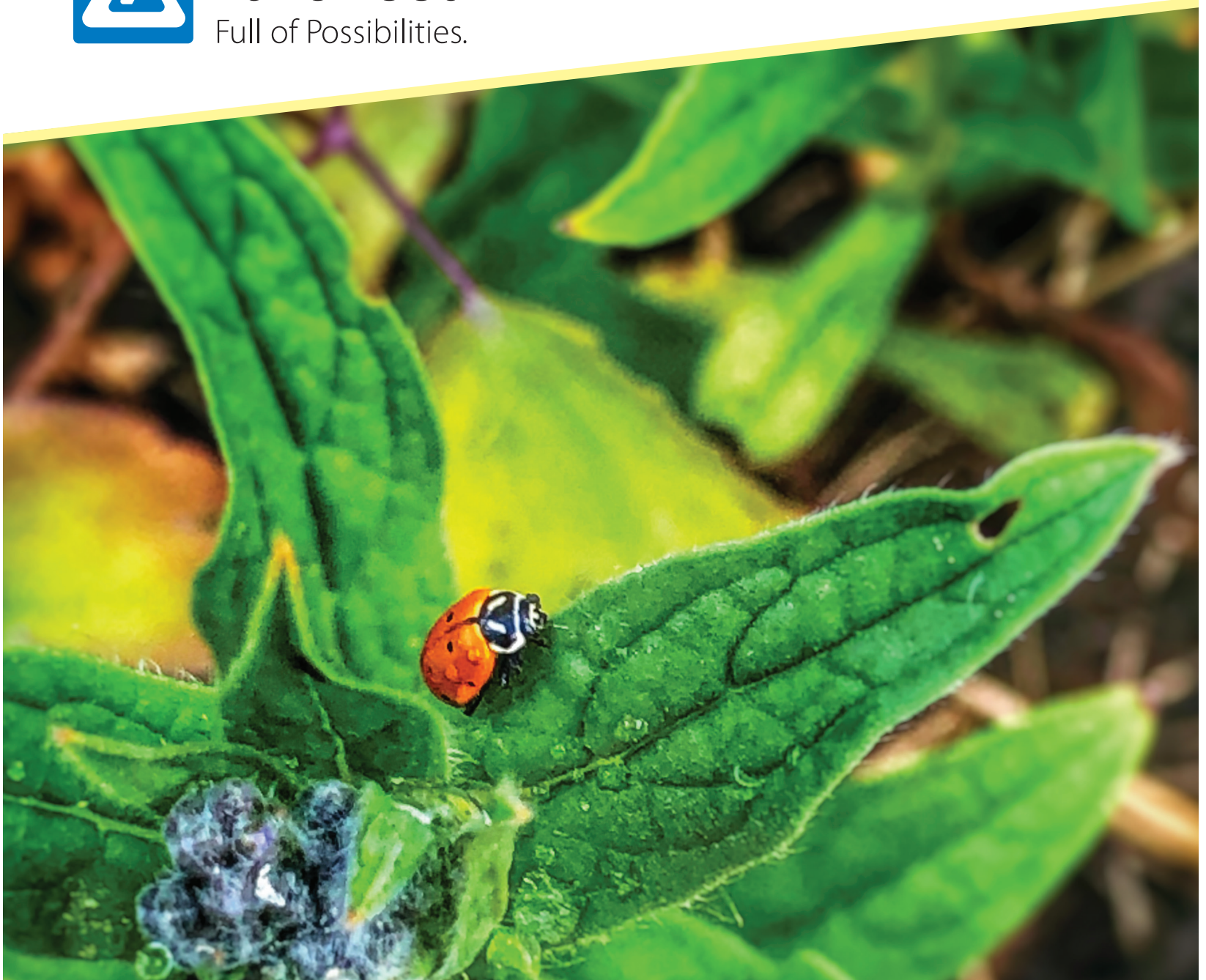




Lakewood
Full of Possibilities.



2019

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For year ended December 31, 2019

**COMPREHENSIVE
ANNUAL FINANCIAL REPORT
OF
THE CITY OF LAKEWOOD
COLORADO**



**For The Year Ended
December 31, 2019**

**Prepared by:
Department of Finance**



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INTRODUCTORY SECTION



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CITY OF LAKEWOOD, COLORADO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
Year Ended December 31, 2019

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City of Lakewood

City Manager's Office

480 South Allison Parkway
Lakewood, Colorado 80226-3127
303-987-7050 Voice
303-987-7063 FAX

June 29, 2020

Honorable Mayor Adam Paul,
Members of the City Council, and
Citizens of Lakewood, Colorado

TRANSMITTAL LETTER

Formal Transmittal

The Comprehensive Annual Financial Report ("CAFR") of the City of Lakewood, Colorado ("the City") for the fiscal year ended December 31, 2019 is hereby formally transmitted. Responsibility for both the accuracy of the data presented and the completeness and fairness of the presentation, including all disclosures, resides with the City. We believe that the data, as presented, is accurate in all material respects, that it is reported in a manner designed to present fairly the financial position and the results of operations of the City and that all disclosures necessary to enable the reader to gain an understanding of the City's financial position have been included.

City Profile

The City of Lakewood, Colorado was incorporated on June 24, 1969 and its present Home Rule Charter was adopted in November 1, 1983. The City functions under a Council-Manager form of government. The City Council is composed of eleven officials, including a mayor elected at large and ten council members elected two each from five wards. The City provides a full range of services including police, water, sewer and storm water utility services, construction and maintenance of highways, streets and infrastructure, recreational activities, cultural events and family programs.

The City's Financial Condition

The CAFR includes all financial activities for which the City Council is accountable to the citizens of the City, either by Charter or Statute. All applicable funds, departments and offices are included in these financial statements as part of the Primary Government of the City. In addition, the Lakewood Reinvestment Authority and the Lakewood Public Building Authority, while legally separate entities, have significant financial and operational relationships with the City and are thus included in the CAFR. The City receives some of its funding from the Federal Government and hereby provides a schedule of financial assistance and other reports in the Single Audit section of the CAFR, as required by the United States Office of Management and Budget Uniform Grant Guidance.

Colorado statutes and the Lakewood City Charter require an annual financial statement audit of the City's accounts and financial records by an independent certified public accountant ("CPA"), as selected by the City Council. The CPA firm of ACM, LLP, conducted the audit of the City's financial statements for the year ended 2019. Their Independent Auditor's Report is presented in the front of the Financial Section of this report.

Governmental Accounting Standards Board's Statement Number 34 ("GASB 34") requires that management provide a narrative introduction, general overview and analysis to accompany the basic financial statements, in the form of the Management's Discussion and Analysis ("MD&A"). This letter of transmittal is designed to complement and should be read in conjunction with the MD&A. The MD&A can be found immediately behind the Independent Auditor's Report.

As mentioned above, the CAFR includes Management's Discussion and Analysis, which includes a general overview, and analysis of the City's financial condition. In addition to the MD&A the City recognizes several opportunities that will have an impact on the future economic prospects of the City. As such, the City Council's annual Planning Session includes a financial planning process that evaluates and organizes the strategic needs of the community and the related financial impacts and opportunities. The City's Long-Term Strategic Financial Plan is published in the annual budget, which forecasts 5 future years of financial activity.

The City's management is responsible for maintaining and assessing effective internal control over financial reporting. The City's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. As with any system of internal controls, the City's control over financial reporting is inherently limited. Because the cost of a control should not exceed the benefits to be derived, the objective is to provide reasonable, rather than absolute assurance, that the financial statements are free of any material misstatements.

In 2018 voters approved ballot question 2D authorizing the City of Lakewood to keep and spend funds that exceed revenue limits in the Colorado Constitution. Question 2D further authorizes the City to retain funds in excess of the limits through and including 2025. For 2019, the City will retain an additional \$9,212,422 in funds for specific purposes outlined in Question 2D. These funds will facilitate significant investments into the Lakewood community.

The City annually prepares an operating budget of revenues and expenditures for the following year in accordance with the City Charter and the City Council's budget policies. The City's budget process includes the guidelines of the National Council on Governmental Accounting and the Government Finance Officers Association of the U.S. and Canada. Included as a part of the City's budget process, the City prepares a 5-year long-term financial plan. The plan encompasses both operating and capital revenues and spending. The long-term financial plan is used for current and future service and infrastructure decision making.

Awards and Acknowledgements

This report has been prepared following the guidelines recommended by the Government Finance Officers Association of the United States and Canada (“GFOA”). The GFOA has awarded its Certificate of Achievement for Excellence in Financial Reporting to the City for its Comprehensive Annual Financial Report for the fiscal year ended December 31, 2018. This is the twenty-ninth year that the City has been awarded this Certificate of Achievement. The Certificate of Achievement is valid for only one year. We believe that our current CAFR will meet the GFOA’s Certificate of Achievement requirements and we are submitting it to the GFOA to determine its eligibility. The GFOA has also awarded the City its Distinguished Budget Presentation Award for fiscal years 2001 through 2020.

We sincerely appreciate the assistance of the entire Finance Department both for their efforts throughout the year and especially for their help in preparing this report. Specifically, we would like to acknowledge Peggy Starr, and the entire Accounting Division, and Camille DeBell for their direct contributions in preparing this report and facilitating the audit. Additionally, we thank ACM, LLP for their assistance and for the professional manner in which they conducted the audit. We also acknowledge the cooperation of each of the City’s departments as we work together to conduct the City’s financial operations.

We would finally like to recognize the Mayor and City Council as a whole, and in particular, the members of City Council’s Budget and Audit Board, for their support and continued desire to ensure the highest standards of professionalism in the management of the City’s financial affairs.

Respectfully submitted,



Kathleen E. Hodgson
City Manager



Holly Björklund
Chief Financial Officer



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Government Finance Officers Association

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

Presented to

**City of Lakewood
Colorado**

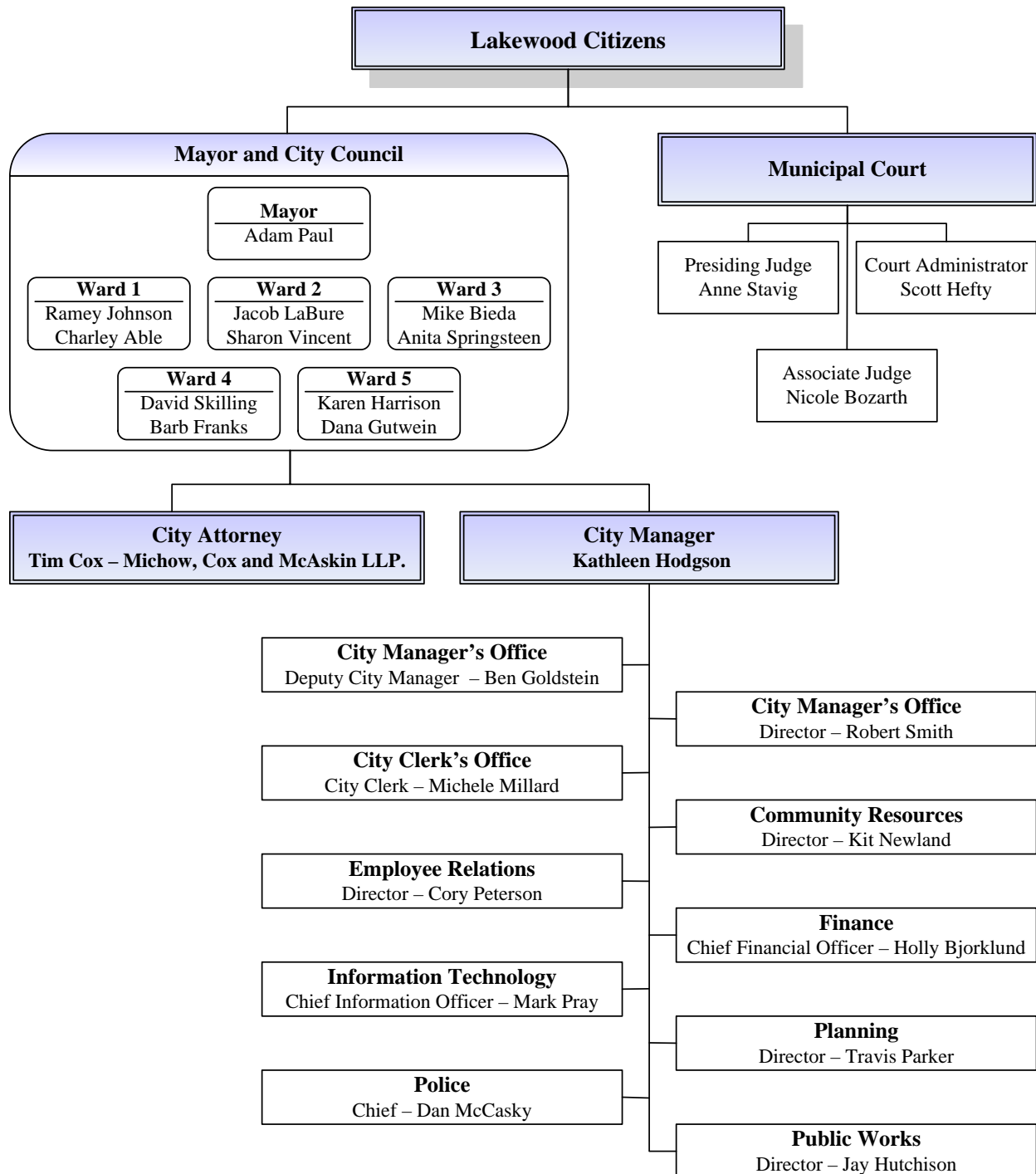
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2018

Christopher P. Morrell

Executive Director/CEO

**CITY OF LAKEWOOD, COLORADO
ORGANIZATION CHART**



**CITY OF LAKEWOOD, COLORADO
CITY OFFICIALS AND ADMINISTRATION**

Mayor:	At-Large	Adam Paul
Members of Council:	Ward I	Ramey Johnson Charley Able
	Ward II	Jacob LaBure Sharon Vincent
	Ward III	Mike Bieda Pete Roybal (term ended December 31, 2019) Anita Springsteen (term began January 1, 2020)
	Ward IV	David Skilling Barb Franks
	Ward V	Karen Harrison Dana Gutwein
City Officials:		
City Manager		Kathleen Hodgson
Deputy City Manager		Ben Goldstein
Department of Mayor and City Manager's Office		Robert Smith, Director
City Attorney		Tim Cox – Michow, Cox & McAskin, LLP
City Clerk		Michele Millard
Department of Community Resources		Kit Newland, Director
Department of Employee Relations		Cory Peterson, Director
Department of Finance		Larry Dorr, Director (Resigned January 2020) Holly Björklund, Chief Financial Officer (April 2020)
Department of Information Technology		Mark Pray, Chief Information Officer
Municipal Court		Anne Stavig, Presiding Judge Scott Hefty, Court Administrator
Department of Planning		Travis Parker, Director
Police Department		Dan McCasky, Police Chief
Department of Public Works		Jay Hutchison, Director



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FINANCIAL SECTION

The Financial Section constitutes the formal portion of the report. The Independent Auditor's Report relates only to the combined and individual fund statements within this section.



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Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Lakewood, Colorado, (the "City") as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the City of Lakewood's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Lakewood, Colorado, as of December 31, 2019, 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.

Emphasis of a Matter

The COVID-19 outbreak in 2020 (see Note 14) has caused business disruption in a variety of industries, markets and geographic regions, which has resulted in considerable uncertainty as to the financial impact and duration, which cannot be reasonably estimated at this time. Our opinion is not modified with respect to this matter.



Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis, budgetary comparison information and pension schedules on pages c through l and 54 through 66, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Lakewood's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, local highway finance report, statistical section, and schedule of expenditures of federal awards as required by *Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Governmental Auditing Standards*, we have also issued our report dated June 29, 2020 on our consideration of the City of Lakewood'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 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 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 City of Lakewood's internal control over financial reporting and compliance.

ACM LLP

Greeley, Colorado
June 29, 2020



This section of the City of Lakewood's Comprehensive Annual Financial Report ("CAFR") offers readers a narrative overview and analysis of the financial activities of the City for the year ended December 31, 2019. Readers are encouraged to consider the information presented here, in conjunction with the letter of transmittal, the basic financial statements and the notes to the financial statements, contained in this report.

I. Financial Highlights

- The City's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at the end of 2019 by \$602,699,607. Of this amount, \$57,267,645 represents unrestricted net position, which may be used to meet the government's ongoing obligations to citizens and creditors.
- The City's total net position increased by \$29,740,910 over the prior year.
- At the end of 2019, the City's governmental funds reported combined fund balances of \$108,442,807, an increase of \$6.6 million in comparison with the prior year. Approximately 24% of this amount (\$25 million) is available for spending at the government's discretion.
- At the end of 2019, unassigned fund balance for the General Fund was \$25,978,966, or approximately 21.8% of total General Fund expenditures.
- The City's total outstanding long-term debt decreased by \$3,715,564 from 2018.

