s water and water reclamation funds, secured by designated revenue sources of the respective funds.

The following table reflects amounts in thousands of dollars:

**Outstanding Debt as of December 31, 2023 and 2022 (in thousands)**

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
General Obligation Bonds	\$ 2,435	\$ 3,315	\$ -	\$ -	\$ 2,435	\$ 3,315
Revenue Bonds	-	-	47,650	49,685	47,650	49,685
<b>Total</b>	<b>\$ 2,435</b>	<b>\$ 3,315</b>	<b>\$ 47,650</b>	<b>\$ 49,685</b>	<b>\$ 50,085</b>	<b>\$ 53,000</b>

Total bonded debt outstanding decreased \$2.9 million compared to the prior year-end. Additional information on the City’s debt structure is located in Note 6 to the Financial Statements of this report.

## Economic Factors and Next Year’s Budgets

In October 2023, the Lafayette City Council adopted the fiscal year 2024 budget totaling \$134.5 million inclusive of \$87.9 million in operating spending and \$46.6 million in capital outlay. Notably, the 2024 capital budget represents an increase of \$30.0 million when compared to the prior year’s budget reflecting the planned water treatment plant expansion project which is to be financed. General Fund revenues in 2024, including transfers, are expected to total \$46.1 million which trail budgeted expenditures and transfers out of \$49.8 million. As a result, the General Fund is projected to draw \$3.7 million from fund balance to fund one-time capital maintenance and replacement projects at multiple city facilities as well as additional funding within the Fleet Replacement Fund. Year-end unrestricted General Fund balance is projected to total \$17.2 million, nearly 40% higher than the emergency reserve balance of 25% of annual General Fund expenditures. The 2024 budget above reflects the City’s continued record of conservative and strong fiscal management that has proven especially important during times of economic uncertainty. The City maintains a well-resourced organization that is prepared to respond to the needs of residents even in the midst of negative economic pressures. The City does not currently anticipate any significant cash flow or liquidity issues that could affect service delivery.

### Inflationary Pressure

The City continued to experience inflationary pressures across nearly all spending categories in 2023. To mitigate the impacts, the City expanded its procurement program and more intentionally pursued industry best-practices including vendor consolidation, enhanced competitive bidding and more strategic contract negotiation. Additionally, as the City considers large future capital projects, it is monitoring the path of construction costs and interest rates with a goal of balancing design, construction and financing to achieve project delivery in the most fiscally prudent way.

### Moderating Revenue Growth

The City's sales and use tax revenues performed strongly over the last few years leading into 2023. This strong performance was the result of a combination of an extended recovery from the Covid-19 pandemic as well as the adoption of economic nexus and marketplace facilitator code language that drove strong taxable internet sales activity. Revenue growth began to moderate in mid-2023 and this slowdown continued through the end the fiscal year. In anticipation of the continued revenue softness and sticky inflation into 2024 and beyond, the City began embarking on a citywide analysis of its comprehensive fee schedule with the stated intention of aligning it more directly with full cost recovery in light of inflation-driven price pressures.

### Classification and Compensation Study

In late 2022, the City began a study of its employee classification and compensation system. It is industry best practice to conduct such a study every few years to ensure that the organization's compensation philosophy and practices are equitable, sustainable, competitive, and consistent with the organization's vision. This study is slated to be completed in mid-2024 and will inform citywide compensation decisions. It is expected that internal and market-based adjustments may be necessary to ensure that the city remains competitive and attractive to highly qualified applicants. The City will be focusing on ensuring that financial resources are deployed in the most fiscally and sustainable way to meet its stated staffing goals.

### **Contacting the City's Financial Management**

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

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## **Basic Financial Statements**

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**CITY OF LAFAYETTE, COLORADO**  
**STATEMENT OF NET POSITION**  
**December 31, 2023**

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Lafayette Urban Renewal Authority	Base Line Land & Reservoir Company
<b>Assets</b>					
Cash and Investments	\$ 67,813,822	\$ 81,910,728	\$ 149,724,550	\$ 4,909,589	\$ 470,467
Receivables	13,906,054	3,043,317	16,949,371	-	82,187
Due from Primary Government	-	-	-	574,410	-
Interfund Receivables	5,866,892	-	5,866,892	-	-
Prepaid Expenses	1,089,328	1,611	1,090,939	-	-
Inventory	46,560	72,700	119,260	-	-
Restricted Cash and Investments	423,175	13,784,073	14,207,248	-	93,207
Notes Receivable	-	-	-	557,079	-
Equity Interest in Component Unit	-	1,672,659	1,672,659	-	-
Net Pension Asset	28,548	-	28,548	-	-
Capital Assets, Not Being Depreciated	98,973,099	125,156,828	224,129,927	534,511	76,000
Capital Assets, Net of Accumulated Depreciation/Amortization	64,325,981	68,986,359	133,312,340	73,573	1,656,020
<b>Total Assets</b>	<b>252,473,459</b>	<b>294,628,275</b>	<b>547,101,734</b>	<b>6,649,162</b>	<b>2,377,882</b>
<b>Deferred Outflows of Resources</b>					
Loss on Debt Refunding, Net of Accumulated Amortization	57,369	297,105	354,474	-	-
Pensions, Net of Accumulated Amortization	5,065,060	-	5,065,060	-	-
<b>Total Deferred Outflows of Resources</b>	<b>5,122,429</b>	<b>297,105</b>	<b>5,419,534</b>	<b>-</b>	<b>-</b>
<b>Liabilities</b>					
Accounts Payable	3,538,011	6,907,431	10,445,442	81,703	-
Claims Payable	101,372	-	101,372	-	-
Accrued Liabilities	613,931	197,914	811,845	-	17
Deposits Payable	2,714,048	238,727	2,952,775	2,000	-
Interfund Payables	-	6,216,885	6,216,885	-	-
Due to Component Unit	574,410	-	574,410	-	-
Unearned Revenues	4,917,107	-	4,917,107	-	-
Noncurrent Liabilities					
Due Within One Year	3,059,495	2,431,166	5,490,661	-	-
Due in More Than One Year	6,417,721	48,331,362	54,749,083	-	-
Net Pension Liability	1,570,754	-	1,570,754	-	-
<b>Total Liabilities</b>	<b>23,506,849</b>	<b>64,323,485</b>	<b>87,830,334</b>	<b>83,703</b>	<b>17</b>
<b>Deferred Inflows of Resources</b>					
Pensions, Net of Accumulated Amortization	105,650	-	105,650	-	-
Lease Related	2,002,815	572,116	2,574,931	-	-
<b>Total Deferred Inflows of Resources</b>	<b>2,108,465</b>	<b>572,116</b>	<b>2,680,581</b>	<b>-</b>	<b>-</b>
<b>Net Position</b>					
Net Investment in Capital Assets	155,736,304	154,024,670	309,760,974	564,441	-
Restricted for:					
Emergency Reserve	577,593	-	577,593	-	-
Capital Projects	765,538	-	765,538	-	-
Parks, Recreation & Open Space	6,062,058	-	6,062,058	-	-
Donations	98,500	-	98,500	-	-
Urban Renewal Projects	-	-	-	6,001,018	-
Cemetery - Nonexpendable	47,079	-	47,079	-	-
GID Obligations	2,163,669	-	2,163,669	-	-
Minority Interest in Joint Venture	-	-	-	-	705,206
Unrestricted	66,529,833	76,005,109	142,534,942	-	1,672,659
<b>Total Net Position</b>	<b>\$ 231,980,574</b>	<b>\$ 230,029,779</b>	<b>\$ 462,010,353</b>	<b>\$ 6,565,459</b>	<b>\$ 2,377,865</b>

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

**CITY OF LAFAYETTE, COLORADO**  
**STATEMENT OF ACTIVITIES**  
**For the Year Ended December 31, 2023**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Change in Net Position				
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Component Units		
					Governmental Activities	Business-type Activities	Total	Lafayette Urban Renewal Authority	Base Line Land & Reservoir Company
<b>Primary Government</b>									
Governmental Activities									
General Government	\$ 11,502,514	\$ 3,051,494	\$ 5,621,009	\$ -	\$ (2,830,011)	\$ -	\$ (2,830,011)	\$ -	\$ -
Judicial	725,810	43,374	-	-	(682,436)	-	(682,436)	-	-
Public Safety	19,404,131	1,278,599	6,449	-	(18,119,083)	-	(18,119,083)	-	-
Public Works	5,426,644	459,394	1,254,542	1,878,386	(1,834,322)	-	(1,834,322)	-	-
Culture and Recreation	10,896,127	2,167,777	42,294	510,532	(8,175,524)	-	(8,175,524)	-	-
Interest	396,953	-	-	-	(396,953)	-	(396,953)	-	-
<b>Total Governmental Activities</b>	<b>48,352,179</b>	<b>7,000,638</b>	<b>6,924,294</b>	<b>2,388,918</b>	<b>(32,038,329)</b>	<b>-</b>	<b>(32,038,329)</b>	<b>-</b>	<b>-</b>
Business-type Activities									
Water	9,349,830	10,331,899	-	7,902,490	-	8,884,559	8,884,559	-	-
Water Reclamation	5,610,722	6,910,244	-	947,327	-	2,246,849	2,246,849	-	-
Golf Course	3,483,383	3,849,888	-	-	-	366,505	366,505	-	-
Storm Water	1,581,540	2,069,461	-	425,355	-	913,276	913,276	-	-
Waste Management	2,632,025	2,397,596	-	-	-	(234,429)	(234,429)	-	-
<b>Total Business-type Activities</b>	<b>22,657,500</b>	<b>25,559,088</b>	<b>-</b>	<b>9,275,172</b>	<b>-</b>	<b>12,176,760</b>	<b>12,176,760</b>	<b>-</b>	<b>-</b>
<b>Total Primary Government</b>	<b>\$ 71,009,679</b>	<b>\$ 32,559,726</b>	<b>\$ 6,924,294</b>	<b>\$ 11,664,090</b>	<b>(32,038,329)</b>	<b>12,176,760</b>	<b>(19,861,569)</b>	<b>-</b>	<b>-</b>
<b>Component Units</b>									
Lafayette Urban Renewal Authority	\$ 1,032,412	\$ -	\$ -	\$ -	-	-	-	(1,032,412)	-
Base Line Land and Reservoir Company	62,737	149,635	-	-	-	-	-	-	86,897
<b>Total Component Units</b>	<b>\$ 1,095,149</b>	<b>\$ 149,635</b>	<b>\$ -</b>	<b>\$ -</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,032,412)</b>	<b>86,897</b>
<b>General Revenues</b>									
Property and Specific Ownership Taxes					11,610,332	-	11,610,332	739,715	-
General Sales and Use Taxes					27,276,560	-	27,276,560	1,250,294	-
Franchise Taxes					1,396,112	-	1,396,112	-	-
Excise Taxes					565,481	-	565,481	-	-
Grants and Contributions not Restricted to Specific Programs					226,978	-	226,978	-	-
Investment Earnings					3,111,043	4,778,758	7,889,801	59,609	8,964
SBITA Activity					-	17,878	17,878	-	-
Lease Activity					(375,159)	48,775	(326,384)	-	-
Miscellaneous					888,983	210,117	1,099,100	-	-
<b>Transfers In (Out)</b>					<b>(100,000)</b>	<b>100,000</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total General Revenues</b>					<b>44,600,330</b>	<b>5,155,528</b>	<b>49,755,858</b>	<b>2,049,618</b>	<b>8,964</b>
<b>Change in Net Position</b>					<b>12,562,001</b>	<b>17,332,288</b>	<b>29,894,289</b>	<b>1,017,206</b>	<b>95,861</b>
<b>Net Position - January 1</b>					<b>219,418,573</b>	<b>212,697,491</b>	<b>432,116,064</b>	<b>5,548,253</b>	<b>2,282,004</b>
<b>Net Position - December 31</b>					<b>\$ 231,980,574</b>	<b>\$ 230,029,779</b>	<b>\$ 462,010,353</b>	<b>\$ 6,565,459</b>	<b>\$ 2,377,865</b>

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

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**CITY OF LAFAYETTE, COLORADO**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**December 31, 2023**

	General	Capital Projects	Nonmajor Governmental Funds	Total
<b>Assets</b>				
Cash and Investments	\$ 31,567,227	\$ 16,299,556	\$ 14,637,599	\$ 62,504,382
Receivables	5,382,490	2,117,627	6,380,193	13,880,310
Interfund Receivables	7,577,481	-	-	7,577,481
Prepaid Expenses	1,087,739	-	1,589	1,089,328
Inventory	46,560	-	-	46,560
Restricted Cash and Investments	423,175	-	-	423,175
<b>Total Assets</b>	<b>\$ 46,084,672</b>	<b>\$ 18,417,183</b>	<b>\$ 21,019,381</b>	<b>\$ 85,521,236</b>
<b>Liabilities</b>				
Accounts Payable	\$ 2,176,029	\$ 1,429,574	\$ 484,052	\$ 4,089,655
Interfund Payables	-	-	1,710,589	1,710,589
Deposits Payable	2,639,048	-	75,000	2,714,048
Accrued Liabilities	555,490	-	21,211	576,701
Unearned Revenues	100,000	-	-	100,000
<b>Total Liabilities</b>	<b>5,470,567</b>	<b>1,429,574</b>	<b>2,290,852</b>	<b>9,190,993</b>
<b>Deferred Inflows of Resources</b>				
Unavailable Revenue - Leases	2,002,815	-	-	2,002,815
Unavailable Revenue - Special Assessments	5,746	-	-	5,746
Unavailable Revenue - Other	285,829	1,971,026	2,554,506	4,811,361
<b>Total Deferred Inflows of Resources</b>	<b>2,294,390</b>	<b>1,971,026</b>	<b>2,554,506</b>	<b>6,819,922</b>
<b>Fund Balance</b>				
Nonspendable				
Long Term Receivables	1,440,909	-	-	1,440,909
Prepaid Expenses	1,090,940	-	-	1,090,940
Inventory	46,560	-	-	46,560
Cemetery Endowment	-	-	47,079	47,079
Restricted				
Emergency Reserve (TABOR)	577,593	-	-	577,593
GID Obligations	-	-	2,163,669	2,163,669
Capital Projects	365,538	400,000	-	765,538
Donations	98,500	-	-	98,500
Grants	-	-	5,660,244	5,660,244
Parks, Recreation & Open Space	-	-	6,062,058	6,062,058
Public Safety/Health and Human Services	-	-	2,055,257	2,055,257
Committed				
Capital Projects	6,805,464	14,616,583	-	21,422,047
Affordable Housing	1,761,583	-	-	1,761,583
Art & Historic Projects	221,789	-	-	221,789
Debt Service	-	-	185,716	185,716
Unassigned	25,910,839	-	-	25,910,839
<b>Total Fund Balance</b>	<b>38,319,715</b>	<b>15,016,583</b>	<b>16,174,023</b>	<b>69,510,321</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balance</b>	<b>\$ 46,084,672</b>	<b>\$ 18,417,183</b>	<b>\$ 21,019,381</b>	<b>\$ 85,521,236</b>

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

**CITY OF LAFAYETTE, COLORADO**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET**  
**TO THE STATEMENT OF NET POSITION**  
**December 31, 2023**

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

Total Fund Balance of Governmental Funds		\$ 69,510,321
Capital assets utilized in Governmental Activities are not financial resources and, therefore, are not reported in the fund financial statements.		161,186,545
Long-term liabilities and related items are not due and payable in the current period and, therefore, are not reported in the fund financial statements.		
Bonds payable	(4,970,000)	
Unamortized issuance premium	(236,615)	
Unamortized deferred refunding loss	57,369	
Accrued interest payable	(18,692)	
Compensated absences	<u>(809,715)</u>	
Total long-term liabilities and related items		(5,977,653)
Net pension asset is not available to pay for current expenditures and, therefore, is not reported in the funds.		28,548
Net pension liability is not due and payable in the current period and, therefore, is not reported in the funds.		(1,570,754)
Lease activity is not available to pay for current expenditures and, therefore is not reported in the funds.		
Net lease asset	1,523,292	
Accrued interest payable	(12,345)	
Lease liability	<u>(1,574,486)</u>	
Total lease activity		(63,539)
SBITA activity is not available to pay for current expenditures and, therefore is not reported in the funds.		
Net SBITA asset	589,241	
Accrued interest payable	(3,342)	
SBITA liability	<u>(453,579)</u>	
Total SBITA activity		132,320
Deferred outflows of resources related to pensions used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Change in experience	1,609,846	
Changes in assumptions	911,099	
Change in investment earnings	1,759,999	
Change in proportionate share	25,806	
Contributions subsequent to the measurement date	<u>758,310</u>	
Total deferred outflows of resources		5,065,060
Deferred inflows of resources related to pensions used in governmental activities are not due and payable in the current year and, therefore, are not reported in the funds.		
Change in experience	(84,163)	
Change in investment earnings	<u>(21,487)</u>	
Total deferred inflows of resources		(105,650)
Internal service funds are used by management to charge the costs of insurance and employee benefits to individual funds. The assets and liabilities of the internal service funds are included in the governmental activities in the statement of net position.		<u>3,775,376</u>
<b>Total Net Position of Governmental Activities</b>		<b><u>\$ 231,980,574</u></b>

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

**CITY OF LAFAYETTE, COLORADO**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**GOVERNMENTAL FUNDS**  
**For the Year Ended December 31, 2023**

	<b>General</b>	<b>Capital Projects</b>	<b>Other Governmental Funds</b>	<b>Total</b>
<b>Revenues</b>				
Taxes	\$ 33,374,961	\$ -	\$ 7,473,524	\$ 40,848,485
Intergovernmental	338,741	1,928,312	5,774,384	8,041,437
Contributions and Grants	570,582	-	74,148	644,730
Charges for Services	5,816,335	-	-	5,816,335
Licenses and Permits	617,092	-	-	617,092
Fines and Forfeitures	567,212	-	-	567,212
Investment Earnings	1,468,677	707,472	764,992	2,941,141
Leases	(375,159)	-	-	(375,159)
Miscellaneous	666,229	-	12,576	678,805
<b>Total Revenues</b>	<b>43,044,670</b>	<b>2,635,784</b>	<b>14,099,624</b>	<b>59,780,078</b>
<b>Expenditures</b>				
<b>Current</b>				
General Government	14,893,142	11,795	44,816	14,949,753
Judicial	724,456	-	-	724,456
Public Safety	15,963,368	-	2,102,140	18,065,508
Public Works	3,031,265	-	-	3,031,265
Culture and Recreation	6,808,270	-	2,553,195	9,361,465
<b>Capital Outlay</b>	<b>1,107,572</b>	<b>8,525,751</b>	<b>1,358,729</b>	<b>10,992,052</b>
<b>Debt Service</b>				
Principal	-	-	1,075,000	1,075,000
Interest on Bonded Debt	-	-	313,600	313,600
Interfund Loan Interest	-	-	43,832	43,832
Bond Trustee Fees	-	-	983	983
<b>Total Expenditures</b>	<b>42,528,073</b>	<b>8,537,546</b>	<b>7,492,295</b>	<b>58,557,914</b>
<b>Excess (Deficiency) of Revenues over Expenditures</b>	<b>516,597</b>	<b>(5,901,762)</b>	<b>6,607,329</b>	<b>1,222,164</b>
<b>Other Financing Sources (Uses)</b>				
Proceeds from Insurance Claims	-	-	121,050	121,050
Transfers In	-	5,234,670	314,493	5,549,163
Transfers Out	(5,334,670)	-	(314,493)	(5,649,163)
<b>Total Other Financing Sources (Uses)</b>	<b>(5,334,670)</b>	<b>5,234,670</b>	<b>121,050</b>	<b>21,050</b>
<b>Net Change in Fund Balance</b>	<b>(4,818,073)</b>	<b>(667,092)</b>	<b>6,728,379</b>	<b>1,243,214</b>
<b>Fund Balance, January 1</b>	<b>43,137,788</b>	<b>15,683,675</b>	<b>9,445,644</b>	<b>68,267,107</b>
<b>Fund Balance, December 31</b>	<b>\$ 38,319,715</b>	<b>\$ 15,016,583</b>	<b>\$ 16,174,023</b>	<b>\$ 69,510,321</b>

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

**CITY OF LAFAYETTE, COLORADO**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND**  
**BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**  
**For the Year Ended December 31, 2023**

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

Net Change in Fund Balances - Governmental Funds		\$ 1,243,214
Governmental Funds report capital outlays as expenditures. However, in the Statement of Activities the cost of these assets is allocated over their estimated useful lives and reported as depreciation and amortization expense.		
Capital outlays	11,048,346	
Developer dedications	848,722	
Depreciation and amortization expense	<u>(5,559,264)</u>	
Excess of capital outlays over depreciation and amortization		6,337,804
Governmental Funds report principal payments as expenditures. However, in the Statement of Activities these payments are reflected as a reduction in long-term debt obligations.		1,075,000
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the Governmental Funds.		
Net book value of disposed capital assets	(46,954)	
Change in accrued interest payable	2,283	
Change in accrued compensated absences	(55,616)	
Amortization of bond premiums and deferred refunding losses	66,390	
Pension expense	(1,250,558)	
Lease expense	196,672	
Subscription expense	574,531	
Employer contribution expense	<u>758,310</u>	
Total expenses not requiring current resources		245,058
The internal services funds are used by management to charge the costs of insurance and employee benefits to individual funds. The net revenue of the internal service funds is included in governmental activities in the statement of activities.		<u>3,660,925</u>
<b>Change in Net Position of Governmental Activities</b>		<b><u>\$ 12,562,001</u></b>

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

**CITY OF LAFAYETTE, COLORADO**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**December 31, 2023**

	<b>Water Utility</b>	<b>Water Reclamation Utility</b>	<b>Golf Course (a nonmajor fund)</b>	<b>Storm Water (a nonmajor fund)</b>	<b>Waste Management (a nonmajor fund)</b>	<b>Total Enterprise Funds</b>	<b>Governmental Activities - Internal Service Funds</b>
<b>Assets</b>							
<b>Current Assets</b>							
Cash and Investments	\$ 41,470,683	\$ 31,781,169	\$ 1,297,721	\$ 7,361,155	\$ -	\$ 81,910,728	\$ 5,342,581
Receivables	1,619,866	828,465	5,594	246,038	343,354	3,043,317	25,738
Prepaid Expenses	-	290	1,321	-	-	1,611	-
Inventory	-	-	72,700	-	-	72,700	-
Restricted Cash and Investments	1,362,000	12,422,073	-	-	-	13,784,073	-
<b>Total Current Assets</b>	<b>44,452,549</b>	<b>45,031,997</b>	<b>1,377,336</b>	<b>7,607,193</b>	<b>343,354</b>	<b>98,812,429</b>	<b>5,368,319</b>
<b>Noncurrent Assets</b>							
Equity Interest in Component Unit	1,672,659	-	-	-	-	1,672,659	-
Capital Assets, Not Being Depreciated	83,647,441	39,729,697	1,300,000	479,690	-	125,156,828	-
Capital Assets, Net of Accumulated Depreciation/Amortization	37,802,038	20,767,669	3,685,094	6,731,558	-	68,986,359	2,427,832
<b>Total Noncurrent Assets</b>	<b>123,122,138</b>	<b>60,497,366</b>	<b>4,985,094</b>	<b>7,211,248</b>	<b>-</b>	<b>195,815,846</b>	<b>2,427,832</b>
<b>Total Assets</b>	<b>167,574,687</b>	<b>105,529,363</b>	<b>6,362,430</b>	<b>14,818,441</b>	<b>343,354</b>	<b>294,628,275</b>	<b>7,796,151</b>
<b>Deferred Outflows of Resources</b>							
Unamortized Charges on Debt Refunding	297,105	-	-	-	-	297,105	-
<b>Liabilities</b>							
<b>Current Liabilities</b>							
Accounts Payable	3,557,311	3,078,580	49,106	122,377	100,057	6,907,431	55,907
Claims Payable	-	-	-	-	-	-	101,372
Accrued Liabilities	34,168	23,511	18,558	6,061	-	82,298	30,544
Accrued Interest Payable	19,244	96,367	-	5	-	115,616	-
Deposits Payable	123,727	-	115,000	-	-	238,727	-
Interfund Payables	-	5,866,892	-	-	349,993	6,216,885	-
Compensated Absences - Current Portion	138,792	93,069	61,688	19,751	-	313,300	1,176,994
Long-Term Debt - Current Portion	1,137,205	980,662	-	-	-	2,117,866	-
<b>Total Current Liabilities</b>	<b>5,010,447</b>	<b>10,139,081</b>	<b>244,352</b>	<b>148,194</b>	<b>450,050</b>	<b>15,992,123</b>	<b>1,364,817</b>
<b>Noncurrent Liabilities</b>							
Compensated Absences - Noncurrent Portion	71,915	61,215	42,407	9,929	-	185,466	-
Long-Term Debt - Noncurrent Portion	4,199,852	43,945,537	-	508	-	48,145,896	228,126
<b>Total Noncurrent Liabilities</b>	<b>4,271,767</b>	<b>44,006,752</b>	<b>42,407</b>	<b>10,437</b>	<b>-</b>	<b>48,331,362</b>	<b>228,126</b>
<b>Total Liabilities</b>	<b>9,282,213</b>	<b>54,145,832</b>	<b>286,759</b>	<b>158,631</b>	<b>450,050</b>	<b>64,323,485</b>	<b>1,592,943</b>
<b>Deferred Outflows of Resources</b>							
Lease Related	572,116	-	-	-	-	572,116	-
<b>Net Position</b>							
Net Investment in Capital Assets	115,470,537	26,358,299	4,985,094	7,210,740	-	154,024,670	2,427,832
Unrestricted	42,546,926	25,025,232	1,090,577	7,449,070	(106,696)	76,005,109	3,775,376
<b>Total Net Position</b>	<b>\$ 158,017,463</b>	<b>\$ 51,383,531</b>	<b>\$ 6,075,671</b>	<b>\$ 14,659,810</b>	<b>\$ (106,696)</b>	<b>\$ 230,029,779</b>	<b>\$ 6,203,208</b>

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

**CITY OF LAFAYETTE, COLORADO**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION**  
**PROPRIETARY FUNDS**  
**For the Year Ended December 31, 2023**

	<b>Water</b>	<b>Water</b>	<b>Golf</b>	<b>Storm</b>	<b>Waste</b>	<b>Total</b>	<b>Governmental</b>
	<b>Utility</b>	<b>Reclamation</b>	<b>Course</b>	<b>Water</b>	<b>Management</b>	<b>Enterprise</b>	<b>Activities -</b>
		<b>Utility</b>	<b>(a nonmajor fund)</b>	<b>(a nonmajor fund)</b>	<b>(a nonmajor fund)</b>	<b>Funds</b>	<b>Internal</b>
							<b>Service Funds</b>
<b>Operating Revenues</b>							
Charges for Services	\$ 10,331,899	\$ 6,910,244	\$ 3,849,888	\$ 2,069,461	\$ 2,397,596	\$ 25,559,088	\$ 9,431,632
Miscellaneous	44,046	31	65,810	120	250	110,257	56,724
<b>Total Operating Revenues</b>	<b>10,375,945</b>	<b>6,910,275</b>	<b>3,915,698</b>	<b>2,069,581</b>	<b>2,397,846</b>	<b>25,669,345</b>	<b>9,488,356</b>
<b>Operating Expenses</b>							
Personnel	2,129,346	1,355,614	1,626,870	243,050	-	5,354,880	168,502
Operations	4,353,006	1,815,864	1,517,065	703,618	2,632,025	11,021,578	34,565
Premiums and Claims Paid	-	-	-	-	-	-	5,388,722
Depreciation/Amortization	2,670,008	1,324,106	339,448	634,872	-	4,968,434	405,536
<b>Total Operating Expenses</b>	<b>9,152,360</b>	<b>4,495,584</b>	<b>3,483,383</b>	<b>1,581,540</b>	<b>2,632,025</b>	<b>21,344,892</b>	<b>5,997,325</b>
<b>Operating Income</b>	<b>1,223,585</b>	<b>2,414,691</b>	<b>432,315</b>	<b>488,041</b>	<b>(234,179)</b>	<b>4,324,453</b>	<b>3,491,031</b>
<b>Nonoperating Revenues (Expenses)</b>							
Investment Earnings	1,694,602	2,705,413	72,803	305,507	433	4,778,758	169,894
Interest Expense	(197,136)	(1,114,808)	-	-	-	(1,311,944)	-
Lease Activity	48,775	-	-	-	-	48,775	-
SBITA Activity	16,608	851	419	-	-	17,878	-
Bond Trustee Fees	(334)	(330)	-	-	-	(664)	-
Gain on Disposal of Capital Assets	25,450	2,250	4,570	175	-	32,445	-
Income from Equity Interest in Component Unit	67,415	-	-	-	-	67,415	-
<b>Total Nonoperating Revenues (Expenses)</b>	<b>1,655,380</b>	<b>1,593,376</b>	<b>77,792</b>	<b>305,682</b>	<b>433</b>	<b>3,632,663</b>	<b>169,894</b>
<b>Income Before Contributions and Transfers</b>	<b>2,878,965</b>	<b>4,008,067</b>	<b>510,107</b>	<b>793,723</b>	<b>(233,746)</b>	<b>7,957,116</b>	<b>3,660,925</b>
<b>Capital Contributions and Transfers</b>							
Tap and Development Fees	1,192,548	777,009	-	306,644	-	2,276,201	-
Payments in Lieu of Water	6,540,151	-	-	-	-	6,540,151	-
Developer Dedications	169,791	170,318	-	118,711	-	458,820	-
Transfers In	-	-	-	-	100,000	100,000	-
<b>Total Capital Contributions and Transfers</b>	<b>7,902,490</b>	<b>947,327</b>	<b>-</b>	<b>425,355</b>	<b>100,000</b>	<b>9,375,172</b>	<b>-</b>
<b>Change in Net Position</b>	<b>10,781,455</b>	<b>4,955,394</b>	<b>510,107</b>	<b>1,219,078</b>	<b>(133,746)</b>	<b>17,332,288</b>	<b>3,660,925</b>
<b>Total Net Position, January 1</b>	<b>147,236,008</b>	<b>46,428,137</b>	<b>5,565,564</b>	<b>13,440,732</b>	<b>27,050</b>	<b>212,697,491</b>	<b>2,542,283</b>
<b>Total Net Position, December 31</b>	<b>\$ 158,017,463</b>	<b>\$ 51,383,531</b>	<b>\$ 6,075,671</b>	<b>\$ 14,659,810</b>	<b>\$ (106,696)</b>	<b>\$ 230,029,779</b>	<b>\$ 6,203,208</b>

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

**CITY OF LAFAYETTE, COLORADO**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**For the Year Ended December 31, 2023**