Taken as a whole, the City's diverse core revenues and strong operating reserves illustrate the stable financial condition of the City. The City's increase in net position and continued investments in infrastructure demonstrate our continued positive overall financial health. While the City is not immune to a volatile economic environment, conservative planning and robust economic development have enabled the City to maintain a strong financial position and a stable level of services to the community. Further information is available in Section IV below.

Total governmental fund revenues decreased \$3.6 million or 2.0% in 2019. General Fund revenues decreased \$7.6 million or 5.6% in 2019. Capital Improvement Fund revenues increased \$0.4 million or 2.4% in 2019.

For 2019, total fund balance for the General Fund decreased \$5.4 million or 3.9% as a percent of expenditures and transfers out.

As a result, the fund balance of the General Fund has decreased from \$36,602,500 to \$31,196,282 a decrease of 14.8%. The fund balance of the General Fund taken as a percent of 2019 expenditures and transfers out was 22.7% as of December 31, 2019.



General Fund sales and use taxes, which comprised 61.3% of General Fund revenues, increased \$1.85 million or 2.4%. Sales and use tax revenues collected by the Capital Improvement Fund increased \$242,595 or 1.6%. The Capital Improvement Fund receives one sixth of the City's 3.0% sales and use tax revenues, to be used for capital improvements. During 2019, General Fund property taxes decreased by \$69,968 or 0.7%.

Total governmental fund expenditures increased \$0.84 million or 0.5% in 2019. Total General Fund expenditures and transfers out increased \$6.3 million or 4.8%.

City Management, City Council and City Council's Budget & Audit Board are continuing to monitor General Fund revenues and expenditures each quarter. In spite of uncertain economic circumstances, the City maintains a competitive, well trained and sufficiently equipped workforce for the effective delivery of community services.

II. Overview of the Financial Statements

Management's Discussion and Analysis is intended to provide an introduction to the City's basic financial statements. The City's basic financial statements contain three components: government-wide financial statements, fund financial statements, and notes to the financial statements. Following these statements, in this report, the City provides additional other supplementary information. The basic financial statements include two types of statements that present unique views of the City's financial position.

1. Government-wide Financial Statements

The government-wide financial statements are intended to provide readers with a broad overview of the City's financial condition. They are presented using accounting methods very similar to a privately owned business, or the economic resources measurement focus, and full accrual accounting.

- *The Statement of Net Position* presents information on all of the City's assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the balance reported as *Net Position*. Over time, increases or decreases in net position can serve as an indicator of the City's financial condition.
- *The Statement of Activities* presents information showing how the City's net position changed during the given 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. Capital expenditures are not included in this statement; however capital grant revenues are reported.



2. Fund Financial Statements

The fund financial statements focus on specific elements of the City's finances and report on fund-specific operations in more detail than the government-wide financial statements. A fund is a grouping of resources that are segregated for the purpose of carrying on a specific activity or attaining certain objectives in accordance with given regulations, restrictions or limitations. Section 12.6 of the Lakewood City Charter governs the creation and the purpose of certain funds.

Governmental Funds

The governmental funds presentation is different from the governmental activities section of the government-wide financial statements even though these two statements account for essentially the same activities. Governmental funds presented have a budgetary or *current financial resources* measurement focus and use the modified accrual basis of accounting. That is, the governmental funds presentation focuses on the City's near-term financial position and changes thereto.

Proprietary Funds

Proprietary funds are unlike governmental funds in that they report the business-type activities of the City.

- *Enterprise funds* account for the operation of governmental programs that are intended to be supported primarily by user fees. These funds are presented as business-type activities on the government-wide financial statements but are presented in greater detail in the fund financial statements. In both cases, enterprise funds are presented using the *economic resources* measurement focus and full accrual accounting.
- *Internal service funds* account for goods and services provided by specific programs on a fee basis to the City's other departments and programs.

Fiduciary Funds

Fiduciary funds account for activities where the City acts in the capacity of a trustee, or fiduciary of another party's assets. The City is responsible for ensuring that the assets reported in this fund are used for their intended purpose. The City's fiduciary activities of the Retired City Manager's Pension Trust are reported in a separate statement of fiduciary net position.

3. Notes to the Basic Financial Statements

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



III. Government-wide Financial Statement Analysis

Statement of Net Position

As noted earlier, the Statement of Net Position can serve as an indicator of the overall financial condition of the City. As of December 31, 2019, the City had total assets of \$679,603,624. As of December 31, 2019, the City's net position was \$602,699,607.

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2019	2018	2019	2018	2019	2018
Assets						
Current and Other Assets	\$174,648,496	\$165,453,641	\$ 18,854,264	\$ 17,867,632	\$193,502,760	\$183,321,273
Capital Assets	458,792,413	445,078,939	27,308,451	23,432,371	486,100,864	468,511,310
Total Assets	633,440,909	610,532,580	46,162,715	41,300,003	679,603,624	651,832,583
Total Deferred Outflows of Resources	6,263,348	5,285,769	-	-	6,263,348	5,285,769
Liabilities						
Long-term Liabilities	32,310,770	36,026,334	-	-	32,310,770	36,026,334
Other Liabilities	23,186,416	25,109,013	1,583,196	827,424	24,769,612	25,936,437
Total Liabilities	55,497,186	61,135,347	1,583,196	827,424	57,080,382	61,962,771
Total Deferred Inflows of Resources	26,086,983	22,196,884	-	-	26,086,983	22,196,884
Net Position						
Net Investment in Capital Assets	441,082,405	422,135,173	27,308,451	23,432,371	468,390,856	445,567,544
Restricted	77,041,106	71,071,769	-	-	77,041,106	71,071,769
Unrestricted	39,996,577	39,279,176	17,271,068	17,040,208	57,267,645	56,319,384
Total Net Position	\$558,120,088	\$532,486,118	\$ 44,579,519	\$ 40,472,579	\$602,699,607	\$572,958,697

Capital Assets make up the largest portion of the City's Net Position. Capital assets include items such as infrastructure, buildings, equipment, machinery, land and other tangible items. Infrastructure includes streets, traffic signals, buildings and sidewalks. The City uses capital assets to provide services to the community and thus they are not available for immediate spending. During 2019, the City added to its capital assets.

- Capital Assets represent \$486,100,864 or 71.5% of Total Assets. Governmental capital assets added in 2019 included various park, street, technology and building improvements. The City undertook major investments in its Alameda Streetscape, Public Safety Building Upgrades and Parking Structure Improvements, and Springfield Green Development.
- The City has continued to invest in its fleet of vehicles during 2019 replacing various heavy duty trucks, mowers and other light duty trucks and automobiles.
- Additional information on the City's capital assets can be found in the Capital Assets Note in the Notes to the Financial Statements section.
- In addition, it should be noted that the City retired long-term debt and increased reserves in some funds. In 2019, the City's overall long-term debt decreased by \$3.7 million or 10.3%. The City has appropriated funds in its 2020 budget to retire an additional \$5.24 million in long-term debt. This retirement of debt contributes to the City's positive



overall financial health. Additional information on the City's long-term debt can be found in the Long-Term Debt Note in the Notes to the Financial Statements section.

- Of the City's \$602,699,607 in net position, \$77,041,106 or 12.8% was restricted for various purposes, including emergencies, parks and open space, economic development, debt service, capital improvements and urban renewal. Additional information on net position restrictions may be found below under Governmental Fund Balances.

Statement of Activities

This statement presents information showing how the City's net position changed during the given fiscal year. The following reflects the City's change in net position:

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2019	2018	2019	2018	2019	2018
Revenues						
Program Revenues-						
Charges for Services	\$ 24,786,650	\$ 24,843,869	\$ 15,246,562	\$ 15,232,552	\$ 40,033,212	\$ 40,076,421
Operating Grants and Contributions	16,051,999	14,312,975	-	-	16,051,999	14,312,975
Capital Grants and Contributions	7,456,864	7,268,406	2,172,564	1,007,510	9,629,428	8,275,916
General Revenues-						
Property & Specific Ownership Taxes	22,941,102	21,200,905	-	-	22,941,102	21,200,905
Sales and Use Taxes	94,964,762	92,856,656	-	-	94,964,762	92,856,656
Franchise & Other Taxes	11,459,287	11,310,808	-	-	11,459,287	11,310,808
Intergovernmental Revenue	297,242	327,964	-	-	297,242	327,964
Investment Income	4,800,751	1,707,727	271,231	239,266	5,071,982	1,946,993
Miscellaneous	232,635	168,724	16,035	50,561	248,670	219,285
TABOR Revenue Refund	-	12,536,504	-	-	-	12,536,504
Total Revenues	182,991,292	186,534,538	17,706,392	16,529,889	200,697,684	203,064,427
Expenses						
General Government	39,927,557	43,076,952	-	-	39,927,557	43,076,952
Public Safety	65,644,796	61,299,639	-	-	65,644,796	61,299,639
Public Works	3,831,135	10,975,754	-	-	3,831,135	10,975,754
Culture and Recreation	25,305,871	22,608,876	-	-	25,305,871	22,608,876
Urban Development and Housing	17,229,186	12,326,943	-	-	17,229,186	12,326,943
Economic Opportunity	4,974,827	4,824,459	-	-	4,974,827	4,824,459
Interest on Long-term Debt	1,107,604	1,196,617	-	-	1,107,604	1,196,617
Golf Course	-	-	4,731,740	4,499,986	4,731,740	4,499,986
Sewer	-	-	4,420,324	4,464,144	4,420,324	4,464,144
Stormwater	-	-	2,640,772	2,683,444	2,640,772	2,683,444
Water	-	-	1,142,962	1,039,641	1,142,962	1,039,641
Total Expenses	158,020,976	156,309,240	12,935,798	12,687,215	170,956,774	168,996,455
Increase (Decrease) Before Transfers	24,970,316	30,225,298	4,770,594	3,842,674	29,740,910	34,067,972
Transfers	663,654	685,148	(663,654)	(685,148)	-	-
Increase (Decrease) in Net Position	25,633,970	30,910,446	4,106,940	3,157,526	29,740,910	34,067,972
Net Position, Beginning of Year	532,486,118	504,746,735	40,472,579	37,315,053	572,958,697	542,061,788
Cumulative adjustment-accounting standard	-	(3,171,063)	-	-	-	(3,171,063)
Net Position, End of Year	\$558,120,088	\$532,486,118	\$ 44,579,519	\$ 40,472,579	\$602,699,607	\$572,958,697



IV. Fund Financial Statement Analysis

As noted earlier, the City uses fund accounting so as to segregate resources for the purpose of carrying on a specific activity or attaining certain objectives in accordance with regulations, restrictions or other limitations on the use of the funds.

Governmental Fund Balances

As mentioned in the Financial Highlights, General Fund fund balance decreased by \$5.4 million or 3.9% of expenditures and transfers out in 2019. As such the General Fund's fund balance decreased from \$36,602,500 to \$31,196,282 or 14.8%. As of December 31, 2019, the Fund Balance of the General Fund taken as a percent of 2019 expenditures and transfers out was 22.7 %. As mentioned last year, the increase in fund balance of the General Fund in 2018 was due to the retention of the voter approved exemption to the Taxpayer's Bill of Rights ("TABOR"). In 2019, the City Council approved a separate fund, the TABOR fund, to account for the monies and therefor the funds were transferred out of the General Fund into the TABOR fund, resulting in a decrease in the General Fund's fund balance (\$6,222,572 for 2018). In addition, the City had excess TABOR revenue in 2019 and the General Fund (\$7,418,729), along with Economic Development Fund (\$537,277) and Capital Improvement Fund (\$1,256,416) transferred the excess to the TABOR fund (\$9,212,422).

The City Council has set forth a strategic target for General Fund balance to be 10.0% of expenditures plus transfers out, or greater. Additionally, City Council has adopted a General Fund budget policy that requires revenues to exceed expenditures excluding the use of fund balance. Should special circumstances necessitate the use of General Fund fund balance, the City Manager is required by policy to present an alternative to using fund balance by way of reduced expenditures.

During strong economic conditions the City has had the opportunity to increase fund balances, which provides financial flexibility during economic downturns and in emergencies. Until 2016, the City had not had a year when it had reduced its General Fund balance since 2003. In the last four decades, during each decade, the City has experienced at least two years with a decrease in its General Fund balance. The City's 5-year Strategic Financial Plan currently anticipates a decreasing fund balance during the forecasted years. During unfavorable economic cycles, the City has made conservatively low estimates of future revenues and conservatively high estimates of future expenditures. The current fund balance level will give the City resources to weather economic challenges, and make pay-as-you-go investments in capital infrastructure, as was done in 2019.

The Capital Improvement Fund had a decrease in fund balance of \$5.45 million or 24.3% during 2019. This is due to excess revenues under TABOR being transferred to the 2019 Council established TABOR fund (\$2,586,504 from 2017, \$1,475,071 from 2018, and \$1,256,410 from 2019).



The Lakewood Reinvestment Authority had a decrease in fund balance of \$634,597 or 10.5% during 2019. Capital Outlay increased from \$10.2M in 2018 to \$14.6M in 2019 largely due to Alameda Streetscape activity.

At December 31, 2019, the City's Grants Fund had a negative fund balance of \$327,462. The City's Grants Fund originally recorded salary expenditures to the Grants Fund but these were not covered by the grant revenue, causing the negative fund balance. The City is reviewing the fund to determine appropriate action.

Beginning in the 2010 Comprehensive Annual Financial Report, the City reported fund balance classifications as required by Governmental Accounting Standards Board Statement No. 54 ("GASB 54"). The objective of GASB 54 reporting is to enhance the usefulness of fund balance information by providing fund balance classifications that can be applied more consistently across governments. The classifications are based on the relative strength of the constraints that control how specific amounts can be spent, or in the case of inventories, the inability to be spent. This reporting does not present any changes in the strategic initiatives of the City, and enhances public disclosure of the City's financial condition.

- *Nonspendable* - generally for inventories and prepaid expenses that are a part of fund balance but are not available for spending.
- *Restricted* - includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation. Under the Colorado Constitution, the City has restricted fund balance for emergencies and other fund balances for which the funds may only be used for a specific purpose.
- *Assigned* - is for those funds for which the City intends to spend on specific purposes, while maintaining the flexibility to change these intentions without the elements present in the *restricted* classification. The City has made a commitment via its budgetary process to fund the replacement of equipment and cultural programming under these auspices.
- *Unassigned* - is the residual classification for the City's General Fund only and includes all spendable amounts not contained in other classifications.


**Management's Discussion and Analysis
for the Year Ended December 31, 2019**

	General Fund	Grants Fund	Capital Improvements Fund	Lakewood Reinvestment Authority Fund	TABOR Fund	Other Governmental Funds	Total Governmental Funds
Nonspendable:							
Inventories	\$ 271,317	\$ -	\$ -	\$ -	\$ -	\$ 29,678	\$ 300,995
Prepays	-	-	-	-	-	55	55
Total Nonspendable	271,317	-	-	-	-	29,733	301,050
Restricted for:							
Emergencies	4,484,709	-	-	-	-	-	4,484,709
Parks and Open	-	-	-	-	-	9,637,583	9,637,583
Economic	-	-	-	-	-	8,820,749	8,820,749
Debt Service	461,290	-	-	-	-	2,888,650	3,349,940
Capital	-	-	16,959,911	-	-	-	16,959,911
TABOR Spending	-	-	-	-	28,351,477	-	28,351,477
Urban Renewal	-	-	-	5,436,737	-	-	5,436,737
Total Restricted	4,945,999	-	16,959,911	5,436,737	28,351,477	21,346,982	77,041,106
Assigned to:							
Cultural Activities	-	-	-	-	-	899,229	899,229
Capital	-	-	-	-	-	4,549,918	4,549,918
Total Assigned	-	-	-	-	-	5,449,147	5,449,147
Unassigned	25,978,966	(327,462)	-	-	-	-	25,651,504
Total Fund Balances	\$ 31,196,282	\$(327,462)	\$ 16,959,911	\$ 5,436,737	\$28,351,477	\$26,825,862	\$ 108,442,807

Revenues

As discussed in the financial highlights, General Fund revenues had an overall decrease in 2019 compared to 2018 of \$7.6M. However, \$12.5M in 2018 was due to the City's retention of TABOR funds authorized by the voters. As this was related to a liability established in 2017, it should be removed from the analysis. Without this TABOR amount, the General Fund revenues increased in 2019 over 2018 by \$4.9M.

- Taxes increased by \$2.3M over 2018 with \$1.8M from sales tax. In 2017, Colorado Mills Mall, the City's single largest generator of sales tax revenue, suffered significant hail damage forcing closure for most of 2018 with a return to full business in 2019.
- Investment income increased \$2.8M in 2019 over 2018 due to a strong bull market with increased returns over 2018.
- General Fund sales and use tax revenues increased \$1.85M or 2.4% during 2019 as a result of the recovery at Colorado Mills. Conversely, building materials use tax revenues decreased \$0.6M or 12.0% as a result of the completion of many post-hailstorm construction jobs.



- During 2019, General Fund property tax receipts decreased \$69,968 or 0.7%. Property taxes are assessed and collected in arrears. As such, the 2019 receipts reflect the 2018 property assessment values, which indicate a stable market.
- The Lakewood Reinvestment Authority had an increase in 2019 revenue in the amount of \$1.3 million or 11.3%. This is reflective of the same change and improvement in property tax values and assessments in revitalized areas and reflects some new construction in the revitalized areas of the City.

Expenditures

The City experienced economic growth during 2019, yet revenues are perceived to be volatile and uncertain, especially now concerning the COVID-19 pandemic and 2020 retail restrictions. The City is substantially reliant on sales tax revenues driven by consumer purchases which are unpredictable and discretionary.

Because of this, it's prudent for the City to pursue operational efficiencies and plan new initiatives cautiously. In the face of this, the City has made thoughtful decisions regarding its spending.

- The City continued a strategic hiring process whereby departments sought alternatives to filling vacant positions and was only filling positions upon an evaluation and approval by the City Manager. The City continued to add to its police force during 2019 by increasing the authorized number of police officers and community service officers. This is the result of a study designed to assess the Police Department's call load and service efficiencies.
- General Fund expenditures and transfers out increased \$6.3 million or 4.8% over 2018. This was largely due to an increase in debt service payments for the refunding of the Police capital lease (\$1.4M), personnel increase of \$2.5M in Public Safety due to filling vacant positions, and transfers to the TABOR Fund in 2019 over 2018 (\$1.4M). Expenditures increased in the General Fund for 2019 by \$5.0M (4.4%).

General Fund Budgetary Highlights

Over the course of the year the City Council revised the City's budget. These revisions were made for the following reasons:

- Capital improvement projects, which were not completed due to construction delays and had remaining expenditures, were re-appropriated.
- Funds were transferred for capital infrastructure projects.



Economic Factors and Next Year's Budget

In preparing both the 2019 revised budget as well as the 2020 budget, the City seeks guidance from many sources for an overall economic outlook. Those sources include the State Governor's Office of Planning & Budgeting and the State Legislative Council's economics staff.

V. Requests for Information

This financial report is designed to provide a general overview of the City's finances. Questions concerning the information provided in this report or other financial information should be addressed to the Chief Financial Officer, City of Lakewood, 480 South Allison Parkway, Lakewood, Colorado 80226, or via telephone at (303) 987-7600 or via e-mail at finance@lakewood.org.

BASIC FINANCIAL STATEMENTS



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CITY OF LAKEWOOD, COLORADO
STATEMENT OF NET POSITION
December 31, 2019

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
Assets			
Cash and Investments	\$ 101,050,740	\$ 16,320,170	\$ 117,370,910
Restricted Cash and Investments	31,853,503	-	31,853,503
Receivables			
Accounts	7,681,418	2,574,215	10,255,633
Interest	328,843	-	328,843
Taxes	33,236,739	-	33,236,739
Internal Balances	196,203	(196,203)	-
Inventories	300,995	156,082	457,077
Prepays	55	-	55
Capital Assets, Not Being Depreciated	150,106,164	15,193,570	165,299,734
Capital Assets, Net of Accumulated Depreciation	308,686,249	12,114,881	320,801,130
Total Assets	633,440,909	46,162,715	679,603,624
Deferred Outflows of Resources			
Loss on Debt Refunding, Net of Accumulated Amortization	173,005	-	173,005
Deferred Outflows of Resources Relating to OPEB	6,090,343	-	6,090,343
Total Assets and Deferred Outflows of Resources	\$ 639,704,257	\$ 46,162,715	\$ 685,866,972
Liabilities			
Accounts Payable	\$ 7,582,442	\$ 1,192,308	\$ 8,774,750
Accrued Liabilities	6,650,421	172,402	6,822,823
Accrued Interest Payable	131,304	-	131,304
Refundable Deposits	4,895,468	-	4,895,468
Retainage Payable	194,589	77,174	271,763
Unearned Revenues	1,164,893	141,312	1,306,205
Claims Payable	2,567,299	-	2,567,299
Noncurrent Liabilities			
Due Within One Year	6,147,343	-	6,147,343
Due In More Than One Year	26,163,427	-	26,163,427
Total Liabilities	55,497,186	1,583,196	57,080,382
Deferred Inflows of Resources			
Property Taxes	24,754,035	-	24,754,035
Deferred Inflows of Resources Relating to OPEB	1,332,948	-	1,332,948
Total Deferred Inflows of Resources	26,086,983	-	26,086,983
Net Position			
Net Investment in Capital Assets	441,082,405	27,308,451	468,390,856
Restricted for			
Emergencies	4,484,709	-	4,484,709
Parks and Open Space	9,637,583	-	9,637,583
Economic Development	8,820,749	-	8,820,749
Debt Service	3,349,940	-	3,349,940
Capital Improvements	16,959,911	-	16,959,911
TABOR Spending	28,351,477	-	28,351,477
Urban Renewal	5,436,737	-	5,436,737
Unrestricted	39,996,577	17,271,068	57,267,645
Total Net Position	558,120,088	44,579,519	602,699,607
Total Liabilities, Deferred Inflows of Resources and Net Position	\$ 639,704,257	\$ 46,162,715	\$ 685,866,972

The accompanying notes are an integral part of the financial statements.

CITY OF LAKEWOOD, COLORADO
STATEMENT OF ACTIVITIES
Year Ended December 31, 2019

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
PRIMARY GOVERNMENT				
Governmental Activities				
General Government	\$ 39,927,557	\$ 7,786,478	\$ 34,693	\$ -
Public Safety	65,644,796	6,701,776	2,933,247	28,185
Public Works	3,831,135	559,256	1,419,071	6,638,069
Culture and Recreation	25,305,871	7,467,291	9,934,906	10,391
Urban Development and Housing	17,229,186	1,145,567	312,452	780,219
Economic Opportunity	4,974,827	1,126,282	1,417,630	-
Interest and Fees on Long-Term Debt	1,107,604	-	-	-
Total Governmental Activities	158,020,976	24,786,650	16,051,999	7,456,864
Business-Type Activities				
Golf Course	4,731,740	4,879,402	-	-
Sewer	4,420,324	4,344,665	-	981,070
Stormwater	2,640,772	4,954,558	-	1,132,694
Water	1,142,962	1,067,937	-	58,800
Total Business-Type Activities	12,935,798	15,246,562	-	2,172,564
Total Primary Government	\$ 170,956,774	\$ 40,033,212	\$ 16,051,999	\$ 9,629,428

General Revenues

Taxes

Property and Specific Ownership

General Sales and Use

Building Materials and Motor Vehicle Use

Franchise

Business and Occupational

Hotel Accommodation

Intergovernmental Revenues not Restricted to

Specific Programs

Investment Income

Gain on Sale of Capital Assets

Miscellaneous

Transfers

Total General Revenues and Transfers

Change in Net Position

NET POSITION, Beginning of Year

NET POSITION, End of Year

The accompanying notes are an integral part of the financial statements.

Net (Expense) Revenue and Change in Net Position		
Governmental Activities	Business-Type Activities	Total
\$ (32,106,386)	\$ -	\$ (32,106,386)
(55,981,588)	-	(55,981,588)
4,785,261	-	4,785,261
(7,893,283)	-	(7,893,283)
(14,990,948)	-	(14,990,948)
(2,430,915)	-	(2,430,915)
(1,107,604)	-	(1,107,604)
(109,725,463)	-	(109,725,463)
-	147,662	147,662
-	905,411	905,411
-	3,446,480	3,446,480
-	(16,225)	(16,225)
-	4,483,328	4,483,328
(109,725,463)	4,483,328	(105,242,135)
22,941,102	-	22,941,102
83,246,192	-	83,246,192
11,718,570	-	11,718,570
6,160,070	-	6,160,070
3,489,850	-	3,489,850
1,809,367	-	1,809,367
297,242	-	297,242
4,800,751	271,231	5,071,982
232,635	-	232,635
-	16,035	16,035
663,654	(663,654)	-
135,359,433	(376,388)	134,983,045
25,633,970	4,106,940	29,740,910
532,486,118	40,472,579	572,958,697
\$ 558,120,088	\$ 44,579,519	\$ 602,699,607

CITY OF LAKEWOOD, COLORADO
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2019

	General Fund	Grants Fund	Capital Improvements Fund	Lakewood Reinvestment Authority Fund
ASSETS				
Cash and Investments	\$ 28,491,063	\$ -	\$ 22,300,474	\$ 5,801,922
Restricted Cash and Investments	461,290	-	-	-
Accounts Receivable	3,073,831	1,518,981	1,392,963	134,164
Property Taxes Receivable	12,010,223	-	-	12,868,595
Sales Taxes Receivable	6,901,922	-	1,394,370	61,629
Interest Receivable	328,843	-	-	-
Interfund Receivable	855,062	-	-	-
Inventories	271,317	-	-	-
Prepays	-	-	-	-
Total Assets	<u>\$ 52,393,551</u>	<u>\$ 1,518,981</u>	<u>\$ 25,087,807</u>	<u>\$ 18,866,310</u>
LIABILITIES				
Accounts Payable	\$ 2,694,237	\$ 423,157	\$ 2,933,900	\$ 483,634
Interfund Payable	-	658,859	-	-
Accrued Liabilities	6,318,780	78,027	42,212	2,517
Refundable Deposits	164,427	-	4,731,041	-
Retainage Payable	-	-	30,219	74,827
Unearned Revenues	134,385	217,740	390,524	-
Total Liabilities	<u>9,311,829</u>	<u>1,377,783</u>	<u>8,127,896</u>	<u>560,978</u>
DEFERRED INFLOWS OF RESOURCES				
Grants	-	468,660	-	-
Property Taxes	11,885,440	-	-	12,868,595
Total Deferred Inflows of Resources	<u>11,885,440</u>	<u>468,660</u>	<u>-</u>	<u>12,868,595</u>
FUND BALANCES				
Nonspendable:				
Inventories	271,317	-	-	-
Prepays	-	-	-	-
Restricted for:				
Emergencies	4,484,709	-	-	-
Parks and Open Space	-	-	-	-
Economic Development	-	-	-	-
Debt Service	461,290	-	-	-
Capital Improvements	-	-	16,959,911	-
TABOR Spending	-	-	-	-
Urban Renewal	-	-	-	5,436,737
Assigned to:				
Cultural Activities	-	-	-	-
Capital Improvements	-	-	-	-
Unassigned	25,978,966	(327,462)	-	-
Total Fund Balances	<u>31,196,282</u>	<u>(327,462)</u>	<u>16,959,911</u>	<u>5,436,737</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 52,393,551</u>	<u>\$ 1,518,981</u>	<u>\$ 25,087,807</u>	<u>\$ 18,866,310</u>

The accompanying notes are an integral part of the financial statements.

TABOR Fund	Other Governmental Funds	Total Governmental Funds
\$ -	\$ 23,823,109	\$ 80,416,568
28,416,106	2,976,107	31,853,503
-	1,436,082	7,556,021
-	-	24,878,818
-	-	8,357,921
-	-	328,843
-	-	855,062
-	29,678	300,995
-	55	55
<u>\$ 28,416,106</u>	<u>\$ 28,265,031</u>	<u>\$ 154,547,786</u>
\$ 55,029	\$ 691,537	\$ 7,281,494
-	-	658,859
9,600	177,264	6,628,400
-	-	4,895,468
-	69,124	174,170
-	422,244	1,164,893
<u>64,629</u>	<u>1,360,169</u>	<u>20,803,284</u>
-	79,000	547,660
-	-	24,754,035
-	79,000	25,301,695
-	29,678	300,995
-	55	55
-	-	4,484,709
-	9,637,583	9,637,583
-	8,820,749	8,820,749
-	2,888,650	3,349,940
-	-	16,959,911
28,351,477	-	28,351,477
-	-	5,436,737
-	899,229	899,229
-	4,549,918	4,549,918
-	-	25,651,504
<u>28,351,477</u>	<u>26,825,862</u>	<u>108,442,807</u>
<u>\$ 28,416,106</u>	<u>\$ 28,265,031</u>	<u>\$ 154,547,786</u>



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CITY OF LAKEWOOD, COLORADO
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
December 31, 2019

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

Fund Balances - Governmental Funds	\$ 108,442,807
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in governmental funds.	458,792,413
In governmental funds, revenue is not recognized until it is available to liquidate current year liabilities and it is deferred.	547,660
Internal service funds are used by management to charge the cost of certain activities, such as insurance, to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.	17,848,882
Long-term liabilities and related items are not due and payable in the current year and, therefore, are not reported in governmental funds. These include long-term debt (\$32,310,770), accrued interest payable (\$131,304), loss on debt refunding \$173,005, deferred outflows of resources relating to OPEB \$6,090,343 and deferred inflows of resources relating OPEB (\$1,332,948).	(27,511,674)
Total Net Position of Governmental Activities	<u>\$ 558,120,088</u>

The accompanying notes are an integral part of the financial statements.

CITY OF LAKEWOOD, COLORADO
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended December 31, 2019

	General Fund	Grants Fund	Capital Improvements Fund	Lakewood Reinvestment Authority Fund
REVENUES				
Taxes	\$ 100,694,521	\$ -	\$ 15,109,769	\$ 11,751,494
Licenses and Permits	4,661,369	-	-	-
Charges for Services	12,717,883	-	-	-
Fines and Forfeitures	1,306,555	-	-	-
Intergovernmental	6,420,098	5,851,789	2,563,663	-
Miscellaneous				
Investment Income	3,259,065	1,398	453,051	94,366
Other	757,031	-	-	992,175
Total Revenues	129,816,522	5,853,187	18,126,483	12,838,035
EXPENDITURES				
Current				
General Government	32,944,906	11,806	1,768,294	-
Public Safety	59,570,634	2,677,053	601,945	-
Public Works	7,800,997	-	1,988,124	-
Culture and Recreation	14,440,206	97,770	2,992	-
Urban Development and Housing	656,665	539,599	112,619	544,147
Economic Opportunity	1,397,610	1,452,966	-	-
Capital Outlay				
General Government	24,137	176,779	722,079	-
Public Safety	48,450	387,040	385,356	-
Public Works	5,376	362,689	8,497,879	-
Culture and Recreation	259,077	-	-	-
Urban Development and Housing	-	-	-	14,566,176
Economic Opportunity	1,117	-	2,096,651	-
Debt Service				
Principal	1,721,195	320,000	-	1,605,079
Interest and Fiscal Charges	193,938	49,572	-	51,351
Total Expenditures	119,064,308	6,075,274	16,175,939	16,766,753
Excess (Deficiency) of Revenues Over Expenditures	10,752,214	(222,087)	1,950,544	(3,928,718)
OTHER FINANCING SOURCES (USES)				
Issuance of Capital Lease and Note Payable	1,481,031	-	-	1,294,121
Transfers In	600,000	224,428	120,000	2,000,000
Transfers Out	(18,239,463)	-	(7,519,134)	-
Total Other Financing Sources (Uses)	(16,158,432)	224,428	(7,399,134)	3,294,121
Net Change in Fund Balances	(5,406,218)	2,341	(5,448,590)	(634,597)
FUND BALANCES, Beginning of Year	36,602,500	(329,803)	22,408,501	6,071,334
FUND BALANCES, End of Year	\$ 31,196,282	\$ (327,462)	\$ 16,959,911	\$ 5,436,737

The accompanying notes are an integral part of the financial statements.

TABOR Fund	Other Governmental Funds	Total Governmental Funds
\$ -	\$ 1,809,367	\$ 129,365,151
-	-	4,661,369
-	3,415,286	16,133,169
-	-	1,306,555
-	9,556,157	24,391,707
86,180	559,927	4,453,987
-	552,853	2,302,059
86,180	15,893,590	182,613,997
57,800	1,171,529	35,954,335
870,888	-	63,720,520
-	-	9,789,121
-	7,439,231	21,980,199
-	788,030	2,641,060
-	-	2,850,576
-	2,149,200	3,072,195
618,438	-	1,439,284
14,189	-	8,880,133
-	3,312,821	3,571,898
-	-	14,566,176
-	-	2,097,768
-	4,405,000	8,051,274
-	805,887	1,100,748
1,561,315	20,071,698	179,715,287
(1,475,135)	(4,178,108)	2,898,710
-	-	2,775,152
29,826,612	7,578,749	40,349,789
-	(13,652,538)	(39,411,135)
29,826,612	(6,073,789)	3,713,806
28,351,477	(10,251,897)	6,612,516
-	37,077,759	101,830,291
\$ 28,351,477	\$ 26,825,862	\$ 108,442,807



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CITY OF LAKEWOOD, COLORADO
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
Year Ended December 31, 2019

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

Net Change in Fund Balances - Governmental Funds	\$	6,612,516
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Governmental funds report capital outlays as expenditures. However, in the statement of activities, the costs of those assets are allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital asset additions \$24,734,258 exceeded depreciation expense (\$10,888,078) and net book value of capital asset disposals (\$132,706) in the current year.		13,713,474
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The change in other post-employment benefit (OPEB) related deferred inflows \$164,234 and deferred outflows of resources \$1,150,584, are not current financial resources and, therefore, are not reported in the fund financial statements.		1,314,818
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The issuance of long-term debt provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position and does not affect the statement of activities. Repayment of long-term principal is an expenditure in governmental funds, but the repayment reduces long-term liabilities in the statement of net position and does not affect the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items: issuance of capital lease (\$1,481,031), issuance of notes payable (\$1,294,121), COP and loan principal payments \$6,330,079 principal payments on capital leases \$1,721,195, amortization of premium \$130,641, and amortization of loss on refunding (\$173,005).		5,233,758
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Revenues in the statement of activities that do not provide current financial resources are deferred in governmental funds.		30,531
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Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. This includes the change in accrued interest payable \$35,508, compensated absences (\$266,403), net pension liability \$130,451 and the OPEB liability (\$1,555,247).		(1,655,691)
--	--	-------------

Internal service funds are used by management to charge the cost of certain activities, such as insurance, to individual funds. The activities of the internal service funds are reported with governmental activities in the statement of activities.		384,564
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Change in Net Position of Governmental Activities	\$	25,633,970
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The accompanying notes are an integral part of the financial statements.