	<b>Water Utility</b>	<b>Water Reclamation Utility</b>	<b>Golf Course (a nonmajor fund)</b>	<b>Storm Water (a nonmajor fund)</b>	<b>Waste Management (a nonmajor fund)</b>	<b>Total Enterprise Funds</b>	<b>Governmental Activities - Internal Service Funds</b>
<b>Cash Flows From Operating Activities</b>							
Receipts for Services Provided	\$ 10,361,337	\$ 6,272,169	\$ 3,851,290	\$ 2,069,394	\$ 2,054,242	\$ 24,608,431	\$ -
Receipts for Interfund Services Provided	-	-	-	-	-	-	9,346,629
Receipts from Employees	-	-	-	-	-	-	80,784
Miscellaneous Receipts	44,046	31	65,810	120	250	110,257	56,724
Payments to Vendors and Suppliers	(2,326,852)	5,793,086	(1,156,907)	(518,607)	(2,470,167)	(679,448)	(5,661,873)
Payments to Employees	(1,797,552)	(1,118,794)	(1,626,871)	(243,051)	-	(4,786,268)	2,851
Payments for Interfund Services Used	(1,579,955)	(661,502)	(483,264)	(134,361)	(61,800)	(2,920,882)	-
<b>Net Cash Provided by Operating Activities</b>	<b>4,701,024</b>	<b>10,284,989</b>	<b>650,057</b>	<b>1,173,494</b>	<b>(477,475)</b>	<b>16,332,090</b>	<b>3,825,115</b>
<b>Cash Flows from Noncapital Financing Activities</b>							
Operating Grants Received	-	-	-	-	-	-	-
Transfers In From Other Funds	-	-	-	-	100,000	100,000	-
Transfers Out to Other Funds	-	-	-	-	-	-	-
Advance from Other Funds	-	-	-	-	349,993	349,993	-
<b>Net Cash Provided by Noncapital Financing Activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>449,993</b>	<b>449,993</b>	<b>-</b>
<b>Cash Flows from Capital and Related Financing Activities</b>							
Tap and Development Fees	1,089,942	1,394,697	-	306,644	-	2,791,283	-
Payments in Lieu of Water	5,977,324	-	-	-	-	5,977,324	-
Acquisition and Construction of Capital Assets	(5,205,363)	(22,660,234)	(1,596,020)	(391,845)	-	(29,853,462)	(2,427,832)
Receipts from Capital Debt Issuance	-	-	-	-	-	-	-
Proceeds from Sale of Assets	25,450	2,250	4,570	-	-	32,270	-
Insurance Proceeds	-	-	-	-	-	-	-
Bond Fees Paid	(334)	-	-	-	-	(334)	-
Principal Paid on Long-Term Debt	(1,095,000)	(940,000)	-	-	-	(2,035,000)	-
Interest Paid on Long-Term Debt	(263,250)	(1,193,888)	-	-	-	(1,457,138)	-
<b>Net Cash Provided by (Used by) Capital and Related Financing Activities</b>	<b>528,769</b>	<b>(23,397,175)</b>	<b>(1,591,450)</b>	<b>(85,201)</b>	<b>-</b>	<b>(24,545,057)</b>	<b>(2,427,832)</b>
<b>Cash Flows from Investing Activities</b>							
Investment Income Received	683,573	1,756,735	69,091	254,777	433	2,764,610	84,104
<b>Net Cash Provided by Investing Activities</b>	<b>683,573</b>	<b>1,756,735</b>	<b>69,091</b>	<b>254,777</b>	<b>433</b>	<b>2,764,610</b>	<b>84,104</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>5,913,366</b>	<b>(11,355,451)</b>	<b>(872,301)</b>	<b>1,343,071</b>	<b>(27,049)</b>	<b>(4,998,364)</b>	<b>1,481,387</b>
<b>Cash and Cash Equivalents, January 1</b>	<b>10,047,828</b>	<b>62,843,587</b>	<b>1,329,841</b>	<b>3,399,144</b>	<b>(58,786)</b>	<b>77,561,614</b>	<b>1,270,602</b>
<b>Cash and Cash Equivalents, December 31</b>	<b>\$ 15,961,194</b>	<b>\$ 51,488,136</b>	<b>\$ 457,540</b>	<b>\$ 4,742,215</b>	<b>\$ (85,835)</b>	<b>\$ 72,563,250</b>	<b>\$ 2,751,989</b>

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

**PROPRIETARY FUNDS – STATEMENT OF CASH FLOWS (continued)**  
**For the Year Ended December 31, 2023**

	<b>Water Utility</b>	<b>Water Reclamation Utility</b>	<b>Golf Course (a nonmajor fund)</b>	<b>Storm Water (a nonmajor fund)</b>	<b>Waste Management (a nonmajor fund)</b>	<b>Total Enterprise Funds</b>	<b>Governmental Activities - Internal Service Funds</b>
<b>Reconciliation of Operating Income to Net Cash Provided by Operating Activities</b>							
Operating Income	\$ 1,223,585	\$ 2,414,691	\$ 432,315	\$ 488,041	\$ (234,179)	\$ 4,324,453	\$ 3,491,031
Adjustments to reconcile Operating Income to Net Cash Provided by Operating Activities:							
Depreciation Expense	2,670,008	1,324,106	339,448	634,872	-	4,968,434	-
Changes in Assets and Liabilities							
Receivables	643	(638,075)	(330)	(67)	(343,354)	(981,184)	(4,219)
Prepaid Expenses	-	(290)	(1,321)	-	-	(1,611)	-
Inventory	-	-	(20,420)	-	-	(20,420)	-
Accounts Payable	732,862	7,147,169	(102,949)	41,113	100,058	7,918,252	(40,734)
Claims Payable	-	-	-	-	-	-	25,498
Accrued Liabilities	6,570	8,070	4,948	2,821	-	22,410	2,851
Deposits Payable	28,796	-	1,732	-	-	30,527	-
Compensated Absences	38,561	29,318	(3,364)	6,714	-	71,229	350,688
Total Adjustments	3,477,439	7,870,298	217,742	685,453	(243,296)	12,007,637	334,084
<b>Net Cash Provided by Operating Activities</b>	<b>\$ 4,701,024</b>	<b>\$ 10,284,989</b>	<b>\$ 650,057</b>	<b>\$ 1,173,494</b>	<b>\$ (477,475)</b>	<b>\$ 16,332,090</b>	<b>\$ 3,825,115</b>
<b>Schedule of Non-cash Activities</b>							
Gain on Sale of Capital Assets	\$ 25,450	\$ 2,250	\$ 4,570	\$ 175	\$ -	\$ 32,445	\$ -
Capital Contributions - Developer Dedications	169,791	170,318	-	118,711	-	458,820	-
Capital Contributions - Transfer from General Fund	-	-	-	-	-	-	-
Equity Investment in Component Unit	67,415	-	-	-	-	67,415	-
	<b>\$ 262,656</b>	<b>\$ 172,568</b>	<b>\$ 4,570</b>	<b>\$ 118,886</b>	<b>\$ -</b>	<b>\$ 558,680</b>	<b>\$ -</b>
<b>Reconciliation of Cash and Cash Equivalents to Statement of Net Position:</b>							
Unrestricted cash and cash equivalents	\$ 14,599,194	\$ 39,066,063	\$ 457,540	\$ 4,742,215	\$ (85,835)	\$ 58,779,177	\$ 2,751,989
Restricted cash and cash equivalents	1,362,000	12,422,073	-	-	-	13,784,073	-
Unrestricted investments	26,871,489	(7,284,894)	840,181	2,618,940	85,835	23,131,551	2,590,592
<b>Total Cash and Investments</b>	<b>\$ 42,832,683</b>	<b>\$ 44,203,242</b>	<b>\$ 1,297,721</b>	<b>\$ 7,361,155</b>	<b>\$ -</b>	<b>\$ 95,694,801</b>	<b>\$ 5,342,581</b>

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

**CITY OF LAFAYETTE, COLORADO**  
**STATEMENT OF NET POSITION**  
**FIDUCIARY FUNDS**  
**December 31, 2023**

	<u>Custodial</u>
<b>Assets</b>	
Cash and Investments	\$ 33,141
<b>Total Assets</b>	<u>33,141</u>
<b>Liabilities</b>	
Taxes due to other governments	\$ 33,141
<b>Total Liabilities</b>	<u>33,141</u>
<b>Net Position</b>	
Restricted - Funds Held for Others	-
<b>Total Net Position</b>	<u>\$ -</u>

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

**CITY OF LAFAYETTE, COLORADO**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**For the Year Ended December 31, 2023**

	<b>Custodial</b>
<b>Additions</b>	
Taxes collected for other governments	\$ 328,915
<b>Total Additions</b>	328,915
<b>Deductions</b>	
Taxes disbursed to other governments	328,915
<b>Total Deductions</b>	328,915
<b>Net increase (decrease) in fiduciary net position</b>	-
<b>Total Net Position, January 1</b>	-
<b>Total Net Position, December 31</b>	\$ -

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

## **Notes to the Financial Statements**

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**City of Lafayette, Colorado**  
**Notes to the Financial Statements**  
**As of and for the year ended December 31, 2023**

**Note 1. Summary of Significant Accounting Policies**

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

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

**A. Reporting Entity**

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

*Blended Component Units*

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

*Discretely Presented Component Units*

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

Lafayette Urban Renewal Authority (LURA) was separated from the City in 2012 and was established as a legally separate entity with a separate board appointed by the Mayor. The purpose of LURA is to revitalize the downtown area of Lafayette. Funding for LURA comes from tax-increment financing in addition to a portion of sales taxes collected from the business

**City of Lafayette, Colorado**  
**Notes to the Financial Statements**  
**As of and for the year ended December 31, 2023**

members within the urban renewal district. LURA does not issue separate financial statements. As there would be no difference between full and modified accrual statements for LURA, based on the entity's activities, additional financial statements are not presented in this report.

Base Line Land and Reservoir Company is a non-profit corporation and is responsible for the management of the Base Line Reservoir. It is managed by a five-member board of which four members are appointed by the City which allows the City to impose its will on the Company. The City owns 70% of the company and its constituents receive a direct benefit of the services the company provides. The City's ownership in this entity is intended to support the provision of governmental services (providing water to residents) and is not considered an investment. The financial statements are prepared on the accrual basis of accounting and are in conformity with FASB ASC 958-205, Not-for-Profit Entities, Presentation of Financial Statements. The Company reports as of November 30, which is the close of their fiscal year. The Company does not issue separate financial statements.

**B. Government-wide and Fund Financial Statements**

The government-wide financial statements, consisting of the Statement of Net Position and the Statement of Activities, report information on all activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Additionally, Fiduciary Activities are not included in the government-wide financial statements. Governmental Activities, which are normally supported by taxes and intergovernmental revenues, are reported separately from Business-Type Activities, which rely to a significant extent on fees and charges for support. The primary government is reported separately from the legally separate component units for which the City is financially accountable.

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

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

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

**City of Lafayette, Colorado**  
**Notes to the Financial Statements**  
**As of and for the year ended December 31, 2023**

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

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

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

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

The City reports the following major governmental funds:

- The *General Fund* is the City's primary operating fund. It accounts for all financial resources of the general government, except those accounted for in another fund.
- The *Capital Projects Fund* is a capital projects fund that accounts for capital improvements financed through dedicated road taxes and fees as well as transfers from the General Fund.

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

The City reports the following major proprietary funds:

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

**City of Lafayette, Colorado**  
**Notes to the Financial Statements**  
**As of and for the year ended December 31, 2023**

Additionally, the City reports the following fund types:

- Internal Service Funds are used to account for the financing of goods or services provided by one department to other departments of the City on a cost reimbursement basis. These funds are used to account for the operations of the Employee Benefit Fund, the Fleet Management Fund, and the Insurance Fund, which are administered by the City.
- The Custodial Fund is fiduciary in nature and is accounted for using the accrual basis of accounting. This fund is used to account for assets that the City holds for others in a fiduciary capacity (e.g. taxes collected for the benefit of other governments).
- Permanent Funds are used to account for permanent endowments that must remain intact. The City's Cemetery Endowment Fund accounts for an endowment that supports the operations of the City's cemeteries.

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

#### **D. Cash Equivalents and Investments**

The City considers cash deposits and highly liquid investments (including restricted assets) with a maturity of three months or less when purchased, to be cash equivalents.

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

#### **E. Interfund Receivables and Payables**

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

#### **F. Property Taxes Receivable**

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

**City of Lafayette, Colorado**  
**Notes to the Financial Statements**  
**As of and for the year ended December 31, 2023**

the Boulder County Treasurer on behalf of the City. A 1% collection fee is retained by the County as compensation for collecting the taxes.

Historically, the City property taxes which are due to be paid in the next period and representing an enforceable lien on January 1<sup>st</sup> of the next year, have been recorded as a receivable and deferred inflow of resources in the appropriate funds. As a result of Colorado Senate Bill 23B-001, mill levy certification deadlines temporarily changed from December 15, 2023, to January 10, 2024. Because the City's mill levy was not certified until January 2, 2024, City property taxes were not an enforceable lien on January 1, 2024. Therefore, no receivable or deferred inflow of resources have been recorded on December 31, 2023.

**G. Prepaid Expenses**

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

**H. Inventory**

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

**I. Capital Assets**

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

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

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

**City of Lafayette, Colorado**  
**Notes to the Financial Statements**  
**As of and for the year ended December 31, 2023**

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

Buildings	50 years
Improvements other than buildings	10 - 25 years
Equipment	5 - 10 years
Water and water reclamation systems	50 years
Infrastructure	30 - 50 years
Right to use lease assets	5 - 50 years
Subscription assets	2 – 5 years

**J. Long-term Obligations**

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

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

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

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

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

**City of Lafayette, Colorado**  
**Notes to the Financial Statements**  
**As of and for the year ended December 31, 2023**

**K. Compensated Absences**

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

**L. Pensions**

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

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

**M. Postemployment Benefits Other Than Pensions (OPEB)**

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

**N. Fund Balance/Net Position**

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

**City of Lafayette, Colorado**  
**Notes to the Financial Statements**  
**As of and for the year ended December 31, 2023**

*Nonspendable Fund Balance*

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

*Restricted Fund Balance*

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

*Committed Fund Balance*

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

*Assigned Fund Balance*

Assigned fund balances occur on the intention, as opposed to formal action, of a specific use. The authority to assign fund balances has been delegated by City Council to the City Administrator up to an amount of \$100,000. A report is made to Council as to the actions taken. Assignment of fund balances in excess of \$100,000 shall be approved by Council as a resolution before the end of the year the assignment is to be effective. The assigned fund balance classification also represents residual fund balances in governmental funds that, by residing in the funds are assigned to the purpose of those funds.

All of the above classifications will not apply to every governmental fund. Each classification depicts the net resources that are reported in each fund.

*Unassigned Fund Balance*

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

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

For 2023, the General Fund reserve requirement of 25% of budgeted expenditures requires a minimum reserve of \$13,865,274. As of December 31, 2023, the amount restricted for the TABOR reserve was \$577,593 and the unassigned fund balance reported in the General Fund was \$25,910,839, exceeding the minimum reserve required.

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

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

The City does not have an accounting policy regarding which resources (restricted, committed, assigned, or unassigned) are considered to be spent first for which more than one resource classification is available and by default has determined restricted amounts to be reduced first, followed by committed amounts, then assigned amounts, and then unassigned amounts.

**O. Special Assessments**

Special assessments are recognized in governmental funds as revenue in the year that the assessments become available. This results in recognizing revenue only in the amount of assessment installments as they are collected. The remaining assessed but uncollected installments are recorded as unavailable revenue. Collection of delinquent interest is recorded as revenue when received.

**P. Deferred Outflows and Inflows of Resources**

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

In addition to liabilities, the statement of net position has a separate section for deferred inflows of resources. Deferred inflows represent an acquisition of net assets that applies to a future period(s) and so are not recognized as revenue in the current year, but will be in a future year. The City has items that qualify for reporting in this category relating to leases and changes in the net pension asset or liability not included in pension expense. The deferred inflow of resources for leases is recorded at the initiation of the lease in an amount equal to the initial recording of the lease receivable. The deferred inflow of resources is amortized over the term of the lease.

**Q. Expenditures Over Budget**

For the year-ended December 31, 2023, total expenditures (including interfund transfers out) exceeded appropriations in the Public Safety Fund by \$24,217, in the Cemetery Endowment

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Fund by \$965, and in the Waste Management Fund by \$68,109. This may be a violation of Colorado State Statutes.

**R. Abatements**

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

All incentives are performance-based. Performance-based means that before any monies are disbursed, the business/developer shall meet or exceed the performance measures as identified by the EDA. Specific performance measures can include: (a) applying for, receiving, and paying for a building permit in compliance with the EDA (in regards to square footage of the building and/or valuation); (b) relocating a business from another community/State to the City; (c) removal of blight by demolition and rebuilding subject to (a) above; (d) investment in a building subject to (a) above; or (e) increase in the sales tax collections of the property, subject to the EDA. Incentive packages vary and may include rebates of permit fees, use tax, or sales tax. Rebates of sales tax are only considered for new tax-generating businesses or existing businesses making substantial investments (e.g., in building improvements which would have a correlation with increased sales tax collections). Building permit fee and use tax rebates are only considered for substantial investments in building improvements and/or equipment. All EDAs are subject to annual appropriation by City Council as required in the Colorado Constitution and the City Charter. As of December 31, 2023, the City had four active incentive agreements in place. During 2023, the City incurred \$472,635 in tax abatements.

**S. Implementation of GASB Statement No. 96**

The City implemented Governmental Accounting Standards Board (GASB) Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITA)*. The implementation of this standard establishes a single model for SBITA accounting based on the foundational principle that SBITA result in a right-to-use subscription asset. Under this standard, a lessee is required to recognize a subscription liability and an intangible right-to-use asset. These changes were incorporated into the City's 2023 financial statements, see Note 13 for additional information. The implementation of GASB Statement No. 96 had no effect on net position as reported December 31, 2022.

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**Note 2. Cash Deposits and Investments**

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

Deposits and investments at December 31, 2023, are summarized below:

Unrestricted cash and investments	\$ 149,724,550
Restricted cash and investments	<u>14,207,248</u>
Total	<u><u>\$ 163,931,798</u></u>

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

Bank checking accounts	\$ 8,717,247
Investments	155,212,169
Cash on hand	<u>2,382</u>
Total	<u><u>\$ 163,931,798</u></u>

**A. Deposits**

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. State regulators determine eligibility. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool for all the uninsured public deposits as a group is to be maintained by another institution or held in trust. The market value of the collateral must be at least equal to 102% of the aggregate uninsured deposits. At December 31, 2023, the City had uninsured bank deposits of \$10,612,585 collateralized by the financial institutions' agents but not in the City's name.

**B. Investments**

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

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

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On December 31, 2023, the City had the following investments:

Investment Type	Measurement	Rating			Value	Investment Maturities		% of Total
		Moody's	S&P	Fitch		Less than 1 Year	1 to 5 Years	
U.S. Treasury Notes	Fair Value - Level 1	Aaa	AA+	n/a	\$ 36,182,301	\$ 8,828,652	\$ 27,353,649	23%
Federal Farm Credit Bank	Fair Value - Level 2	Aaa	AA+	n/a	9,063,809	1,589,701	7,474,108	6%
Federal Home Loan Bank	Fair Value - Level 2	Aaa	AA+	n/a	12,065,184	4,243,610	7,821,574	8%
Federal Home Loan Mortgage Corp.	Fair Value - Level 2	Aaa	AA+	n/a	8,604,604	4,006,319	4,598,285	6%
Federal National Mortgage Association	Fair Value - Level 2	Aaa	AA+	n/a	7,287,678	2,606,444	4,681,234	5%
U.S. Corporate Notes	Fair Value - Level 2	Aa3	AA-	n/a	2,614,608	-	2,614,608	2%
Municipal Securities	Fair Value - Level 2	Aa1/Aaa	AA+/AAA	n/a	2,022,585	2,022,585	-	1%
Mutual Fund	Fair Value - Level 2	n/a	n/a	n/a	57,637	57,637	-	0%
COLOTRUST PLUS+	Net Asset Value	n/a	AAAm	n/a	18,718,735	18,718,735	-	12%
CSAFE - Cash Fund	Amortized Cost	n/a	n/a	AAAmf	1,721,314	1,721,314	-	1%
CSAFE - Core Fund	Amortized Cost	n/a	n/a	AAAf/S1	54,581,906	54,581,906	-	35%
CSIP Liquid Portfolio	Amortized Cost	n/a	AAAm	n/a	2,202,847	2,202,847	-	1%
Money Market	Net Asset Value	Aaa-mf	AAAm	n/a	88,961	88,961	-	0%
<b>Total value</b>					<b>\$ 155,212,169</b>	<b>\$ 100,668,711</b>	<b>\$ 54,543,458</b>	<b>100%</b>

*Fair Value* – Investments are measured at fair value in accordance with GASB Statement No. 72. Fair value is defined as the amount for which an investment could be sold in an orderly transaction between market participants at the measurement date in the principal or most advantageous market of the investment. This Statement established a three-tier, hierarchical disclosure framework which prioritizes and ranks the level of market price observability used in measuring fair value. The hierarchy is based on the valuation of inputs used to measure the fair value of the investment and gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). Inputs include, but are not limited to, yield curves, interest rates, volatilities, prepayments, defaults, cumulative loss projections and cash flows. The categorization of investments within the hierarchy is based upon the pricing transparency of the instrument and should not be perceived as the particular investment’s risk. The three-tier framework is summarized as follows:

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

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

Level 3 - Unobservable inputs for an asset or liability.

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

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

*Custodial Credit Risk* - The City's custodial credit risk policy also follows State statutes. On December 31, 2023, the City had investments held by Principal Custody Solutions in a custodial safekeeping account in the amount of \$77,840,769. All investments are specifically separate from the investments of the custodian and are identified as being investments of the City.

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

*Local Government Investment Pools* - At December 31, 2023, the City had invested \$77,224,802 in the Colorado Local Government Liquid Asset Trust (COLOTRUST), the Colorado Surplus Asset Fund Trust (CSAFE), and the Colorado Statewide Investment Program (CSIP). The Trusts are investment vehicles established by State statutes for local government entities in Colorado to pool surplus funds for investment purposes. The Colorado Division of Securities administers and enforces the requirements of creating and operating the Trusts. The Trusts operate in conformity with the Securities and Exchange Commission's Rule 2a-7, with each share valued at \$1. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. The custodian's internal records identify investments owned by the participating governments.

**C. Component Units**

At December 31, 2023, LURA had a cash balance totaling \$2,143,883. The uninsured portion of the bank deposits of \$1,893,883 was collateralized by the financial institution's agent but not in LURA's name. In addition, LURA had \$2,765,706 invested in COLOTRUST.

At December 31, 2023, Base Line Land & Reservoir Company had a cash balance of \$563,674 comprised of \$470,467 in unrestricted cash and \$93,207 in restricted cash.

**City of Lafayette, Colorado**  
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**Note 3. Restricted Cash and Investments**

In summary, restricted cash and investments at December 31, 2023, were as follows:

	<b>Balance at 12/31/2023</b>
<b>Governmental Activities</b>	
General Fund - Northwest Parkway	\$ 365,538
General Fund - Cemetery Endowment Trust Account	57,637
Total Governmental Activities	\$ 423,175
<b>Business-Type Activities</b>	
Water Utility Fund - Debt Reserve	\$ 1,362,000
Water Reclamation Fund - Bond Proceeds	12,422,073
Total Business-Type Activities	\$ 13,784,073
<b>Component Units</b>	
Base Line Land & Reservoir Company	\$ 93,207

**A. Governmental Activities**

During July 2001, the City received \$1,000,000 from the Northwest Parkway Public Highway Authority for capital projects and conservation easement acquisitions related to the Northwest Parkway Project. In 2003 utility lines and sleeves were installed during construction of the Parkway at a cost of \$177,196. During 2004, \$650,000 was committed for construction of White Tail Park in South Pointe, although only \$450,124 was spent on the park. An additional \$7,142 was spent in 2017 on fencing improvements. At December 31, 2023, the balance is \$365,538.

In July 2022, the City received the second half of its total \$7.7 million American Rescue Plan Act of 2021 (ARPA) allocation. ARPA was part of a \$1.9 trillion economic stimulus bill signed into law by the President on March 11, 2021, which included \$350 billion designated for state, local, territorial and tribal governments to respond to the effects of the COVID-19 pandemic. Spending is restricted to four categories including: 1) replacing lost public sector revenue to fund general government services; 2) responding to public health and economic impacts of COVID-19; 3) premium pay for front line personnel; and 4) investments in water, sewer and broadband infrastructure. The City is required to report its spending activity to the U.S. Department of the Treasury on an annual basis to ensure compliance with spending criteria. The balance at December 31, 2023 is \$2,375,170.

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When the City acquired cemetery property in February 2002, trust accounts were included as part of the transaction. The trust accounts were established in prior years for prepaid services of the cemetery. The responsibility for the endowment care trust was assumed by the City in 2010. The corpus of the trust account is held in a bank deposit account and is nonexpendable. Interest earned on the trust account may be used for current operating costs, and is transferred to the General Fund annually. At December 31, 2023, the balance of the endowment care trust of \$47,079 was reported as nonspendable fund balance in the Cemetery Endowment Fund.

**B. Business-Type Activities**

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

In November 2021, the City issued Water Reclamation Revenue Bonds with net proceeds of \$46,500,000. Proceeds will be used for the design and construction of new processes and facilities at the Water Reclamation Facility to meet various regulatory requirements.

**C. Component Unit**

During 2021, Base Line Land and Reservoir received funding that was restricted based upon donor-imposed restrictions.

**Note 4. Notes Receivable**

Prior to 2023, the Lafayette Urban Renewal Authority (LURA) approved three loans to developers to purchase or develop blighted properties. Two of these loans were paid off in 2023. Also during 2023, LURA approved a new development loan to a downtown property owner. The two outstanding loans do not accrue interest and no installment payments are required. Due dates may be extended at the discretion of LURA. Both loans are partially forgivable each year as long as warranties specified under each respective loan agreement have been met. The City retains the right of first refusal if the developers choose to sell the properties. The outstanding balance of the loans at December 31, 2023 was \$557,079.

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**Note 5. Capital Assets**

Governmental activities capital asset activity for the year ended December 31, 2023, was as follows:

	<i>(As restated)</i>			
	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental activities:</b>				
Capital assets, not being depreciated:				
Land and open space	\$ 83,927,060	\$ 178,189	\$ -	\$ 84,105,249
Public art	493,212	21,168	-	514,380
Construction in progress	9,862,676	9,211,303	(4,720,509)	14,353,470
Total capital assets, not being depreciated	94,282,948	9,410,660	(4,720,509)	98,973,099
Capital assets, being depreciated:				
Buildings	36,714,663	1,167,626	-	37,882,289
Improvements other than buildings	6,889,244	1,116,064	-	8,005,308
Infrastructure	87,192,121	4,175,755	-	91,367,876
Equipment	15,840,062	2,338,199	(586,977)	17,591,284
Total capital assets, being depreciated	146,636,090	8,797,644	(586,977)	154,846,757
Less accumulated depreciation for:				
Buildings	(15,843,366)	(1,089,528)	-	(16,932,894)
Improvements other than buildings	(4,522,538)	(325,320)	-	(4,847,858)
Infrastructure	(55,731,715)	(2,421,491)	-	(58,153,206)
Equipment	(11,807,962)	(1,454,795)	563,403	(12,699,353)
Total accumulated depreciation	(87,905,581)	(5,291,134)	563,403	(92,633,311)
Total capital assets, being depreciated, net	58,730,510	3,506,510	(23,574)	62,213,446
Right to use leased assets being amortized				
Right to use lease land	70,666	161,585	(70,666)	161,585
Right to use lease building	896,916	-	-	896,916
Right to use lease equipment	131,583	637,857	(14,586)	754,854
Total right to use leased assets being amortized	1,099,165	799,442	(85,252)	1,813,355
SBITA assets being amortized				
SBITA	820,659	210,791	-	1,031,450
Total SBITA being amortized	820,659	210,791	-	1,031,450
Total capital assets being amortized	1,919,824	1,010,233	(85,252)	2,844,805
Less accumulated amortization for				
Right to use lease land	(47,286)	(27,055)	47,286	(27,055)
Right to use lease building	(45,413)	(45,413)	-	(90,826)
Right to use lease equipment	(27,776)	(158,990)	14,586	(172,180)
SBITA	-	(442,209)	-	(442,209)
Total accumulated amortization	(120,475)	(673,667)	61,872	(732,270)
Total capital assets being amortized, net	1,799,349	336,566	(23,380)	2,112,535
Governmental activities capital assets, net	\$ 154,812,807	\$ 13,253,736	\$ (4,767,463)	\$ 163,299,080

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

<b>Governmental activities:</b>	
General Government	\$ 1,263,502
Fleet Management	405,536
Public Safety	1,025,654
Public Works	1,672,556
Culture & Recreation	<u>1,597,554</u>
Total depreciation and amortization expense	<u>\$ 5,964,802</u>

Capital asset activity for business-type activities for the year ended December 31, 2023, was as follows:

	<i>(As restated)</i>			
	Beginning Balance	Increases	Decreases	Ending Balance
<b>Business-type activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 9,911,943	\$ -	\$ -	\$ 9,911,943
Water rights	49,571,239	100,000	-	49,671,239
Construction in progress	<u>36,112,157</u>	<u>29,463,775</u>	<u>(2,285)</u>	<u>65,573,647</u>
Total capital assets, not being depreciated	<u>95,595,339</u>	<u>29,563,775</u>	<u>(2,285)</u>	<u>125,156,829</u>
Capital assets, being depreciated:				
Buildings	4,424,614	104,201	-	4,528,815
Infrastructure	125,232,751	521,257	-	125,754,008
Improvements other than buildings	2,720,190	616,250	-	3,336,440
Equipment	<u>10,777,235</u>	<u>1,395,863</u>	<u>(760,765)</u>	<u>11,412,333</u>
Total capital assets, being depreciated	<u>143,154,790</u>	<u>2,637,571</u>	<u>(760,765)</u>	<u>145,031,596</u>
Less accumulated depreciation for:				
Buildings	(2,656,982)	(215,445)	-	(2,872,427)
Infrastructure	(58,186,071)	(4,134,330)	-	(62,320,402)
Improvements other than buildings	(1,454,541)	(189,583)	-	(1,644,124)
Equipment	<u>(9,495,256)</u>	<u>(429,077)</u>	<u>668,919</u>	<u>(9,255,413)</u>
Total accumulated depreciation	<u>(71,792,850)</u>	<u>(4,968,436)</u>	<u>668,919</u>	<u>(76,092,366)</u>
Total capital assets, being depreciated, net	71,361,940	(2,330,865)	(91,845)	68,939,230
Right to use leased assets being amortized				
Right to use lease equipment	9,254	28,992	(9,254)	28,992
SBITA assets being amortized				
SBITA	<u>48,359</u>	<u>3,955</u>	<u>-</u>	<u>52,314</u>
Total right to use assets being amortized	57,613	32,947	(9,254)	81,306
Less accumulated amortization for				
Right to use lease equipment	(6,227)	(5,507)	9,254	(2,480)
SBITA	<u>-</u>	<u>(31,697)</u>	<u>-</u>	<u>(31,697)</u>
Total accumulated amortization	<u>(6,227)</u>	<u>(37,204)</u>	<u>9,254</u>	<u>(34,177)</u>
Total capital assets, being amortized, net	51,386	(4,257)	-	47,129
Business-type activities capital assets, net	<u>\$ 167,008,665</u>	<u>\$ 27,228,653</u>	<u>\$ (94,131)</u>	<u>\$ 194,143,187</u>

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Capital asset activity for the Lafayette Urban Renewal Authority year ended December 31, 2023, was as follows:

	<b>Beginning Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Transfers</b>	<b>Ending Balance</b>
<b>Lafayette Urban Renewal Authority:</b>					
Capital assets, not being depreciated					
Land	\$ 534,511	\$ -	\$ -	\$ -	\$ 534,511
Total capital assets, not being depreciated	534,511	-	-	-	534,511
Capital assets being depreciated					
Buildings	90,552	-	-	-	90,552
Total capital assets, being depreciated	90,552	-	-	-	90,552
Less accumulated depreciation for:					
Buildings	(12,451)	(4,528)	-	-	(16,979)
Total accumulated depreciation	(12,451)	(4,528)	-	-	(16,979)
Total capital assets being depreciated, net	78,101	(4,528)	-	-	73,573
Lafayette Urban Renewal Authority capital assets, net	<u>\$ 612,612</u>	<u>\$ (4,528)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 608,084</u>

Capital asset activity for Base Line Land & Reservoir Company year ended December 31, 2023, was as follows:

	<b>Beginning Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Transfers</b>	<b>Ending Balance</b>
<b>Base Line Land &amp; Reservoir Company</b>					
Capital assets, not being depreciated					
Land	\$ 76,000	\$ -	\$ -	\$ -	\$ 76,000
Total capital assets, not being depreciated	76,000	-	-	-	76,000
Capital assets being depreciated					
Infrastructure	1,677,614	-	-	-	1,677,614
Buildings	342,203	-	-	-	342,203
Total capital assets, being depreciated	2,019,817	-	-	-	2,019,817
Less accumulated depreciation for:					
Infrastructure	(276,839)	(14,897)	-	-	(291,736)
Buildings	(63,308)	(8,753)	-	-	(72,061)
Total accumulated depreciation	(340,147)	(23,650)	-	-	(363,797)
Total capital assets being depreciated, net	1,679,670	(23,650)	-	-	1,656,020
Base Line Land & Reservoir capital assets, net	<u>\$ 1,755,670</u>	<u>\$ (23,650)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,732,020</u>

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**Note 6. Long-term Liabilities**

Long-term liability activity for the year ended December 31, 2023, was as follows:

	<i>(As restated)</i>				
	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<b>Governmental Activities:</b>					
Bonds Payable					
General Obligation Bonds	\$ 3,315,000	\$ -	\$ (880,000)	\$ 2,435,000	\$ 905,000
Special Assessment Revenue Bonds	2,730,000	-	(195,000)	2,535,000	210,000
Bond Issuance Premiums	316,595	-	(79,980)	236,615	-
Total Bonds Payable	6,361,595	-	(1,154,980)	5,206,615	1,115,000
Compensated Absences	1,939,582	2,447,880	(2,144,926)	2,242,536	1,466,125
Leases	972,047	799,442	(197,003)	1,574,486	214,616
SBITA	820,659	175,376	(542,456)	453,579	263,754
Total Governmental Activities	<u>\$ 10,093,883</u>	<u>\$ 3,422,698</u>	<u>\$ (4,039,365)</u>	<u>\$ 9,477,216</u>	<u>\$ 3,059,495</u>
<b>Business-type Activities</b>					
Bonds and Loans Payable					
Revenue Bonds	\$ 49,685,000	\$ -	\$ (2,035,000)	\$ 47,650,000	\$ 2,110,000
Bond Issuance Premiums	2,777,816	-	(194,258)	2,583,558	-
Total Bonds and Notes Payable	52,462,816	-	(2,229,258)	50,233,558	2,110,000
Compensated Absences	432,616	426,412	(360,261)	498,770	313,303
Leases	1,853	28,992	(3,184)	27,661	6,540
SBITA	48,359	3,856	(49,676)	2,539	1,323
Total Business-Type Activities	<u>\$ 52,945,644</u>	<u>\$ 459,260</u>	<u>\$ (2,642,379)</u>	<u>\$ 50,762,528</u>	<u>\$ 2,431,166</u>

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

**A. General Obligation Bonds**

General obligation bonds currently outstanding are as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<b>General Obligation Bonds</b>					
Governmental Activities					
2016 GO and Refunding Bonds	\$ 3,315,000	\$ -	\$ (880,000)	\$ 2,435,000	\$ 905,000
Total General Obligation Bonds	<u>\$ 3,315,000</u>	<u>\$ -</u>	<u>\$ (880,000)</u>	<u>\$ 2,435,000</u>	<u>\$ 905,000</u>

*2016 General Obligation and Refunding & Improvement Bonds*

These bonds were issued for the purposes of developing a water park and refinancing older General Obligation bonds. These bonds mature annually through December 15, 2026 and bear an interest rate ranging from 2.0% to 4.0%. Payments are due semi-annually. As these are General Obligation Bonds, the full faith and credit of the City are pledged for the punctual payment of principal and interest. The bonds were issued through a public sale and carry no provisions for events of default or acceleration clauses.

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**B. Revenue Bonds**

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<b>Revenue Bonds</b>					
Governmental Activities					
Direct Placement					
2002 Lafayette Corporate Campus GID	\$ 1,300,000	\$ -	\$ (125,000)	\$ 1,175,000	\$ 135,000
Public Sale					
2006 Lafayette Tech Center GID	<u>1,430,000</u>	<u>-</u>	<u>(70,000)</u>	<u>1,360,000</u>	<u>75,000</u>
Total Governmental Activities	<u>\$ 2,730,000</u>	<u>\$ -</u>	<u>\$ (195,000)</u>	<u>\$ 2,535,000</u>	<u>\$ 210,000</u>
Business-Type Activities					
Public Sale					
2012 Water Revenue Refunding Bonds	\$ 5,940,000	\$ -	\$ (1,095,000)	\$ 4,845,000	\$ 1,130,000
2021 Water Reclamation Bonds	<u>43,745,000</u>	<u>-</u>	<u>(940,000)</u>	<u>42,805,000</u>	<u>980,000</u>
Total Business-Type Activities	<u>\$49,685,000</u>	<u>\$ -</u>	<u>\$ (2,035,000)</u>	<u>\$47,650,000</u>	<u>\$ 2,110,000</u>

Governmental Activities

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

*2002 Lafayette Corporate Campus GID Bonds*

In December 2002, the Lafayette Corporate Campus General Improvement District bonds were issued to finance public improvements in the District. They mature annually through December 1, 2031 and bear an interest rate of 8.00%. Payments are due semi-annually. For the year ending December 31, 2023, net revenues of \$291,712 were available to pay debt service, including fiscal charges, of \$229,400. The outstanding balance as of year-end was \$1,175,000.

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

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

*2006 Lafayette Tech Center GID Bonds*

The Lafayette Tech Center General Improvement District bonds were issued in December 2000 to be used to finance the acquisition, construction, installation and completion of public improvements within the District. In 2006, the bonds were refinanced. These bonds mature annually through December 1, 2036 and bear an interest rate of 6.00%. Payments are due semi-annually. For the year ending December 31, 2023, net revenues of \$167,859 were

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available to pay debt service, including fiscal charges, of \$156,133. The outstanding balance as of year-end was \$1,360,000.

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

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

Business-Type Activities

*2012 Water Revenue Refunding Bonds*

In 2003, the City issued the 2003A Water Revenue Bonds for the purpose of financing the construction of a raw water transmission system, the purchase and construction of a raw water storage facility, the payment of costs associated with purchasing shares in water supply districts, and the development of a reclaimed water transmission system for irrigation purposes. The bonds were refinanced in 2012. The current bonds mature annually through December 1, 2027 and bear an interest rate of 3.0% to 5.0%. Payments are due semi-annually and are funded from net revenues of the City's municipal water system. During the year ended December 31, 2023, net revenues of \$13,490,685 were available to pay annual debt service, including fiscal charges, of a maximum of \$1,361,500. The balance outstanding as of year-end was \$4,845,000.

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

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

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

	<b>2023 Balances</b>
<b><u>Gross Revenues</u></b>	
Operating revenues	\$ 10,331,899
Investment income	1,694,602
Development revenues	7,902,490
Other revenues	44,046
Gross revenues	19,973,037
<b><u>Operating Expenses</u></b>	
Personnel	2,129,346
Operations	4,353,006
Operating expenses	6,482,352
Net revenues	\$ 13,490,685
Maximum Annual Debt service	\$ 1,361,500
<b>Coverage Ratio - current year</b>	991%
<b>Minimum required ratio</b>	110%

*2021 Water Reclamation Revenue Bonds*

In 2021, the City issued the 2021 Water Reclamation Revenue Bonds with a par amount of \$44,655,000 for the purpose of financing the design and construction of new processes and facilities at the wastewater treatment plant as a result of new State of Colorado environmental regulations. The bonds mature annually through December 1, 2051 and bear an interest rate of 1.875% to 4.000%. Payments are due semi-annually and are funded from net revenues of the City’s municipal water reclamation system. During the year ended December 31, 2023, net revenues of \$7,391,506 were available to pay annual debt service, including fiscal charges, of a maximum of \$2,138,806. The balance outstanding as of year-end was \$42,805,000.

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

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

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

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

	<u><b>2023 Balances</b></u>
<b><u>Gross Revenues</u></b>	
Operating revenues	\$ 6,910,244
Investment income	2,705,413
Development revenues	<u>947,327</u>
Gross revenues	<u>10,562,984</u>
<b><u>Operating Expenses</u></b>	
Personnel	1,355,614
Operations	<u>1,815,864</u>
Operating expenses	<u>3,171,478</u>
Net revenues	<u><u>\$ 7,391,506</u></u>
Maximum Annual Debt service	\$ 2,138,806
<b>Coverage Ratio - current year</b>	346%
<b>Minimum required ratio</b>	110%

**C. Future Debt Service**

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

Year	<u>Governmental Activities</u>		<u>Business-type Activities</u>		Debt Requirement to Maturity
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2024	\$ 1,115,000	\$ 273,000	\$ 2,110,000	\$ 1,386,688	\$ 4,884,688
2025	1,165,000	221,500	2,205,000	1,290,988	4,882,488
2026	820,000	167,600	2,295,000	1,202,788	4,485,388
2027	250,000	127,000	2,395,000	1,098,638	3,870,638
2028	270,000	108,700	1,145,000	989,888	2,513,588
2029-2033	940,000	272,300	6,455,000	4,224,440	11,891,740
2034-2038	410,000	50,100	7,470,000	3,211,833	11,141,933
2039-2043	-	-	8,250,000	2,435,776	10,685,776
2044-2048	-	-	9,220,000	1,461,350	10,681,350
2049-2053	-	-	<u>6,105,000</u>	<u>307,750</u>	<u>6,412,750</u>
Total	<u>\$ 4,970,000</u>	<u>\$ 1,220,200</u>	<u>\$ 47,650,000</u>	<u>\$ 17,610,139</u>	<u>\$ 71,450,339</u>

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**Note 7. Interfund Balances and Transactions**

**A. Interfund Balances**

In 2019, the General Fund loaned the Legacy Open Space Fund \$2,732,000. This loan bears interest at a rate of 2.22% annually and is to be repaid over 10 years in annual installments of \$307,655, which includes principal and interest. The 2023 payment was made as scheduled and the loan balance as of December 31, 2023 was \$1,710,589.

Additionally, \$349,993 was due from the Waste Management Fund to the General Fund as the Waste Management Fund had a negative cash balance as of December 31, 2023.

**B. Interfund Transactions**

Interfund transfers during the year ended December 31, 2023, were as follows:

<b>Transfer Out (Paying Fund)</b>	<b>Transfer In (Receiving Fund)</b>			<b>Totals</b>
	<b>Parks, Open Space &amp; Trails</b>	<b>Waste Management</b>	<b>Capital Projects</b>	
General Fund	\$ -	\$ 100,000	\$ 5,234,670	\$ 5,334,670
Legacy Open Space	314,493	-	-	314,493
<b>Totals</b>	<b>\$ 314,493</b>	<b>\$ 100,000</b>	<b>\$ 5,234,670</b>	<b>\$ 5,649,163</b>

The General Fund routinely transfers resources to the Capital Projects Fund for various projects and to the Waste Management Fund to assist in establishing the new fund which was created in 2022. The Legacy Open Space Fund transferred funds to the Parks, Open Space & Trails Fund for annual maintenance of open space areas.

**Note 8. Retirement Plans**

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

**A. Defined Contribution Plan for General Employees**

The City offers its full-time employees and key management officials a retirement plan created in accordance with Internal Revenue Code (IRC) Section 401(a). Employees are eligible to

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participate in the plan on the first day of employment as a full-time employee. A full-time employee is any employee who is regularly scheduled to work at least 40 hours per week for the City and whose position is approved by City Council.

This plan is a defined contribution plan administered by Mission Square Retirement. Under the terms of the plan, the City is the only non-employee contributor and contributes 10.2% of the participant's salary (salary, pay or earned income less salary reductions made under IRC Section 125), and the participant is required to contribute 8% of salary. Voluntary after-tax contributions are allowed up to an additional 25% of the employee's compensation. Contribution requirements of the City and the participants are established and may be amended by the City Council. During the year ended December 31, 2023, the City and employees made all required contributions to the plan of \$1,502,767 and \$1,138,804 respectively.

Employees are immediately fully vested in the plan upon hire. An employee shall have a non-forfeitable interest in their entire employer account if they are employed by the City when they become disabled or die.

Since a third-party trustee holds the assets in trust, they are not reflected on the City's financial statements. The annual financial report of ICMA-RC may be obtained by writing to: Mission Square Retirement, 777 North Capitol Street, NE, Washington, DC 20002 or by calling them at 800-669-7400.

**B. Defined Benefit Plans for Public Safety Employees**

*Plan Descriptions*

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

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

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

*Benefits Provided*

A SWDB Plan member is eligible for a normal retirement pension once the member has completed twenty-five years of credited service and has attained the age of 55. The annual normal retirement benefit is 2% of the average of the member's highest three years' base salary

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for each year of credited service up to 10 years, plus 2.5% for each year of service thereafter. Benefits paid to retirees are evaluated and may be re-determined every October 1. The amount of any increase is based on the FPPA Board of Director's discretion and can range from zero to the higher of 3% or the Consumer Price Index.

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

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

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

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

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Contributions

The City and eligible employees are required to contribute to the SWDB Plan at rates established by State statutes. Employer contribution rates can only be amended by the State Legislature. Employee contribution rates can be amended by the State Legislature or by election of the membership. Effective January 1, 2021, contribution rates for employers and members may be increased equally by the FPPA Board of Directors upon approval through an election by both the employers and members.

The City and eligible employees contributed 9.5% and 12% of base salary, respectively, for the year ended December 31, 2023. In 2014, SWDB Plan members elected to increase the employee contribution rate 0.5% annually from 2015 through 2022, to a total of 12% of base salary. In 2020, legislation was enacted to increase the employer contributions rate to the Plan beginning in 2021. Employer contribution rates will increase 0.5% annually through 2030 to a total of 13% of base salary.

Contributions from employees and employers reentering the SWDB Plan are established by resolution of the FPPA Board of Directors. The reentry group had a combined contribution rate of 20% of the base salary from 2014 through December 31, 2020, and it was a local decision on who paid the additional 4% contribution. Effective January 1, 2021, the continuing rate of contribution for reentry groups is determined for each reentry group and varies by department but will be no less than 0.2%. The additional contribution amount is determined locally and may be paid by the member, the employer or split 50/50. Per the 2014 member election, the reentry group also had their required member contribution rate increase 0.5% annually beginning in 2015 through 2022. Per 2020 legislation, the reentry group also had their required employer contribution rate increase 0.5% annually beginning in 2021 through 2030.

The contribution rate for members and employers of affiliated social security employers is 6% and 4.5%, respectively, of pensionable earnings for a total contribution rate of 10.5% in 2023. Excess contributions are deposited to the Money Purchase Component of the SWH Plan.

Per the 2014 member election, the affiliated social security group also had their required member contribution rate increase 0.25% annually beginning in 2015 through 2022 to a total of 6% of base salary. Employer contributions remained at 4% through December 31, 2020.

Per the 2020 legislation, employer contribution rates will increase 0.25% annually through 2030 to a total of 6.5% of base salary. These increases result in a combined contribution rate of 12.5% in 2030.

The City's contributions to the SWDB Plan for the year ended December 31, 2023, were \$718,679, equal to the required contributions.

The City and eligible employees are required to contribute to the SWH Plan at rates established by City Council. However, the amount allocated to the defined benefit component is set annually by the FPPA Board of Directors, which currently must be at least 8% of base salary for the employee and the employer for a total of 16%. The City Council has established the

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contribution rate split at 10.2% and 8% of base salary for the City and employees, respectively. The 2.2% excess contributions were deposited into the City's General Employees Plan described previously. In addition, the City and employees contributed 10.2% and 8%, respectively, of overtime and non-regular salary to the General Employees Plan.

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

The City's contributions to the SWH Plan for the year ended December 31, 2023, were \$39,630, equal to the required contributions.

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

At December 31, 2023, the City reported net pension assets (liabilities) of \$(685,682) and \$28,548, representing its proportionate share of the net pension asset (liability) of the SWDB and SWH Plans, respectively. The net pension asset (liability) was measured at December 31, 2022, and the total pension asset (liability) used to calculate the net pension asset (liability) was determined by an actuarial valuation as of January 1, 2023. The City's proportion of the net pension asset (liability) was based on a projection of the City's contributions to the plans for the calendar year ended December 31, 2022, relative to the projected contributions of all participating employers.

At December 31, 2022, the City's proportion of the SWDB Plan was 0.77250373%, which was an increase of 0.00538436% from its proportion measured at December 31, 2021. The City's proportion of the SWH Plan was 1.95744829%, which was a decrease of 0.07231807% from its proportion measured at December 31, 2021.

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For the year ended December 31, 2023, the City recognized pension expense/(income) for the SWDB and SWH Plans of \$543,018 and \$430,860, respectively. At December 31, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
<b>Statewide Defined Benefit Plan</b>		
Differences between expected and actual experience	\$ 1,484,264	\$ 84,163
Changes of assumptions and other inputs	878,452	-
Net difference between projected and actual earnings on plan investments	1,551,678	21,487
Changes in proportion	-	-
Contributions subsequent to the measurement date	<u>718,679</u>	<u>-</u>
Total	<u>\$ 4,633,073</u>	<u>\$ 105,650</u>
<b>Statewide Hybrid Plan</b>		
Differences between expected and actual experience	\$ 125,582	\$ -
Changes of assumptions and other inputs	32,647	-
Net difference between projected and actual earnings on plan investments	116,512	-
Changes in proportion	25,806	-
Contributions subsequent to the measurement date	<u>39,630</u>	<u>-</u>
Total	<u>\$ 340,177</u>	<u>\$ -</u>
Total	<u><u>\$ 4,973,250</u></u>	<u><u>\$ 105,650</u></u>

City contributions to the SWDB and SWH Plans subsequent to the measurement date of \$718,679 and \$39,630, respectively, will be recognized as an increase or decrease to the net pension asset (liability) in the subsequent fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows.

<u>Year Ended December 31,</u>	<u>SWDB Plan</u>	<u>SWH Plan</u>
2024	358,730	65,141
2025	651,866	59,240
2026	921,345	67,069
2027	1,276,172	86,740
2028	262,181	14,404
Thereafter	<u>338,450</u>	<u>7,953</u>
Total	<u>3,808,744</u>	<u>\$ 300,547</u>

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Actuarial Assumptions

The actuarial valuations for the SWDB were used to determine the total pension asset (liability) and actuarially determined contributions for the fiscal year ending December 31, 2021. The valuation used the following actuarial assumptions and other inputs:

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

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

At least every five years the FPPA’s Board of Directors, in accordance with best practices, reviews its economic and demographic actuarial assumptions. At its July 2022 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, 2023. 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%). Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of December 31, 2022, are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Global Equity	35%	8.94%
Equity Long/Short	6%	7.47%
Private Markets	34%	10.31%
Fixed Income - Rates	10%	5.45%
Fixed Income - Credit	5%	6.90%
Absolute Return	9%	6.49%
Cash	1%	3.92%
Total	<u>100%</u>	

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Discount Rate

The discount rate used to measure the total pension asset (liability) was 7.00%. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates in the FPPA Board of Director’s funding policy, which establishes the contractually required rates under State statutes. Based on this assumption, the plans’ fiduciary net position was projected to be available to make all projected future benefit payments to current members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension asset (liability).

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

For the purpose of this valuation, the expected rate of return on pension plan investments is 7.00%; the municipal bond rate is 4.05% (based on the weekly rate closest to but not later than the measurement date of the “state & local bonds” rate from Federal Reserve statistical release (H.15)); and the resulting Single Discount Rate is 7.00%.

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

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

	1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
Proportionate share of the SWDB net pension (asset) liability	\$ 4,727,002	\$ 685,682	\$ (2,661,839)
Proportionate share of the SWH net pension (asset) liability	\$ 215,570	\$ (28,548)	\$ (233,342)

Pension Plan Fiduciary Net Position

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

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**C. Defined Benefit Plan for Volunteer Firefighters**

General Information

Plan Description

The City gradually terminated the volunteer firefighter program as the emphasis changed to an all-career firefighter staff. The City provides an agent multiple-employer defined benefit pension plan for former volunteer firefighters as established by Title 31, Article 30, Section 1101 of the Colorado Revised Statutes. The City Council serves as the plan’s Board of Trustees. The Board of Trustees establishes and is authorized to amend the plan provisions, and determines the contributions made by the City. The plan is administered by the Fire & Police Pension Association of Colorado (FPPA). The annual financial report of FPPA may be obtained at [www.fppaco.org](http://www.fppaco.org).

Plan Membership

Plan membership consists of inactive volunteer firefighters and their beneficiaries. At January 1, 2022, plan membership consisted of the following:

Retirees and beneficiaries	36
Inactive, nonretired members	<u>2</u>
Total	<u><u>38</u></u>

Benefits Provided

Any former volunteer firefighter who has both reached the age of 50 and completed 20 years of active service shall be eligible for a monthly pension of \$700. A firefighter who is disabled in the line of duty and whose disability is considered permanent shall be compensated in an amount determined by the Board of Trustees to be reasonable and proper considering the financial condition of the Fund. The Plan also provides for a lump-sum burial benefit of \$1,400 upon the death of a retired firefighter. Spouses of deceased firefighters receive a monthly benefit of \$350.

Contributions

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

Actuarially determined contribution rates are calculated as of January 1 of odd numbered years. The contribution rates have a one-year lag, so the actuarial valuation as of January 1, 2021 determines the contribution amounts for 2022 and 2023. For the year ended December 31, 2023, the City and State contributions of \$119,164 and \$42,222, respectively, exceeded the actuarially determined contribution.

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

At December 31, 2023, the City reported a net pension liability of \$885,072, measured as of December 31, 2022. The total pension liability used to calculate the net pension asset (liability) was determined based on the January 1, 2021 actuarial valuation. For the year ended December 31, 2022, changes in the net pension asset (liability) of the City were as follows.

	<b>Total Pension Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net Pension Liability (a-b)</b>
Balances, December 31, 2021	\$ 2,170,258	\$ 1,751,768	\$ 418,490
Interest on the Total Pension Liability	143,943	-	143,943
Benefit Changes	371,902	-	371,902
City Contributions	-	119,164	(119,164)
State Contributions	-	42,222	(42,222)
Changes in Experience	(49,025)	-	(49,025)
Changes in Assumptions	10,451	-	10,451
Net Investment Income	-	(139,937)	139,937
Benefit Payments	(231,790)	(231,790)	-
Administrative Expenses	-	(10,760)	10,760
Balances, December 31, 2022	<u>\$ 2,415,739</u>	<u>\$ 1,530,667</u>	<u>\$ 885,072</u>

For the year ended December 31, 2023, the City recognized pension expense for this plan of \$342,949. At December 31, 2023, the City reported deferred outflows of resources related to the plan from the following sources:

	<b>Deferred Outflows of Resources</b>
Net difference between projected and actual earnings on plan investments	<u>\$ 91,809</u>
Total	<u>\$ 91,809</u>

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Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows.

	Year Ended December 31,	
2024	\$	(3,680)
2025		14,549
2026		28,988
2027		51,952
2028		-
Thereafter		-
Total	\$	91,809

Actuarial Assumptions

The significant actuarial assumptions used to measure the total pension liability were determined by an actuarial valuation as of January 1, 2021 and are as follows:

Inflation	2.50%
Projected salary increases, including inflation	N/A
Investment rate of return, net of plan investment expenses, including inflation	7.00%
Retirement age	50% per year of eligibility until 100% at age 65

The following mortality rates were adopted:

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

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for

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each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic nominal rates of return for each major asset class included in the Fund’s target asset allocation as of December 31, 2022 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Global Equity	35%	8.94%
Equity Long/Short	6%	7.47%
Private Markets	34%	10.31%
Fixed Income - Rates	10%	5.45%
Fixed Income - Credit	5%	6.90%
Absolute Return	9%	6.49%
Cash	1%	3.92%
Total	<u>100%</u>	

Discount Rate

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

For the purpose of this valuation, the long-term expected rate of return on pension plan investments is 7.00%; the municipal bond rate is 4.05% (based on the weekly rate closest to but not later than the measurement date of the “state & local bonds” rate from Federal Reserve statistical release (H.15)); and the resulting single discount rate is 7.00%.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate - The following presents the City’s net pension liability calculated using the discount rate of 7.00%, as well as the City’s net pension liability if it were calculated using a discount that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current rate, as follows:

	<u>1% Decrease (6.0%)</u>	<u>Current Discount Rate (7.0%)</u>	<u>1% Increase (8.0%)</u>
City's Net Pension Liability	<u>\$ 1,095,169</u>	<u>\$ 885,072</u>	<u>\$ 704,630</u>

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*Pension Plan Fiduciary Net Position*

Detailed information about the plan's fiduciary net position is available in FPPA's separately issued financial report, which may be obtained at [www.fppaco.org](http://www.fppaco.org).

**D. Pension Expense**

For the year ended December 31, 2023, the City's Governmental Activities recognized total net pension expense of \$1,316,827 across all plans.

**Note 9. Other Postemployment Benefits**

**Statewide Death & Disability Plan**

General Information

*Plan Description*

The City contributes to the Statewide Death & Disability Plan, a cost-sharing multiple-employer defined benefit death and disability plan administered by the Fire & Police Pension Association of Colorado (FPPA). All commissioned police officers, firefighters, and ambulance personnel are members of the plan. Contributions to the plan are used solely for the payment of death and disability benefits. Benefits are established by State statutes and generally allow for benefits upon the death or disability of a plan member prior to retirement.

FPPA issues a publicly available annual financial report that includes financial statements and required supplementary information for the plan. That report may be obtained at [www.fppaco.org](http://www.fppaco.org).

*Benefits Provided*

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

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

The plan provides disability benefits as follows:

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

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

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

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Contributions

Prior to 1997, the Plan was primarily funded by the State of Colorado, whose contributions were established by Colorado statute. In 1997 the State made a one-time contribution of \$39 million to fund past and future service costs for all firefighters and police officers hired prior to January 1, 1997. During 2022, Colorado Revised Statutes (CRS) 31-31-811 was amended to provide additional payments from the State to the Plan on July 1, 2022 and July 1, 2023 of \$6.7 million each.

Members hired on or after January 1, 1997, began contributing 2.4% of base salary to the Plan as of January 1, 1997. Effective January 1, 2022, the contribution rate increased to 3.2% of base salary and may be increased 0.2% annually by the FPPA Board. This percentage can vary depending on actuarial experience. All contributions are made by members or on behalf of members. The contribution may be paid entirely by the employer or member, or may be split between the employer and the member as determined at the local level. Contributions to the plan for the year ended December 31, 2023 were \$245,789, equal to the required contributions.

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

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

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

**Note 10. Risk Management**

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

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

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

The Insurance Fund, an internal service fund, was established to account for claims and insurance premiums related to property and liability risks. The City is responsible for the first \$25,000 of each liability claim and the first \$100,000 for each property claim.

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

	<b>2023</b>	<b>2022</b>
Claims Payable, Beginning Balance	\$ 45,276	\$ 75,874
Claims Incurred and Changes in Provisions	171,228	52,428
Claims Paid	(115,132)	(83,026)
Claims Payable, Ending Balance	\$ 101,372	\$ 45,276

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

**Note 11. Commitments and Contingencies**

Grants

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

Legal Contingencies

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

Water Capacity Agreements

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

Goose Haven Reservoir Expansion

On September 12, 2012, the City entered into a contract for the construction of raw water reservoirs with Rock Products of Colorado, LLC, at the Goose Haven property. This project was expected to last between five and eight years with variability due to soil/gravel

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demand. Subsequent change orders have brought the total contract price to \$24,676,789 as of December 31, 2023, of which a total of \$17,212,566 has been completed and paid, less retainage withheld of \$878,074. The City may terminate the contract at any time upon ten days written notice to Rock Products. After each phase has been completed, the City's approval must be obtained before proceeding to the next phase. The project is currently anticipated to be complete by 2025.

Gross Reservoir Expansion

The City participates in the Gross Reservoir Expansion Project, a project designed to raise the existing dam at Gross Reservoir by 131 feet and increase the reservoir's capacity by 77,000 acre feet of water, of which 5,000 acre-feet will be shared between the City of Lafayette and the City of Boulder. The project is scheduled to be complete in 2027. The City's financial commitment to the project under the current project agreement amounts to \$2,260,000 which are payable in 2022 and 2024 under the current project agreement. As of December 31, 2023, \$1,113,699 has been paid through a September 2022 payment.

Windy Gap Firming Project

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

Total project costs are currently estimated to be \$600 million and construction, which began in 2021, is scheduled for completion in 2026. The City's participation in the project amounts to 1% of the project total, which equates to \$6,000,000 payable in annual installments for 30 years until approximately 2052. In addition to project costs, the City will also be responsible for a portion of operations and maintenance costs after construction is completed. As of December 31, 2023, the City had contributed \$1,364,152 to the project since the project began in 2011.

Northern Integrated Supply Project

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

The total project costs are currently estimated to be \$2.0 billion and construction is scheduled for completion in 2029. The City's participation in this project amounts to 4.5% of the project total, which equates to roughly \$90.0 million payable in annual installments through 2058. In addition to project costs, the City will also be responsible for a portion

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of operations and maintenance costs after construction is completed. Due to the early stage of the project and the uncertainty of construction costs over extended periods of time, the costs and construction timeline disclosed here are preliminary estimates based on information available at the time this report was issued. As of December 31, 2023, the City had contributed \$5,431,430 since the project began in 2004.