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CITY OF LAKEWOOD, COLORADO
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
December 31, 2019

	Business-Type Activities - Enterprise Funds					Governmental Activities
	Golf Course Fund	Sewer Fund	Stormwater Fund	Nonmajor Water Fund	Total Enterprise Funds	Internal Service Funds
ASSETS						
Current Assets						
Cash and Investments	\$ -	\$ 7,624,154	\$ 6,821,543	\$ 1,874,473	\$ 16,320,170	\$ 20,634,172
Accounts Receivable	19,168	1,142,376	1,199,413	213,258	2,574,215	125,397
Inventories	156,082	-	-	-	156,082	-
Total Current Assets	175,250	8,766,530	8,020,956	2,087,731	19,050,467	20,759,569
Noncurrent Assets						
Land	6,921,465	149,437	331,863	75,459	7,478,224	-
Construction in Progress	-	991,741	6,723,605	-	7,715,346	-
Infrastructure	-	12,958,523	12,802,566	1,744,488	27,505,577	-
Buildings	4,732,305	-	-	-	4,732,305	-
Improvements	3,217,062	419,766	-	20,600	3,657,428	-
Machinery, Furniture and Equipment	2,309,141	89,674	109,674	-	2,508,489	-
Less Accumulated Depreciation	(8,293,225)	(10,326,600)	(6,184,597)	(1,484,496)	(26,288,918)	-
Total Noncurrent Assets	8,886,748	4,282,541	13,783,111	356,051	27,308,451	-
Total Assets	\$ 9,061,998	\$ 13,049,071	\$ 21,804,067	\$ 2,443,782	\$ 46,358,918	\$ 20,759,569
LIABILITIES AND NET POSITION						
Current Liabilities						
Accounts Payable	\$ 24,100	\$ 1,070,160	\$ 19,897	\$ 78,151	\$ 1,192,308	\$ 300,948
Accrued Liabilities	85,048	26,225	57,007	4,122	172,402	22,021
Interfund Payable	196,203	-	-	-	196,203	-
Retainage Payable	-	45,528	31,646	-	77,174	20,419
Unearned Revenues	141,312	-	-	-	141,312	-
Claims Payable	-	-	-	-	-	2,567,299
Total Current Liabilities	446,663	1,141,913	108,550	82,273	1,779,399	2,910,687
NET POSITION						
Net Investment in Capital Assets	8,886,748	4,282,541	13,783,111	356,051	27,308,451	-
Unrestricted	(271,413)	7,624,617	7,912,406	2,005,458	17,271,068	17,848,882
Total Net Position	8,615,335	11,907,158	21,695,517	2,361,509	44,579,519	17,848,882
Total Liabilities and Net Position	\$ 9,061,998	\$ 13,049,071	\$ 21,804,067	\$ 2,443,782	\$ 46,358,918	\$ 20,759,569

The accompanying notes are an integral part of the financial statements.

CITY OF LAKEWOOD, COLORADO
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
Year Ended December 31, 2019

	Business-Type Activities - Enterprise Funds					Governmental Activities
	Golf Course Fund	Sewer Fund	Stormwater Fund	Nonmajor Water Fund	Total	Internal Service Funds
OPERATING REVENUES						
Charges for Services	\$ 4,879,402	\$ 4,344,665	\$ 4,954,558	\$ 1,067,937	\$ 15,246,562	\$ 14,121,486
Miscellaneous	-	-	16,035	-	16,035	422,062
Total Operating Revenues	4,879,402	4,344,665	4,970,593	1,067,937	15,262,597	14,543,548
OPERATING EXPENSES						
Cost of Goods Sold	342,756	-	-	-	342,756	-
Personnel Services	2,781,879	757,106	1,235,639	115,510	4,890,134	623,205
Services and Supplies	1,212,160	431,973	862,992	36,977	2,544,102	778,402
Sanitation Treatment	-	2,596,515	-	-	2,596,515	-
Water Purchased	-	-	-	912,024	912,024	-
Claims	-	-	-	-	-	10,125,378
Premiums	-	-	-	-	-	2,703,763
Capital Maintenance	141,047	185,670	62	50,532	377,311	-
Depreciation	253,898	449,060	542,079	27,919	1,272,956	-
Total Operating Expenses	4,731,740	4,420,324	2,640,772	1,142,962	12,935,798	14,230,748
Operating Income (Loss)	147,662	(75,659)	2,329,821	(75,025)	2,326,799	312,800
NONOPERATING REVENUES						
Investment Income	(1,822)	119,830	117,580	35,643	271,231	346,764
Income (Loss) Before Contributions and Transfers	145,840	44,171	2,447,401	(39,382)	2,598,030	659,564
Capital Contributions	-	-	1,132,694	-	1,132,694	-
System Investment Fees	-	981,070	-	58,800	1,039,870	-
Transfers In	-	-	-	-	-	1,200,000
Transfers Out	(663,654)	-	-	-	(663,654)	(1,475,000)
Change in Net Position	(517,814)	1,025,241	3,580,095	19,418	4,106,940	384,564
NET POSITION, Beginning of Year	9,133,149	10,881,917	18,115,422	2,342,091	40,472,579	17,464,318
NET POSITION, End of Year	\$ 8,615,335	\$ 11,907,158	\$ 21,695,517	\$ 2,361,509	\$ 44,579,519	\$ 17,848,882

The accompanying notes are an integral part of the financial statements.

CITY OF LAKEWOOD, COLORADO
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended December 31, 2019

	Business-Type Activities - Enterprise Funds					Governmental Activities
	Golf Course Fund	Sewer Fund	Stormwater Fund	Nonmajor Water Fund	Total	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES						
Cash Received from Customers	\$ 4,952,988	\$ 4,015,015	\$ 4,207,953	\$ 1,021,259	\$ 14,197,215	\$ 14,084,076
Other Receipts	-	-	16,035	-	16,035	422,062
Cash Paid to Suppliers	(1,693,296)	(2,456,408)	(936,798)	(976,646)	(6,063,148)	(14,353,875)
Cash Paid to Employees	(2,768,739)	(754,085)	(1,221,515)	(116,048)	(4,860,387)	(627,969)
Net Cash Provided by Operating Activities	490,953	804,522	2,065,675	(71,435)	3,289,715	(475,706)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Transfers Out	(663,654)	-	-	-	(663,654)	-
Net Receipts (Payments) from Other Funds	196,203	-	-	-	196,203	(275,000)
Net Cash Provided by Noncapital Financing Activities	(467,451)	-	-	-	(467,451)	(275,000)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Purchases of Capital Assets	(172,566)	(1,709,607)	(1,848,810)	(285,358)	(4,016,341)	-
System Investment Fees Received	-	981,070	-	58,800	1,039,870	-
Net Cash Provided (Used) by Capital and Related Financing Activities	(172,566)	(728,537)	(1,848,810)	(226,558)	(2,976,471)	-
CASH FLOWS FROM INVESTING ACTIVITIES						
Investment Income	(1,822)	119,830	117,580	35,643	271,231	346,764
NET INCREASE IN CASH AND CASH EQUIVALENTS	(150,886)	195,815	334,445	(262,350)	117,024	(403,942)
CASH AND INVESTMENTS, Beginning of Year	150,886	7,428,339	6,487,098	2,136,823	16,203,146	21,038,114
CASH AND INVESTMENTS, End of Year	\$ -	\$ 7,624,154	\$ 6,821,543	\$ 1,874,473	\$ 16,320,170	\$ 20,634,172
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES						
Operating Income (Loss)	\$ 147,662	\$ (75,659)	\$ 2,329,821	\$ (75,025)	\$ 2,326,799	\$ 312,800
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities						
Depreciation	253,898	449,060	542,079	27,919	1,272,956	-
Accounts Receivable	63,073	(329,650)	(746,605)	(46,678)	(1,059,860)	(37,409)
Inventories	(5,951)	-	-	-	(5,951)	-
Accounts Payable	8,619	712,223	(105,390)	21,812	637,264	241,634
Retainage Payable	-	45,528	31,646	-	77,174	20,419
Accrued Liabilities	13,139	3,020	14,124	537	30,820	2,937
Unearned Revenues	10,513	-	-	-	10,513	-
Claims Payable	-	-	-	-	-	(1,016,087)
Net Cash Provided By Operating Activities	\$ 490,953	\$ 804,522	\$ 2,065,675	\$ (71,435)	\$ 3,289,715	\$ (475,706)
Noncash Capital and Financing Activities						
Capital Contributions	\$ -	\$ -	\$ 1,132,695	\$ -	\$ 1,132,695	\$ -

The accompanying notes are an integral part of the financial statements.

CITY OF LAKEWOOD, COLORADO
STATEMENT OF NET POSITION
FIDUCIARY FUNDS
December 31, 2019

	Pension Trust Funds
<hr/>	
ASSETS	
Pooled Cash	\$ 41,815
Mutual Funds	<u>2,457,280</u>
Total Assets	<u><u>\$ 2,499,095</u></u>
LIABILITIES	
Payables	
Accounts Payable	<u>\$ -</u>
Total Liabilities	<u>-</u>
NET POSITION	
Restricted for Pensions	<u>2,499,095</u>
Net Position Restricted for Pensions	<u><u>\$ 2,499,095</u></u>

The accompanying notes are an integral part of the financial statements.

CITY OF LAKEWOOD, COLORADO
STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUNDS
Year Ended December 31, 2019

	Pension Trust Funds
ADDITIONS	
Contributions	
Employer	\$ 250,000
Miscellaneous	
Investment Income	139,361
	<u>389,361</u>
Total Additions	
	<u>389,361</u>
DEDUCTIONS	
Benefit Payments	223,648
Administrative Expenses	731
	<u>224,379</u>
Total Deductions	
	<u>224,379</u>
Net Increase in Net Position Restricted for Pensions	164,982
NET POSITION RESTRICTED FOR PENSIONS	
Beginning of Year	<u>2,334,113</u>
End of Year	<u>\$ 2,499,095</u>

The accompanying notes are an integral part of the financial statements.



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NOTES TO FINANCIAL STATEMENTS



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CITY OF LAKEWOOD, COLORADO
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Lakewood (the City) is part of the Denver Metropolitan area and was incorporated on June 24, 1969. On November 1, 1983, the citizens voted to become a Home Rule City, as authorized by Article 20 of the Colorado State Constitution. The City operates under a Council/Manager form of government with the City Council consisting of ten members, two elected from each of five wards, and a mayor elected at large.

The financial statements of the City have been prepared in conformity with generally accepted accounting principles (GAAP) as applicable to governmental entities. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below.

Reporting Entity

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

Based on the application of these criteria, the following component units are included in the City's reporting entity because of the significance of their operational or financial relationship with the City.

The Lakewood Public Building Authority (LPBA) is an entity that is legally separate from the City. For financial reporting purposes, the LPBA consists of a single fund and is blended into the City's financial statements because it was formed to construct, finance and lease municipal and recreation facilities exclusively to the City. Separate financial statements for the LPBA are not prepared.

The Lakewood Reinvestment Authority (LRA), a legally separate entity, was established to undertake urban renewal plans, projects, programs, works, or activities with the City. All members of the LRA's governing body are City Council members and management of the City has operational responsibility for the LRA. Thus, for financial reporting purposes, the LRA is blended into the City's financial statements and is reported in a single fund. Separate financial statements for the LRA are not prepared.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the City. For the most part, the effect of interfund activity has been removed from these statements. Exceptions to this general rule are charges for interfund services that are reasonably equivalent to the services provided. *Governmental activities*, which normally are 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.

CITY OF LAKEWOOD, COLORADO
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-Wide and Fund Financial Statements (Continued)

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Taxes, intergovernmental revenues, and interest associated with the current year are considered susceptible to accrual. Revenues are recognized as soon as they are both measurable and available. Revenues are considered available when they are collected within the current year or soon enough thereafter to pay liabilities of the current year. For this purpose, the City considers revenues available if they are collected within 60 days of the end of the current year.

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, are recorded only when payment is due.

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 City's enterprise funds and internal service funds are charges to customers or other funds for sales and services. Operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

CITY OF LAKEWOOD, COLORADO
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

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

The *General Fund* is the City's primary operating fund. It accounts for all financial resources of the City, except those required to be accounted for in another fund.

The *Grants Fund* was established to maintain separate accounting for federal, state, and other restricted grants.

The *Capital Improvements Fund* was established pursuant to an election to finance the acquisition, construction, improvement, and maintenance of capital assets. The primary revenue source is 17 percent of the City's sales and use tax.

The *Lakewood Reinvestment Authority Fund* accounts for the activities of the City's urban renewal areas, which include West Colfax and Wadsworth, Alameda Corridor, and West Colfax Avenue Corridor. These activities are financed primarily with property and sales tax increments.

The *TABOR Fund* was established to account for the excess revenue collected above the TABOR limit that voters have authorized the City to retain and spend according to the ballot measure (see Note 11 for more information). The revenues were moved from other funds through transfers.

The City reports the following major proprietary funds:

The *Golf Course Fund* accounts for all activities related to the City golf courses.

The *Sewer Fund* accounts for all activities necessary for providing sewer services to certain areas within the City.

The *Stormwater Fund* accounts for user fees collected from property owners to maintain existing storm water facilities, meet federal requirements for storm water quality, and to build new drainage facilities.

Additionally, the City reports the following fund types:

The *Internal Service Funds* are used to account for financing of the City's insurance needs.

Trust Funds are used to account for assets held by the City in a trustee capacity. The City reports the Retired City Manager Pension Fund as a trust fund.

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position /Fund Balances

Cash and Investments - Cash equivalents include investments with original maturities of three months or less. Investments are reported at fair value, pursuant to GASB Statement No. 72, *Fair Value Measurement and Application*. Cash and investments are pooled and not segregated by fund.

Receivables - Receivables are reported net of an allowance for uncollectible accounts, where applicable.

CITY OF LAKEWOOD, COLORADO
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position /Fund Balances (Continued)

Property Taxes Receivable - Property taxes earned but collected in the subsequent year are recorded as receivables and deferred inflows of resources at year end. Taxes are due in the subsequent year on April 30, or in two installments on the last day of February and June 15. Taxes are collected by the County Treasurer and remitted to the City on a monthly basis.

Inventories - Inventories in the General Fund consist of expendable supplies held for consumption and are valued at average cost. Inventory in the Golf Course and Heritage, Culture, and Arts Funds consists of goods held for resale and is priced at the lower of cost or market, using the first-in, first-out method. The cost is recorded as an asset at the time individual inventory items are purchased, and as an expenditure or expense when consumed or sold.

Prepays - Certain payments to vendors reflect costs applicable to future years and are reported as prepaids, thus utilizing the consumption method.

Capital Assets - Capital assets, which include property, equipment, and infrastructure constructed or acquired since 1980, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and in the proprietary funds in the fund financial statements. Purchases or construction of capital assets are recorded as expenditures in the governmental funds.

Capital assets are defined by the City as assets that have a value greater than the *capitalization threshold* (as shown below) and have an estimated useful life of at least two years following the date of acquisition. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets, works of art and capital assets received in a service concession arrangement are recorded at estimated acquisition value at the date of donation. Interest accrued during construction is not capitalized.

Type of Asset	Threshold
Land/land improvements	\$ 50,000
Building/building improvements	50,000
Park facilities and other improvements	5,000
Infrastructure	100,000
Rights of way and easements	50,000
Leasehold improvements	50,000
Personal property (i.e., machinery, furniture and fixtures, computer equipment, vehicles, software, street lights)	5,000
Works of art/historical treasures (capitalized but not depreciated)	5,000

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. In the proprietary funds, these costs are reported as capital maintenance expenses.

CITY OF LAKEWOOD, COLORADO
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position /Fund Balances (Continued)

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

Buildings and Improvements	20 - 50 years
Machinery and Equipment	2 - 15 years
Infrastructure	20 - 75 years
Solar Power Capacity	20 years

Unearned Revenues - Unearned revenues include grants that have been collected but the corresponding expenditures have not been incurred, and fees received in advance.