Water Reclamation Treatment Facility Project

Due to additional regulations set forth by the Colorado Department of Public Health and Environment (CDPHE), the City must upgrade its Water Reclamation Facility to reduce discharges of total inorganic nitrogen and phosphorous to Coal Creek. The project will be constructed in two phases, with a total cost estimate of \$46.4 million, expected to be completed by mid-2025. To finance the project, the City issued \$46.5 million in revenue bonds in November 2021. As of December 31, 2023, Phase I of the project was approximately 75% complete, with \$38,415,224 paid, excluding \$1,634,942 retainage withheld.

Commitments and Encumbrances

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

	<u>Governmental</u>	<u>Proprietary</u>	<u>Component Unit</u>	<u>Total</u>
General Fund	\$ 4,640,082	\$ -	\$ -	\$ 4,640,082
Public Safety Fund	145,095	-	-	145,095
Parks, Open Space and Trails Fund	160,932	-	-	160,932
Conservation Trust Fund	97,130	-	-	97,130
Capital Projects Fund	21,682,371	-	-	21,682,371
Fleet Fund	2,395,420	-	-	2,395,420
Lafayette Urban Renewal Authority	-	-	30,628	30,628
Golf Course Fund	-	549,115	-	549,115
Water Utility Fund	-	249,196	-	249,196
Water Reclamation Utility Fund	-	2,696,795	-	2,696,795
Storm Water Fund	-	30,539	-	30,539
	<u>\$ 29,121,030</u>	<u>\$ 3,525,645</u>	<u>\$ 30,628</u>	<u>\$ 32,677,303</u>
Claims Payable, Ending Balance	<u>\$ 29,121,030</u>	<u>\$ 3,525,645</u>	<u>\$ 30,628</u>	<u>\$ 32,677,303</u>

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

The vast majority of the amounts reflected in the above table are related to the capital projects detailed in the previous pages.

Other Contingencies

Due to significant flooding during September 2013, the City had substantial repairs that needed to be made to the Coal Creek Trail. With the flood being deemed a disaster, the City is working with Federal and State government agencies to assist in defraying the costs of the repairs. The costs for the flood related projects have been submitted for reimbursement from

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FEMA. In addition, there were significant project cost over-runs which were also submitted to FEMA for approval which has not yet been authorized. The repair to the flood damaged areas is 100% completed as of December 31, 2015, and requests for reimbursements have been submitted to FEMA.

**Note 12. Leases**

The primary objective of the GASB Statement No. 87, Leases standard is to enhance the relevance and consistency of information about governments' leasing activities. This standard establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying 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. For additional information, refer to the disclosures below.

The City has 8 lease agreements as lessee for the use of copier and print equipment. As of December 31, 2023, the value of the lease liability was \$638,369. The interest rate on the leases ranged from 0.55% to 3.31%. The value of the rights to use these assets as of December 31, 2023, was \$783,846 with accumulated amortization of \$174,660.

The City entered into a lease agreement as lessee for the use of land. As of December 31, 2023, the value of the lease liability is \$122,145. The lease has an interest rate of 2.36%. The value of the rights to use this asset as of December 31, 2023, was \$161,585 with accumulated amortization of \$27,055.

The City entered into a lease agreement as lessee for the use of a building. As of December 31, 2023, the value of the lease liability was \$841,633. The lease has an interest rate of 1.55%. The value of the rights to use this asset as of December 31, 2023, was \$896,916 with accumulated amortization of \$90,826.

The City has accrued a receivable for 13 infrastructure leases. The remaining receivable for these leases was \$2,687,657 for the year ended December 31, 2023. Deferred inflows related to these leases were \$2,574,931 as of December 31, 2023. The interest rate on the leases ranged from 0.24% to 2.47%.

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The tables below disclose the schedule of future payments included in the measurement of the lease receivable.

**Governmental**

Fiscal Year	Principal Payments	Interest Payments	Total Payments
2024	201,777	18,408	220,185
2025	123,884	14,709	138,593
2026	86,657	13,139	99,796
2027	86,009	12,276	98,285
2028	89,496	11,392	100,888
2029 - 2033	387,977	44,486	432,463
2034 - 2038	383,161	27,830	410,991
2039 - 2043	329,241	11,227	340,468
2044 - 2048	275,093	4,398	279,491
2049	52,123	222	52,345

**Proprietary**

Fiscal Year	Principal Payments	Interest Payments	Total Payments
2024	37,994	13,144	51,138
2025	39,255	12,561	51,816
2026	40,563	11,959	52,522
2027	41,919	11,337	53,256
2028	43,325	10,694	54,019
2029 - 2033	179,618	43,035	222,653
2034 - 2038	183,525	23,340	206,865
2039 - 2043	106,040	3,590	109,630

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The tables below disclose the schedule of future payments included in the measurement of the lease liability.

<b>Governmental</b>			
Fiscal Year	Principal Payments	Interest Payments	Total Payments
2024	185,313	29,303	214,616
2025	192,192	25,338	217,530
2026	189,329	21,222	210,551
2027	142,580	17,019	159,599
2028	114,008	14,215	128,223
2029 - 2033	291,751	46,274	338,025
2034 - 2038	277,088	25,511	302,599
2039 - 2041	182,225	4,086	186,311

<b>Proprietary</b>			
Fiscal Year	Principal Payments	Interest Payments	Total Payments
2024	5,905	635	6,540
2025	6,006	534	6,540
2026	6,172	368	6,540
2027	6,342	197	6,539
2028	3,236	33	3,269

**Note 13. Subscription Based Information Technology Arrangements**

For the year ended December 31, 2023, the financial statements include the adoption of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITA)*. The primary objective of this statement is to enhance the relevance and consistency of information about governments' subscription activities. This statement establishes a single model for subscription accounting based on the principle that subscriptions are financings of the right to use an underlying asset. Under this Statement, an organization is required to recognize a subscription liability and an intangible right-to-use subscription asset.

The subscriptions recognized by the City convey the right to use many different types of information technology platforms to assist in managing human resources, infrastructure systems, citizen protection and safety, financial reporting and information storage, and security.

The value of the rights to use these assets at December 31, 2023 for Governmental activities was \$1,031,450, with accumulated amortization of \$442,209. The value of the rights to use these assets for Proprietary activities was \$52,314, with accumulated amortization of \$31,697.

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The City adopted GASB Statement No. 96 on January 1, 2023. As of that date, the SBITA liability for Governmental and Proprietary activities was \$820,659 and \$48,359, respectively. These SBITAs had service periods ranging from 13 to 60 months, with interest rates ranging from 2.36% to 3.63%. As of December 31, 2023, the SBITA liability for Governmental and Proprietary activities was \$453,579 and \$2,539, respectively.

The following tables show the schedule of future payments included in the measurement of the lease liability.

<b>Governmental</b>			
Fiscal Year	Principal Payments	Interest Payments	Total Payments
2024	254,391	9,363	263,754
2025	191,787	2,431	194,218
2026	3,652	198	3,850
2027	3,749	101	3,850

<b>Proprietary</b>			
Fiscal Year	Principal Payments	Interest Payments	Total Payments
2024	1,253	70	1,323
2025	1,286	37	1,323

## **Required Supplementary Information**

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**CITY OF LAFAYETTE, COLORADO**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**For the Year Ended December 31, 2023**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>Revenues</b>				
Taxes				
Property Taxes	\$ 6,699,868	\$ 6,699,868	\$ 6,733,790	\$ 33,922
Fire and Ambulance Property Taxes	2,965,768	2,965,768	2,942,378	(23,390)
Specific Ownership Taxes	564,226	564,226	493,725	(70,501)
General Sales and Use Taxes	17,949,438	17,949,438	17,769,201	(180,237)
Building Use Taxes	1,415,732	1,415,732	1,045,580	(370,152)
Motor Vehicle Use Taxes	2,356,859	2,356,859	2,428,694	71,835
Franchise Taxes	1,369,610	1,369,610	1,396,112	26,502
Excise Taxes	682,483	682,483	565,481	(117,002)
<b>Total Taxes</b>	<u>34,003,984</u>	<u>34,003,984</u>	<u>33,374,961</u>	<u>(629,023)</u>
Licenses and Permits				
Business Licenses	16,108	16,108	2,215	(13,893)
Contractor Licenses	98,953	98,953	129,775	30,822
Liquor Licenses	36,824	36,824	20,574	(16,250)
Marijuana Licenses	100,624	100,624	51,750	(48,874)
Construction Permits	444,246	444,246	402,999	(41,247)
Mobile Home Permits	9,000	9,000	8,520	(480)
Miscellaneous Licenses	1,200	1,200	1,259	59
<b>Total Licenses and Permits</b>	<u>706,955</u>	<u>706,955</u>	<u>617,092</u>	<u>(89,863)</u>
Intergovernmental				
Federal, State, and County Grants	222,202	222,202	284,373	62,171
Cigarette Tax	45,905	45,905	54,368	8,463
<b>Total Intergovernmental</b>	<u>268,107</u>	<u>268,107</u>	<u>338,741</u>	<u>70,634</u>
Contributions and Grants				
Public Art Fees	19,611	19,611	8,235	(11,376)
Miscellaneous Contributions and Grants	461,531	552,968	562,347	9,379
<b>Total Contributions and Grants</b>	<u>481,142</u>	<u>572,579</u>	<u>570,582</u>	<u>(1,997)</u>

**CITY OF LAFAYETTE, COLORADO**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL (continued)**  
**For the Year Ended December 31, 2023**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance</b>
<b>Revenues (continued)</b>				
Charges for Services				
Building Fees	1,408,141	1,408,141	543,320	(864,821)
Culture and Recreation Fees	1,842,200	1,842,200	2,167,777	325,577
Cemetery Fees	30,000	30,000	21,515	(8,485)
Administrative Fees	1,840,430	1,840,430	1,840,431	1
Pawn Shop Fees	8,000	8,000	4,757	(3,243)
Police Service Fees	37,000	37,000	52,724	15,724
Ambulance Fees	525,000	525,000	702,037	177,037
Solid Waste, Recycling and Compost Fees	-	-	38,354	38,354
Sidewalk Maintenance Fees	439,500	439,500	421,040	(18,460)
Miscellaneous Services	31,000	31,000	24,380	(6,620)
Total Charges for Services	<u>6,161,271</u>	<u>6,161,271</u>	<u>5,816,335</u>	<u>(344,936)</u>
Fines and Forfeitures				
Fines	236,800	236,800	523,838	287,038
Court Costs	20,000	20,000	43,374	23,374
Total Fines and Forfeitures	<u>256,800</u>	<u>256,800</u>	<u>567,212</u>	<u>310,412</u>
Investment Earnings	538,745	538,745	1,468,677	929,932
Lease Revenue	-	-	(375,159)	(375,159)
Miscellaneous Revenue	390,430	402,229	666,229	264,000
<b>Total Revenues</b>	<u>42,807,434</u>	<u>42,910,670</u>	<u>43,044,670</u>	<u>509,159</u>
<b>Expenditures</b>				
General Government				
City Council	261,516	261,516	199,696	61,820
Non-Departmental	1,988,407	2,693,654	2,743,854	(50,200)
Community Boards	430,590	430,590	272,727	157,863
City Administration	818,632	1,513,632	693,925	819,707
City Clerk	333,710	333,710	317,319	16,391
Arts & Cultural Resources	783,167	885,526	782,414	103,112
Communications	667,653	678,153	548,583	129,570
Sustainability	258,137	443,626	312,631	130,995
Economic Development	1,110,095	1,113,572	747,857	365,715
Human Resources	1,188,027	1,460,427	1,276,254	184,173
Financial Services	1,724,145	1,773,395	1,669,349	104,046
Information Systems	3,038,595	3,388,757	2,586,774	801,983
Facility Maintenance	1,375,551	1,375,551	1,249,355	126,196
Planning	1,723,322	2,051,634	1,492,404	559,230
Total General Government	<u>15,701,547</u>	<u>18,403,743</u>	<u>14,893,142</u>	<u>3,510,601</u>
Judicial				
City Attorney	494,100	494,100	458,902	35,198
Municipal Court	237,366	237,366	265,554	(28,188)
Total Judicial	<u>731,466</u>	<u>731,466</u>	<u>724,456</u>	<u>7,010</u>

**CITY OF LAFAYETTE, COLORADO**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL (continued)**  
**For the Year Ended December 31, 2023**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Expenditures (Continued)</b>				
Public Safety				
Police	9,016,283	9,016,283	8,478,573	537,710
Fire & Ambulance	6,668,017	6,756,989	7,484,795	(727,806)
Total Public Safety	<u>15,684,300</u>	<u>15,773,272</u>	<u>15,963,368</u>	<u>(190,096)</u>
Public Works				
Administration, Engineering, Streets, Fleet	3,024,423	3,592,450	3,031,265	561,185
Solid Waste and Recycling	2,500	2,500	-	2,500
Total Public Works	<u>3,026,923</u>	<u>3,594,950</u>	<u>3,031,265</u>	<u>563,685</u>
Culture and Recreation				
Administration - Parks, Open Space and Golf	375,464	392,565	339,617	52,948
Cemeteries	185,956	185,956	163,733	22,223
Streetscapes	209,638	209,638	187,612	22,026
Administration - Recreation	411,498	411,098	380,139	30,959
Water Park	568,260	568,260	559,995	8,265
Recreation Center	572,437	572,437	342,775	229,662
Aquatics	730,688	730,688	756,462	(25,774)
General Programs	730,578	885,355	899,036	(13,681)
Guest Services	624,378	624,778	845,654	(220,876)
Library	1,867,739	1,878,309	1,781,073	97,236
Senior Services	582,880	582,880	552,174	30,706
Total Culture and Recreation	<u>6,859,516</u>	<u>7,041,964</u>	<u>6,808,270</u>	<u>233,694</u>
Capital Outlay	1,753,000	4,844,856	1,107,572	3,737,284
<b>Total Expenditures</b>	<u>43,756,752</u>	<u>50,390,251</u>	<u>42,528,073</u>	<u>7,862,178</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(949,318)</u>	<u>(7,479,581)</u>	<u>516,597</u>	<u>7,996,178</u>
<b>Other Financing Sources (Uses)</b>				
Transfers In	263,824	263,824	-	(263,824)
Transfers Out	(3,423,154)	(5,334,670)	(5,334,670)	-
<b>Total Other Financing Sources (Uses)</b>	<u>(3,159,330)</u>	<u>(5,070,846)</u>	<u>(5,334,670)</u>	<u>(263,824)</u>
<b>Net Change in Fund Balance</b>	<u>\$ (4,108,648)</u>	<u>\$ (12,550,427)</u>	<u>(4,818,073)</u>	<u>\$ 7,732,354</u>
<b>Fund Balance, January 1</b>			<u>43,137,788</u>	
<b>Fund Balance, December 31</b>			<u>\$ 38,319,715</u>	

**CITY OF LAFAYETTE, COLORADO  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION ASSET (LIABILITY)  
AND CONTRIBUTIONS - FPPA STATEWIDE DEFINED BENEFIT PLAN  
December 31, 2023**

	12/31/22	12/31/21	12/31/20	12/31/19	12/31/18
<b>Proportionate Share of the Net Pension Asset (Liability)</b>					
City's Proportion of the Net Pension Asset (Liability)	0.77250373%	0.76711938%	0.75679573%	0.78378978%	0.78576440%
City's Proportionate Share of the Net Pension Asset (Liability)	\$ (685,682)	\$ 4,157,279	\$ 1,643,007	\$ 443,283	\$ (993,422)
City's Covered Payroll	\$ 6,775,462	\$ 6,167,777	\$ 5,798,032	\$ 5,477,229	\$ 4,984,563
City's Proportionate Share of the Net Pension Asset (Liability) as a Percentage of Covered Payroll	-10.12%	67.40%	28.34%	8.09%	-19.93%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	98%	116%	107%	102%	95%
<b>City Contributions</b>					
Statutorily Required Contribution	\$ 718,679	\$ 578,726	\$ 563,023	\$ 486,291	\$ 462,143
Contributions in Relation to the Statutorily Required Contribution	718,679	578,726	563,023	486,291	462,143
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -
City's Covered Payroll	\$ 7,935,574	\$ 6,775,462	\$ 6,167,777	\$ 5,798,032	\$ 5,477,229
Contributions as a Percentage of Covered Payroll	9.06%	8.54%	9.13%	8.39%	8.44%

**CITY OF LAFAYETTE, COLORADO  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION ASSET (LIABILITY)  
AND CONTRIBUTIONS - FPPA STATEWIDE DEFINED BENEFIT PLAN (continued)  
December 31, 2023**

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

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

**CITY OF LAFAYETTE, COLORADO  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION ASSET (LIABILITY)  
AND CONTRIBUTIONS - FPPA STATEWIDE HYBRID PLAN  
December 31, 2023**

	12/31/22	12/31/21	12/31/20	12/31/19	12/31/18
<b>Proportionate Share of the Net Pension Asset (Liability)</b>					
City's Proportion of the Net Pension Asset (Liability)	1.95744829%	2.02976636%	2.35531010%	2.57220703%	2.48579006%
City's Proportionate Share of the Net Pension Asset (Liability)	\$ 28,548	\$ 769,681	\$ 647,830	\$ 500,912	\$ 343,125
City's Covered Payroll	3,175,171	336,912	392,192	402,426	388,412
City's Proportionate Share of the Net Pension Asset (Liability) as a Percentage of Covered Payroll	0.90%	228.45%	165.18%	124.47%	88.34%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	101%	149%	138%	130%	123%
<b>City Contributions</b>					
Statutorily Required Contribution	\$ 39,630	\$ 36,148	\$ 35,710	\$ 40,004	\$ 41,048
Contributions in Relation to the Statutorily Required Contribution	39,630	36,148	35,710	40,004	41,048
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -
City's Covered Payroll	\$ 3,922,796	\$ 3,175,171	\$ 336,912	\$ 392,192	\$ 402,426
Contributions as a Percentage of Covered Payroll	1.01%	1.14%	10.60%	10.20%	10.20%

**CITY OF LAFAYETTE, COLORADO  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION ASSET (LIABILITY)  
AND CONTRIBUTIONS - FPPA STATEWIDE HYBRID PLAN (continued)  
December 31, 2023**

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

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

**CITY OF LAFAYETTE, COLORADO**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF CHANGES IN NET PENSION ASSET (LIABILITY) AND RELATED RATIOS**  
**AND CONTRIBUTIONS VOLUNTEER FIRE DEPARTMENT PENSION PLAN**  
**December 31, 2023**

	12/31/22	12/31/21	12/31/20	12/31/19	12/31/18
<b>Total Pension Liability</b>					
Interest	\$ 143,943	\$ 148,830	\$ 153,192	\$ 157,331	\$ 162,805
Benefit Changes	371,902	-	-	-	-
Difference between Expected and Actual Experience	(49,025)	-	(6,322)	-	56,490
Changes of Assumptions	10,451	-	-	-	79,350
Benefit Payments	(231,790)	(205,940)	(212,340)	(220,440)	(222,840)
Net Change in Total Pension Liability	245,481	(57,110)	(65,470)	(63,109)	75,805
Total Pension Liability - Beginning	2,170,258	2,227,368	2,292,838	2,355,947	2,280,142
Total Pension Liability - Ending	<u>\$ 2,415,739</u>	<u>\$ 2,170,258</u>	<u>\$ 2,227,368</u>	<u>\$ 2,292,838</u>	<u>\$ 2,355,947</u>
<b>Plan Fiduciary Net Position</b>					
Employer Contributions	\$ 119,164	\$ 119,164	\$ 119,164	\$ 119,164	\$ 119,164
State of Colorado Contributions	42,222	84,444	42,222	-	42,222
Net Investment Income	(139,937)	222,390	170,424	182,674	1,564
Benefit Payments	(231,790)	(205,940)	(212,340)	(220,440)	(222,840)
Administrative Expenses	(10,760)	(11,716)	(8,841)	(11,543)	(9,680)
Net Change in Plan Fiduciary Net Position	(221,101)	208,342	110,629	69,855	(69,570)
Plan Fiduciary Net Position - Beginning	1,751,768	1,543,426	1,432,797	1,362,942	1,432,512
Plan Fiduciary Net Position - Ending	<u>\$ 1,530,667</u>	<u>\$ 1,751,768</u>	<u>\$ 1,543,426</u>	<u>\$ 1,432,797</u>	<u>\$ 1,362,942</u>
City's Net Pension Asset (Liability) - Ending	<u>\$ (885,072)</u>	<u>\$ (418,490)</u>	<u>\$ (683,942)</u>	<u>\$ (860,041)</u>	<u>\$ (993,005)</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	63%	81%	69%	62%	58%
	12/31/23	12/31/22	12/31/21	12/31/20	12/31/19
<b>City Contributions</b>					
Actuarially Determined Contribution	\$ 107,532	\$ 86,293	\$ 86,293	\$ 84,663	\$ 84,663
Contributions in Relation to the Actuarially Determined Contribution	(161,386)	(203,608)	(161,386)	(119,164)	(161,386)
Contribution Deficiency (Excess)	<u>\$ (53,854)</u>	<u>\$ (117,315)</u>	<u>\$ (75,093)</u>	<u>\$ (34,501)</u>	<u>\$ (76,723)</u>

**CITY OF LAFAYETTE, COLORADO**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF CHANGES IN NET PENSION ASSET (LIABILITY) AND RELATED RATIOS**  
**AND CONTRIBUTIONS VOLUNTEER FIRE DEPARTMENT PENSION PLAN (continued)**  
**December 31, 2023**

	<u>12/31/17</u>	<u>12/31/16</u>	<u>12/31/15</u>	<u>12/31/14</u>
<b>Total Pension Liability</b>				
Interest	\$ 166,718	\$ 167,949	\$ 170,993	\$ 178,910
Benefit Changes	-	-	-	-
Difference between Expected and Actual Experience	-	(45,180)	-	(74,942)
Changes of Assumptions	-	76,440	-	-
Benefit Payments	<u>(215,069)</u>	<u>(216,163)</u>	<u>(207,166)</u>	<u>(211,810)</u>
Net Change in Total Pension Liability	(48,351)	(16,954)	(36,173)	(107,842)
Total Pension Liability - Beginning	<u>2,328,493</u>	<u>2,345,447</u>	<u>2,381,620</u>	<u>2,489,462</u>
Total Pension Liability - Ending	<u>\$ 2,280,142</u>	<u>\$ 2,328,493</u>	<u>\$ 2,345,447</u>	<u>\$ 2,381,620</u>
<b>Plan Fiduciary Net Position</b>				
Employer Contributions	\$ 119,164	\$ 119,164	\$ 119,164	\$ 119,164
State of Colorado Contributions	42,222	42,222	42,222	42,222
Net Investment Income	179,646	63,877	23,339	81,117
Benefit Payments	(215,069)	(216,163)	(207,166)	(211,810)
Administrative Expenses	<u>(9,182)</u>	<u>(2,202)</u>	<u>(3,034)</u>	<u>(2,279)</u>
Net Change in Plan Fiduciary Net Position	116,781	6,898	(25,475)	28,414
Plan Fiduciary Net Position - Beginning	<u>1,315,731</u>	<u>1,308,833</u>	<u>1,334,308</u>	<u>1,305,894</u>
Plan Fiduciary Net Position - Ending	<u>\$ 1,432,512</u>	<u>\$ 1,315,731</u>	<u>\$ 1,308,833</u>	<u>\$ 1,334,308</u>
City's Net Pension Asset (Liability) - Ending	<u>\$ (847,630)</u>	<u>\$ (1,012,762)</u>	<u>\$ (1,036,614)</u>	<u>\$ (1,047,312)</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	63%	57%	56%	56%
	<u>12/31/18</u>	<u>12/31/17</u>	<u>12/31/16</u>	<u>12/31/15</u>
<b>City Contributions</b>				
Actuarially Determined Contribution	\$ 84,663	\$ 93,525	\$ 93,525	\$ 119,164
Contributions in Relation to the Actuarially Determined Contribution	<u>(161,386)</u>	<u>(161,386)</u>	<u>(161,386)</u>	<u>(161,386)</u>
Contribution Deficiency (Excess)	<u>\$ (76,723)</u>	<u>\$ (67,861)</u>	<u>\$ (67,861)</u>	<u>\$ (42,222)</u>

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

## **Note 1. Budgets and Budgetary Accounting**

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

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

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

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

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

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

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

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

## **Note 2. Contributions to the Volunteer Plan**

The Volunteer Fire Department Pension Plan's net pension liability and associated amounts are measured at December 31, 2022, based on the actuarial valuation as of January 1, 2023, which is a one-year lag compared to the City's fiscal year ended December 31, 2023. Covered payroll is not applicable for volunteers. Therefore, no covered payroll information is presented in the accompanying schedule.

**Contributions**

Actuarially determined contribution rates are calculated as of January 1 of odd numbered years. The contribution rates have a one-year lag, so the actuarial valuation as of January 1, 2021, determines the contribution amounts for 2022 and 2023.

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

Actuarial Method	Entry Age Normal
Amortization Method	Level dollar, Open *
Amortization Period	20 Years *
Asset Valuation Method	5-Year Smoothed Fair Value
Long-term Investment Rate of Return*	7.0%
Projected Salary Increases	N/A
Cost of Living Adjustments	None
Retirement Age	50% per year of eligibility until 100% at age 65.
Mortality	Pre-retirement: 2006 central rates from the RP-2014 Employee Mortality Tables for males and females projected to 2018 using the MP-2017 projection scales, and then projected prospectively using the ultimate rates of the scale for all years, 50% multiplier for off-duty mortality. Post-retirement: 2006 central rates from the RP-2014 Annuitant Mortality Tables for males and females projected to 2018 using the MP-2017 projection scales, and then projected prospectively using the ultimate rates of the scale for all years, Disabled: 2006 central rates from the RP-2014 Disabled Mortality Tables for males and females projected to 2018 using the MP-2017 projection scales, and then projected prospectively using the ultimate rates of the scale for all years.
Includes Inflation at	2.5%

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

## **Other Supplementary Information**

### **Combining and Individual Fund Statements and Budgetary Comparison Schedules**

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## **Nonmajor Governmental Funds**

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### **Special Revenue Funds**

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

- *Lafayette City Center General Improvement District*
- *Exempla General Improvement District*
- *Lafayette Corporate Campus General Improvement District*
- *Lafayette Tech Center General Improvement District*
- *Health & Human Services Fund*
- *Public Safety Fund*
- *Grants Fund*

### **Capital Project Funds**

Capital project funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary fund types. The City's nonmajor capital projects funds in this section are as follows:

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

This section also includes a budgetary comparison schedule for the Capital Projects Fund – a major fund.

### **Debt Service Fund**

*The Debt Service Fund* is used to account for the accumulation of resources and payment of bond principal and interest from governmental resources. The City's Debt Service Fund currently accounts for the 2016 General Obligation Refunding & Improvement Bond issuance.

### **Permanent Fund – Cemetery Endowment**

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

**CITY OF LAFAYETTE, COLORADO**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**December 31, 2023**

	Special Revenue Funds						
	Lafayette	Exempla	Lafayette	Lafayette	Health & Human	Public Safety	Grants
	City Center		Corporate	Tech Center			
	GID	GID	Campus	GID			
<b>Assets</b>							
Cash and Investments	\$ 193,313	\$ 1,020,143	\$ 658,009	\$ 214,784	\$ 1,408,416	\$ 598,029	\$ 2,697,101
Receivables	725	147,752	3,758	873	82,045	210,744	5,338,313
Prepaid Expenses	-	-	-	-	-	49	-
<b>Total Assets</b>	<b>\$ 194,038</b>	<b>\$ 1,167,895</b>	<b>\$ 661,767</b>	<b>\$ 215,657</b>	<b>\$ 1,490,461</b>	<b>\$ 808,822</b>	<b>\$ 8,035,414</b>
<b>Liabilities</b>							
Accounts Payable	\$ -	\$ -	\$ -	\$ 688	\$ 57,921	\$ 176,499	\$ -
Interfund Payables	-	-	-	-	-	-	-
Deposits Payable	75,000	-	-	-	-	-	-
Accrued Liabilities	-	-	-	-	-	9,606	-
<b>Total Liabilities</b>	<b>75,000</b>	<b>-</b>	<b>-</b>	<b>688</b>	<b>57,921</b>	<b>186,105</b>	<b>-</b>
<b>Deferred Inflows of Resources</b>							
Unavailable Revenue - Other	-	-	-	-	-	-	2,375,170
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,375,170</b>
<b>Resources</b>							
Nonspendable	-	-	-	-	-	-	-
Restricted	119,038	1,167,895	661,767	214,969	1,432,540	622,717	5,660,244
Committed	-	-	-	-	-	-	-
<b>Total Fund Balance</b>	<b>119,038</b>	<b>1,167,895</b>	<b>661,767</b>	<b>214,969</b>	<b>1,432,540</b>	<b>622,717</b>	<b>5,660,244</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balance</b>	<b>\$ 194,038</b>	<b>\$ 1,167,895</b>	<b>\$ 661,767</b>	<b>\$ 215,657</b>	<b>\$ 1,490,461</b>	<b>\$ 808,822</b>	<b>\$ 8,035,414</b>

**CITY OF LAFAYETTE, COLORADO**  
**COMBINING BALANCE SHEET (continued)**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**December 31, 2023**

	Capital Projects Funds			Debt Service Fund	Permanent Fund	Total
	Legacy Open Space	Parks, Open Space, and Trails	Conservation Trust	Debt Service	Cemetery Endowment	
<b>Assets</b>						
Cash and Investments	\$ 5,685,782	\$ 1,027,105	\$ 905,921	\$ 181,107	\$ 47,889	\$ 14,637,599
Receivables	213,914	373,585	3,681	4,609	194	6,380,193
Prepaid Expenses	-	1,540	-	-	-	1,589
<b>Total Assets</b>	<b>\$ 5,899,696</b>	<b>\$ 1,402,230</b>	<b>\$ 909,602</b>	<b>\$ 185,716</b>	<b>\$ 48,083</b>	<b>\$ 21,019,381</b>
<b>Liabilities</b>						
Accounts Payable	\$ 26,784	\$ 187,851	\$ 33,305	\$ -	\$ 1,004	\$ 484,052
Interfund Payables	1,710,589	-	-	-	-	1,710,589
Deposits Payable	-	-	-	-	-	75,000
Accrued Liabilities	-	11,605	-	-	-	21,211
<b>Total Liabilities</b>	<b>1,737,373</b>	<b>199,456</b>	<b>33,305</b>	<b>-</b>	<b>1,004</b>	<b>2,290,852</b>
<b>Deferred Inflows of Resources</b>						
Unavailable Revenue - Other	-	179,336	-	-	-	2,554,506
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>179,336</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,554,506</b>
Nonspendable	-	-	-	-	47,079	47,079
Restricted	4,162,323	1,023,438	876,297	-	-	15,941,228
Committed	-	-	-	185,716	-	185,716
<b>Total Fund Balance</b>	<b>4,162,323</b>	<b>1,023,438</b>	<b>876,297</b>	<b>185,716</b>	<b>47,079</b>	<b>16,174,023</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balance</b>	<b>\$ 5,899,696</b>	<b>\$ 1,402,230</b>	<b>\$ 909,602</b>	<b>\$ 185,716</b>	<b>\$ 48,083</b>	<b>\$ 21,019,381</b>

**CITY OF LAFAYETTE, COLORADO**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**For the Year Ended December 31, 2023**

	Special Revenue Funds						
	Lafayette City Center GID	Exempla GID	Lafayette Corporate Campus GID	Lafayette Tech Center GID	Health & Human Services	Public Safety	Grants
<b>Revenues</b>							
Taxes							
Property Taxes	\$ 4,247	\$ 6,275	\$ 254,331	\$ 154,474	\$ -	\$ -	\$ -
Specific Ownership Taxes	193	292	11,697	7,162	-	-	-
General Sales and Use Taxes	-	-	-	-	561,618	1,516,363	-
Building Use Taxes	-	-	-	-	34,853	94,102	-
Motor Vehicle Use Taxes	-	-	-	-	80,956	218,582	-
<b>Total Taxes</b>	<b>4,440</b>	<b>6,567</b>	<b>266,028</b>	<b>161,636</b>	<b>677,427</b>	<b>1,829,047</b>	<b>-</b>
Intergovernmental	-	-	-	-	-	-	5,338,000
Contributions and Grants	-	-	-	-	-	-	-
Investment Earnings	7,228	42,485	30,284	10,617	50,560	39,891	223,144
Miscellaneous	-	-	-	876	-	-	-
<b>Total Revenues</b>	<b>11,668</b>	<b>49,052</b>	<b>296,312</b>	<b>173,129</b>	<b>727,987</b>	<b>1,868,938</b>	<b>5,561,144</b>
<b>Expenditures</b>							
Operating							
General Government	176	692	4,600	5,270	6,202	15,634	775
Culture and Recreation	-	-	-	-	-	-	-
Public Safety	-	-	-	-	-	2,102,140	-
Capital Outlay	-	-	-	-	-	-	-
Debt Service							
Principal	-	-	125,000	70,000	-	-	-
Interest on Bonded Debt	-	-	104,000	85,800	-	-	-
Interfund Loan Interest	-	-	-	-	-	-	-
Fiscal Charges	-	-	400	333	-	-	-
<b>Total Expenditures</b>	<b>176</b>	<b>692</b>	<b>234,000</b>	<b>161,403</b>	<b>6,202</b>	<b>2,117,774</b>	<b>775</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>11,492</b>	<b>48,360</b>	<b>62,312</b>	<b>11,726</b>	<b>721,785</b>	<b>(248,836)</b>	<b>5,560,369</b>
<b>Other Financing Sources (Uses)</b>							
Proceeds from Sale of Assets	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Change in Fund Balance</b>	<b>11,492</b>	<b>48,360</b>	<b>62,312</b>	<b>11,726</b>	<b>721,785</b>	<b>(248,836)</b>	<b>5,560,369</b>
<b>Fund Balance, January 1</b>	<b>107,546</b>	<b>1,119,535</b>	<b>599,455</b>	<b>203,243</b>	<b>710,755</b>	<b>871,553</b>	<b>99,875</b>
<b>Fund Balance, December 31</b>	<b>\$ 119,038</b>	<b>\$ 1,167,895</b>	<b>\$ 661,767</b>	<b>\$ 214,969</b>	<b>\$ 1,432,540</b>	<b>\$ 622,717</b>	<b>\$ 5,660,244</b>

**CITY OF LAFAYETTE, COLORADO**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**NONMAJOR GOVERNMENTAL FUNDS (continued)**  
**For the Year Ended December 31, 2023**

	Capital Projects Funds			Debt Service Fund	Permanent Fund	Total
	Legacy Open Space	Parks, Open Space, and Trails	Conservation Trust	Debt Service	Cemetery Endowment	
<b>Revenues</b>						
Taxes						
Property Taxes	\$ -	\$ -	\$ -	\$ 1,001,769	\$ -	\$ 1,421,096
Specific Ownership Taxes	-	-	-	-	-	19,344
General Sales and Use Taxes	1,473,782	1,473,782	-	-	-	5,025,545
Building Use Taxes	87,132	87,132	-	-	-	303,219
Motor Vehicle Use Taxes	202,391	202,391	-	-	-	704,320
<b>Total Taxes</b>	<b>1,763,305</b>	<b>1,763,305</b>	<b>-</b>	<b>1,001,769</b>	<b>-</b>	<b>7,473,524</b>
Intergovernmental	-	-	436,384	-	-	5,774,384
Contributions and Grants	-	74,148	-	-	-	74,148
Investment Earnings	237,650	55,983	43,147	22,008	1,995	764,992
Miscellaneous	-	11,700	-	-	-	12,576
<b>Total Revenues</b>	<b>2,000,955</b>	<b>1,905,136</b>	<b>479,531</b>	<b>1,023,777</b>	<b>1,995</b>	<b>14,099,624</b>
<b>Expenditures</b>						
Operating						
General Government	-	-	-	10,442	1,025	44,816
Culture and Recreation	23,640	2,343,372	186,183	-	-	2,553,195
Public Safety	-	-	-	-	-	2,102,140
Capital Outlay	279,044	720,346	359,339	-	-	1,358,729
Debt Service						
Principal	-	-	-	880,000	-	1,075,000
Interest on Bonded Debt	-	-	-	123,800	-	313,600
Interfund Loan Interest	43,832	-	-	-	-	43,832
Fiscal Charges	-	-	-	250	-	983
<b>Total Expenditures</b>	<b>346,516</b>	<b>3,063,718</b>	<b>545,522</b>	<b>1,014,492</b>	<b>1,025</b>	<b>7,492,295</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>1,654,439</b>	<b>(1,158,582)</b>	<b>(65,991)</b>	<b>9,285</b>	<b>970</b>	<b>6,607,329</b>
<b>Other Financing Sources (Uses)</b>						
Proceeds from Sale of Assets	-	121,050	-	-	-	121,050
Transfers In	-	314,493	-	-	-	314,493
Transfers Out	(314,493)	-	-	-	-	(314,493)
<b>Total Other Financing Sources (Uses)</b>	<b>(314,493)</b>	<b>435,543</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>121,050</b>
<b>Net Change in Fund Balance</b>	<b>1,339,946</b>	<b>(723,039)</b>	<b>(65,991)</b>	<b>9,285</b>	<b>970</b>	<b>6,728,379</b>
<b>Fund Balance, January 1</b>	<b>2,822,377</b>	<b>1,746,477</b>	<b>942,288</b>	<b>176,431</b>	<b>46,109</b>	<b>9,445,644</b>
<b>Fund Balance, December 31</b>	<b>\$ 4,162,323</b>	<b>\$ 1,023,438</b>	<b>\$ 876,297</b>	<b>\$ 185,716</b>	<b>\$ 47,079</b>	<b>\$ 16,174,023</b>

**CITY OF LAFAYETTE, COLORADO**  
**LAFAYETTE CITY CENTER GID SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**For the Year Ended December 31, 2023**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>Revenues</b>				
Property Taxes	\$ 4,205	\$ 4,205	\$ 4,247	\$ 42
Specific Ownership Taxes	210	210	193	(17)
Investment Earnings	1,949	1,949	7,228	5,279
<b>Total Revenues</b>	<u>6,364</u>	<u>6,364</u>	<u>11,668</u>	<u>5,304</u>
<b>Expenditures</b>				
Operating Expenditures				
General Government	10,059	10,059	176	9,883
<b>Total Expenditures</b>	<u>10,059</u>	<u>10,059</u>	<u>176</u>	<u>9,883</u>
<b>Excess of Revenues (Deficiency) Over (Under) Expenditures</b>	<u>(3,695)</u>	<u>(3,695)</u>	<u>11,492</u>	<u>15,187</u>
<b>Net Change in Fund Balance</b>	<u>\$ (3,695)</u>	<u>\$ (3,695)</u>	<u>11,492</u>	<u>\$ 15,187</u>
<b>Fund Balance - January 1</b>			<u>107,546</u>	
<b>Fund Balance - December 31</b>			<u>\$ 119,038</u>	

**CITY OF LAFAYETTE, COLORADO**  
**EXEMPLA GID SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**For the Year Ended December 31, 2023**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>Revenues</b>				
Property Taxes	\$ 6,352	\$ 6,352	\$ 6,275	\$ (77)
Specific Ownership Taxes	340	340	292	(48)
Investment Earnings	10,950	10,950	42,485	31,535
<b>Total Revenues</b>	<u>17,642</u>	<u>17,642</u>	<u>49,052</u>	<u>31,410</u>
<b>Expenditures</b>				
Operating Expenditures				
General Government	15,177	15,177	692	14,485
<b>Total Expenditures</b>	<u>15,177</u>	<u>15,177</u>	<u>692</u>	<u>14,485</u>
<b>Excess of Revenues Over Expenditures</b>	<u>2,465</u>	<u>2,465</u>	<u>48,360</u>	<u>45,895</u>
<b>Net Change in Fund Balance</b>	<u>\$ 2,465</u>	<u>\$ 2,465</u>	48,360	<u>\$ 45,895</u>
<b>Fund Balance - January 1</b>			<u>1,119,535</u>	
<b>Fund Balance - December 31</b>			<u>\$ 1,167,895</u>	

**CITY OF LAFAYETTE, COLORADO**  
**LAFAYETTE CORPORATE CAMPUS GID SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**For the Year Ended December 31, 2023**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>Revenues</b>				
Property Taxes	\$ 255,715	\$ 255,715	\$ 254,331	\$ (1,384)
Specific Ownership Taxes	13,000	13,000	11,697	(1,303)
Investment Earnings	9,267	9,267	30,284	21,017
<b>Total Revenues</b>	<u>277,982</u>	<u>277,982</u>	<u>296,312</u>	<u>18,330</u>
<b>Expenditures</b>				
Operating Expenditures				
General Government	7,015	7,015	4,600	2,415
Debt Service				
Principal	125,000	125,000	125,000	-
Interest	123,200	123,200	104,000	19,200
Bond Trustee Fees	500	500	400	100
<b>Total Expenditures</b>	<u>255,715</u>	<u>255,715</u>	<u>234,000</u>	<u>21,715</u>
<b>Excess of Revenues Over Expenditures</b>	<u>22,267</u>	<u>22,267</u>	<u>62,312</u>	<u>40,045</u>
<b>Net Change in Fund Balance</b>	<u>\$ 22,267</u>	<u>\$ 22,267</u>	<u>62,312</u>	<u>\$ 40,045</u>
<b>Fund Balance - January 1</b>			<u>599,455</u>	
<b>Fund Balance - December 31</b>			<u>\$ 661,767</u>	

**CITY OF LAFAYETTE, COLORADO**  
**LAFAYETTE TECH CENTER GID SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**For the Year Ended December 31, 2023**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>Revenues</b>				
Property Taxes	\$ 159,500	\$ 159,500	\$ 154,474	\$ (5,026)
Specific Ownership Taxes	8,500	8,500	7,162	(1,338)
Investment Earnings	3,356	3,356	10,617	7,261
Miscellaneous	-	-	876	876
<b>Total Revenues</b>	<u>171,356</u>	<u>171,356</u>	<u>173,129</u>	<u>1,773</u>
<b>Expenditures</b>				
Operating Expenditures				
General Government	3,200	5,700	5,270	430
Debt Service				
Principal	70,000	70,000	70,000	-
Interest	85,800	85,800	85,800	-
Bond Trustee Fees	500	500	333	167
<b>Total Expenditures</b>	<u>159,500</u>	<u>162,000</u>	<u>161,403</u>	<u>597</u>
<b>Excess of Revenues Over Expenditures</b>	11,856	9,356	11,726	2,370
<b>Net Change in Fund Balance</b>	<u>\$ 11,856</u>	<u>\$ 9,356</u>	11,726	<u>\$ 2,370</u>
<b>Fund Balance - January 1</b>			<u>203,243</u>	
<b>Fund Balance - December 31</b>			<u>\$ 214,969</u>	

**CITY OF LAFAYETTE, COLORADO**  
**HEALTH & HUMAN SERVICES FUND**  
**SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**For the Year Ended December 31, 2023**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>Revenues</b>				
Taxes				
General Sales and Use Taxes	\$ 588,043	\$ 588,043	\$ 561,618	\$ (26,425)
Building Use Taxes	47,191	47,191	34,853	(12,338)
Motor Vehicle Use Taxes	78,562	78,562	80,956	2,394
Total Taxes	713,796	713,796	677,427	(36,369)
Investment Earnings	2,400	2,400	50,560	48,160
<b>Total Revenues</b>	<u>716,196</u>	<u>716,196</u>	<u>727,987</u>	<u>11,791</u>
<b>Expenditures</b>				
General Government	660,800	660,800	6,202	654,598
<b>Total Expenditures</b>	<u>660,800</u>	<u>660,800</u>	<u>6,202</u>	<u>654,598</u>
<b>Excess of Revenues Over Expenditures</b>	55,396	55,396	721,785	666,389
<b>Net Change in Fund Balance</b>	<u>\$ 55,396</u>	<u>\$ 55,396</u>	721,785	<u>\$ 666,389</u>
<b>Fund Balance - January 1</b>			<u>710,755</u>	
<b>Fund Balance - December 31</b>			<u>\$ 1,432,540</u>	

**CITY OF LAFAYETTE, COLORADO**  
**PUBLIC SAFETY FUND**  
**SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**For the Year Ended December 31, 2023**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>Revenues</b>				
Taxes				
General Sales and Use Taxes	\$ 1,587,715	\$ 1,587,715	\$ 1,516,363	\$ (71,352)
Building Use Taxes	127,416	127,416	94,102	(33,314)
Motor Vehicle Use Taxes	212,117	212,117	218,582	6,465
Total Taxes	1,927,248	1,927,248	1,829,047	(98,201)
Investment Earnings	6,500	6,500	39,891	33,391
<b>Total Revenues</b>	<u>1,933,748</u>	<u>1,933,748</u>	<u>1,868,938</u>	<u>(64,810)</u>
<b>Expenditures</b>				
Operating Expenditures				
General Government	18,301	18,301	15,634	2,667
Public Safety	1,881,937	2,075,256	2,102,140	(26,884)
<b>Total Expenditures</b>	<u>1,900,238</u>	<u>2,093,557</u>	<u>2,117,774</u>	<u>(24,217)</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	33,510	(159,809)	(248,836)	(89,027)
<b>Net Change in Fund Balance</b>	<u>\$ 33,510</u>	<u>\$ (159,809)</u>	<u>(248,836)</u>	<u>\$ (89,027)</u>
<b>Fund Balance - January 1</b>			<u>871,553</u>	
<b>Fund Balance - December 31</b>			<u>\$ 622,717</u>	

**CITY OF LAFAYETTE, COLORADO**  
**GRANTS FUND**  
**SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**For the Year Ended December 31, 2023**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>Revenues</b>				
Intergovernmental	\$ -	\$ -	\$ 5,338,000	\$ 5,338,000
Investment Earnings	5,670	5,670	223,144	217,474
<b>Total Revenues</b>	<u>5,670</u>	<u>5,670</u>	<u>5,561,144</u>	<u>5,555,474</u>
<b>Expenditures</b>				
Operating Expenditures				
General Government	2,377,170	2,377,170	775	2,376,395
Capital Outlay	-	5,338,000	-	5,338,000
<b>Total Expenditures</b>	<u>2,377,170</u>	<u>7,715,170</u>	<u>775</u>	<u>7,714,395</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(2,371,500)</u>	<u>(7,709,500)</u>	<u>5,560,369</u>	<u>13,269,869</u>
<b>Net Change in Fund Balance</b>	<u>\$ (2,371,500)</u>	<u>\$ (7,709,500)</u>	<u>5,560,369</u>	<u>\$ 13,269,869</u>
<b>Fund Balance - January 1</b>			<u>99,875</u>	
<b>Fund Balance - December 31</b>			<u>\$ 5,660,244</u>	

**CITY OF LAFAYETTE, COLORADO**  
**LEGACY OPEN SPACE FUND**  
**SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**For the Year Ended December 31, 2023**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>Revenues</b>				
Taxes				
General Sales and Use Taxes	\$ 1,501,572	\$ 1,501,572	\$ 1,473,782	\$ (27,790)
Building Use Taxes	117,978	117,978	87,132	(30,846)
Motor Vehicle Use Taxes	196,405	196,405	202,391	5,986
Total Taxes	1,815,955	1,815,955	1,763,305	(52,650)
Investment Earnings	36,592	36,592	237,650	201,058
<b>Total Revenues</b>	<u>1,852,547</u>	<u>1,852,547</u>	<u>2,000,955</u>	<u>148,408</u>
<b>Expenditures</b>				
Operating Expenditures				
Culture and Recreation	63,350	63,350	23,640	39,710
Capital Outlay	314,493	450,000	279,044	170,956
Debt-related Expenditures				
Interfund Loan Principal	258,094	258,094	-	258,094
Interfund Loan Interest	49,561	49,561	43,832	5,729
<b>Total Expenditures</b>	<u>685,498</u>	<u>821,005</u>	<u>346,516</u>	<u>474,489</u>
<b>Excess of Revenues Over Expenditures</b>	1,167,049	1,031,542	1,654,439	622,897
<b>Other Financing Uses</b>				
Transfers Out	-	(314,493)	(314,493)	-
<b>Total Other Financing Sources</b>	-	(314,493)	(314,493)	-
<b>Net Change in Fund Balance</b>	<u>\$ 1,167,049</u>	<u>\$ 717,049</u>	1,339,946	<u>\$ 622,897</u>
<b>Fund Balance - January 1</b>			<u>2,822,377</u>	
<b>Fund Balance - December 31</b>			<u>\$ 4,162,323</u>	

**CITY OF LAFAYETTE, COLORADO**  
**PARKS, OPEN SPACE, AND TRAILS CAPITAL PROJECT FUND**  
**SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**For the Year Ended December 31, 2023**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>Revenues</b>				
Taxes				
General Sales and Use Taxes	\$ 1,501,572	\$ 1,501,572	\$ 1,473,782	\$ (27,790)
Building Use Taxes	117,978	117,978	87,132	(30,846)
Motor Vehicle Use Taxes	196,405	196,405	202,391	5,986
Total Taxes	1,815,955	1,815,955	1,763,305	(52,650)
Contributions and Grants	470,000	470,000	74,148	(395,852)
Investment Earnings	21,983	21,983	55,983	34,000
Miscellaneous	-	-	11,700	11,700
<b>Total Revenues</b>	<u>2,307,938</u>	<u>2,307,938</u>	<u>1,905,136</u>	<u>(402,802)</u>
<b>Expenditures</b>				
Operating Expenditures				
Culture and Recreation	2,145,264	2,396,821	2,343,372	53,449
Capital Outlay	363,350	913,350	720,346	193,004
<b>Total Expenditures</b>	<u>2,508,614</u>	<u>3,310,171</u>	<u>3,063,718</u>	<u>246,453</u>
<b>Deficiency of Revenues Under Expenditures</b>	(200,676)	(1,002,233)	(1,158,582)	(156,349)
<b>Other Financing Sources</b>				
Proceeds from Sale of Asset	-	-	121,050	121,050
Transfers In	314,493	314,493	314,493	-
<b>Total Other Financing Sources</b>	<u>314,493</u>	<u>314,493</u>	<u>435,543</u>	<u>121,050</u>
<b>Net Change in Fund Balance</b>	<u>\$ 113,817</u>	<u>\$ (687,740)</u>	<u>(723,039)</u>	<u>\$ (35,299)</u>
<b>Fund Balance - January 1</b>			<u>1,746,477</u>	
<b>Fund Balance - December 31</b>			<u>\$ 1,023,438</u>	

**CITY OF LAFAYETTE, COLORADO**  
**CONSERVATION TRUST CAPITAL PROJECT FUND**  
**SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**For the Year Ended December 31, 2023**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>Revenues</b>				
Intergovernmental	\$ 376,000	\$ 376,000	\$ 436,384	\$ 60,384
Investment Earnings	8,308	8,308	43,147	34,839
<b>Total Revenues</b>	<u>384,308</u>	<u>384,308</u>	<u>479,531</u>	<u>95,223</u>
<b>Expenditures</b>				
Operating Expenditures				
Culture and Recreation	55,000	328,684	186,183	142,501
Capital Outlay	337,000	337,000	359,339	(22,339)
<b>Total Expenditures</b>	<u>392,000</u>	<u>665,684</u>	<u>545,522</u>	<u>120,162</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	(7,692)	(281,376)	(65,991)	215,385
<b>Net Change in Fund Balance</b>	<u>\$ (7,692)</u>	<u>\$ (281,376)</u>	(65,991)	<u>\$ 215,385</u>
<b>Fund Balance - January 1</b>			<u>942,288</u>	
<b>Fund Balance - December 31</b>			<u>\$ 876,297</u>	

**CITY OF LAFAYETTE, COLORADO**  
**DEBT SERVICE FUND**  
**SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**For the Year Ended December 31, 2023**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>Revenues</b>				
Property Taxes	\$ 1,004,300	\$ 1,004,300	\$ 1,001,769	\$ (2,531)
Investment Earnings	9,481	9,481	22,008	12,527
<b>Total Revenues</b>	<u>1,013,781</u>	<u>1,013,781</u>	<u>1,023,777</u>	<u>9,996</u>
<b>Expenditures</b>				
Operating Expenditures				
General Government	10,043	13,043	10,442	2,601
Debt Service				
Principal	880,000	880,000	880,000	-
Interest	123,800	123,800	123,800	-
Bond Trustee Fees	500	500	250	250
<b>Total Expenditures</b>	<u>1,014,343</u>	<u>1,017,343</u>	<u>1,014,492</u>	<u>2,851</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(562)</u>	<u>(3,562)</u>	<u>9,285</u>	<u>12,847</u>
<b>Net Change in Fund Balance</b>	<u>\$ (562)</u>	<u>\$ (3,562)</u>	<u>9,285</u>	<u>\$ 12,847</u>
<b>Fund Balance - January 1</b>			<u>176,431</u>	
<b>Fund Balance - December 31</b>			<u>\$ 185,716</u>	

**CITY OF LAFAYETTE, COLORADO**  
**CEMETERY ENDOWMENT PERMANENT FUND**  
**SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**For the Year Ended December 31, 2023**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>Revenues</b>				
Investment Earnings	\$ 560	\$ 560	\$ 1,995	\$ 1,435
<b>Total Revenues</b>	<u>560</u>	<u>560</u>	<u>1,995</u>	<u>1,435</u>
<b>Expenditures</b>				
Operating Expenditures				
General Government	60	60	1,025	(965)
<b>Total Expenditures</b>	<u>60</u>	<u>60</u>	<u>1,025</u>	<u>(965)</u>
<b>Excess of Revenues Over Expenditures</b>	500	500	970	470
<b>Other Financing Uses</b>				
Transfers Out	(967)	(967)	-	967
<b>Total Other Financing Uses</b>	<u>(967)</u>	<u>(967)</u>	<u>-</u>	<u>967</u>
<b>Net Change in Fund Balance</b>	<u>\$ (467)</u>	<u>\$ (467)</u>	<u>970</u>	<u>\$ 1,437</u>
<b>Fund Balance - January 1</b>			<u>46,109</u>	
<b>Fund Balance - December 31</b>			<u>\$ 47,079</u>	

**CITY OF LAFAYETTE, COLORADO**  
**CAPITAL PROJECTS FUND**  
**SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**For the Year Ended December 31, 2023**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>Revenues</b>				
Intergovernmental	\$ 1,006,724	\$ 1,121,724	\$ 1,928,312	\$ 806,588
Investment Earnings	128,122	128,122	707,472	579,350
<b>Total Revenues</b>	<u>1,134,846</u>	<u>1,249,846</u>	<u>2,635,784</u>	<u>1,385,938</u>
<b>Expenditures</b>				
Operating Expenditures				
General Government	350,000	350,000	11,795	338,205
Capital Outlay	4,108,000	25,117,145	8,525,751	16,591,394
<b>Total Expenditures</b>	<u>4,458,000</u>	<u>25,467,145</u>	<u>8,537,546</u>	<u>16,929,599</u>
<b>Deficiency of Revenues Under Expenditures</b>	(3,323,154)	(24,217,299)	(5,901,762)	18,315,537
<b>Other Financing Sources</b>				
Transfers In	3,323,154	5,234,670	5,234,670	-
<b>Total Other Financing Sources</b>	<u>3,323,154</u>	<u>5,234,670</u>	<u>5,234,670</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	<u>\$ -</u>	<u>\$ (18,982,629)</u>	<u>(667,092)</u>	<u>\$ 18,315,537</u>
<b>Fund Balance - January 1</b>			<u>15,683,675</u>	
<b>Fund Balance - December 31</b>			<u>\$ 15,016,583</u>	

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

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

### Golf Course Fund

Accounts for the operation of the City's golf course.

### Storm Water Fund

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

### Waste Management Fund

Accounts for all revenues and expenses related to the operations of the City's Waste Management utility.

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

**CITY OF LAFAYETTE, COLORADO**  
**WATER UTILITY FUND**  
**SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**For the Year Ended December 31, 2023**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>Revenues</b>				
Metered Water Sales	\$ 12,245,072	\$ 12,245,072	\$ 10,331,899	\$ (1,913,173)
Payments in Lieu of Water	1,325,000	6,663,000	6,540,151	(122,849)
Tap Fees	750,000	750,000	1,192,548	442,548
Investment Earnings	534,978	534,978	1,694,602	1,159,624
Miscellaneous	-	-	44,046	44,046
<b>Total Revenues</b>	<u>14,855,050</u>	<u>20,193,050</u>	<u>19,803,246</u>	<u>(389,804)</u>
<b>Expenditures</b>				
Operating Expenditures				
Personnel	2,394,986	2,445,329	2,129,346	315,983
Operations	5,256,637	5,489,244	4,271,816	1,217,428
Capital Outlay	5,994,904	32,777,817	5,468,101	27,309,716
Debt-related Expenditures				
Principal	1,050,000	1,050,000	1,095,000	(45,000)
Interest	305,250	305,250	263,250	42,000
Bond Trustee Fees	303	303	334	(31)
<b>Total Expenditures</b>	<u>15,002,080</u>	<u>42,067,943</u>	<u>13,227,847</u>	<u>28,840,096</u>
<b>Other Financing Sources (Uses)</b>				
Proceeds from Debt Issuance	(550,000)	(550,000)	-	550,000
Proceeds from Sale of Assets	-	-	25,450	25,450
<b>Total Other Financing Sources</b>	<u>(550,000)</u>	<u>(550,000)</u>	<u>25,450</u>	<u>575,450</u>
<b>Change in Net Position, Budgetary Basis</b>	<u>\$ (697,030)</u>	<u>\$ (22,424,893)</u>	<u>6,600,849</u>	<u>\$ 29,025,742</u>
<b>Adjustments to GAAP Basis</b>				
Debt Principal Paid			1,095,000	
Change in Accrued Interest Payable			2,738	
Construction and Capital Improvements			5,386,911	
Developer Dedications			169,791	
Depreciation/Amortization			(2,670,008)	
Amortization of Bond-related Deferrals			42,453	
Proceeds from Sale of Assets			(25,450)	
Loss on Disposal of Assets			25,450	
Equity Income from Component Unit			67,415	
Lease Activity			69,698	
Subscription Activity			16,608	
<b>Change in Net Position, GAAP Basis</b>			<u>10,781,455</u>	
<b>Total Net Position - January 1</b>			<u>147,236,008</u>	
<b>Total Net Position - December 31</b>			<u>\$ 158,017,463</u>	

**CITY OF LAFAYETTE, COLORADO**  
**WATER RECLAMATION UTILITY FUND**  
**SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**For the Year Ended December 31, 2023**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>Revenues</b>				
Waste Water Collection Fees	\$ 6,563,090	\$ 6,563,090	\$ 6,910,244	\$ 347,154
Tap Fees	750,000	750,000	777,009	27,009
Investment Earnings	843,729	843,729	2,705,413	1,861,684
Miscellaneous	-	-	31	31
<b>Total Revenues</b>	<u>8,156,819</u>	<u>8,156,819</u>	<u>10,392,697</u>	<u>2,235,878</u>
<b>Expenditures</b>				
Operating Expenditures				
Personnel	1,757,968	1,792,966	1,355,614	437,352
Operations	2,797,509	3,294,905	1,802,426	1,492,479
Capital Outlay	289,589	25,348,268	24,295,176	1,053,092
Debt-related Expenditures				
Principal	940,000	940,000	940,000	-
Interest	1,193,888	1,193,888	1,193,888	-
Bond Trustee Fees	-	-	330	(330)
<b>Total Expenditures</b>	<u>6,978,954</u>	<u>32,570,027</u>	<u>29,587,434</u>	<u>2,982,593</u>
<b>Other Financing Sources</b>				
Proceeds from Sale of Assets	-	-	2,250	2,250
<b>Total Other Financing Sources</b>	<u>-</u>	<u>-</u>	<u>2,250</u>	<u>2,250</u>
<b>Change in Net Position, Budgetary Basis</b>	<u>\$ 1,177,865</u>	<u>\$ (24,413,208)</u>	<u>(19,192,487)</u>	<u>\$ 5,220,721</u>
<b>Adjustments to GAAP Basis</b>				
Debt Principal Paid			940,000	
Change in Accrued Interest Payable			3,133	
Construction and Capital Improvements			24,281,738	
Developer Dedications			170,318	
Depreciation			(1,324,106)	
Amortization of Bond-related Deferrals			75,947	
Proceeds from Sale of Assets			(2,250)	
Loss on Disposal of Assets			2,250	
Subscription Activity			851	
<b>Change in Net Position, GAAP Basis</b>			<u>4,955,394</u>	
<b>Total Net Position - January 1</b>			<u>46,428,137</u>	
<b>Total Net Position - December 31</b>			<u>\$ 51,383,531</u>	

**CITY OF LAFAYETTE, COLORADO**  
**GOLF COURSE FUND**  
**SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**For the Year Ended December 31, 2023**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>Revenues</b>				
Golf Sales and Services	\$ 4,097,288	\$ 4,097,288	\$ 3,849,888	\$ (247,400)
Investment Earnings	14,531	14,531	72,803	58,272
Miscellaneous	-	-	65,810	65,810
<b>Total Revenues</b>	<u>4,111,819</u>	<u>4,111,819</u>	<u>3,988,501</u>	<u>(123,318)</u>
<b>Expenditures</b>				
Operating Expenditures				
Personnel	1,489,497	1,516,646	1,626,870	(110,224)
Operations	1,387,548	1,417,580	1,482,456	(64,876)
Capital Outlay	593,000	1,785,994	1,596,020	189,974
<b>Total Expenditures</b>	<u>3,470,045</u>	<u>4,720,220</u>	<u>4,705,346</u>	<u>14,874</u>
<b>Other Financing Sources</b>				
Proceeds from Sale of Assets	-	-	4,570	4,570
<b>Total Other Financing Sources</b>	<u>-</u>	<u>-</u>	<u>4,570</u>	<u>4,570</u>
<b>Change in Net Position, Budgetary Basis</b>	<u>\$ 641,774</u>	<u>\$ (608,401)</u>	<u>(712,275)</u>	<u>\$ (103,874)</u>
<b>Adjustments to GAAP Basis</b>				
Construction and Capital Improvements			1,561,411	
Depreciation			(339,448)	
Proceeds from Sale of Assets			(4,570)	
Loss on Disposal of Assets			4,570	
Subscription Activity			419	
<b>Change in Net Position, GAAP Basis</b>			<u>510,107</u>	
<b>Total Net Position - January 1</b>			<u>5,565,564</u>	
<b>Total Net Position - December 31</b>			<u>\$ 6,075,671</u>	

**CITY OF LAFAYETTE, COLORADO**  
**STORM WATER FUND**  
**SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**For the Year Ended December 31, 2023**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>Revenues</b>				
Storm Water Collection Fees	\$ 2,054,023	\$ 2,054,023	\$ 2,069,461	\$ 15,438
Storm Water Development Fees	350,000	350,000	306,644	(43,356)
Investment Earnings	58,451	58,451	305,507	247,056
Miscellaneous	-	-	120	120
<b>Total Revenues</b>	<u>2,462,474</u>	<u>2,462,474</u>	<u>2,681,732</u>	<u>219,258</u>
<b>Expenditures</b>				
Operating Expenditures				
Personnel	445,156	450,413	243,050	207,363
Operations	673,223	753,091	681,437	71,654
Capital Outlay	19,000	760,627	391,845	368,782
<b>Total Expenditures</b>	<u>1,137,379</u>	<u>1,964,131</u>	<u>1,316,332</u>	<u>647,799</u>
<b>Change in Net Position, Budgetary Basis</b>	<u>\$ 1,325,095</u>	<u>\$ 498,343</u>	<u>1,365,400</u>	<u>\$ 867,057</u>
<b>Adjustments to GAAP Basis</b>				
Construction and Capital Improvements			369,664	
Developer Dedications			118,711	
Depreciation			(634,872)	
Subscription Activity			175	
<b>Change in Net Position, GAAP Basis</b>			1,219,078	
<b>Total Net Position - January 1</b>			<u>13,440,732</u>	
<b>Total Net Position - December 31</b>			<u>\$ 14,659,810</u>	

**CITY OF LAFAYETTE, COLORADO**  
**WASTE MANAGEMENT FUND**  
**SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**For the Year Ended December 31, 2023**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>Revenues</b>				
Solid Waste, Recycling and Compost Fees	\$ 2,454,210	\$ 2,454,210	\$ 2,397,596	\$ (56,614)
Investment Earnings	-	-	433	433
Miscellaneous	-	-	250	250
<b>Total Revenues</b>	<u>2,454,210</u>	<u>2,454,210</u>	<u>2,398,279</u>	<u>(55,931)</u>
<b>Expenditures</b>				
Operating Expenditures				
General Government	2,559,005	2,563,916	2,632,025	(68,109)
<b>Total Expenditures</b>	<u>2,559,005</u>	<u>2,563,916</u>	<u>2,632,025</u>	<u>(68,109)</u>
<b>Other Financing Sources</b>				
Transfers In	100,000	100,000	100,000	-
<b>Total Other Financing Sources</b>	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>-</u>
<b>Change in Net Position, Budgetary Basis</b>	<u>\$ (4,795)</u>	<u>\$ (9,706)</u>	<u>(133,746)</u>	<u>\$ (124,040)</u>
<b>Adjustments to GAAP Basis</b>				
<b>Change in Net Position, GAAP Basis</b>			(133,746)	
<b>Total Net Position - January 1</b>			<u>27,050</u>	
<b>Total Net Position - December 31</b>			<u>\$ (106,696)</u>	

## Internal Service Funds - Descriptions

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

### Employee Benefit Fund

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

### Fleet Management Fund

Accounts for the cyclical replacement of the City's fleet of vehicles.