Deferred Outflows/Inflows of Resources - Deferred outflows of resources include losses on debt refundings resulting from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. Deferred inflows of resources include property taxes earned but levied for a subsequent year. Revenues not available as current financial resources are deferred inflows in the governmental fund financial statements. In addition, the City reports deferred outflows and deferred inflows of resources relating to its net OPEB liability. See Note 9 for additional information.

Compensated Absences - Accumulated unpaid vacation and sick pay is recorded when earned in the government-wide financial statements and when due in the governmental fund financial statements.

It is the City's policy to allow the accumulation of sick and vacation leave to a maximum, depending on the employee class and hire date. Accrued vacation is paid to employees upon termination of employment.

Payment for unused sick leave ranges from 0 percent to 100 percent depending on the employee class, hire date, and reason for termination.

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

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

Debt issuance costs, whether or not withheld from the debt proceeds, are reported as current expenses or expenditures.

CITY OF LAKEWOOD, COLORADO
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position /Fund Balances (Continued)

Net Position/Fund Balances – In the government-wide financial statements and the proprietary funds in the fund financial statements, net position is restricted when constraints placed on the use of resources is externally imposed. Net position invested in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of borrowing attributable to the acquisition, construction, or improvement of those assets. In the fund financial statements, governmental funds report fund balances based on financial reporting standards that establish criteria for classifying fund balances into specifically defined classifications to make the nature and extent of constraints more useful and understandable. The classifications comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Fund balances may be classified as nonspendable, restricted, committed, assigned, or unassigned.

- Nonspendable Fund Balance – amounts that cannot be spent because they are either not in spendable form, or legally or contractually required to be maintained intact. Examples are items that are not expected to be converted to cash including inventories and prepaids.
- Restricted Fund Balance – amounts that are restricted to specific purposes. The spending constraints placed on the use of fund balance amounts are externally imposed by creditors, grantors, contributors, laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation that are legally enforceable.
- Committed Fund Balance - amounts that can only be used for specific purposes pursuant to constraints imposed by ordinance of the City Council. The committed amounts cannot be used for any other purpose unless the City Council removes or changes the specified use by taking the same action it employed to previously commit those amounts. This classification also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.
- Assigned Fund Balance - amounts that are constrained by the City's intent to be used for specific purposes, but are neither restricted nor committed. City Council, as the governing board, is authorized to informally assign amounts to a specific purpose and has assigned certain amounts through various policies.
- Unassigned Fund Balance - the remaining General Fund fund balance after amounts are set aside for other classifications. Other funds may report negative balances in this category.

The City of Lakewood has not established a formal policy for its use of restricted and unrestricted (committed, assigned, unassigned) fund balance. However, if expenditures are incurred for a specific purpose, the City uses restricted fund balance first if the expenditure meets the restricted purpose, followed by committed amounts, assigned amounts, and finally, by unassigned amounts.

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

At December 31, 2019, the Grants Fund had a negative fund balance of \$327,462. In prior years, salaries were being charged to the grant fund but were not reimbursable and therefore created a negative fund balance. In 2020, the City will review to determine the appropriate action to create a positive fund balance.

CITY OF LAKEWOOD, COLORADO
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2019

NOTE 3 – CASH AND INVESTMENTS

The City, through its Charter and Investment Policy, maintains a cash and investment pool that is available for use by City administered funds. In addition, deposits and investments are separately held by several of the City's funds.

Cash deposits and investments, except for proceeds of bond issues accounted for in the appropriate funds, are pooled throughout the year into the General Fund for cash management purposes. Investment income is allocated to the individual funds quarterly, based on monthly balances and each month's weighted average yield. For financial statement purposes, all cash is recorded as "cash and investments" of the respective individual funds.

Cash and investments are reported in the financial statements as follows:

Unrestricted cash and investments:	
Governmental activities	\$ 101,050,740
Business-type activities	16,320,170
Fiduciary fund	2,499,095
Restricted cash and investments:	
Governmental activities	31,853,503
Total	<u>\$ 151,723,508</u>

At December 31, 2019, cash and investments consisted of the following:

Cash on hand	\$ 26,960
Deposits	46,884,768
Investments	104,811,780
Total	<u>\$ 151,723,508</u>

Deposits

The Colorado Public Deposit Protection Act (PDPA) requires all local government entities to deposit cash in eligible public depositories. Eligibility is determined by State regulations. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. The PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution, or held in trust for all uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. At December 31, 2019, the City had bank deposits of \$48,201,111 collateralized with securities held by the financial institutions' agents but not in the City's name.

CITY OF LAKEWOOD, COLORADO
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2019

NOTE 3 – CASH AND INVESTMENTS (Continued)

Investments

The City is required to comply with State statutes which specify investment instruments meeting defined rating, maturity and concentration risk criteria in which local governments may invest, which include the following. State statutes do not address custodial risk.

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

The City Treasurer is authorized to invest funds of the City as allowed by State statutes. State statutes do not apply to public funds held or invested as part of any pension plan, full or supplemental retirement plan, or deferred compensation plan. The City's policy does not govern the investments of the pension trust fund or the investments of the Lakewood Public Building Authority.

At December 31, 2019, the City's investment balances were as follows:

Investment Type	Measurement	S&P Rating	Less than 1	1-5	Pension Trust	Fair Value
US Treasury Securities	Fair Value Level 1	NA	\$ -	\$ 3,978,884	\$ -	\$ 3,978,884
US Treasury Securities	Fair Value Level 1	AA+	899,473	3,500,780	-	4,400,253
US Agency Securities	Fair Value Level 2	NA	2,999,085	10,057,961	-	13,057,046
US Agency Securities	Fair Value Level 2	AA+	8,482,140	66,862,200	-	75,344,340
Corporate Bonds	Fair Value Level 2	AA+	99,910	-	-	99,910
Corporate Bonds	Fair Value Level 2	AA	-	405,444	-	405,444
Commercial Paper	Fair Value Level 2	A-1+	2,755,849	-	-	2,755,849
Mutual Funds	Fair Value Level 1	NA	-	-	2,457,280	2,457,280
	Subtotal		15,236,457	84,805,269	2,457,280	102,499,006
Money Market Funds	Net Asset Value	AAA	240,474	-	-	240,474
Colotrust	Net Asset Value	AAAm	2,072,300	-	-	2,072,300
	Investments at Net Asset Value		2,312,774	-	-	2,312,774
Total			\$17,549,231	\$84,805,269	\$ 2,457,280	\$ 104,811,780

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets.

CITY OF LAKEWOOD, COLORADO
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2019

NOTE 3 – CASH AND INVESTMENTS (Continued)

Investments (Continued)

Level 2 inputs include prices determined using other significant observable inputs. Observable inputs are inputs that reflect the assumptions market participants would use in pricing a security and are developed based on market data obtained from sources independent of the reporting entity. These may include quoted prices for similar securities, interest rates, prepayment speeds, credit risk, and others. Debt securities are valued in accordance with the evaluated bid price supplied by the pricing service and generally categorized as Level 2 in the hierarchy. Securities that are categorized as Level 2 in the hierarchy include, but are not limited to, repurchase agreements, U.S government agency securities, corporate securities, and commercial paper. Level 3 inputs are significant unobservable inputs.

Interest Rate Risk - The City's investment policy limits the maturity of investment instruments or fixed-income securities to a maximum of five years and corporate bonds to a maximum of three years, except for investments matched to a specific cash flow.

Credit Risk - State statutes limit investments in commercial paper to a rating category of A1, P1, F1 or their equivalents, by at least two nationally recognized statistical rating organizations (NRSROs). State statutes limit investments in corporate bonds to a minimum rating category of AA- or Aa3 or their equivalents by at least two NRSROs. State statutes also limit investments in money market funds to those that maintain a constant share price, with a maximum remaining maturity in accordance with the Securities 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.

Concentration of Credit Risk - The City's investment policy requires that investments in any U.S. dollar denominated corporate or bank debt may comprise up to 30% of the book value of the City's total investments at the time of purchase with no more than 5% concentrated in any single obligor. Any investment in commercial paper may not exceed 50% of the total par value of the City's portfolio with no greater than 7.5% exposure to any single issuer. Furthermore, general obligation and revenue bonds of U.S. local government entities shall not exceed 50% of the total par value of the City's portfolio. At December 31, 2019, the City's investment in the Federal Home Loan Bank, Federal Farm Credit Bank, Federal National Mortgage Association, Federal Home Loan Mortgage Corporation, and Federal Agricultural Mortgage Corporation represented 8%, 41%, 13%, 6%, and 17%, respectively, of total investments.

Local Investment Pools - At December 31, 2019, the City had invested \$2,072,300 in the Colorado Local Government Liquid Asset Trust (the "Trust"), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commission administers and enforces all State statutes governing the Trust. The Trust operates similarly to a money market fund and each share is equal in value to \$1. The Trust offers shares in two portfolios, COLOTRUST PRIME and COLOTRUST PLUS+. COLOTRUST PRIME invests only in U.S. Treasury and government agencies. COLOTRUST PLUS+ can invest in U.S. Treasury, government agencies, and in the highest-rate commercial paper. A designated custodial bank serves as custodian for the Trust's portfolios pursuant to a custodian agreement. The custodian acts as a safekeeping agent for the Trust's investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by the Trust. The Trust is rated AAAM by Standard and Poor's and is measured at net asset value. There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period.

CITY OF LAKEWOOD, COLORADO
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2019

NOTE 3 – CASH AND INVESTMENTS (Continued)

Investments (Continued)

Restricted Cash and Investments

The General Fund has restricted cash and investments of \$461,290 representing the required HUD Section 108 deposit reserve account of \$384,798 (See Note 5) and \$76,492 for the Energy Improvement Escrow. The Lakewood Public Building Authority Fund has cash and investments of \$2,976,107 restricted for debt service. The TABOR Fund has cash and investments of \$28,416,106 restricted for voter approved capital spending.

NOTE 4 - CAPITAL ASSETS

The following is a summary of changes in capital assets for the year ended December 31, 2019:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 135,310,735	\$ 9,154,553	\$ -	\$ 144,465,288
Construction in progress	11,421,542	3,426,212	(9,747,060)	5,100,694
Works of art/historical treasures	423,860	116,322	-	540,182
Total capital assets, not being depreciated	147,156,137	12,697,087	(9,747,060)	150,106,164
Capital assets, being depreciated:				
Infrastructure	219,379,549	13,296,597	-	232,676,146
Park buildings, facilities and improvements	119,365,995	1,326,685	-	120,692,680
Buildings	69,751,618	2,560,409	-	72,312,027
Improvements other than buildings	-	1,287,431	-	1,287,431
Machinery and equipment	49,850,262	3,313,109	(1,522,399)	51,640,972
Solar power capacity	933,232	-	-	933,232
Total capital assets, being depreciated	459,280,656	21,784,231	(1,522,399)	479,542,488
Less accumulated depreciation for:				
Infrastructure	(47,335,835)	(3,352,578)		(50,688,413)
Park buildings, facilities and improvements	(42,097,711)	(2,457,689)		(44,555,400)
Buildings	(32,717,171)	(1,848,356)		(34,565,527)
Improvements other than buildings	-	(32,256)		(32,256)
Machinery and equipment	(38,997,083)	(3,150,563)	1,389,693	(40,757,953)
Solar power capacity	(210,054)	(46,636)		(256,690)
Total accumulated depreciated	(161,357,854)	(10,888,078)	1,389,693	(170,856,239)
Total capital assets, being depreciated, net	297,922,802	10,896,153	(132,706)	308,686,249
Governmental activities capital assets, net	\$ 445,078,939	\$ 23,593,240	\$ (9,879,766)	\$ 458,792,413

CITY OF LAKEWOOD, COLORADO
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2019

NOTE 4 - CAPITAL ASSETS (Continued)

	Beginning Balance	Additions	Deletions	Ending Balance
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 7,478,224	\$ -	\$ -	\$ 7,478,224
Construction in progress	5,284,300	3,781,046	(1,350,000)	7,715,346
Total capital assets, not being depreciated	12,762,524	3,781,046	(1,350,000)	15,193,570
Capital assets, being depreciated:				
Infrastructure	24,980,152	2,525,425	-	27,505,577
Buildings	4,732,305	-	-	4,732,305
Improvements	3,657,428	-	-	3,657,428
Machinery and equipment	2,321,458	192,565	(5,534)	2,508,489
Total capital assets, being depreciated	35,691,343	2,717,990	(5,534)	38,403,799
Less accumulated depreciation for:				
Infrastructure	(16,506,295)	(957,844)		(17,464,139)
Buildings	(3,083,779)	(156,880)		(3,240,659)
Improvements	(3,644,597)	(5,875)		(3,650,472)
Machinery and equipment	(1,786,825)	(152,357)	5,534	(1,933,648)
Total accumulated depreciation	(25,021,496)	(1,272,956)	5,534	(26,288,918)
Total capital assets, being depreciated, net	10,669,847	1,445,034	-	12,114,881
Total business-type activities capital assets, net	\$ 23,432,371	\$ 5,226,080	\$ (1,350,000)	\$ 27,308,451

Depreciation expense was charged to functions of the City, as follows:

Governmental Activities:	
General government	\$ 2,665,717
Public safety	1,421,720
Public works	4,109,191
Culture and recreation	2,643,016
Economic development	21,951
Economic opportunity	26,483
Total depreciation expense - governmental activities	\$ 10,888,078
Business-type Activities:	
Golf course	\$ 253,898
Sewer	449,060
Stormwater	542,079
Water	27,919
Total depreciation expense - business-type activities	\$ 1,272,956

CITY OF LAKEWOOD, COLORADO
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2019

NOTE 5 - LONG-TERM DEBT

Governmental Activities

Following is a summary of long-term debt transactions for the year ended December 31, 2019:

	Beginning Balance	Additions	Retirements	Ending Balance	Due Within One Year
Governmental activities:					
Certificates of participation					
Certificates of participation, 2006A	\$ 12,170,000	\$ -	\$ 2,165,000	\$ 10,005,000	\$ 2,275,000
2006A COPs premium	261,282	-	130,641	130,641	130,641
Certificates of participation, 2006B	4,570,000	-	2,240,000	2,330,000	2,330,000
Capital leases payable					
Police facility building	1,549,932	1,481,031	1,549,932	1,481,031	129,352
Solar power capacity lease	623,629	-	92,772	530,857	100,490
Energy performance improvements lease	1,510,854		78,491	1,432,363	81,212
Notes payable					
HUD section 108 notes payable	999,000	-	320,000	679,000	335,000
LRA station betterments loan	1,605,079	1,294,121	1,605,079	1,294,121	115,648
Compensated absences					
Sick leave	2,370,714	2,098,397	2,031,012	2,438,099	250,000
Vacation	4,009,455	4,111,451	3,912,433	4,208,473	400,000
Postemployment benefits					
Postemployment benefits	5,466,628	1,729,732	174,485	7,021,875	-
Net pension liability					
Net pension liability	889,761	389,361	561,627	717,495	-
Total	\$ 36,026,334	\$ 11,104,093	\$ 14,861,472	\$ 32,268,955	\$ 6,147,343

2006A Certificates of Participation

On March 15, 2006, the LPBA issued certificates of participation in the amount of \$26,180,000 to advance refund a portion of the LPBA's outstanding Series 2000 certificates of participation. The Series 2006A certificates of participation bear interest at rates of 5.00%, payable semi-annually, and mature serially through May 2022. The certificates of participation are not redeemable prior to maturity.

Payment of principal and interest is secured by various pledged properties and is also guaranteed under a financial guaranty insurance policy, issued concurrently with the certificates of participation. The agreement contains a provision that in the event of default, the City must vacate the premises.

CITY OF LAKEWOOD, COLORADO
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2019

NOTE 5 - LONG-TERM DEBT (Continued)

2006A Certificates of Participation (Continued)

Following are the future principal and interest requirements:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 2,275,000	\$ 443,375	\$ 2,718,375
2021	2,390,000	326,750	2,716,750
2022	5,340,000	133,500	5,473,500
Total	<u>\$ 10,005,000</u>	<u>\$ 903,625</u>	<u>\$ 10,908,625</u>

2006B Certificates of Participation

On March 15, 2006, the LPBA issued certificates of participation in the amount of \$26,510,000 to advance refund a portion of the LPBA's outstanding Series 1998 certificates of participation. The Series 2006B certificates of participation bear interest at 3.925%, payable semi-annually, and mature serially through December 2020. The 2006B certificates of participation are not redeemable prior to maturity.

Payment of principal and interest is secured by the Lakewood Civic Center property and is also guaranteed under a financial guaranty insurance policy, issued concurrently with the certificates of participation. The agreement contains a provision that in the event of default, the City must vacate the premises.

Following are the future principal and interest requirements:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 2,330,000	\$ 68,786	\$ 2,398,786
Total	<u>\$ 2,330,000</u>	<u>\$ 68,786</u>	<u>\$ 2,398,786</u>

Capital Leases

Police Facility Building Lease - On September 30, 2009, the City entered into a lease purchase agreement for \$2,330,000 to purchase property for public safety use. Land, buildings and equipment recorded in the City's capital assets are \$381,775, \$1,957,650 and \$13,703, respectively, which includes interest income on the lease proceeds.