### Insurance Fund

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

**CITY OF LAFAYETTE, COLORADO**  
**INTERNAL SERVICE FUNDS**  
**COMBINING STATEMENT OF NET POSITION**  
**December 31, 2023**

	<b>Employee Benefit Fund</b>	<b>Fleet Management Fund</b>	<b>Insurance Fund</b>	<b>Total</b>
<b>Assets</b>				
<b>Current Assets</b>				
Cash and Investments	\$ 1,972,324	\$ 2,578,889	\$ 791,368	\$ 5,342,581
Receivables	11,119	11,403	3,216	25,738
<b>Total Current Assets</b>	<b>1,983,443</b>	<b>2,590,292</b>	<b>794,584</b>	<b>5,368,319</b>
<b>Noncurrent Assets</b>				
Capital Assets, Net of Accumulated Depreciation	-	2,427,832	-	2,427,832
<b>Total Noncurrent Assets</b>	<b>-</b>	<b>2,427,832</b>	<b>-</b>	<b>2,427,832</b>
<b>Liabilities</b>				
<b>Current Liabilities</b>				
Accounts Payable	524	51,135	4,248	55,907
Claims Payable	17,226	-	84,146	101,372
Accrued Liabilities	-	2,851	-	2,851
Compensated Absences - Current Portion	1,176,994	27,693	-	1,204,687
<b>Total Current Liabilities</b>	<b>1,194,744</b>	<b>81,679</b>	<b>88,394</b>	<b>1,364,817</b>
<b>Noncurrent Liabilities</b>				
Compensated Absences - Noncurrent Portion	228,126	-	-	228,126
<b>Net Position</b>				
Net Investment in Capital Assets	-	2,427,832	-	2,427,832
Unrestricted	560,573	2,508,613	706,190	3,775,376
<b>Total Net Position</b>	<b>\$ 560,573</b>	<b>\$ 4,936,445</b>	<b>\$ 706,190</b>	<b>\$ 6,203,208</b>

**CITY OF LAFAYETTE, COLORADO**  
**INTERNAL SERVICE FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN**  
**FUND NET POSITION**  
**For the Year Ended December 31, 2023**

	<b>Employee Benefit Fund</b>	<b>Fleet Management Fund</b>	<b>Insurance Fund</b>	<b>Total</b>
<b>Operating Revenues</b>				
City Contributions	\$ 4,992,500	\$ 3,352,452	\$ 1,005,896	\$ 9,350,848
Employee Contributions	80,784	-	-	80,784
Miscellaneous	35,854	-	20,870	56,724
<b>Total Operating Revenues</b>	<b>5,109,138</b>	<b>3,352,452</b>	<b>1,026,766</b>	<b>9,488,356</b>
<b>Operating Expenses</b>				
Depreciation	-	405,536	-	405,536
Premiums and Claims	4,440,614	-	948,108	5,388,722
Payroll	-	168,502	-	168,502
Miscellaneous	30,256	3,959	350	34,565
<b>Total Operating Expenses</b>	<b>4,470,870</b>	<b>577,997</b>	<b>948,458</b>	<b>5,997,325</b>
<b>Operating Income</b>	<b>638,268</b>	<b>2,774,455</b>	<b>78,308</b>	<b>3,491,031</b>
<b>Nonoperating Revenues</b>				
Investment Earnings	47,961	92,263	29,670	169,894
<b>Total Nonoperating Revenues</b>	<b>47,961</b>	<b>92,263</b>	<b>29,670</b>	<b>169,894</b>
<b>Change in Net Position</b>	<b>686,229</b>	<b>2,866,718</b>	<b>107,978</b>	<b>3,660,925</b>
<b>Net Position, January 1</b>	<b>(125,656)</b>	<b>2,069,727</b>	<b>598,212</b>	<b>2,542,283</b>
<b>Net Position, December 31</b>	<b>\$ 560,573</b>	<b>\$ 4,936,445</b>	<b>\$ 706,190</b>	<b>\$ 6,203,208</b>

**CITY OF LAFAYETTE, COLORADO**  
**COMBINING STATEMENT OF CASH FLOWS**  
**INTERNAL SERVICE FUNDS**  
**For the Year Ended December 31, 2023**

	<b>Employee Benefit Fund</b>	<b>Fleet Management Fund</b>	<b>Insurance Fund</b>	<b>Total</b>
<b>Cash Flows From Operating Activities</b>				
Receipts for Interfund Services Provided	\$ 4,988,281	\$ 3,352,452	\$ 1,005,896	\$ 9,346,629
Receipts from Employees	80,784	-	-	80,784
Miscellaneous Receipts	35,854	-	20,870	56,724
Payments to Vendors and Suppliers	(4,162,621)	(550,305)	(948,947)	(5,661,873)
Payments to Employees		2,851		2,851
<b>Net Cash Provided by Operating Activities</b>	<b>942,298</b>	<b>2,804,998</b>	<b>77,819</b>	<b>3,825,115</b>
<b>Cash Flows from Noncapital Financing Activities</b>				
Acquisition and Construction of Capital Assets	-	(2,427,832)	-	(2,427,832)
<b>Net Cash Used by Noncapital Financing Activities</b>	<b>-</b>	<b>(2,427,832)</b>	<b>-</b>	<b>(2,427,832)</b>
<b>Cash Flows From Investing Activities</b>				
Investment Income Received	28,073	31,967	24,064	84,104
<b>Net Cash Provided by Investing Activities</b>	<b>28,073</b>	<b>31,967</b>	<b>24,064</b>	<b>84,104</b>
<b>Net Increase in Cash and Cash Equivalents</b>	<b>970,371</b>	<b>409,133</b>	<b>101,883</b>	<b>1,481,387</b>
<b>Cash and Cash Equivalents - January 1</b>	<b>136,763</b>	<b>857,195</b>	<b>276,644</b>	<b>1,270,602</b>
<b>Cash and Cash Equivalents - December 31</b>	<b>\$ 1,107,134</b>	<b>\$ 1,266,328</b>	<b>\$ 378,527</b>	<b>\$ 2,751,989</b>
<b>Reconciliation of Operating Income to Net Cash Provided by Operating Activities</b>				
Operating Income	\$ 638,268	\$ 2,774,455	\$ 78,308	\$ 3,491,031
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities				
Changes in Assets and Liabilities				
Receivables	(4,219)	-	-	(4,219)
Accounts Payable	(14,398)	-	(26,336)	(40,734)
Claims Payable	(349)	-	25,847	25,498
Accrued Liabilities	-	2,851	-	2,851
Compensated Absences	322,996	27,692	-	350,688
<b>Total Adjustments</b>	<b>304,030</b>	<b>30,543</b>	<b>(489)</b>	<b>334,084</b>
<b>Net Cash Provided by Operating Activities</b>	<b>\$ 942,298</b>	<b>\$ 2,804,998</b>	<b>\$ 77,819</b>	<b>\$ 3,825,115</b>
<b>Reconciliation of Cash and Cash Equivalents to Statement of Net Position:</b>				
Unrestricted cash and cash equivalents	\$ 1,107,134	\$ 1,266,328	\$ 378,527	\$ 2,751,989
Unrestricted investments	865,190	1,312,561	412,841	2,590,592
<b>Total Cash and Investments</b>	<b>\$ 1,972,324</b>	<b>\$ 2,578,889</b>	<b>\$ 791,368</b>	<b>\$ 5,342,581</b>

**CITY OF LAFAYETTE, COLORADO**  
**EMPLOYEE BENEFIT FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**For the Year Ended December 31, 2023**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance</b>
<b>Revenues</b>				
City Contributions	\$ 4,950,152	\$ 5,691,864	\$ 4,992,500	\$ (699,364)
Employee Contributions	114,000	114,000	80,784	(33,216)
Investment Earnings	12,969	12,969	47,961	34,992
Miscellaneous	12,000	12,000	35,854	23,854
<b>Total Revenues</b>	<b>5,089,121</b>	<b>5,830,833</b>	<b>5,157,099</b>	<b>(673,734)</b>
<b>Expenses</b>				
Premiums and Claims	4,382,505	4,785,805	4,440,614	345,191
Miscellaneous	91,571	91,571	30,256	61,315
<b>Total Expenses</b>	<b>4,474,076</b>	<b>4,877,376</b>	<b>4,470,870</b>	<b>406,506</b>
<b>Change in Net Position, Budgetary Basis</b>	<b>\$ 615,045</b>	<b>\$ 953,457</b>	<b>686,229</b>	<b>\$ (267,228)</b>
<b>Net Position, January 1</b>			<b>(125,656)</b>	
<b>Net Position, December 31</b>			<b>\$ 560,573</b>	

**CITY OF LAFAYETTE, COLORADO**  
**FLEET MANAGEMENT FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**For the Year Ended December 31, 2023**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues</b>				
City Contributions	\$ 3,486,906	\$ 3,486,906	\$ 3,352,452	\$ (134,454)
Investment Earnings	1,300	1,300	92,263	90,963
<b>Total Revenues</b>	<u>3,488,206</u>	<u>3,488,206</u>	<u>3,444,715</u>	<u>(43,491)</u>
<b>Expenses</b>				
Operating Expenditures				
Public Works	167,873	172,038	168,502	3,536
Capital Outlay	3,286,920	3,893,213	-	3,893,213
Miscellaneous	-	-	3,959	(3,959)
<b>Total Expenditures</b>	<u>3,454,793</u>	<u>4,065,251</u>	<u>172,461</u>	<u>3,892,790</u>
<b>Change in Net Position, Budgetary Basis</b>	<u>\$ 33,413</u>	<u>\$ (577,045)</u>	3,272,254	<u>\$ 3,849,299</u>
<b>Adjustments to GAAP Basis</b>				
Depreciation			<u>(405,536)</u>	
<b>Change in Net Position, GAAP Basis</b>			2,866,718	
<b>Total Net Position - January 1</b>			<u>2,069,727</u>	
<b>Total Net Position - December 31</b>			<u>\$ 4,936,445</u>	

**CITY OF LAFAYETTE, COLORADO**  
**INSURANCE FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**For the Year Ended December 31, 2023**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues</b>				
City Contributions	\$ 1,005,895	\$ 1,005,895	\$ 1,005,896	\$ 1
Investment Earnings	9,999	9,999	29,670	19,671
Miscellaneous	-	19,403	20,870	1,467
<b>Total Revenues</b>	<u>1,015,894</u>	<u>1,035,297</u>	<u>1,056,436</u>	<u>21,139</u>
<b>Expenses</b>				
Premiums and Claims	1,015,984	1,015,984	948,108	67,876
Miscellaneous	-	19,403	350	19,053
<b>Total Expenditures</b>	<u>1,015,984</u>	<u>1,035,387</u>	<u>948,458</u>	<u>86,929</u>
<b>Change in Net Position, Budgetary Basis</b>	<u>\$ (90)</u>	<u>\$ (90)</u>	107,978	<u>\$ 108,068</u>
<b>Net Position, January 1</b>			<u>598,212</u>	
<b>Net Position, December 31</b>			<u>\$ 706,190</u>	

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# Statistical Section

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

<b>Contents</b>	<b>Page</b>
Financial Trends <i>These schedules contain trend information to help the reader understand how the City’s financial performance and well-being have changed over time.</i>	146
Revenue Capacity <i>These schedules contain trend information to help the reader assess the City’s most significant local revenue sources, property and sales taxes.</i>	155
Debt Capacity <i>These schedules present information to help the reader assess the affordability of the City’s current levels of outstanding debt and the City’s ability to issue additional debt in the future.</i>	158
Demographic and Economic Information <i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the City’s financial activities take place.</i>	164
Operating Information <i>These schedules contain service and infrastructure data to help the reader understand how the information in the City’s financial report relates to the services that the City provides and activities it performs.</i>	165

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

	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
Governmental activities					
Net investment in capital assets	\$ 114,371,840	\$ 116,503,967	\$ 115,675,547	\$ 122,568,073	\$ 129,041,362
Restricted	8,041,313	8,917,272	10,519,487	10,396,066	12,249,044
Unrestricted	25,881,640	29,093,640	34,646,358	38,027,329	42,884,343
Total governmental activities net position	148,294,793	154,514,879	160,841,392	170,991,468	184,174,749
Business-type activities					
Net investment in capital assets	83,127,944	85,694,242	91,252,731	99,364,335	106,120,369
Restricted	374,882	566,315	566,315	-	-
Unrestricted	40,196,094	41,540,521	43,695,273	45,525,566	49,565,131
Total business-type activities net position	123,698,920	127,801,078	135,514,319	144,889,901	155,685,500
Primary government					
Net investment in capital assets	197,499,784	202,198,209	206,928,278	221,932,408	235,161,731
Restricted	8,416,195	9,483,587	11,085,802	10,396,066	12,249,044
Unrestricted	66,077,734	70,634,161	78,341,631	83,552,895	92,449,474
Total primary governmental net position	\$ 271,993,713	\$ 282,315,957	\$ 296,355,711	\$ 315,881,369	\$ 339,860,249
			<b>2021</b>		
	<b>2019</b>	<b>2020</b>	<b>as restated</b>	<b>2022</b>	<b>2023</b>
Governmental activities					
Net investment in capital assets	\$ 139,645,432	\$ 142,464,808	\$ 140,364,345	\$ 146,729,467	\$ 155,736,304
Restricted	8,917,533	4,245,493	7,795,522	8,970,337	9,714,437
Unrestricted	45,402,656	55,480,775	60,828,208	63,718,769	66,529,833
Total governmental activities net position	193,965,621	202,191,076	208,988,075	219,418,573	231,980,574
Business-type activities					
Net investment in capital assets	114,556,005	126,787,732	130,852,365	147,145,150	154,024,670
Restricted	-	-	-	-	-
Unrestricted	53,687,768	61,335,621	70,546,790	65,552,341	76,005,109
Total business-type activities net position	168,243,773	188,123,353	201,399,155	212,697,491	230,029,779
Primary government					
Net investment in capital assets	254,201,437	269,252,540	271,216,710	293,874,617	309,760,974
Restricted	8,917,533	4,245,493	7,795,522	8,970,337	9,714,437
Unrestricted	99,090,424	116,816,396	131,374,998	129,271,110	142,534,942
Total primary governmental net position	\$ 362,209,394	\$ 390,314,429	\$ 410,387,230	\$ 432,116,064	\$ 462,010,353

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

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
<b>Expenses</b>					
Governmental activities:					
General government	\$ 7,773,581	\$ 6,158,688	\$ 6,502,498	\$ 6,723,312	\$ 7,151,022
Judicial	499,622	406,578	522,216	599,522	670,461
Public safety	9,073,242	8,402,027	9,831,186	10,707,135	11,047,434
Public works	5,761,464	6,405,900	6,999,101	6,882,121	7,395,459
Culture and recreation	6,798,724	7,043,976	6,903,106	7,659,774	8,646,648
Interest on long-term debt	1,210,706	1,154,003	1,238,737	1,103,901	1,018,000
Total governmental activities expenses	<u>31,117,339</u>	<u>29,571,172</u>	<u>31,996,844</u>	<u>33,675,765</u>	<u>35,929,024</u>
Business-type activities:					
Water	5,526,849	5,519,561	5,586,019	6,720,281	8,045,332
Water reclamation	2,784,170	2,798,608	2,834,235	2,949,268	3,948,819
Golf course	1,984,280	2,090,819	2,219,448	2,522,940	2,816,838
Storm water	838,052	944,296	1,212,323	738,324	850,754
Waste Management	-	-	-	-	-
Total business-type activities expenses	<u>11,133,351</u>	<u>11,353,284</u>	<u>11,852,025</u>	<u>12,930,813</u>	<u>15,661,743</u>
Total primary governmental expenses	<u>\$ 42,250,690</u>	<u>\$ 40,924,456</u>	<u>\$ 43,848,869</u>	<u>\$ 46,606,578</u>	<u>\$ 51,590,767</u>
<b>Program Revenues</b>					
Governmental activities:					
Charges for services					
General government	\$ 2,414,326	\$ 2,886,488	\$ 1,605,901	\$ 2,179,555	\$ 7,040,872
Judicial	872,342	606,976	528,248	683,610	40,543
Public safety	396,491	394,345	583,071	510,737	816,621
Public works	14,075	10,582	1,624,090	1,693,094	2,043,810
Culture and recreation	1,837,201	1,979,019	2,022,257	2,079,420	2,327,660
Total charges for services	5,534,435	5,877,410	6,363,567	7,146,416	12,269,506
Operating grants and contributions	1,360,175	1,275,835	1,561,461	1,893,068	1,703,572
Capital grants and contributions	2,812,361	2,825,043	3,004,817	4,705,396	4,204,821
Total governmental activities program revenues	<u>9,706,971</u>	<u>9,978,288</u>	<u>10,929,845</u>	<u>13,744,880</u>	<u>18,177,899</u>
Business-type activities:					
Charges for services					
Water	6,026,348	6,550,201	7,574,216	8,103,541	8,593,015
Water reclamation	2,745,581	3,336,595	4,520,574	5,010,334	5,351,810
Golf course	651,519	669,625	682,188	742,156	992,136
Storm water	2,605,171	2,602,784	2,493,470	2,662,369	2,643,366
Waste Management	-	-	-	-	-
Total charges for services	12,028,619	13,159,205	15,270,448	16,518,400	17,580,327
Operating grants and contributions	-	-	-	-	-
Capital grants and contributions	12,469,981	3,484,379	6,180,956	7,815,507	8,096,157
Total business-type activities program revenues	<u>24,498,600</u>	<u>16,643,584</u>	<u>21,451,404</u>	<u>24,333,907</u>	<u>25,676,484</u>
Total primary government program revenues	<u>\$ 34,205,571</u>	<u>\$ 26,621,872</u>	<u>\$ 32,381,249</u>	<u>\$ 38,078,787</u>	<u>\$ 43,854,383</u>

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

	2019	2020	2021 as restated	2022	2023
<b>Expenses</b>					
Governmental activities:					
General government	\$ 10,857,506	\$ 11,808,272	\$ 13,031,557	\$ 10,712,187	\$ 11,502,514
Judicial	646,084	674,308	646,977	594,238	725,810
Public safety	13,054,675	12,865,275	13,755,192	14,995,855	19,404,131
Public works	6,229,133	7,362,746	6,160,913	4,499,090	5,426,644
Culture and recreation	10,321,126	9,871,651	8,311,174	9,968,290	10,896,127
Interest on long-term debt	513,808	583,817	406,237	412,254	396,953
Total governmental activities expenses	<u>41,622,332</u>	<u>43,166,069</u>	<u>42,312,050</u>	<u>41,181,914</u>	<u>48,352,179</u>
Business-type activities:					
Water	7,516,930	8,666,922	8,086,464	7,672,483	9,349,830
Water reclamation	3,942,419	3,934,458	4,403,948	4,672,239	5,610,722
Golf course	2,588,749	2,838,295	3,115,510	3,043,387	3,483,383
Storm water	1,072,171	1,079,200	1,524,928	1,025,864	1,581,540
Waste Management	-	-	-	2,423,229	2,632,025
Total business-type activities expenses	<u>15,120,269</u>	<u>16,518,875</u>	<u>17,130,850</u>	<u>18,837,202</u>	<u>22,657,500</u>
Total primary governmental expenses	<u>\$ 56,742,601</u>	<u>\$ 59,684,944</u>	<u>\$ 59,442,900</u>	<u>\$ 60,019,116</u>	<u>\$ 71,009,679</u>
<b>Program Revenues</b>					
Governmental activities:					
Charges for services					
General government	\$ 5,055,582	\$ 8,664,208	\$ 5,208,240	\$ 3,434,561	\$ 3,051,494
Judicial	56,524	15,345	16,941	25,210	43,374
Public safety	924,782	638,377	668,997	978,108	1,278,599
Public works	2,266,949	2,453,665	2,592,238	417,885	459,394
Culture and recreation	2,309,753	514,892	1,384,447	1,805,666	2,167,777
Total charges for services	<u>10,613,590</u>	<u>12,286,487</u>	<u>9,870,863</u>	<u>6,661,430</u>	<u>7,000,638</u>
Operating grants and contributions	1,533,961	2,853,744	2,390,809	2,015,410	6,924,294
Capital grants and contributions	5,007,198	569,682	3,124,611	1,280,209	2,388,918
Total governmental activities program revenues	<u>17,154,749</u>	<u>15,709,913</u>	<u>15,386,283</u>	<u>9,957,049</u>	<u>16,313,850</u>
Business-type activities:					
Charges for services					
Water	8,329,244	10,043,302	9,659,867	11,611,141	10,331,899
Water reclamation	5,730,381	5,780,462	6,186,342	6,614,766	6,910,244
Golf course	1,686,419	3,010,262	3,657,234	3,690,095	3,849,888
Storm water	2,544,709	1,820,957	1,936,114	1,958,274	2,069,461
Waste Management	-	-	-	2,283,577	2,397,596
Total charges for services	<u>18,290,753</u>	<u>20,654,983</u>	<u>21,439,557</u>	<u>26,157,853</u>	<u>25,559,088</u>
Operating grants and contributions	-	3,663	-	-	-
Capital grants and contributions	4,869,851	14,513,251	4,711,175	3,555,016	9,275,172
Total business-type activities program revenues	<u>23,160,604</u>	<u>35,171,897</u>	<u>26,150,732</u>	<u>29,712,869</u>	<u>34,834,260</u>
Total primary government program revenues	<u>\$ 40,315,353</u>	<u>\$ 50,881,810</u>	<u>\$ 41,537,015</u>	<u>\$ 39,669,918</u>	<u>\$ 51,148,110</u>

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

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
<b>Net Expense</b>					
Governmental activities	\$ (21,410,368)	\$ (19,592,884)	\$ (21,066,999)	\$ (19,930,885)	\$ (17,751,125)
Business-type activities	13,365,249	5,290,300	9,599,379	11,403,094	10,014,741
Total primary government net expenses	<u>(8,045,119)</u>	<u>(14,302,584)</u>	<u>(11,467,620)</u>	<u>(8,527,791)</u>	<u>(7,736,384)</u>
<b>General Revenues and Changes in Net Position</b>					
Governmental activities:					
Taxes					
Property taxes	6,027,624	8,963,672	8,090,573	9,025,797	10,050,460
Sales and use taxes	14,523,678	12,964,800	15,347,393	16,641,430	18,105,109
Franchise taxes	1,130,471	1,113,899	1,107,958	1,132,143	1,141,404
Other taxes	-	184,287	459,674	487,125	539,644
Total taxes	<u>21,681,773</u>	<u>23,226,658</u>	<u>25,005,598</u>	<u>27,286,495</u>	<u>29,836,617</u>
Unrestricted grants and contributions	44,440	54,371	55,656	48,530	112,986
Investment earnings	281,317	249,474	288,540	380,639	791,498
Lease Revenue (Expense)	-	-	-	-	-
Other general revenues	-	-	6,897	-	193,305
Gain on sale of capital assets	65,997	90,349	35,690	11,780	-
Transfers	1,858,910	1,668,352	2,001,131	2,353,517	-
Total governmental activities	<u>23,932,437</u>	<u>25,289,204</u>	<u>27,393,512</u>	<u>30,080,961</u>	<u>30,934,406</u>
Business-type activities:					
Investment earnings	322,860	257,340	281,716	336,344	780,858
Gain (loss) on sale of capital assets	-	53,870	12,420	(10,339)	-
Lease Revenue	-	-	-	-	-
SBITA Revenue	-	-	-	-	-
Transfers	(1,858,910)	(1,668,352)	(2,001,131)	(2,353,517)	-
Other general revenues	-	-	(10,143)	-	-
Total business-type activities	<u>(1,536,050)</u>	<u>(1,357,142)</u>	<u>(1,717,138)</u>	<u>(2,027,512)</u>	<u>780,858</u>
Total primary government	<u>22,396,387</u>	<u>23,932,062</u>	<u>25,676,374</u>	<u>28,053,449</u>	<u>31,715,264</u>
<b>Changes in Net Position</b>					
Governmental activities	2,522,069	5,696,320	6,326,513	10,150,076	13,183,281
Business-type activities	11,829,199	3,933,158	7,882,241	9,375,582	10,795,599
Total primary government change in net position	<u>\$ 14,351,268</u>	<u>\$ 9,629,478</u>	<u>\$ 14,208,754</u>	<u>\$ 19,525,658</u>	<u>\$ 23,978,880</u>

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

	2019	2020	2021 as restated	2022	2023
<b>Net Expense</b>					
Governmental activities	\$ (24,467,583)	\$ (27,456,156)	\$ (26,925,767)	\$ (31,224,865)	\$ (32,038,329)
Business-type activities	8,040,335	18,653,022	9,019,882	10,875,667	12,176,760
Total primary government net expenses	<u>(16,427,248)</u>	<u>(8,803,134)</u>	<u>(17,905,885)</u>	<u>(20,349,198)</u>	<u>(19,861,569)</u>
<b>General Revenues and Changes in Net Position</b>					
Governmental activities:					
Taxes					
Property taxes	10,108,623	10,999,124	10,866,128	11,659,988	11,610,332
Sales and use taxes	19,709,451	20,709,008	23,887,554	27,163,677	27,276,560
Franchise taxes	1,147,437	1,128,766	1,242,389	1,338,805	1,396,112
Other taxes	648,815	811,317	775,956	657,650	565,481
Total taxes	<u>31,614,326</u>	<u>33,648,215</u>	<u>36,772,027</u>	<u>40,820,120</u>	<u>40,848,486</u>
Unrestricted grants and contributions	46,891	-	206,091	201,705	226,978
Investment earnings	1,389,129	1,263,231	(143,262)	(673,495)	3,111,043
Lease Revenue	-	-	-	389,182	(375,159)
Other general revenues	396,057	323,490	892,573	917,851	888,982
Gain (loss) on sale of capital assets	-	-	-	-	-
Transfers	-	-	-	-	(100,000)
Total governmental activities	<u>33,446,403</u>	<u>35,234,936</u>	<u>37,727,429</u>	<u>41,655,363</u>	<u>44,600,330</u>
Business-type activities:					
Interest income (loss)	1,427,832	1,223,701	(189,661)	254,875	4,778,758
Gain on sale of capital assets	144,719	2,857	-	-	32,445
Lease Revenue	-	-	-	35,007	48,775
SBITA Revenue	-	-	-	-	17,878
Transfers	-	-	-	-	100,000
Other general revenues	-	-	161,460	132,787	177,672
Total business-type activities	<u>1,572,551</u>	<u>1,226,558</u>	<u>(28,201)</u>	<u>422,669</u>	<u>5,155,528</u>
Total primary government	<u>35,018,954</u>	<u>36,461,494</u>	<u>37,699,228</u>	<u>42,078,032</u>	<u>49,755,858</u>
<b>Changes in Net Position</b>					
Governmental activities	8,978,820	7,778,780	10,801,662	10,430,498	12,562,001
Business-type activities	9,612,886	19,879,580	8,991,681	11,298,336	17,332,288
Total primary government change in net position	<u>\$ 18,591,706</u>	<u>\$ 27,658,360</u>	<u>\$ 19,793,343</u>	<u>\$ 21,728,834</u>	<u>\$ 29,894,289</u>

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

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
General Fund					
Nonspendable	\$ 1,160,334	\$ 1,220,730	\$ 1,123,593	\$ 21,186	\$ 726,473
Restricted	1,478,013	1,618,129	1,620,000	1,670,472	1,954,611
Committed	1,184,653	1,172,303	1,573,308	2,128,070	2,687,395
Assigned	108,056	88,987	69,135	48,509	29,510
Unassigned	12,710,609	16,080,562	19,969,686	24,288,624	24,589,087
Total General Fund	<u>\$ 16,641,665</u>	<u>\$ 20,180,711</u>	<u>\$ 24,355,722</u>	<u>\$ 28,156,861</u>	<u>\$ 29,987,076</u>
All other governmental funds					
Nonspendable	\$ 775,640	\$ 952,318	\$ 760,476	\$ 752,913	\$ 46,398
Restricted	6,516,914	7,252,745	8,849,960	8,679,196	10,248,035
Committed	5,456,443	5,618,263	10,348,187	7,185,012	9,606,633
Assigned	1,982,627	1,159,996	1,401,210	1,105,481	1,266,857
Unassigned, reported in:					
Special revenue funds	-	-	-	(45,967)	-
Total other governmental funds	<u>\$ 14,731,624</u>	<u>\$ 14,983,322</u>	<u>\$ 21,359,833</u>	<u>\$ 17,676,635</u>	<u>\$ 21,167,923</u>
			<b>2021</b>		
	<u>2019</u>	<u>2020</u>	<b>as restated</b>	<u>2022</u>	<u>2023</u>
General Fund					
Nonspendable	\$ 726,610	\$ 3,311,185	\$ 2,936,380	\$ 2,414,113	\$ 2,578,409
Restricted	1,083,515	1,145,548	1,070,683	983,307	1,041,631
Committed	3,557,446	6,020,012	7,287,700	7,981,442	8,788,836
Assigned	29,510	-	-	-	-
Unassigned	23,953,740	29,655,613	30,458,922	31,758,926	25,910,839
Total General Fund	<u>\$ 29,350,821</u>	<u>\$ 40,132,358</u>	<u>\$ 41,753,685</u>	<u>\$ 43,137,788</u>	<u>\$ 38,319,715</u>
All other governmental funds					
Nonspendable	\$ 46,398	\$ 46,843	\$ 46,693	\$ 46,109	\$ 47,079
Restricted	7,787,620	3,053,102	6,681,313	9,623,104	16,341,228
Committed	11,020,663	11,193,240	15,527,695	15,460,106	14,802,299
Assigned	1,080,825	819,997	-	-	-
Unassigned, reported in:					
Special revenue funds	-	-	-	-	-
Total other governmental funds	<u>\$ 19,935,506</u>	<u>\$ 15,113,182</u>	<u>\$ 22,255,701</u>	<u>\$ 25,129,319</u>	<u>\$ 31,190,606</u>

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

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
<b>Revenues</b>					
Taxes	\$ 21,681,773	\$ 22,945,886	\$ 25,005,598	\$ 27,286,495	\$ 29,836,617
Intergovernmental	1,363,711	1,413,681	1,635,143	1,427,665	2,318,448
Contributions and grants	1,220,461	697,628	584,200	1,647,745	340,850
Charges for services	4,136,496	5,171,768	5,124,412	5,652,813	10,515,841
Licenses and permits	747,009	618,042	720,295	979,192	1,064,668
Fines and forfeitures	872,342	606,896	528,249	683,609	737,742
Investment earnings	260,952	214,475	269,195	336,921	754,402
Leases	-	-	-	-	-
Special assessments	685,372	685,607	645,831	1,008,632	521,414
Miscellaneous	447,671	111,928	121,815	69,443	1,089,294
Total revenues	<u>31,415,787</u>	<u>32,465,911</u>	<u>34,634,738</u>	<u>39,092,515</u>	<u>47,179,276</u>
<b>Expenditures</b>					
General government	7,469,068	5,825,901	6,278,283	6,442,287	6,933,635
Judicial	499,437	406,017	522,888	598,409	670,175
Public safety	8,210,875	8,283,373	9,591,173	9,926,889	11,037,480
Public works	2,847,425	3,399,974	4,069,936	3,909,343	4,543,803
Culture and recreation	5,496,260	5,847,442	5,847,316	6,591,737	7,359,613
Capital outlay	3,243,624	3,878,010	2,585,398	10,561,281	7,891,497
Debt service					
Capital lease payments	144,500	149,090	149,360	149,360	112,020
Principal	1,385,000	1,445,000	4,910,000	2,005,000	2,245,000
Interest and fiscal charges	1,163,498	1,108,713	1,067,153	1,143,785	1,064,550
Total expenditures	<u>30,459,687</u>	<u>30,343,520</u>	<u>35,021,507</u>	<u>41,328,091</u>	<u>41,857,773</u>
Excess of revenues over (under) expenditures	<u>956,100</u>	<u>2,122,391</u>	<u>(386,769)</u>	<u>(2,235,576)</u>	<u>5,321,503</u>
<b>Other financing sources (uses)</b>					
Proceeds from debt	\$ -	\$ -	\$ 8,265,000	\$ -	\$ -
Debt premium	-	-	806,481	-	-
Issuance costs	-	-	(134,321)	-	-
Contributions	-	-	-	-	-
Proceeds from insurance claims	-	-	-	-	-
Transfers in	5,918,411	5,975,513	5,968,865	8,468,804	8,389,399
Transfers out	(4,059,500)	(4,307,160)	(3,967,734)	(6,115,287)	(8,389,399)
Total other financing sources (uses)	<u>1,858,911</u>	<u>1,668,353</u>	<u>10,938,291</u>	<u>2,353,517</u>	<u>-</u>
Net change in fund balances	<u>\$ 2,815,011</u>	<u>\$ 3,790,744</u>	<u>\$ 10,551,522</u>	<u>\$ 117,941</u>	<u>\$ 5,321,503</u>
Debt service as a percentage of noncapital expenditures	10.1%	10.0%	19.7%	8.5%	10.9%

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

	<b>2019</b>	<b>2020</b>	<b>2021 as restated</b>	<b>2022</b>	<b>2023</b>
<b>Revenues</b>					
Taxes	\$ 31,489,183	\$ 33,730,980	\$ 36,772,027	\$ 40,820,127	\$ 40,848,485
Intergovernmental	3,359,068	2,887,366	3,275,857	2,967,438	8,041,437
Contributions and grants	179,086	352,730	1,643,537	1,448,315	644,730
Charges for services	9,073,357	11,137,082	8,707,583	5,572,361	5,816,335
Licenses and permits	995,596	1,048,797	1,123,655	808,033	617,092
Fines and forfeitures	519,562	262,996	185,789	296,080	567,212
Investment earnings	1,342,119	1,222,655	(138,259)	(644,131)	2,941,141
Leases	-	-	-	389,182	(375,159)
Special assessments	42,419	23,869	603,106	11,491	-
Miscellaneous	478,104	323,490	1,188,164	1,003,453	678,805
<b>Total revenues</b>	<b>47,478,494</b>	<b>50,989,965</b>	<b>53,361,459</b>	<b>52,672,349</b>	<b>59,780,078</b>
<b>Expenditures</b>					
General government	10,396,258	10,949,273	11,300,900	11,023,617	14,949,753
Judicial	647,938	676,532	646,977	594,239	724,456
Public safety	11,769,985	12,276,373	13,002,895	14,996,752	18,065,508
Public works	3,838,929	4,296,452	4,651,133	2,829,723	3,031,265
Culture and recreation	8,772,331	5,973,542	6,791,328	8,284,656	9,361,462
Capital outlay	9,700,705	10,166,371	6,703,830	7,725,301	10,992,052
Debt service					
Capital lease payments	-	-	-	-	-
Principal	5,540,000	965,000	1,235,000	1,035,000	1,075,000
Interest and fiscal charges	562,252	502,018	460,871	398,495	358,415
<b>Total expenditures</b>	<b>51,228,398</b>	<b>45,805,561</b>	<b>44,792,934</b>	<b>46,887,783</b>	<b>58,557,914</b>
Excess of revenues over (under) expenditures	(3,749,904)	5,184,404	8,568,525	5,784,566	1,222,164
<b>Other financing sources (uses)</b>					
Proceeds from debt	\$ -	\$ -	\$ -	\$ -	\$ -
Debt premium	-	-	-	-	-
Issuance costs	-	-	-	-	-
Contributions	1,591,936	-	-	-	-
Proceeds from insurance claims	-	-	111,391	5,298	121,050
Transfers in	8,526,484	5,731,072	6,628,830	4,998,512	5,549,163
Transfers out	(8,526,484)	(4,956,263)	(6,544,848)	(6,530,655)	(5,649,163)
<b>Total other financing sources (uses)</b>	<b>1,591,936</b>	<b>774,809</b>	<b>195,373</b>	<b>(1,526,845)</b>	<b>21,050</b>
<b>Net change in fund balances</b>	<b>\$ (2,157,968)</b>	<b>\$ 5,959,213</b>	<b>\$ 8,763,898</b>	<b>\$ 4,257,721</b>	<b>\$ 1,243,214</b>
Debt service as a percentage of noncapital expenditures	14.1%	4.1%	4.9%	3.5%	2.8%

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

<b>Year</b>	<b>General Property Tax<sup>1</sup></b>	<b>Fire District Tax</b>	<b>Specific Ownership Tax</b>	<b>Sales Tax</b>	<b>Use Tax<sup>2</sup></b>	<b>Franchise Tax</b>	<b>Excise Tax</b>	<b>Total General Tax Revenues</b>
2014	\$ 5,713,092	\$ 5,300	\$ 309,232	\$ 10,850,273	\$ 3,673,405	\$ 1,130,471	\$ -	\$ 21,681,773
2015	6,668,265	5,300	378,366	11,643,115	3,591,148	1,113,899	184,286	23,584,379
2016	7,677,373	5,300	407,900	11,998,522	4,104,099	1,107,958	459,674	25,760,826
2017	7,941,715	5,300	455,589	12,739,227	3,902,203	1,132,143	487,125	26,663,302
2018	9,518,598	5,300	526,563	13,285,429	4,819,679	1,141,404	539,644	29,836,617
2019	9,462,728	5,300	515,452	14,781,930	4,927,521	1,147,437	648,815	31,489,183
2020	10,614,570	5,300	504,397	15,047,658	5,661,350	1,128,766	768,939	33,730,980
2021	10,340,982	5,300	519,846	17,362,457	6,525,097	1,242,389	775,956	36,772,027
2022	11,156,035	5,300	498,653	21,900,682	5,262,995	1,338,805	657,650	40,820,120
2023	11,091,963	5,300	513,069	21,796,576	5,479,984	1,396,112	565,481	40,848,485

<sup>1</sup> Includes property taxes from general improvement districts.

<sup>2</sup> Includes taxes on building materials and motor vehicles.

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

Fiscal Year	City of Lafayette	Overlapping Rates				Scientific & Cultural Facilities District	Total Overlapping Sales Tax Rate
		State of Colorado	Boulder County	Regional Transportation District			
2014	3.500%	2.900%	0.800%	1.000%	0.100%	8.300%	
2015	3.500%	2.900%	0.800%	1.000%	0.100%	8.300%	
2016	3.500%	2.900%	0.985%	1.000%	0.100%	8.485%	
2017	3.500%	2.900%	0.985%	1.000%	0.100%	8.485%	
2018	3.500%	2.900%	0.985%	1.000%	0.100%	8.485%	
2019	3.500%	2.900%	0.985%	1.000%	0.100%	8.485%	
2020	3.500%	2.900%	0.985%	1.000%	0.100%	8.485%	
2021	3.500%	2.900%	0.985%	1.000%	0.100%	8.485%	
2022	3.500%	2.900%	0.985%	1.000%	0.100%	8.485%	
2023	3.870%	2.900%	1.185%	1.000%	0.100%	9.055%	

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

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Aggregate top thirty filers <sup>1</sup>	\$ 7,138,865	\$ 7,636,689	\$ 7,620,719	\$ 7,682,414	\$ 8,375,538
Aggregate all other filers	3,711,408	4,006,426	4,377,803	5,056,813	4,909,891
Total sales tax	<u>\$ 10,850,273</u>	<u>\$ 11,643,115</u>	<u>\$ 11,998,522</u>	<u>\$ 12,739,227</u>	<u>\$ 13,285,429</u>
Top thirty filers as a percentage of total sales tax	65.8%	65.6%	63.5%	60.3%	63.0%
	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Aggregate top thirty filers <sup>1</sup>	\$ 8,931,483	\$ 9,390,968	\$ 10,737,800	\$ 12,468,427	\$ 12,947,190
Aggregate all other filers	5,850,447	5,656,690	6,624,657	9,432,255	8,849,386
Total sales tax	<u>\$ 14,781,930</u>	<u>\$ 15,047,658</u>	<u>\$ 17,362,457</u>	<u>\$ 21,900,682</u>	<u>\$ 21,796,576</u>
Top thirty filers as a percentage of total sales tax	60.4%	62.4%	61.8%	56.9%	59.4%

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

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

<b>Governmental Activities</b>							<b>Government-Wide Metrics</b>		
Fiscal Year	Sales Tax	Limited Tax	General	Demand	Leases	SBITA	Total Primary Government	Debt Per Capita <sup>2</sup>	Percent Personal Income <sup>2</sup>
	Revenue	Revenue	Obligation	Bonds					
	Bonds	Bonds	Bonds <sup>1</sup>	Bonds					
2014	\$ 4,540,000	\$ 4,400,000	\$ 4,270,635	\$ 3,955,000	\$ 519,062	\$ -	\$ 36,801,119	\$ 1,436	4.00%
2015	3,695,000	4,220,000	3,850,091	3,955,000	388,033	-	33,711,242	1,192	3.23%
2016	2,820,000	4,030,000	9,071,481	3,955,000	251,625	-	36,180,988	1,279	2.92%
2017	1,915,000	3,820,000	8,100,833	3,955,000	109,903	-	32,370,808	1,130	2.34%
2018	975,000	3,615,000	7,245,185	3,630,000	-	-	28,315,676	951	1.86%
2019	-	3,470,000	6,374,537	-	-	-	21,034,528	712	1.47%
2020	-	3,315,000	5,483,889	-	-	-	18,266,706	617	1.19%
2021	-	2,910,000	4,566,575	-	-	-	62,093,649	2,003	4.02%
2022	-	2,730,000	3,631,594	-	972,047	-	59,798,311	1,948	3.65%
2023	-	2,535,000	2,671,615	-	1,574,486	453,579	57,498,438	1,875	3.16%

<b>Business-Type Activities</b>							<b>Government-Wide Metrics</b>		
Fiscal Year	Water	Water	Golf	Term Loan	Leases	SBITA	Total Primary Government	Debt Per Capita <sup>2</sup>	Percent Personal Income <sup>2</sup>
	Revenue	Reclamation	Revenue	Payable					
	Bonds <sup>1</sup>	Rev. Bonds <sup>1</sup>	Bonds	Payable					
2014	\$ 15,151,332	\$ -	\$ -	\$ 3,965,090	\$ -	\$ -	\$ 36,801,119	\$ 1,436	4.00%
2015	14,153,446	-	-	3,449,672	-	-	33,711,242	1,192	3.23%
2016	13,135,560	-	-	2,917,322	-	-	36,180,988	1,279	2.92%
2017	12,107,674	-	-	2,362,398	-	-	32,370,808	1,130	2.34%
2018	11,044,788	-	-	1,805,703	-	-	28,315,676	951	1.86%
2019	9,961,902	-	-	1,228,089	-	-	21,034,528	712	1.47%
2020	8,839,016	-	-	628,801	-	-	18,266,706	617	1.19%
2021	7,689,997	46,927,077	-	-	-	-	62,093,649	2,003	4.02%
2022	6,521,688	45,941,129	-	-	1,853	-	59,798,311	1,948	3.65%
2023	5,308,379	44,925,179	-	-	27,661	2,539	57,498,438	1,875	3.16%

<sup>1</sup> Including related issuance premium.

<sup>2</sup> See Schedule 12 for Population and Personal Income figures.

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

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
General bonded debt outstanding	\$ 32,316,967	\$ 29,873,537	\$ 33,012,041	\$ 29,898,507	\$ 26,509,973
Less:					
Water reclamation revenue bonds	-	-	-	-	-
Water revenue bonds	15,151,332	14,153,446	13,135,560	12,107,674	11,044,788
Limited tax obligation bonds	4,400,000	4,220,000	4,030,000	3,820,000	3,615,000
Sales tax revenue bonds	4,540,000	3,695,000	2,820,000	1,915,000	975,000
Demand bonds	3,955,000	3,955,000	3,955,000	3,955,000	3,630,000
Golf course revenue bonds	-	-	-	-	-
Total net debt applicable to debt limit	<u>4,270,635</u>	<u>3,850,091</u>	<u>9,071,481</u>	<u>8,100,833</u>	<u>7,245,185</u>
Estimated actual property values <sup>1</sup>	3,311,284,288	3,384,173,618	4,131,951,237	5,270,411,840	5,412,207,877
Legal debt limit <sup>2</sup>	<u>99,338,529</u>	<u>101,525,209</u>	<u>123,958,537</u>	<u>158,112,355</u>	<u>162,366,236</u>
Legal debt margin <sup>3</sup>	<u>\$ 95,067,894</u>	<u>\$ 97,675,118</u>	<u>\$ 114,887,056</u>	<u>\$ 150,011,522</u>	<u>\$ 155,121,051</u>
Outstanding debt as a percentage of debt limit	4%	4%	7%	5%	4%
Population	25,621	28,278	28,278	28,641	29,782
Net general bonded debt per capita	\$ 167	\$ 136	\$ 321	\$ 283	\$ 243

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

<sup>2</sup> Debt limit is 3% of Estimated Taxable Actual Real Estate Value.

<sup>3</sup> The legal debt margin is the city's available borrowing authority.

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

	2019	2020	2021	2022	2023
General bonded debt outstanding	\$ 19,806,439	\$ 17,637,905	\$ 62,093,649	\$ 58,824,411	\$ 55,440,173
Less:					
Water reclamation revenue bonds	-	-	46,927,077	45,941,129	44,925,179
Water revenue bonds	9,961,902	8,839,016	7,689,997	6,521,688	5,308,379
Limited tax obligation bonds	3,470,000	3,315,000	2,910,000	2,730,000	2,535,000
Sales tax revenue bonds	-	-	-	-	-
Demand bonds	-	-	-	-	-
Golf course revenue bonds	-	-	-	-	-
Total net debt applicable to debt limit	6,374,537	5,483,889	4,566,575	3,631,594	2,671,615
Estimated actual property values <sup>1</sup>	6,030,016,835	6,128,680,458	6,673,623,372	6,760,401,480	9,369,054,363
Legal debt limit <sup>2</sup>	180,900,505	183,860,414	200,208,701	202,812,044	281,071,631
Legal debt margin <sup>3</sup>	\$ 174,525,968	\$ 178,376,525	\$ 195,642,126	\$ 199,180,450	\$ 278,400,016

**CITY OF LAFAYETTE, COLORADO**  
**SCHEDULE 10 - DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**  
**As of December 31, 2023**

<u>Jurisdiction</u>	<u>Debt Outstanding</u>	<u>Percentage Applicable To Government</u>	<u>Estimated Share of Overlapping Debt</u>
Direct Debt:			
City of Lafayette	\$ 6,781,098	100.00%	\$ 6,781,098
Overlapping:			
Boulder Valley School District RE-2 <sup>1</sup>	<u>994,263,467</u>	6.87%	<u>68,262,504</u>
Total	<u>\$ 1,001,044,565</u>		<u>\$ 75,043,603</u>

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

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

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

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

<b>Lafayette Corporate Campus GID</b>						
<b>Fiscal Year</b>	<b>Gross Resources<sup>1</sup></b>	<b>Expenses<sup>2</sup></b>	<b>Net Available Revenue</b>	<b>Scheduled Debt Service</b>		<b>Coverage<sup>3,4</sup></b>
				<b>Principal</b>	<b>Interest</b>	
2014	\$ 262,131	\$ 13,458	\$ 248,673	\$ 60,000	\$ 184,400	1.02
2015	264,766	13,717	251,049	65,000	179,600	1.03
2016	267,865	18,776	249,089	70,000	174,400	1.02
2017	266,748	18,737	248,011	80,000	168,800	1.00
2018	333,383	19,637	313,746	85,000	162,730	1.27
2019	344,599	19,693	324,906	90,000	155,963	1.32
2020	283,424	18,864	264,560	95,000	148,400	1.09
2021	514,307	5,007	509,300	105,000	140,800	2.07
2022	260,355	4,533	255,822	115,000	113,200	1.12
2023	296,312	4,600	291,712	125,000	104,000	1.27

<b>Lafayette Tech Center GID</b>						
<b>Fiscal Year</b>	<b>Gross Resources<sup>1</sup></b>	<b>Expenses<sup>2</sup></b>	<b>Net Available Revenue</b>	<b>Scheduled Debt Service</b>		<b>Coverage<sup>3</sup></b>
				<b>Principal</b>	<b>Interest</b>	
2014	\$ 168,664	\$ 10,666	\$ 157,998	\$ 40,000	\$ 114,000	1.03
2015	173,656	10,467	163,189	45,000	111,600	1.04
2016	128,097	11,881	116,216	45,000	108,900	0.76
2017	147,470	2,065	145,405	50,000	106,200	0.93
2018	190,777	2,634	188,143	50,000	103,503	1.23
2019	144,800	1,990	142,810	55,000	100,200	0.92
2020	370,848	45,586	325,262	60,000	96,900	2.07
2021	185,942	3,595	182,347	60,000	93,300	1.19
2022	159,115	3,091	156,024	65,000	89,700	1.01
2023	173,129	5,270	167,859	70,000	85,800	1.08

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

<sup>2</sup> Includes all operating expenses less depreciation and amortization, plus transfers out.

<sup>3</sup> Net available revenue divided by total bond principal and interest.

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

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

<b>2012 Water Revenue Bonds</b>						
<b>Fiscal Year</b>	<b>Gross Resources<sup>1</sup></b>	<b>Expenses<sup>2</sup></b>	<b>Net Available Revenue</b>	<b>Debt Service</b>		<b>Coverage<sup>3</sup></b>
				<b>Principal</b>	<b>Interest</b>	
2014	\$ 10,535,100	\$ 4,624,176	\$ 5,910,924	\$ 845,000	\$ 510,400	4.36
2015	8,815,018	4,547,298	4,267,720	870,000	485,050	3.15
2016	11,194,286	4,833,741	6,360,545	890,000	472,000	4.67
2017	13,268,230	6,185,026	7,083,204	900,000	458,650	5.21
2018	15,315,712	6,182,531	9,133,181	935,000	422,648	6.73
2019	12,102,122	5,632,458	6,469,664	955,000	403,950	4.76
2020	18,595,191	6,330,594	12,264,597	995,000	365,750	9.01
2021	12,623,031	5,438,078	7,184,953	1,015,000	345,850	5.28
2022	14,240,545	5,528,311	8,712,234	1,050,000	305,250	6.43
2023	19,973,037	6,482,352	13,490,685	1,095,000	263,250	9.93

<b>2021 Water Reclamation Revenue Bonds</b>						
<b>Fiscal Year</b>	<b>Gross Resources<sup>1</sup></b>	<b>Expenses<sup>2</sup></b>	<b>Net Available Revenue</b>	<b>Debt Service</b>		<b>Coverage<sup>3,4</sup></b>
				<b>Principal</b>	<b>Interest</b>	
2014	\$ -	\$ -	\$ -	\$ -	\$ -	nm
2015	-	-	-	-	-	nm
2016	-	-	-	-	-	nm
2017	-	-	-	-	-	nm
2018	-	-	-	-	-	nm
2019	-	-	-	-	-	nm
2020	-	-	-	-	-	nm
2021	6,992,300	2,765,770	4,226,530	1,525,000	613,806	1.98
2022	8,125,891	2,689,611	5,436,280	910,000	1,226,870	2.54
2023	10,562,984	3,171,478	7,391,506	940,000	1,193,888	3.46

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

<sup>2</sup> Includes all operating expenses less depreciation and amortization, plus transfers out.

<sup>3</sup> Net available revenue divided by total bond principal and interest.

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

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

**Demographic and Economic Statistics**

<b>Fiscal Year</b>	<b>Estimated Population</b>	<b>Personal Income (thousands of dollars)</b>	<b>Per Capita Income</b>	<b>Median Age</b>	<b>School Enrollment</b>	<b>Unemp. Rate</b>
2014	25,621	\$ 919,743	\$ 35,898	37.9	5,069	4.2%
2015	28,278	1,044,787	36,947	36.3	5,118	3.5%
2016	28,278	1,239,312	43,826	39.3	5,297	3.1%
2017	28,641	1,381,499	48,235	39.7	5,183	2.9%
2018	29,782	1,526,417	51,253	39.7	5,286	2.4%
2019	29,538	1,428,044	48,346	38.8	5,538	2.5%
2020	29,587	1,531,038	51,747	39.7	5,876	5.0%
2021	31,002	1,543,280	49,780	39.3	5,223	5.2%
2022	30,699	1,637,638	53,345	39.1	5,394	4.7%
2023	30,670	1,819,896	59,338	38.7	4,887	3.1%

**Principal Employers - Current Year and Nine Years Ago**

<b>Firm</b>	<b>2014</b>	<b>Firm</b>	<b>2023</b>
	<b>Estimated Number Employees</b>		<b>Estimated Number Employees</b>
Exempla/Kaiser Medical Complex	1,500	Good Samaritan Hospital-Intermountain Healthcare	1,620
Epsilon/Abacus	405	Blue Canyon Technologies	344
City of Lafayette	330	Walmart	300
Universal Forest Products	285	City of Lafayette	295
Imagine!	250	KPA LLC	270
Wal-Mart	189	Imagine!	165
Rocky Mountain Instruments	150	Hospice of Boulder & Broomfield	150
King Soopers	120	Gracon Corporation	135
Thermo Fisher Scientific	102	Clinica Community Family Health	120
Jax Outdoor Gear	100	Rocky Mountain Instrument Co.	100

Sources: Boulder Valley School District Enrollment Count  
 US Census Bureau  
 A-Z Databases

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

<b>Function/Program</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
City Council	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.1
City administration										
City administration	1.5	1.5	1.5	3.0	3.0	4.0	2.0	2.0	2.0	2.0
City clerk	2.2	2.2	2.4	2.2	2.0	2.0	2.0	2.0	2.0	2.0
Communications	-	-	-	-	-	-	2.0	2.0	2.0	3.0
Economic development	-	-	-	-	-	-	1.0	1.0	1.0	2.2
Finance	6.0	6.0	6.0	6.3	7.0	9.0	9.0	10.0	11.0	12.0
Human resources	3.0	3.0	3.0	3.3	3.9	4.6	4.5	5.0	5.0	6.0
Information technologies	3.0	3.0	3.0	3.0	3.0	4.0	4.0	5.0	7.0	7.0
Municipal court	2.8	2.8	2.8	1.8	2.0	2.1	2.3	2.1	2.0	2.1
Sustainability	-	-	-	-	-	-	1.0	1.2	1.2	1.8
Planning and building	10.1	10.1	7.1	9.1	9.1	8.0	9.0	11.0	11.0	12.0
Public safety										
Police department	47.5	47.5	50.5	50.5	50.5	50.5	50.5	51.5	56.2	60.0
Fire department	3.5	3.5	3.5	2.8	2.8	2.1	32.5	36.5	39.6	39.6
Public works & utilities										
Public works administration	8.9	8.9	8.9	9.3	9.3	9.1	10.6	11.6	10.9	13.9
Water	21.2	21.2	21.2	20.3	20.3	23.0	19.3	21.9	20.6	22.7
Water reclamation	12.5	12.5	12.5	13.7	13.7	15.0	11.9	9.4	13.2	15.2
Storm water	2.4	2.4	2.4	2.2	2.2	4.0	2.4	2.1	2.2	4.2
Parks, open space & golf course										
Parks & open space	15.7	15.7	15.7	16.7	16.7	17.2	17.7	17.2	15.0	17.6
Golf course	22.3	22.3	22.3	24.5	24.5	25.6	22.8	26.6	26.2	23.9
Recreation & facility management	57.0	58.0	58.0	52.7	53.0	64.1	36.6	34.1	35.1	52.3
Arts and cultural resources	-	-	3.0	2.0	2.8	3.2	3.5	3.7	4.7	10.0
Library	18.2	18.2	18.2	18.7	18.7	17.9	16.7	19.8	19.8	17.7
Grand totals	<u>238.5</u>	<u>239.5</u>	<u>242.6</u>	<u>242.7</u>	<u>245.1</u>	<u>266.1</u>	<u>262.0</u>	<u>276.3</u>	<u>288.4</u>	<u>327.3</u>

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

<b>Function/Program</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
<b>Police</b>										
Physical arrests	1,033	1,027	1,080	1,136	932	842	564	578	536	733
Municipal Citations	5,785	3,872	4,197	5,580	5,353	3,910	1,641	950	1,675	3,173
<b>Fire</b>										
Emergency responses	2,241	2,445	2,935	3,030	3,324	3,753	3,221	3,505	3,922	2,812
Inspections conducted	486	276	431	388	145	50	523	652	633	905
<b>Parks, Open Space, Golf Course</b>										
Golf Course rounds played	44,235	41,970	37,159	40,397	36,493	37,146	45,399	49,456	46,278	47,100
% Resident Play	13%	12%	13%	11%	12%	11%	1%	10%	9%	12%
Cemetery plot opening/closings	21	25	28	29	27	32	24	39	33	18
<b>Recreation and Facility Mgmt</b>										
Individual Annual Passes sold	614	687	759	823	778	772	113	156	348	155
Couple or Family Annual Passes	246	308	354	474	341	356	66	161	99	285
Punch Cards sold	2,584	2,220	1,962	2,131	2,012	2,047	590	1,005	2,626	1,966
Total Attendance	428,384	239,240	244,944	245,946	244,324	228,375	56,538	70,898	106,728	148,967
<b>Facilities and services not included in the reporting entity <sup>1</sup>:</b>										
Number of public elem. schools	4	4	4	4	4	4	4	4	4	4
Number of public middle schools	1	1	1	1	1	1	1	1	1	1
Charter schools (K through 12)	1	1	1	1	1	1	1	1	1	1
Number of public high schools	2	1	1	1	1	1	1	1	1	1

<sup>1</sup> Source: Boulder Valley School District

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Function/Program</b>										
Public Safety										
Police Stations	1	1	1	1	1	1	1	1	1	1
Fire Stations	2	2	2	2	2	2	2	2	2	2
Public Works										
Centerline miles of streets <sup>1</sup>	141	147	195	n/a	n/a	n/a	n/a	154	154	154
Recreation and Culture										
Recreation center	1	1	1	1	1	1	1	1	1	1
Outdoor water park	-	-	-	-	1	1	1	1	1	1
Parks - number	19	19	19	19	19	20	20	21	21	21
Parks/Developed acres	239	239	224	239	195	195	235	235	235	235
Open space/Undeveloped acres	1,300	1,300	1,300	1,300	1,300	1,465	1,640	1,640	1,640	1,640
Libraries	1	1	1	1	1	1	1	1	1	1
Senior Center	1	1	1	1	1	1	1	1	1	1
Cemeteries	2	2	2	2	2	2	2	2	2	2
Utilities										
Water treatment facilities	1	1	1	1	1	1	1	1	1	1
Wastewater treatment plant	1	1	1	1	1	1	1	1	1	1
Water mains (miles) <sup>2</sup>	169	169	164	174	174	174	180	180	180	180
Sanitary sewer (miles) <sup>2</sup>	121	121	118	118	118	118	116	116	116	116
Water connections	8,902	9,022	9,275	9,341	9,538	9,677	9,694	9,694	9,967	9,706
Wastewater connections	8,319	8,458	8,761	8,824	8,982	9,114	9,123	9,123	9,335	9,085

<sup>1</sup> Data for 2016-2020 not available.