On November 5, 2019, the City paid off the September 30, 2009 lease, and entered into a new lease purchase agreement for \$1,481,031. Annual payments of \$167,345, including principal and interest accruing at 2.22% are due on December 31, through 2029. The agreement contains provisions that in the event of default, the lessor may take possession of the property and/or declare the note to be due and payable immediately.

CITY OF LAKEWOOD, COLORADO
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2019

NOTE 5 - LONG-TERM DEBT (Continued)

Capital Leases (Continued)

Police Facility Building Lease (continued)

Following is a schedule of the future minimum lease payments under this capital lease, and the present value of the net minimum lease payments at December 31, 2019:

<u>Year</u>	<u>Amount</u>
2020	\$ 167,345
2021	167,345
2022	167,345
2023	167,345
2024	167,345
2025-2029	<u>836,726</u>
Total future minimum payments	1,673,451
Less: discount for interest	<u>(192,420)</u>
Present value of future minimum payments	<u><u>\$ 1,481,031</u></u>

Solar Power Capacity Lease - On March 20, 2014, the City entered into an agreement to purchase electric generating capacity in a solar garden. The purchase agreement was funded on August 1, 2014, with a lease agreement for \$957,000. The solar power capacity is recorded as capital assets in the amount of \$933,232. A portion of the loan proceeds was used to pay issuance costs of \$23,768. The agreement contains a provision that in the event of default, the lessor may repossess the equipment.

On November 1, 2019, the first amendment to the Solar Power Capacity Lease was executed which lowered the interest rate from 4.61% to 2.75% which lowered the annual payments due on August 1, through 2024.

Following is a schedule of the future minimum lease payments under this capital lease, and the present value of the net minimum lease payments at December 31, 2019:

<u>Year</u>	<u>Amount</u>
2020	\$ 117,557
2021	115,089
2022	115,089
2023	115,089
2024	<u>115,089</u>
Total future minimum payments	577,913
Less: discount for interest	<u>(47,056)</u>
Present value of future minimum payments	<u><u>\$ 530,857</u></u>

CITY OF LAKEWOOD, COLORADO
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2019

NOTE 5 - LONG-TERM DEBT (Continued)

Capital Leases (Continued)

Energy Performance Improvements Lease – On April 6, 2018, the City entered into an agreement to finance the acquisition of certain energy conservation improvements, equipment, and controls intended to result in energy conservation savings in certain buildings. The purchase agreement was funded with a lease agreement for \$1,510,854. The energy performance improvements are recorded as capital assets in the amount of \$933,232. Annual payments of \$130,872, including principal and interest accruing at 3.467%, are due on April 6, through 2033. The agreement contains a provision that in the event of default, the lessor may repossess the equipment.

Following is a schedule of the future minimum lease payments under this capital lease, and the present value of the net minimum lease payments at December 31, 2019:

<u>Year</u>	<u>Amount</u>
2020	\$ 130,872
2021	130,872
2022	130,872
2023	130,872
2024	130,872
2025-2029	654,363
2030-2033	<u>523,490</u>
Total future minimum payments	1,832,213
Less: discount for interest	<u>(399,850)</u>
Present value of future minimum payments	<u><u>\$ 1,432,363</u></u>

HUD Section 108 Notes Payable

In December 2007, the City entered into a variable/fixed rate note agreement in the amount of \$3,742,000 with a bank to finance the Ray Ross Park redevelopment project and a new Head Start building. On June 12, 2008, the City converted the loan to a fixed rate obligation. The interest rate on the loan ranges from 2.62% to 5.42%. The loan matures on August 1, 2021.

The loan is collateralized by future City grant allocations, program income derived from the original loan proceeds, and all funds or investments in the accounts established for the proceeds. The City is also required to establish and maintain a deposit reserve account in the amount equal to the greatest amount of principal and interest projected to be due on the loan during any year as calculated as of the date of the note. The required deposit reserve account balance at December 31, 2019, was \$384,798 (See Note 3). The note is guaranteed by the U. S. Department of Housing and Urban Development under Section 108 of the Housing and Community Development Act of 1974.

CITY OF LAKEWOOD, COLORADO
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2019

NOTE 5 - LONG-TERM DEBT (Continued)

HUD Section 108 Notes Payable (Continued)

Future debt service requirements are as follows:

Year	Principal	Interest	Total
2020	\$ 335,000	\$ 33,988	\$ 368,988
2021	344,000	17,372	361,372
Total	\$ 679,000	\$ 51,360	\$ 730,360

Lakewood Reinvestment Authority Station Betterments Loan

In September 2008, the Lakewood Reinvestment Authority entered into a fixed rate loan agreement in the amount of \$2,975,000 with a bank to finance betterments to the Regional Transportation District's Light Rail Stations at Oak Street and at Wadsworth Boulevard located in the Colfax Avenue Corridor urban renewal area.

On October 31, 2019, the City paid off the September 2008 lease, and entered into a new lease purchase agreement for \$1,294,121. Under the terms of the agreement, principal and interest are at a fixed rate of 2.7% and are payable semi-annually on the first day of each June and December through December 1, 2029. The agreement contains provisions that in the event of default, the lessor may take possession of the collateral (tax increment revenue) and/or declare the note to be due and payable immediately.

For the year ended December 31, 2019, incremental property tax revenues of \$853,624 and sales tax revenues of \$146,904 were available to pay annual debt service.

Remaining debt service at December 31, 2019, was as follows:

Year	Principal	Interest	Total
2020	\$ 115,648	\$ 37,072	\$ 152,720
2021	121,963	30,995	152,958
2022	125,325	27,680	153,005
2023	128,780	24,273	153,053
2024	132,269	20,772	153,041
2025-2029	670,136	48,206	718,342
Total	\$ 1,294,121	\$ 188,998	\$ 1,483,119

Compensated Absences, Pension Liabilities, and Postemployment Benefits

Compensated absences, pension liabilities, and postemployment benefits are expected to be liquidated primarily with revenues of the General Fund.

CITY OF LAKEWOOD, COLORADO
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2019

NOTE 6 - FUND BALANCE

The TABOR Amendment (See Note 11) requires local governments to establish emergency reserves to be used for declared emergencies only. Emergencies, as defined by TABOR, exclude economic conditions, revenue shortfalls, or salary or fringe benefit increases. These reserves are required to be 3 percent or more of fiscal year spending (as defined by TABOR). The amount required to be restricted at December 31, 2019, totaled \$4,484,709 and is reported as restricted fund balance in the General Fund.

NOTE 7 – INTERFUND BALANCES AND TRANSFERS

Transfers between funds during the year ended December 31, 2019, were as follows:

Transfers In	Transfers Out	Amount
Capital Improvement Fund	General Fund	\$ 120,000
Grants Fund	General Fund	108,214
TABOR	General Fund	13,656,301
Nonmajor Funds	General Fund	4,354,948
		<u>18,239,463</u>
Grants Fund	Capital Improvement Fund	99,971
General Fund	Capital Improvement Fund	600,000
TABOR	Capital Improvement Fund	5,317,991
Nonmajor Funds	Capital Improvement Fund	1,501,172
		<u>7,519,134</u>
Grants Fund	Nonmajor Funds	16,243
TABOR	Nonmajor Funds	10,577,320
Lakewood Reinvestment Authority	Nonmajor Funds	2,000,000
Lakewood Public Building Authority	Nonmajor Funds	1,058,975
		<u>13,652,538</u>
Lakewood Public Building Authority	Golf Court Enterprise Fund	663,654
TABOR	Workers Compensation	275,000
Property Casualty	Medical & Dental	600,000
Workers Compensation	Medical & Dental	600,000
		<u>2,138,654</u>
Total		<u><u>\$ 41,549,789</u></u>

The General Fund annually provides funding for capital projects to the Capital Improvements Fund. The General, Capital Improvements, Conservation Trust, Equipment Replacement, Open Space and Golf Course Funds annually transfer the required lease payments to the Lakewood Public Building Authority.

The General Fund subsidized the operations of the Heritage, Culture and Arts Fund. In addition, the Capital Improvements Fund provided funds for public works of art.

CITY OF LAKEWOOD, COLORADO
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2019

NOTE 8 – EMPLOYEE RETIREMENT PLANS

The City's employees are covered under three separate retirement plans and two retiree benefit plans.

Lakewood Employees Pension Plan

The City offers its full-time employees and key management officials, except sworn police officers, a retirement plan created in accordance with Internal Revenue Code (IRC) Section 401(a). Employees are required to participate in the Lakewood Employees Pension Plan on the first day of employment as a full-time or regular part-time employee.

This plan is a defined contribution plan administered by a third party trustee, Great West Life & Annuity Insurance Company. Since a third party trustee holds the plan assets in trust, the plan is not reflected in the City's financial statements.

Under the terms of this plan, the employee contributes a mandatory percentage of base salary. The City is the only non-employee contributor and contributes a mandatory percentage of the employee's base salary. Below is a table with the mandatory percentages for both employee and employer:

Date of Contribution	Employee percentage	Employer percentage
4/1/2018	8.6%	10.6%
4/1/2019	9.2%	11.2%
4/1/2020	9.8%	11.8%
4/1/2021	10.4%	12.4%
4/1/2022	11.0%	13.0%

In 2014, the City contributed the 18% of the City Manager's contribution, which includes the employer and employee portion. Employee voluntary after-tax contributions to the plan are allowed to the extent allowed by law. Contribution requirements of the City and the participants are established and may be amended by the City Council. During the year ended December 31, 2019, the City and employees made contributions to the plan of \$4,584,256 and \$3,718,341 (including voluntary contributions of \$6,181), respectively.

An employee shall have immediate vesting in their contributions and non-forfeitable interest in the percentage of the employer contribution account determined pursuant to the following vesting schedule.

<u>Years of Continuous Service</u>	<u>Percentage Vested</u>
Less than 3	0%
3 - 3.99	60%
4 - 4.99	80%
5 or more	100%

The City has a forfeiture account that is funded by the forfeiture of City contributions made on behalf of an employee who terminates employment before becoming fully vested. During 2019, \$239,959 was used from this account to fund a portion of the City's contribution, and \$106,430 was available to fund future City contributions.

CITY OF LAKEWOOD, COLORADO
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2019

NOTE 8 – EMPLOYEE RETIREMENT PLANS (Continued)

Police Pension Plan

The City offers its sworn police officers a retirement plan created in accordance with IRC Section 401(a). Employees are eligible to participate in the Police Pension Plan on the first day of employment as a full-time or regular part-time police officer. This plan is a defined contribution plan administered by the International City/County Management Association – Retirement Corporation (ICMA-RC) until December of 2019 when it was transferred to a third-party trustee, Great West Life & Annuity Insurance Company which is administered by Empower Retirement Services.

The City is the only non-employee contributor and contributes 10% of the participants' base salary, and the participant is required to contribute 8% of base salary. Employee voluntary after-tax contributions to the plan are allowed to the extent allowed by law. Contribution requirements of the City and the participants are established and may be amended by the City Council. During the year ended December 31, 2019, the City and employees made contributions to the plan of \$2,845,095 and \$2,348,297 (including voluntary contributions of \$18,329), respectively.

The City has a forfeiture account that is funded by the forfeiture of City contributions made on behalf of a police employee who terminates employment before becoming fully vested. During 2019, \$191,263 was used from this account to fund a portion of the City's contribution.

An employee shall have immediate vesting in their contributions and non-forfeitable interest in the percentage of the employer contribution account determined pursuant to the following vesting schedule.

<u>Years of Continuous Service</u>	<u>Percentage Vested</u>
Less than 1	0%
1 - 1.99	20%
2 - 2.99	40%
3 - 3.99	60%
4 - 4.99	80%
5 or more	100%

Since a third party trustee holds the plan assets in trust, the plan is not reflected in the City's financial statements.

City Manager Severance Plan

The City will provide a severance payment to the City Manager if employment is terminated without cause, or due to a permanent disability. The severance payment begins at an amount equivalent to two year's total compensation and increases in yearly increments up to five year's total compensation. The City Manager becomes vested in the Severance Payment on the 8th anniversary of the agreement and shall be entitled to a life annuity benefit in lieu of any severance payment.

CITY OF LAKEWOOD, COLORADO
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2019

NOTE 8 – EMPLOYEE RETIREMENT PLANS (Continued)

City Manager Pension Plan

The City contributes to a 412(e)(3) plan on behalf of the City Manager. A 412(e)(3) plan uses a combination of guaranteed pension annuity contracts and pension life insurance policies specifically designed for insured pension plans. The City is required to make sufficient contributions to generate a guaranteed income stream for the City Manager during retirement. During the year ended December 31, 2019, the City made an annual required contribution to the plan in the amount of \$238,777. The guaranteed pension annuity of the plan is administered by the City, and the life insurance policy is administered by Massachusetts Mutual Life Insurance Company.

Retired City Manager Pension Plan

Summary of Significant Accounting Policies

Pensions – For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the plan and additions to, and deductions from, fiduciary net position have been determined on the same basis as reporting by the plan. As such, benefit payments are recognized when due and payable in accordance with the benefit terms.

Investments – Investments are reported at fair value.

Plan Information

Plan Description - In April 2000 (amended September 2009), the City Council approved and established a pension plan for the now retired City Manager, known as the Retired City Manager Defined Benefit Pension Plan, qualified under the Internal Revenue Code of 1986, as amended, Section 401(a). The plan is a single-employer defined benefit pension plan. The plan does not issue a separate stand-alone report, and is included in these financial statements as a Pension Trust Fund.

Administration of the plan is vested with a Board of Trustees consisting of the City's Director of Employee Relations, Director of Finance, and City Clerk. The authority to establish and amend contributions rests with the City Council. Benefits shall not be amended pursuant to the City Manager's employment contract.

Plan Membership – Plan membership consists solely of the retired City Manager currently receiving benefits. The plan is closed to new entrants.

Benefits Provided - The retired City Manager began receiving a bi-weekly benefit of 60% of his salary upon his retirement at the age of 61. The retired City Manager's surviving spouse is eligible to receive a survivor benefit of two-thirds of the bi-weekly benefit paid to the retired City Manager. The City Manager retired in September 2009 with bi-weekly benefit payments of \$6,444 beginning in October 2009. The benefit payments increase by 3% cost of living adjustment each year.

CITY OF LAKEWOOD, COLORADO
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2019

NOTE 8 – EMPLOYEE RETIREMENT PLANS (Continued)

Retired City Manager Pension Plan (Continued)

Contributions - The plan was initially funded through a \$767,000 contribution from the City of Lakewood and a \$300,000 contribution from the City Manager. As established by City Council, the City will make all future contributions to the plan. The contributions are based on an actuarially determined amount recommended by an independent actuary. The actuarially determined amount is the estimated amount necessary to finance the costs of benefits earned during the year, with an additional amount to finance any unfunded accrued liability. Contributions were determined as part of the December 31, 2019 actuarial valuation, with additional contributions in excess of the actuarially determined amount approved by the City Council. Total contributions for the year ended December 31, 2019, were \$250,000.

Investments

AXA Equitable invests the plan's assets with the approval of the Board of Trustees (trustee), who have the authority to invest all plan assets in accordance with the established rules and regulations, as follows:

Real property and all interests therein, in bonds, notes, debentures, mortgages, commercial paper, preferred stocks, common stocks, or other securities, rights, obligations or property, real or personal, including shares or certificates of participation issued by regulated investment companies or regulated investment trusts and shares or units of participation in qualified common trust funds or qualified pooled funds.

In making investments or reinvestments, the trustee shall not be limited by the proportion which the investments to be made, either alone or with any property of the same or similar character then held or acquired, may bear on the entire amount of the trust fund, and the trustee shall not be bound as to the character of any investment provided by any constitutional provisions, statute, rule of court, or custom governing the investment of trust funds, providing only that the trustee shall exercise the judgment and care, under the circumstances then prevailing, that men of prudence, discretion and intelligence exercise in the management of their own affairs.

Rate of Return – During the year ended December 31, 2019, plan investments consisted solely of mutual funds. The annual money-weighted rate of return on plan investments, net of pension plan investment expense, was 5.96%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net Pension Liability

The net pension liability was measured at December 31, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2019.

Actuarial Assumptions – The total pension liability in the actuarial valuation as of December 31, 2019, was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Discount Rate - 6.75%

Inflation - N/A

Benefits Expected Fixed COLA Increases - 3% Per Annum Compounded Annually

Investment Rate of Return - 6.75% Per Annum Compounded Annually, Net of Expenses

Mortality Rates - Modified 1994 Group Annuity Mortality Table Uni-Sex Rates

CITY OF LAKEWOOD, COLORADO
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2019

NOTE 8 – EMPLOYEE RETIREMENT PLANS (Continued)

Retired City Manager Pension Plan (Continued)

Discount Rate - The discount rate of 6.75% used to measure the total pension liability was determined by recent investment return experience. The projection of cash flows used to determine the discount rate assumes that contributions will be made at the current contribution level. The plan's net position is projected to be available to make all projected future benefit payments. Therefore, the long-term expected rate of return on plan investments of 6.75% was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances at December 31, 2018	\$ 3,223,874	\$ 2,334,113	\$ 889,761
Changes for the year:			
Interest	210,354	-	210,354
Differences between expected and actual experience	6,010	-	6,010
Contributions - Employer	-	250,000	(250,000)
Net investment income	-	139,361	(139,361)
Benefit payments	(223,648)	(223,648)	-
Administrative expense	-	(731)	731
Net changes	(7,284)	164,982	(172,266)
Balances at December 31, 2019	\$ 3,216,590	\$ 2,499,095	\$ 717,495

Sensitivity of the Net Pension Liability to Changes in the Discount Rate - The following table presents the net pension liability of the City at December 31, 2019, calculated using the discount rate of 6.75%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.75%) or one percentage point higher (7.75%) than the current rate, as follows:

	1% decrease (5.75%)	Current discount rate (6.75%)	1% increase (7.75%)
Net pension liability	\$ 1,032,814	\$ 717,495	\$ 446,387

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

For the year ended December 31, 2019, the City recognized pension expense of \$11,300. The net difference between projected and actual earnings on plan investments of \$6,010 was recorded in pension expense.

CITY OF LAKEWOOD, COLORADO
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2019

NOTE 8 – EMPLOYEE RETIREMENT PLANS (Continued)

Duty Death and Disability Plan

The City has established the Police Duty Death and Disability Plan under the provisions of a trust agreement to provide benefits to officers or their surviving spouses and children if an officer is disabled or killed in the line of duty. The plan was initially established through a contribution from the State of Colorado, and may be, but is not required to be, supplemented by contributions from the City. All officers employed by the City will make an equal contribution to the Trust; the current contribution is \$10 per pay period.

The plan assets are held in trust by Charles Schwab Institutional. The Duty Death and Disability Board exercises discretionary authority and control over management of the trust and, along with a registered investment advisor, renders investment advice with respect to the assets of the trust.

Disabled officers receive 100% of their salary for the first 90 days of the disability, 60% for the 10-year period following. Benefits to disabled officers cease once they return to employment, recover from the disability or upon death. If an officer is killed in the line of duty, their surviving spouse shall receive 50% of the officer's salary. The surviving spouse shall receive this benefit for 96 months, or until remarriage, whichever occurs first. If there is no surviving spouse or if the surviving spouse should die or remarry, any surviving children of the officer shall receive an equal proportionate share of the benefits. When the surviving child of an officer reaches the age of 18, or 96 months of benefits are paid, whichever occurs first, benefits shall cease.

At December 31, 2019, an actuarial valuation was performed to determine projected benefits estimated to be payable in the future as a result of employee service to date. The valuation was intended to help users assess, on a going-concern basis, the funding status of the plan and assess progress made in accumulating sufficient assets to pay benefits when due. Significant actuarial assumptions used in the valuation included (a) a real rate of return on the investment of present and future assets of 2%, (b) projected annual salary increases of 4.75%, (c) a mortality rate in accordance with the group annuity tables of 1994, (d) expected inflation of 3.00%, and (e) Duty Death and Disability rates based on experience of similar organizations with similar circumstances. To further test the Plan's funded status, Best-Estimate, Optimistic and Pessimistic scenarios were developed for duty-related deaths and disabilities.

Based on this valuation, the Best-Estimate Entry-Age Actuarial Liability totaled \$2,380,246. During the year ended December 31, 2019, benefit payments totaling \$73,271 were paid. At December 31, 2019, assets totaling \$4,316,059 were available for benefits. Under the plan document, there is no provision for benefits to be paid if sufficient assets are not available.

During 2019, the City and employees contributed \$130,418 and \$77,550, respectively, to the Police Duty Death and Disability Plan. Since a third party trustee holds the assets in trust, the plan is not reflected in the City's financial statements.

CITY OF LAKEWOOD, COLORADO
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2019

NOTE 9 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

Plan Information

Plan Description - The City's single-employer defined benefit OPEB plan, Retiree Health Care Plan, provides retirees access to group medical, dental, and vision coverage while retired until eligible for Medicare or any other group plan. The Plan was put into effect April 1, 2000 and revised effective December 31, 2019. No assets were accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75.

The authority to establish and amend benefit provisions rests with the City Council. The City does not issue a stand-alone financial report for the plan. The City has reported transactions related to these postemployment benefits in the Retirees' Health Internal Service Fund since no assets are held in a qualified trust.

Benefits Provided - Retirees must meet the following eligibility requirements effective January 1, 2010: 1) are at least age 55, and have a combination of age and years of service that equals at least 75, or 2) qualify for a disability benefit through the City's long term disability program, provided they have completed five full consecutive years of service, and 3) are a member of one of the City's medical insurance plans immediately prior to retirement. Benefits cease upon becoming eligible for other medical benefits.

The City subsidizes retirees who were full time active employees at a monthly rate of \$32.50 per year of active service to a maximum of \$650 per month (part-time employees receive one half of the full time subsidy). Retirees are responsible for the difference between the active employee premium and the City contribution. The contribution requirements of plan members and the City are established and may be amended by the City Council. The City is currently funding the plan on a pay-as-you-go basis.

Additionally, the City provides a lump sum payment to certain employees. There are 65 employees that are eligible for this payment. The one-time payment is based on years of service and is calculated at a rate of \$50 (\$25 for part-time employees) per year of service to a maximum benefit of \$1,000 (\$500 part-time). The benefit is indexed to the City's average monthly investment earnings rates (current maximum lump sum of \$3,795).

Employees Covered By Benefit Terms – As of December 31, 2019, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	27
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	900

Total OPEB Liability

The City's total OPEB liability of \$7,021,875 was measured as of December 31, 2019 and was determined by an actuarial valuation as of that date.

CITY OF LAKEWOOD, COLORADO
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2019

NOTE 9 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)

Actuarial Assumptions and Other Inputs —The total OPEB liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	3.0 percent
Salary increases	not applicable as benefits are not based on pay increases
Discount rate	4.5 percent
Healthcare cost trend rates	10.0 percent for 2012, decreasing to 6.0 percent for 2019 with an estimated ultimate rate of 4.6% in 2023 and thereafter
Retirees' share of benefit-related costs	37.6 percent of projected health insurance premiums for retirees

The discount rate was based on three mutual funds that invest exclusively in Colorado: Franklin CO Tax Free Income, Colorado BondsShares A Tax Exempt, and Segall Bryant and Hamill Colorado Tax Free.

Mortality rates were not used.

The actuarial assumptions used in the December 31, 2019 valuation were based on the results of an actuarial experience study for the period 2012 through 2017.

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at 12/31/18	<u>\$ 5,466,628</u>
Changes for the year:	
Service cost	180,151
Interest	246,335
Changes of benefit terms	-
Differences between expected and actual experience	144,283
Changes in assumptions or other inputs	1,303,246
Changes in actuarial methods	-
Benefit payments	<u>(318,768)</u>
Net changes	<u>1,555,247</u>
Balance at 12/31/19	<u><u>\$ 7,021,875</u></u>

Changes of assumptions and other inputs reflect a change in turnover and retirement rates.

CITY OF LAKEWOOD, COLORADO
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2019

NOTE 9 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate - The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.5%) or 1-percentage-point higher (5.5%) than the current discount rate:

	1% Decrease (3.5%)	Discount Rate (4.5%)	1% Increase (5.5%)
Total OPEB liability \$	7,437,495	\$ 7,021,875	\$ 6,655,087

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates – The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that is 1-percentage-point lower (5.0%) or 1-percentage-point higher (7.0%) than the current healthcare cost trend rates:

	1% Decrease (5.0%)	Healthcare Cost Trend Rates (6.0%)	1% Increase (7.0%)
Total OPEB liability \$	6,905,333	\$ 7,021,875	\$ 7,137,817

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

For the year ended December 31, 2019, the City recognized negative OPEB expense of \$938,828. At December 31, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 464,321	\$ 1,181,810
Changes of assumptions or other inputs	5,626,022	151,138
Total	<u>\$ 6,090,343</u>	<u>\$ 1,332,948</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources relate to OPEB will be recognized in OPEB expense as follows:

Year ended December 31:	
2020	\$ 1,448,180
2021	144,835
2022	144,835
2023	144,835
2024	144,835
Thereafter	<u>2,729,875</u>
	<u>\$ 4,757,395</u>

CITY OF LAKEWOOD, COLORADO
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2019

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; health costs of employees; or natural disasters. For these risks of loss, the City has established self-insurance programs for property and casualty, worker's compensation, medical, and dental claims. The City accounts for these risk management activities in three internal service funds.

Premiums for the property and casualty and worker's compensation programs are paid by the General Fund. Excess coverage insurance policies cover individual workers' compensation claims in excess of \$750,000 for sworn employees and \$500,000 for all other employees. The City secures excess liability coverage for any insured liability claim that exceeds \$350,000. There has been no reduction in insurance coverage from the prior year. Additionally, no settlements have exceeded the City's insurance coverage in each of the past three fiscal years.

In 2015, the City established a self-insurance program for the medical portion of some employee health benefits. Premiums for the medical and dental programs are paid by employee payroll deductions and City contributions. These plans follow the employee benefit plan fiscal year of April 1st through March 31st.

Transactions of the health benefits self-insurance program are reported in the Medical and Dental Internal Service Fund. Excess coverage insurance policies cover individual claims in excess of \$100,000, and an additional aggregate stop loss protection provides total group claim liability protection. The aggregate corridor is set at 125% of expected claim costs and the City is indemnified if total group claims exceed the 125% aggregate stop loss corridor.

The City has established a reserve for incurred but not reported (IBNR) claims based on claims experience and actuarial estimates. The IBNR reserves are included in claims payable, and include a provision for incremental claim adjustment expenses as well as estimated recoveries, if applicable. Other than current amounts, the City does not believe that IBNR can be reasonably estimated. Therefore, no long-term liability is reported in the financial statements.

The following represents the changes in claims payable from January 1, 2017 to December 31, 2019:

	Property and Casualty	Workers' Compensation	Medical and Dental	Total
Claims payable, December 31, 2017	\$ 1,165,260	\$ 1,557,216	\$ 497,414	\$ 3,219,890
Claims and changes in provisions	1,050,207	1,289,437	7,466,284	9,805,928
Claims payments	(951,226)	(1,135,097)	(7,356,109)	(9,442,432)
Claims payable, December 31, 2018	1,264,241	1,711,556	607,589	3,583,386
Claims and changes in provisions	1,687,283	349,569	8,088,526	10,125,378
Claims payments	(1,994,333)	(878,628)	(8,268,504)	(11,141,465)
Claims payable, December 31, 2019	<u>\$ 957,191</u>	<u>\$ 1,182,497</u>	<u>\$ 427,611</u>	<u>\$ 2,567,299</u>

CITY OF LAKEWOOD, COLORADO
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2019

NOTE 11 - CONTINGENCIES

TABOR Amendment

The City is required to comply with a 1992 amendment to the State Constitution, Article X, Section 20 (TABOR), which has several limitations, including revenue raising, spending limits, and other specific requirements of state and local governments. The amendment is complex and subject to judicial interpretation. The City believes it is in compliance with the requirements of the amendment. However, the City has made certain interpretations of the amendment's language in order to determine its compliance.

On November 1, 2005, the City submitted a ballot issue to a vote of the registered electors for a one percent increase to the City's sales and use tax rate beginning January 1, 2006, which would also be exempt from the revenue limitations of the amendment. The ballot issue was passed.

On November 7, 2006, the City submitted a ballot issue to a vote of the registered electors for exemption from the revenue limitations of the amendment. The ballot issue was passed and permitted the City to collect, retain, and spend Open Space revenues and grants for streets, public safety, parks, recreation and cultural opportunities received by the City during 2007 and all subsequent years thereafter, notwithstanding any revenue or expenditure limitations including those contained in Article X, Section 20 of the Colorado Constitution.

On November 6, 2018, the City passed a ballot issue which would allow the City to collect, retain, and spend all revenues in excess of the revenue and spending limitations for the years 2017 through 2025. The excess is to be spent on open space, capital improvements, and equipment replacement.

At December 31, 2019, the City had TABOR revenues of \$9,212,422 and total fund balance of \$28,351,477.

Before the 2018 ballot issue was passed, the City refunded the excess TABOR collected. The following table summarizes the City of Lakewood's TABOR refunds:

Year	Refunding Mechanism	Funded by	TABOR Calculated Refund
2008	Rebated Stormwater fees	Stormwater Management Utility Fund	\$ 240,642
2010	Rebated Stormwater fees	General Fund	67,800
2013	Rebated Stormwater fees	General Fund	1,277,365
2014	Property tax mill levy reduction	General Fund	5,200,119
2015	Property tax mill levy reduction	General Fund	4,535,650
2016	Property tax mill levy reduction	General Fund	5,823,934
Total			<u>\$ 17,145,510</u>

Grants

The City receives revenue from various federal and state grant programs, which are subject to final review and approval as to the allowability of expenditures by the respective grantor agencies.

CITY OF LAKEWOOD, COLORADO
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2019

NOTE 11 – CONTINGENCIES (Continued)

Litigation

The City is named in numerous lawsuits. In the opinion of the City Attorney, none of these lawsuits are expected to result in a material liability which would not be covered by the excess insurance coverage available in the self-insurance programs (see Note 10), or have a material effect on the City's financial statements.

Operating Leases

Golf Equipment Leases – The City entered into the following operating leases with PNC Equipment Finance, LLC for the rental of golf carts and other equipment at Homestead and Fox Hollow Golf Courses:

Lease Date	Term of Lease	Monthly Payment Amount	Monthly Payment Beginning Date	Monthly Payment Ending Date
April 1, 2017	42 months	\$14,557	April 2017	September 2020
June 16, 2018	48 months	\$2,172	October 2018	September 2022

Remaining payments required by the leases are as follows:

Year	Amount
2020	\$ 157,077
2021	26,064
2022	19,548
	<u>\$ 202,689</u>

For all leases, the City may, at its option, purchase the equipment at the end of the term of the lease at a price equal to fair market value. The lease agreements require the City to return the equipment at the end of the lease term if the City does not exercise the purchase option.

CITY OF LAKEWOOD, COLORADO
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2019

NOTE 12 – TAX ABATEMENTS

The City has entered into certain agreements in an effort to promote economic development and re-development within the City. While the parties to the agreements and the various components therein are different, there are certain fundamentals that are consistent within each of the agreements.

1. Within each project, the City has agreed to either forego a portion of its sales tax, or pay a portion of its sales tax, in order to reimburse the property owners for construction and maintenance of public improvements.
2. In an effort to promote immediate economic development, the property owners have paid for and installed the improvements in advance.
3. Within each project agreement, the City has only committed to foregoing or reimbursing sales and use taxes generated within the given project area. The City has not committed to foregoing or reimbursing property developers from revenues not directly generated within the given project area.
4. In each project area, the revenues to the City were either zero or declining. As such, the City was in a position to both enhance its economic base and improve overall economic vitality in areas surrounding the specific projects.
5. Each financial agreement is set to terminate at either a date certain, or when a given amount of funds has been paid to reimburse the project developers, whichever occurs first.
6. In no instance has the City incurred or credit enhanced any debts or entered into any lease/purchase arrangements related to these agreements and project areas.
7. Since the reimbursements are payable solely from the sales tax revenue increments generated by each project area, long-term debt is not required to be reported on the City's financial statements.

The transactions related to the following agreements are reported in the Capital Improvements Fund:

Project Name	Maximum Amount Committed To Be Reimbursed Or Waived ⁽¹⁾	Termination Of Reimbursement Obligation ⁽²⁾	Description Of Sharing Arrangement	2019 Amount Of Tax Shared With Developer	Future Contingent Payments Required By Agreement
Stevinson I ⁽³⁾ Annexation	Not Limited	9/26/2029	1/4 th of 2% Sales Tax	\$1,870,327	N/A
Stevinson II ⁽³⁾ Annexation	Not Limited	10/9/2026	1/4 th of 2% Sales Tax	\$226,324	N/A

⁽¹⁾ Does not include interest and ancillary hard and soft costs.

⁽²⁾ The reimbursement will be terminated on the termination date, or whenever the reimbursement obligation has been satisfied, whichever occurs first.

⁽³⁾ The revenue reimbursements were approved by the voters.

CITY OF LAKEWOOD, COLORADO
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2019

NOTE 12 – TAX ABATEMENTS (Continued)

Lakewood Reinvestment Authority and Economic Development Agreements

In 1997, Lakewood voters approved the formation of the Lakewood Reinvestment Authority. As required by Colorado statutes, the Lakewood Reinvestment Authority receives revenue from incremental sales and property taxes that are collected from a designated geographical area as defined in an urban renewal plan approved by the City. Incremental sales taxes represent the increase in municipal sales taxes collected within the same area for each twelve-month period beginning on the date the urban renewal plan is approved. Incremental sales taxes are collected by the City and remitted to the Lakewood Reinvestment Authority. Property tax revenue is earned from the same geographical area based upon the increase in assessed valuation of taxable property, attributable to redevelopment, within the area. Incremental property taxes are collected by Jefferson County and remitted to the Authority.