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

## Compliance Section

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**General Obligation Bond Continuing Disclosures:**

**History of City's Mill Levy**

Levy/Collection Year	General Fund	Fire and Ambulance	Bond Redemption Fund	Total Mill Levy
2018/2019	10.184	4.500	1.888	16.572
2019/2020	10.184	4.500	1.715	16.399
2020/2021	10.184	4.500	1.646	16.330
2021/2022	10.184	4.500	1.528	16.212
2022/2023	10.184	4.500	1.532	16.216
2023/2024	10.184	4.500	1.199	15.883

**History of City's Assessed Valuation**

Levy/Collection Year	Gross Assessed Valuation	Tax Increment Valuation	Net Assessed Valuation	Percent Change
2018/2019	\$ 544,847,123	\$ 6,865,629	\$ 537,981,494	1.4%
2019/2020	604,371,489	7,627,224	596,744,265	10.9%
2020/2021	615,049,865	6,864,071	608,185,794	1.9%
2021/2022	661,913,951	6,862,928	655,051,023	7.7%
2022/2023	662,716,191	7,906,082	654,810,109	0.0%
2023/2024	846,811,965	10,562,132	836,249,833	27.7%

**Property Tax Collections for the City**

Levy/Collection Year	Total Taxes Levied	Taxes Collected				Percent of Levy Collected
		General Fund	Debt Service Fund	Fire and Ambulance	Total	
2018/2019	\$ 8,915,430	\$ 5,454,020	\$ 1,010,698	\$ 2,409,900	\$ 8,874,618	99.5%
2019/2020	9,785,743	6,272,862	1,025,410	2,687,201	9,985,473	102.0%
2020/2021	9,931,674	6,164,993	996,339	2,724,123	9,885,455	99.5%
2021/2022	10,619,687	6,785,622	1,001,566	2,839,329	10,626,517	100.1%
2022/2023	10,618,401	6,677,785	1,001,769	2,942,378	10,621,932	100.0%

### Largest Taxpayers Within the City

Name	Type of Business	Assessed Valuation	Percent of Assessed Valuation
RCS-MEDT Facility LLC	Real Estate investment	\$ 29,942,291	4.52%
Kaiser Foundation Health Plan	Healthcare Corporation	15,414,750	2.33%
Lafayette Boulder, LLC	Real Estate investment	14,631,738	2.21%
Public Service Co. of Colorado	Utilities	12,296,862	1.86%
Avalon Flatirons LLC	Real Estate investment	7,414,587	1.12%
BSP LunaBella Colorado LLC	Real Estate investment	5,612,102	0.85%
Walmart Real Estate Business Trust	Commercial Corporation	5,049,900	0.76%
HSC Lafayette LLC	Real Estate investment	4,631,749	0.70%
LLJ Stratford Prana LLC	Real Estate investment	4,512,603	0.68%
440 Strathmore Lane LLC	Real Estate investment	4,489,000	0.68%
Total		\$ 103,995,582	15.69%
Gross Assessed Valuation:		\$ 662,716,191	

### History of City Base Sales & Use Tax Collections

Year	Sales Tax Collections	Use Tax Collections	Motor Vehicle Tax Collections	Total Sales & Use Tax Collections	Percent Change
2019	\$ 12,670,226	\$ 2,147,759	\$ 2,075,830	\$ 16,893,815	5.9%
2020	12,897,002	2,991,049	1,861,537	17,749,588	5.1%
2021	14,882,101	3,371,375	2,221,566	20,475,042	15.4%
2022	16,897,271	1,837,967	2,198,841	20,934,079	2.2%
2023	16,911,617	1,819,356	2,428,694	21,159,667	1.1%

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

	2019	2020	2021	2022	2023
<b>Revenues</b>					
Taxes	\$26,033,251	\$29,093,375	\$ 31,885,269	\$ 33,218,796	\$ 33,374,961
Intergovernmental	1,395,017	2,535,574	574,915	512,096	338,741
Charges for services	9,073,357	11,137,082	8,707,583	5,572,361	5,816,335
Licenses, permits, fees	995,596	1,048,797	1,123,655	808,033	617,092
Fines and forfeitures	519,562	262,996	185,789	296,080	567,212
Investment income	858,256	791,780	(104,196)	(399,484)	1,468,677
Leases	-	-	-	389,182	(375,159)
Special Assessments	-	-	-	11,491	-
Miscellaneous	415,253	679,352	1,584,702	1,761,979	1,236,811
<b>Total Revenues</b>	<b>39,290,292</b>	<b>45,548,956</b>	<b>43,957,717</b>	<b>42,170,534</b>	<b>43,044,670</b>
<b>Expenditures</b>					
General Government	8,981,618	10,840,956	11,269,538	10,974,498	14,893,142
Judicial	647,938	676,532	646,977	594,239	724,456
Public Safety	11,769,985	12,276,373	13,002,895	14,378,277	15,963,368
Public Works	3,838,929	4,182,729	4,651,133	2,824,323	3,031,265
Culture and Recreation	7,076,058	5,754,362	4,743,159	5,698,025	6,808,270
Capital Outlay	1,739,799	1,065,244	1,477,788	761,678	1,107,572
<b>Total Expenditures</b>	<b>34,054,327</b>	<b>34,796,196</b>	<b>35,791,490</b>	<b>35,231,040</b>	<b>42,528,073</b>
<b>Excess of Revenues over Expenditures</b>	<b>5,235,965</b>	<b>10,752,760</b>	<b>8,166,227</b>	<b>6,939,494</b>	<b>516,597</b>
<b>Other Financing Sources (Uses)</b>					
Transfers In	1,182,484	1,126,520	-	-	-
Transfers Out	(7,344,000)	(3,829,743)	(6,544,848)	(5,555,391)	(5,334,670)
<b>Total Other Financing Sources (Uses)</b>	<b>(6,161,516)</b>	<b>(2,703,223)</b>	<b>(6,544,848)</b>	<b>(5,555,391)</b>	<b>(5,334,670)</b>
<b>Net Change in Fund Balance</b>	<b>(925,551)</b>	<b>8,049,537</b>	<b>1,621,379</b>	<b>1,384,103</b>	<b>(4,818,073)</b>
Fund Balance, January 1	29,987,076	29,350,821	40,132,306	41,753,685	43,137,788
Prior Period Adjustment	289,296	2,731,948	-	-	-
<b>Fund Balance, December 31</b>	<b>\$29,350,821</b>	<b>\$40,132,306</b>	<b>\$ 41,753,685</b>	<b>\$ 43,137,788</b>	<b>\$ 38,319,715</b>

**Water Utility Fund Continuing Disclosures:**

**WATER CUSTOMER INFORMATION**

Customer Class	2019		2020		2021		2022		2023	
	Inside City Customers	Outside City Customers	Inside City Customers	Outside City Customers	Inside City Customers	Outside City Customers	Inside City Customers	Outside City Customers	Inside City Customers	Outside City Customers
Residential	8,255	340	8,325	340	8,370	342	8,184	403	8,254	398
Multi-family	437	1	447	1	463	1	539	1	553	1
Commercial/Industrial	339	-	340	-	346	-	396	9	348	1
Irrigation	175	6	178	6	180	6	166	5	218	6
Other	62	8	64	8	62	8	71	-	101	8
Total by Location	9,268	355	9,354	355	9,421	357	9,356	418	9,474	414
Total Customers	9,623		9,709		9,778		9,774		9,888	

**2023 Water Consumption and Revenue by Customer Class**

Customer Class	Consumption (Thousands of Gallons)	Percent of Total Consumption	Total Revenues Collected	Percent of Total Billed
Residential	577,185	50.3%	\$ 5,529,437	53.5%
Multi family	195,932	17.1%	1,756,822	17.0%
Commercial	155,509	13.5%	1,280,648	12.4%
Irrigation	141,624	12.3%	1,262,727	12.2%
Other	77,579	6.8%	502,265	4.9%
Total	1,147,829	100.0%	\$ 10,331,899	100.0%

**History of Water Tap Revenue**

Year	Water Taps Issued	Tap Fee Revenue Collected
2019	77	\$ 1,580,653
2020	84	3,538,756
2021	49	1,897,693
2022	86	1,012,022
2023	77	1,192,548

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

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
<b><u>Operating Revenues</u></b>					
Metered Water Sales	\$ 8,225,127	\$ 9,971,907	\$ 9,659,867	\$ 11,611,141	\$ 10,331,899
Other	104,117	71,395	47,793	40,196	44,046
Total Revenues	<u>8,329,244</u>	<u>10,043,302</u>	<u>9,707,660</u>	<u>11,651,337</u>	<u>10,375,945</u>
<b><u>Operating Expenses</u></b>					
Personnel	1,874,594	2,045,621	1,744,256	1,858,453	2,129,346
Operations	3,757,864	4,284,973	3,693,822	3,436,274	4,353,006
Depreciation/Amortization	1,525,632	1,942,541	2,350,049	2,127,194	2,670,008
Total Expenditures	<u>7,158,090</u>	<u>8,273,135</u>	<u>7,788,127</u>	<u>7,421,921</u>	<u>9,152,360</u>
<b>Operating Income</b>	1,171,154	1,770,167	1,919,533	4,229,416	1,223,585
<b><u>Nonoperating Revenues (Expenses)</u></b>					
Investment Earnings	1,041,029	840,462	(128,511)	(372,618)	1,694,602
Interest Expense	(358,537)	(321,862)	(298,034)	(250,259)	(197,136)
Bond Fees	(303)	(303)	(303)	(303)	(334)
Lease Revenue	-	-	-	35,007	48,775
Subscription Revenue	-	-	-	-	16,608
Net Gain (Loss) on Disposal of Capital Assets	9,450	(71,622)	16,341	-	25,450
Income from Equity Interest in Component	142,103	252,771	78,511	100,647	67,415
Total Nonoperating Revenues (Expenses)	<u>833,742</u>	<u>699,446</u>	<u>(331,996)</u>	<u>(487,526)</u>	<u>1,655,380</u>
<b>Income before Capital Contributions</b>	2,004,896	2,469,613	1,587,537	3,741,890	2,878,965
<b><u>Capital Contributions and Transfers</u></b>					
Tap Fees	1,580,653	3,538,756	1,897,693	1,114,629	1,192,548
Payments in Lieu of Water	966,746	4,172,671	1,129,848	1,785,766	6,540,151
Developer Dedications	290,362	155,798	-	61,431	169,791
Transfers Out	-	-	-	(233,584)	-
Total Capital Contributions	<u>2,837,761</u>	<u>7,867,225</u>	<u>3,027,541</u>	<u>2,728,242</u>	<u>7,902,490</u>
<b>Change in Net Position</b>	4,842,657	10,336,838	4,615,078	6,470,132	10,781,455
Total Net Position, January 1	118,029,369	125,223,918	135,560,756	140,765,876	147,236,008
Prior Period Adjustment	2,351,892	-	590,042	-	-
<b>Total Net Position, December 31</b>	<u>\$ 125,223,918</u>	<u>\$ 135,560,756</u>	<u>\$ 140,765,876</u>	<u>\$ 147,236,008</u>	<u>\$ 158,017,463</u>

## Water Reclamation Fund Continuing Disclosures:

### WATER RECLAMATION CUSTOMER INFORMATION

Customer Class	2019		2020		2021		2022		2023	
	Inside City Customers	Outside City Customers	Inside City Customers	Outside City Customers	Inside City Customers	Outside City Customers	Inside City Customers	Outside City Customers	Inside City Customers	Outside City Customers
Residential	8,178	44	8,249	44	8,299	44	8,279	62	8,239	56
Multi-family	436	1	446	1	464	1	556	-	551	-
Commercial/Industrial	329	-	333	-	344	-	400	-	342	-
Irrigation	3	-	3	-	3	-	3	-	-	-
Other	66	1	67	1	67	1	13	-	80	-
Total by Location	9,012	46	9,098	46	9,177	46	9,251	62	9,212	56
Total Customers	9,058		9,144		9,223		9,313		9,268	

### Historical Revenue by Customer Class

Customer Class	2019		2020		2021		2022		2023	
	Total Revenues Collected	Percent of Total Billed	Total Revenues Collected	Percent of Total Billed	Total Revenues Collected	Percent of Total Billed	Total Revenues Collected	Percent of Total Billed	Total Revenues Collected	Percent of Total Billed
Residential	\$ 3,527,417	61.6%	\$ 3,567,163	61.7%	\$ 3,795,010	61.3%	\$ 3,693,125	55.8%	\$ 3,952,909	57.2%
Multi family	1,466,163	25.6%	1,485,040	25.7%	1,698,570	27.5%	2,160,595	32.7%	2,145,207	31.0%
Commercial	610,016	10.7%	597,480	10.3%	584,538	9.4%	746,061	11.3%	665,166	9.6%
Irrigation	1,210	0.0%	1,137	0.0%	1,578	0.0%	1,601	0.0%	-	0.0%
Other	119,809	2.1%	127,175	2.2%	106,646	1.7%	13,384	0.2%	146,962	2.1%
Total	\$ 5,724,615	100.0%	\$ 5,777,995	100.0%	\$ 6,186,342	100.0%	\$ 6,614,766	100.0%	\$ 6,910,244	100.0%

### History of Wastewater Tap Revenue

Year	Water Taps Issued	Tap Fee Revenue Collected
2019	77	\$ 995,757
2020	84	1,951,189
2021	45	845,339
2022	80	661,218
2023	75	777,009

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

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
<b><u>Operating Revenues</u></b>					
Wastewater Collection Fees	\$ 5,724,615	\$ 5,777,995	\$ 6,186,342	\$ 6,614,766	\$ 6,910,244
Other	5,766	2,467	8,388	-	31
<b>Total Operating Revenues</b>	<u>5,730,381</u>	<u>5,780,462</u>	<u>6,194,730</u>	<u>6,614,766</u>	<u>6,910,275</u>
<b><u>Operating Expenses</u></b>					
Personnel	1,134,358	1,236,848	1,174,940	1,171,922	1,355,614
Operations	1,674,670	1,588,097	1,590,830	1,300,520	1,815,864
Depreciation	1,088,527	1,087,488	1,124,991	1,045,072	1,324,106
<b>Total Operating Expenses</b>	<u>3,897,555</u>	<u>3,912,433</u>	<u>3,890,761</u>	<u>3,517,514</u>	<u>4,495,584</u>
<b>Operating Income</b>	1,832,826	1,868,029	2,303,969	3,097,252	2,414,691
<b><u>Nonoperating Revenues (Expenses)</u></b>					
Investment Earnings	341,873	314,753	(47,769)	739,405	2,705,413
Intergovernmental Grants	-	3,187	-	-	-
Interest Expense	(44,864)	(22,025)	(87,310)	(1,154,725)	(1,114,808)
Subscription Revenue	-	-	-	-	851
Bond Issuance Costs & Fees	-	-	(425,877)	-	(330)
Gain on Disposal of Capital Assets	11,519	2,857	-	-	2,250
<b>Total Nonoperating Revenues (Expenses)</b>	<u>308,528</u>	<u>298,772</u>	<u>(560,956)</u>	<u>(415,320)</u>	<u>1,593,376</u>
<b>Income Before Capital Contributions</b>	2,141,354	2,166,801	1,743,013	2,681,932	4,008,067
<b><u>Capital Contributions and Transfers</u></b>					
Tap Fees	995,757	1,951,189	845,339	702,969	777,009
Developer Dedications	177,153	49,041	-	68,751	170,318
Transfers Out	-	-	-	(217,169)	-
<b>Total Capital Contributions</b>	<u>1,172,910</u>	<u>2,000,230</u>	<u>845,339</u>	<u>554,551</u>	<u>947,327</u>
<b>Change in Net Position</b>	3,314,264	4,167,031	2,588,352	3,236,483	4,955,394
Total Net Position, January 1	32,277,753	36,185,512	40,352,543	43,191,654	46,428,137
Prior Period Adjustment	593,495	-	260,902	-	-
<b>Total Net Position, December 31</b>	<u>\$ 36,185,512</u>	<u>\$ 40,352,543</u>	<u>\$ 43,201,797</u>	<u>\$ 46,428,137</u>	<u>\$ 51,383,531</u>

<b>LOCAL HIGHWAY FINANCE REPORT</b>		City or County: City of Lafayette			
		YEAR ENDING : December 2023			
This Information From The Records Of (example - City of _ or County of _ City of Lafayette		Prepared By: Phone: Karen Lancto 303-604-3532			
<b>I. DISPOSITION OF HIGHWAY-USER REVENUES AVAILABLE FOR LOCAL GOVERNMENT EXPENDITURE</b>					
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					
<b>II. RECEIPTS FOR ROAD AND STREET PURPOSES</b>		<b>III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES</b>			
ITEM	AMOUNT	ITEM	AMOUNT		
<b>A. Receipts from local sources:</b>		<b>A. Local highway disbursements:</b>			
1. Local highway-user taxes		1. Capital outlay (from page 2)	8,525,592		
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:			
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:			
c. Total (a.+b.)		a. Traffic control operations	160,318		
2. General fund appropriations	5,611,542	b. Snow and ice removal	146,545		
3. Other local imposts (from page 2)	441,823	c. Other	200,242		
4. Miscellaneous local receipts (from page 2)	878,786	d. Total (a. through c.)	507,105		
5. Transfers from toll facilities		4. General administration & miscellaneous	99,392		
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	1,809,160		
a. Bonds - Original Issues		6. Total (1 through 5)	10,941,249		
b. Bonds - Refunding Issues		<b>B. Debt service on local obligations:</b>			
c. Notes		1. Bonds:			
d. Total (a. + b. + c.)	0	a. Interest	84,555		
7. Total (1 through 6)	6,932,151	b. Redemption	79,275		
<b>B. Private Contributions</b>	392,445	c. Total (a. + b.)	163,830		
<b>C. Receipts from State government (from page 2)</b>	985,846	2. Notes:			
<b>D. Receipts from Federal Government (from page 2)</b>	742,357	a. Interest			
<b>E. Total receipts (A.7 + B + C + D)</b>	9,052,798	b. Redemption			
		c. Total (a. + b.)	0		
		3. Total (1.c + 2.c)	163,830		
		<b>C. Payments to State for highways</b>			
		<b>D. Payments to toll facilities</b>			
		<b>E. Total disbursements (A.6 + B.3 + C + D)</b>	11,105,079		
<b>IV. LOCAL HIGHWAY DEBT STATUS</b> (Show all entries at par)					
	Opening Debt	Amount Issued	Redemptions	Closing Debt	
<b>A. Bonds (Total)</b>	2,005,290		79,275	1,926,015	
1. Bonds (Refunding Portion)					
<b>B. Notes (Total)</b>				0	
<b>V. LOCAL ROAD AND STREET FUND BALANCE</b>					
	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	4,758,643	9,052,798	11,105,079	2,706,362	0
Notes and Comments:					

<b>LOCAL HIGHWAY FINANCE REPORT</b>		STATE: Colorado	
		YEAR ENDING (mm/yy): 12/23	
<b>II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL</b>			
<b>ITEM</b>	<b>AMOUNT</b>	<b>ITEM</b>	<b>AMOUNT</b>
<b>A.3. Other local imposts:</b>		<b>A.4. Miscellaneous local receipts:</b>	
a. Property Taxes and Assessments	85,109	a. Interest on investments	499,564
b. Other local imposts:		b. Traffic Fines & Penalties	379,222
1. Sales Taxes		c. Parking Garage Fees	
2. Infrastructure & Impact Fees		d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	
5. Specific Ownership &/or Other	356,714	g. Other Misc. Receipts	
6. Total (1. through 5.)	356,714	h. Other	
c. Total (a. + b.)	441,823	i. Total (a. through h.)	878,786
	(Carry forward to page 1)		(Carry forward to page 1)
<b>ITEM</b>	<b>AMOUNT</b>	<b>ITEM</b>	<b>AMOUNT</b>
<b>C. Receipts from State Government</b>		<b>D. Receipts from Federal Government</b>	
1. Highway-user taxes	890,256	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	95,590	d. Federal Transit Admin	
d. Other (Specify) - DOLA Grant		e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	742,357
f. Total (a. through e.)	95,590	g. Total (a. through f.)	742,357
4. Total (1. + 2. + 3.f)	985,846	3. Total (1. + 2.g)	
			(Carry forward to page 1)
<b>III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL</b>			
	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
<b>A.1. Capital outlay:</b>			
a. Right-Of-Way Costs		0	0
b. Engineering Costs		91,877	91,877
c. Construction:			
(1). New Facilities		0	0
(2). Capacity Improvements		0	0
(3). System Preservation		1,477,384	1,477,384
(4). System Enhancement & Operation		6,956,331	6,956,331
(5). Total Construction (1) + (2) + (3) + (4)	0	8,433,715	8,433,715
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	8,525,592	8,525,592
			(Carry forward to page 1)
<b>Notes and Comments:</b>			

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## Single Audit Reports



Federal Awards Reports in Accordance  
with the Uniform Guidance  
December 31, 2023  
City of Lafayette

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Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* ..... 1

Independent Auditor’s Report on Compliance for the Major Federal Program; Report on Internal Control Over Compliance Required by the Uniform Guidance ..... 3

    Schedule of Expenditures of Federal Awards ..... 6

    Notes to Schedule of Expenditures of Federal Awards ..... 7

    Schedule of Findings and Questioned Costs ..... 8



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

To the Honorable Mayor, City Council, and City Manager  
City of Lafayette, Colorado

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Lafayette (the City), as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 25, 2024.

**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 City's financial statements will not be prevented or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.*

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We identified one deficiency in internal control, described in the accompanying Schedule of Findings and Questioned Costs as item 2023-001 that we consider to be a material weakness.

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#### 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 City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Eide Spilly LLP*

Denver, Colorado  
June 25, 2024



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

To the Honorable Mayor, City Council, and City Manager  
City of Lafayette, Colorado

**Report on Compliance for the Major Federal Program**

*Opinion on the Major Federal Program*

We have audited the City of Lafayette'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 the City's major federal program for the year ended December 31, 2023. The City's major federal program is identified in the summary of auditor's 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 its major federal program for the year ended December 31, 2023.

*Basis for Opinion on the Major Federal Program*

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

We are required to be independent of the City 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 the 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 program.

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### *Auditor's Responsibilities for the Audit of Compliance*

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City'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 the 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.

### **Report on Internal Control over Compliance**

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

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

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

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

#### **Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated June 25, 2024, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

*Eide Bailly LLP*

Denver, Colorado  
June 25, 2024

City of Lafayette  
 Schedule of Expenditures of Federal Awards  
 Year Ended December 31, 2023

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Financial Assistance Listing	Pass-through Entity Identifying Number	2023 Federal Expenditures
<b><u>U.S. Department of Justice</u></b>			
Direct Program			
Bulletproof Vest Partnership Program	16.607	N/A	\$ 8,490
Total Department of Justice			<u>8,490</u>
<b><u>U.S. Department of Transportation</u></b>			
Highway Planning and Construction Cluster:			
Passed through Colorado Department of Transportation Transportation Alternatives Program	20.205	TAP M750-002	414,845
Total U.S. Department of Transportation			<u>414,845</u>
<b><u>Department of Treasury</u></b>			
Departmental Offices			
Passed through Colorado Department of Local Affairs: COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	*	5,338,000
Total U.S. Department of Treasury			<u>5,338,000</u>
Total Federal Financial Assistance			<u>\$ 5,761,335</u>

\* Pass-through number not available

See Notes to Schedule of Expenditures of Federal Awards

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**Note 1 - Basis of Presentation**

The accompanying schedule of expenditures of federal awards includes the federal award activity of the City of Lafayette (the City) under programs of the federal government for the year ended December 31, 2023. The information is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Costs 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 position or fund balance, or cash flows of the City.

**Note 2 - Summary of Significant Accounting Policies**

Expenditures reported in the schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. No federal financial assistance has been provided to a subrecipient.

**Note 3 - Indirect Cost Rate**

The City does not draw for indirect administrative expenses and has not elected to use the 10% de minimis cost rate.

**Note 4 - Loan Programs**

Expenditures reported in this schedule consist of the beginning of the year outstanding loan balance plus advances made on the loan during the year. The outstanding balance at December 31, 2023 was \$5,338,000. Under this program, the participant loan may be forgiven with specific requirements being satisfied.

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**Section I – Summary of Auditor’s Results**

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**FINANCIAL STATEMENTS**

Type of auditor’s report issued	Unmodified
Internal control over financial reporting:	
Material weaknesses identified	Yes
Significant deficiencies identified not considered to be material weaknesses	None reported
Noncompliance material to financial statements noted?	No

**FEDERAL AWARDS**

Internal control over major program:	
Material weaknesses identified	No
Significant deficiencies identified not considered to be material weaknesses	None reported
Type of auditor’s report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance 2 CFR 200.516:	No

**Identification of major programs:**

<u>Name of Federal Program</u>	<u>Federal Financial Assistance Listing</u>
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027
Dollar threshold used to distinguish between type A and type B programs:	\$750,000
Auditee qualified as low-risk auditee?	No

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Section II – Financial Statement Findings

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2023-001: **Financial Statement Preparation  
Material Weakness**

<i>Criteria:</i>	Management is responsible for establishing and maintaining an effective system of internal control over financial reporting. The adoption of GASB Statements No. 96, <i>Subscription-Based Information Technology Arrangements</i> (GASB 96) provides for exceptions regarding short-term subscription contracts where those contracts should be excluded from recognition as a right-to-use subscription asset and subscription liability.
<i>Condition:</i>	Based on audit procedures performed as of December 31, 2023, we identified several subscription contracts that were recognized in the financial statements through the implementation of GASB 96 and qualified for the short-term exclusion.
<i>Cause:</i>	The City did not have adequate internal controls to ensure appropriate subscription contract recognition with GASB 96.
<i>Effect:</i>	The City recognized 64 subscription contracts through the implementation of GASB 96 with a projected 57 subscription contracts qualifying for the short-term exclusion, or 89% projected error rate. This resulted in a projected uncorrected misstatement of \$176,111 of assets, \$56,424 of liabilities, and \$119,687 in expenses of the City's governmental activities' opinion unit. This misstatement is both individually and, in the aggregate, not material to the City's financial statements.
<i>Recommendation:</i>	We recommend the City enhance internal controls to ensure appropriate recognition of subscription contracts in accordance with U.S. GAAP.
<i>Views of Responsible Officials:</i>	Agree

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Section III – Federal Award Findings and Questioned Costs

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None

Management's Response to Auditor's Findings:  
Summary Schedule of Prior Audit Findings and  
Corrective Action Plan  
December 31, 2023

Prepared by Management of  
**City of Lafayette**



Schedule of Findings and Questioned Costs  
Year Ended December 31, 2023

**Financial Statement Findings**

**2023-001: Financial Statement Preparation  
Material Weakness**

<i>Criteria:</i>	Management is responsible for establishing and maintaining an effective system of internal control over financial reporting. The adoption of GASB Statements No. 96, <i>Subscription-Based Information Technology Arrangements</i> (GASB 96) provides for exceptions regarding short-term subscription contracts where those contracts should be excluded from recognition as a right-to-use subscription asset and subscription liability.
<i>Condition:</i>	Based on audit procedures performed as of December 31, 2023, we identified several subscription contracts that were recognized in the financial statements through the implementation of GASB 96 and qualified for the short-term exclusion.
<i>Cause:</i>	The City did not have adequate internal controls to ensure appropriate subscription contract recognition with GASB 96.
<i>Effect:</i>	The City recognized 64 subscription contracts through the implementation of GASB 96 with a projected 57 subscription contracts qualifying for the short-term exclusion, or 89% projected error rate. This resulted in a projected uncorrected misstatement of \$176,111 of assets, \$56,424 of liabilities, and \$119,687 in expenses of the City's governmental activities' opinion unit. This misstatement is both individually and, in the aggregate, not material to the City's financial statements.
<i>Recommendation:</i>	We recommend the City enhance internal controls to ensure appropriate recognition of subscription contracts in accordance with U.S. GAAP.
<i>Views of Responsible Officials:</i>	Agree

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Schedule of Findings and Questioned Costs  
Year Ended December 31, 2023

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**Corrective Action Plan**

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**2023-001: Financial Statement Preparation  
Material Weakness**

*Finding Summary:*

Based on audit procedures performed as of December 31, 2023, Eide Bailly LLP identified several subscription contracts that were recognized in the financial statements through the implementation of GASB 96 and qualified for the short-term exclusion.

The City recognized 57 short-term subscriptions qualifying for the short-term exclusion which resulted in a projected uncorrected misstatement of \$176,111 of assets, \$56,424 of liabilities, and \$119,687 in expenses of the City's governmental activities' opinion unit. This misstatement is both individually and, in the aggregate, not material to the City's financial statements.

*Responsible Individuals:*

City of Lafayette Finance Department

*Corrective Action Plan:*

At the conclusion of the audit, the City received additional education and guidance from our auditors, Eide Bailly LLP, to assist in determining which subscriptions qualify under GASB 96. Going forward, the City will communicate questions to our auditors in advance of issuing financial statements. The City plans to continue to improve internal controls and dedicate resources to train Finance staff involved in preparing financial statements in accordance with accounting principles generally accepted in the United States of America with specific focus on the preparation of financial statements prepared for governmental entities.

*Anticipated Completion Date:*

Corrected and Ongoing