The Lakewood Reinvestment Authority has agreed to reimburse certain developers for costs incurred in the redevelopment of retail projects within certain urban renewal areas. These reimbursements are payable solely from the property and sales tax increment revenues generated by each project, and are not reported as liabilities in the financial statements. Certain fundamentals that are consistent within each of the agreements are noted above under “Economic Development Agreements.”

The sales and use tax revenue and expenditure transactions related to the following agreements are reported in the Lakewood Reinvestment Authority Capital Projects Fund:

Project Name	Maximum Amount Committed To Be Reimbursed Or Waived ⁽¹⁾	Termination Of Reimbursement Obligation ⁽²⁾	Description Of Sharing Arrangement	2019 Amount Of Tax Shared With Developer	Future Contingent Payments Required By Agreement
Belmar	\$120,000,000	9/10/2025	2/3 ^{rds} of 3% Sales Tax Rate Waived	\$0	N/A
Creekside Shopping Center (Wal-Mart)	\$24,320,435 ⁽³⁾	8/9/2024	100% of Sales Tax increment in excess of \$1,000,000	\$1,849,271	\$8,280,054

⁽¹⁾ In addition to the sales tax reimbursement or waiver for these projects, a public improvement fee (instituted privately by the developer) contributes to the overall reimbursement amount.

⁽²⁾ The reimbursement will be terminated on the termination date, or whenever the reimbursement

⁽³⁾ Does not include interest and ancillary hard and soft costs.

CITY OF LAKEWOOD, COLORADO
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2019

NOTE 13 – ADOPTION OF RECENT ACCOUNTING PRONOUNCEMENTS

For the year ended 2019, the City implemented Governmental Accounting Standards Board Statement No. 84 (GASB 84), *Fiduciary Activities*. This statement improves guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how these activities should be reported. The City reports one fiduciary fund – a Pension Trust Fund for the City Manager Pension Plan. Following the guidance of GASB 84 and related statements, there are no other fiduciary funds to report.

GASB Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements* was also implemented. The statement requires reporting of unused lines of credit, assets pledged as collateral for debt and specific debt agreement terms in relation to default, termination, and acceleration clauses. The City has provided additional disclosure, if required, for each debt obligation in Note 5, Long-Term Debt.

GASB Statement No. 83, *Certain Asset Retirement Obligations*; and 90, *Majority Equity Interests*; were also implemented with no changes to the City’s financial presentation. Currently, the City does not have an asset retirement obligation (ARO) and the City only has equity interest in two legally separate entities: Lakewood Public Building Authority (LPBA) and Lakewood Reinvestment Authority (LRA). The City is financially accountable for both organizations and already reports them as blended component units.

NOTE 14 – SUBSEQUENT EVENTS

The City has evaluated subsequent events through June 29, 2020, the date which the financial statements were available to be issued. The COVID-19 outbreak, which was declared a worldwide pandemic on March 11, 2020 by the World Health Organization (“WHO”), has caused business disruption in a variety of industries, markets and geographic regions. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration. Therefore, while the City expects this matter to negatively impact the City, results of operations, and financial position, the related financial impact cannot be reasonably estimated at this time.

No additional events requiring recognition or disclosure were identified.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF LAKEWOOD, COLORADO
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
RETIRED CITY MANAGER PENSION PLAN
Last Ten Fiscal Years

	2019	2018	2017	2016
Total Pension Liability				
Interest Cost	\$ 210,354	\$ 210,706	\$ 210,714	\$ 210,500
Actuarial Variations	6,010	4,343	2,593	(2,517)
Benefits Paid	(223,648)	(217,138)	(210,000)	(200,000)
Net Change in Pension Liability	(7,284)	(2,089)	3,307	7,983
Total Pension Liability - Beginning	3,223,874	3,225,963	3,222,656	3,214,673
Total Pension Liability - Ending	3,216,590	3,223,874	3,225,963	3,222,656
Plan Fiduciary Net Position				
Contributions - Employer	250,000	225,000	210,000	210,000
Net Investment Income	139,361	131,302	123,758	116,860
Benefit Payments	(223,648)	(217,138)	(210,810)	(204,664)
Administrative Expenses	(731)	(485)	(486)	(547)
Net Change in Plan Fiduciary Net Position	164,982	138,679	122,462	121,649
Plan Fiduciary Net Position - Beginning	2,334,113	2,195,434	2,072,972	1,951,323
Plan Fiduciary Net Position - Ending	2,499,095	2,334,113	2,195,434	2,072,972
Net Pension Liability - Ending	\$ 717,495	\$ 889,761	\$ 1,030,529	\$ 1,149,684
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	77.69%	72.40%	68.06%	64.32%
Covered Payroll	No Active Employees			
Net Pension Liability as a Percentage of Covered Payroll	NA	NA	NA	NA
City Contributions				
Actuarially Determined Contribution	\$ 65,490	\$ 75,851	\$ 84,621	\$ 92,987
Contribution in Relation to the Actuarially Determined Contribution	223,522	217,138	210,810	204,664
Contribution Deficiency (Excess)	\$ (158,032)	\$ (141,287)	\$ (126,189)	\$ (111,677)
Investment Returns				
Annual Money-Weighted Rate of Return, Net of Investment Expense	5.92%	5.96%	5.96%	5.97%

See the accompanying Independent Auditors' Report.

2015	2014	2013	2012	2011	2010
\$ 215,196	\$ 208,748	\$ 224,215	\$ 221,620	\$ 218,860	\$ 216,029
(88,399)	79,686	(263,475)	1,171	1,017	(1,619)
(193,008)	(192,803)	(187,181)	(181,734)	(176,433)	(168,799)
(66,211)	95,631	(226,441)	41,057	43,444	45,611
3,280,884	3,185,253	3,411,694	3,370,637	3,327,193	3,281,582
3,214,673	3,280,884	3,185,253	3,411,694	3,370,637	3,327,193
193,008	292,803	190,516	182,132	176,885	169,198
107,041	240,727	124,369	45,482	58,094	(3,488)
(193,008)	(192,803)	(187,181)	(181,734)	(176,433)	(168,799)
(1,918)	(1,903)	(3,335)	(398)	(452)	(399)
105,123	338,824	124,369	45,482	58,094	(3,488)
1,846,200	1,507,376	1,383,007	1,337,525	1,279,431	1,282,919
1,951,323	1,846,200	1,507,376	1,383,007	1,337,525	1,279,431
\$ 1,263,350	\$ 1,434,684	\$ 1,677,877	\$ 2,028,687	\$ 2,033,112	\$ 2,047,762
60.70%	56.27%	47.32%	40.54%	39.68%	38.45%
No Active Employees					
NA	NA	NA	NA	NA	NA
\$ 105,598	\$ 123,498	\$ 149,319	\$ 149,645	\$ 150,723	\$ 147,109
193,008	192,803	187,181	181,734	176,443	168,799
\$ (87,410)	\$ (69,305)	\$ (37,862)	\$ (32,089)	\$ (25,720)	\$ (21,690)
5.71%	15.42%	9.02%	3.41%	4.55%	-0.27%

CITY OF LAKEWOOD, COLORADO
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE CITY'S
TOTAL OPEB LIABILITY AND RELATED RATIOS
Last Ten Fiscal Years

	2019	2018	2017	2016
Total OPEB liability				
Service cost	\$ 180,151	\$ 177,901	\$ 173,096	\$ 162,610
Interest	246,335	196,359	198,391	200,326
Changes of benefit terms	-	-	-	-
Differences between expected and actual experiences	144,283	(212,463)	(337,876)	(308,623)
Changes of assumptions or other inputs	1,303,246	1,151,291	-	-
Benefit payments	(318,768)	(70,020)	(99,575)	(117,538)
Net change in total OPEB liability	1,555,247	1,243,068	(65,964)	(63,225)
Total OPEB liability-beginning	5,466,628	4,223,560	4,289,524	4,352,749
Total OPEB liability-ending	7,021,875	5,466,628	4,223,560	4,289,524
Covered payroll	\$ 64,694,985	\$ 65,031,226	\$ 63,161,430	\$ 61,690,440
Total OPEB liability as a percentage of covered payroll	10.85%	8.41%	6.69%	6.95%

This schedule is presented to show information for 10 years. Although the plan began prior to 2009, there is insufficient information to present years 2009-2011.

See the accompanying Independent Auditors' Report.

2015	2014	2013	2012
\$ 144,265	\$ 159,595	\$ 147,777	\$ 136,180
197,097	168,670	183,569	192,329
-	-	-	-
(186,809)	548,630	(393,003)	(367,167)
-	-	-	-
(81,742)	(404,889)	(135,147)	(205,963)
72,811	472,006	(196,804)	(244,621)
4,279,938	3,807,932	4,004,736	4,249,357
4,352,749	4,279,938	3,807,932	4,004,736
\$ 60,114,584	\$ 57,677,144	\$ 55,741,700	\$ 54,563,474
7.24%	7.42%	6.83%	7.34%

CITY OF LAKEWOOD, COLORADO
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Taxes				
Property Tax	\$ 9,600,614	\$ 10,599,836	\$ 10,529,868	\$ (69,968)
Sales Tax	69,713,764	63,855,609	65,673,093	1,817,484
General Use Tax	3,494,852	3,494,852	4,105,196	610,344
Building Material Use Tax	3,174,936	3,174,936	3,562,218	387,282
Business and Occupational Tax	3,223,497	3,223,497	3,489,850	266,353
Specific Ownership Tax	486,628	858,455	951,969	93,514
Motor Vehicle Use Tax	6,084,530	6,303,418	6,222,257	(81,161)
Franchise Tax	6,445,867	6,445,867	6,160,070	(285,797)
Total Taxes	102,224,688	97,956,471	100,694,521	2,738,050
Licenses and Permits				
Business Licenses and Permits	557,423	637,918	662,629	24,711
Nonbusiness Licenses and Permits	3,433,437	2,891,957	3,998,740	1,106,783
Total Licenses and Permits	3,990,860	3,529,875	4,661,369	1,131,494
Charges for Services				
General Government	1,001,214	1,002,814	927,840	(74,974)
Public Safety	1,047,216	1,047,216	1,044,360	(2,856)
Culture and Recreation	5,059,746	4,999,662	5,644,674	645,012
Other Sales and Services	5,101,611	4,964,273	5,101,009	136,736
Total Charges for Services	12,209,787	12,013,965	12,717,883	703,918
Fines and Forfeitures				
	1,454,000	1,454,000	1,306,555	(147,445)
Intergovernmental Revenue				
State Government Shared Revenue	4,562,407	4,490,124	5,031,541	541,417
Local Government Grants	69,795	69,795	44,520	(25,275)
Local Government Shared Revenue	1,357,903	1,357,903	1,344,037	(13,866)
Total Intergovernmental Revenue	5,990,105	5,917,822	6,420,098	502,276
Miscellaneous				
Investment Income	517,457	517,457	3,259,065	2,741,608
Other	(3,788,052)	631,261	757,031	125,770
Total Miscellaneous	(3,270,595)	1,148,718	4,016,096	2,867,378
Total Revenues	122,598,845	122,020,851	129,816,522	7,795,671

(Continued)

See the accompanying Independent Auditor's Report.

CITY OF LAKEWOOD, COLORADO
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
EXPENDITURES				
General Government				
Legislative				
Personnel Services	321,092	311,257	319,133	(7,876)
Services and Supplies	233,926	233,926	182,942	50,984
Total Legislative	555,018	545,183	502,075	43,108
Judicial				
Personnel Services	2,742,354	2,731,462	2,683,651	47,811
Services and Supplies	358,529	358,319	281,955	76,364
Total Judicial	3,100,883	3,089,781	2,965,606	124,175
Executive				
Personnel Services	1,983,868	1,991,384	1,951,674	39,710
Services and Supplies	440,736	440,736	298,971	141,765
Capital Outlay	3,500	3,500	-	3,500
Total Executive	2,428,104	2,435,620	2,250,645	184,975
Administrative				
Personnel Services	9,134,557	9,094,557	7,857,129	1,237,428
Services and Supplies	3,639,638	3,949,808	3,435,412	514,396
Capital Outlay	20,200	20,200	17,726	2,474
Total Administrative	12,794,395	13,064,565	11,310,267	1,754,298
Other				
Personnel Services	8,488,543	8,366,456	8,235,809	130,647
Services and Supplies	8,977,753	8,659,548	7,698,230	961,318
Debt Service	303,230	434,102	1,915,133	(1,481,031)
Capital Outlay	140,000	120,000	6,411	113,589
Total Other	17,909,526	17,580,106	17,855,583	(275,477)
Total General Government	36,787,926	36,715,255	34,884,176	1,831,079

(Continued)

See the accompanying Independent Auditor's Report.

CITY OF LAKEWOOD, COLORADO
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
EXPENDITURES (Continued)				
Public Safety				
Law Enforcement				
Personnel Services	48,756,047	47,419,354	46,525,775	893,579
Services and Supplies	6,386,776	6,740,984	6,198,933	542,051
Capital Outlay	53,000	53,000	48,450	4,550
Total Law Enforcement	55,195,823	54,213,338	52,773,158	1,440,180
Corrections				
Personnel Services	840,941	849,917	848,874	1,043
Services and Supplies	27,931	31,323	9,463	21,860
Total Corrections	868,872	881,240	858,337	22,903
Protective Inspection				
Personnel Services	2,786,104	2,766,172	3,203,487	(437,315)
Services and Supplies	352,170	301,995	121,157	180,838
Total Protective Inspection	3,138,274	3,068,167	3,324,644	(256,477)
Other Protection				
Personnel Services	2,103,427	2,034,002	1,994,698	39,304
Services and Supplies	517,497	512,281	668,247	(155,966)
Capital Outlay	30,362	30,362	-	30,362
Total Other Protection	2,651,286	2,576,645	2,662,945	(86,300)
Total Public Safety	61,854,255	60,739,390	59,619,084	1,120,306
Public Works				
Highways and Streets				
Personnel Services	4,118,744	4,086,179	3,691,381	394,798
Services and Supplies	4,197,050	4,200,148	4,109,616	90,532
Capital Outlay	11,500	11,500	5,376	6,124
Total Highways and Streets	8,327,294	8,297,827	7,806,373	491,454
Total Public Works	8,327,294	8,297,827	7,806,373	491,454

(Continued)

See the accompanying Independent Auditor's Report.

CITY OF LAKEWOOD, COLORADO
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
EXPENDITURES (Continued)				
Culture and Recreation				
Recreation				
Personnel Services	8,485,358	8,483,983	8,042,526	441,457
Services and Supplies	1,714,158	2,034,061	1,822,101	211,960
Capital Outlay	120,713	120,713	242,628	(121,915)
Total Recreation	10,320,229	10,638,757	10,107,255	531,502
Parks				
Personnel Services	2,672,760	2,645,741	2,475,150	170,591
Services and Supplies	2,141,280	2,104,066	2,100,429	3,637
Capital Outlay	-	-	16,449	(16,449)
Total Parks	4,814,040	4,749,807	4,592,028	157,779
Total Culture and Recreation	15,134,269	15,388,564	14,699,283	689,281
Urban Development and Housing				
Personnel Services	675,309	713,975	638,864	75,111
Services and Supplies	106,150	106,150	17,801	88,349
Total Urban Development and Housing	781,459	820,125	656,665	163,460
Economic Opportunity				
Personnel Services	1,165,521	1,084,004	1,169,875	(85,871)
Services and Supplies	196,244	198,753	227,735	(28,982)
Capital Outlay	28,571	28,571	1,117	27,454
Total Economic Opportunity	1,390,336	1,311,328	1,398,727	(87,399)
Total Expenditures	124,275,539	123,272,489	119,064,308	4,208,181
Excess (Deficiency) of Revenues				
Over Expenditures	(1,676,694)	(1,251,638)	10,752,214	12,003,852
OTHER FINANCING SOURCES (USES)				
Issuance of Capital Lease	-	-	1,481,031	1,481,031
Transfers In	-	600,000	600,000	-
Transfers Out	(5,623,954)	(10,920,912)	(18,239,463)	(7,318,551)
Total Other Financing Sources (Uses)	(5,623,954)	(10,320,912)	(16,158,432)	(5,837,520)
Net Change in Fund Balance	\$ (7,300,648)	\$ (11,572,550)	(5,406,218)	\$ 6,166,332
FUND BALANCE, Beginning of Year			36,602,500	
FUND BALANCE, End of Year			<u>\$ 31,196,282</u>	

See the accompanying Independent Auditor's Report.

CITY OF LAKEWOOD, COLORADO
GRANTS FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Intergovernmental				
Federal Government Grants	\$ 5,435,021	\$ 11,477,568	\$ 3,487,076	\$ (7,990,492)
State Government Grants	2,155,865	3,318,064	2,304,733	(1,013,331)
Local Government Grants	55,000	55,000	59,980	4,980
Total Intergovernmental	7,645,886	14,850,632	5,851,789	(8,998,843)
Investment Income	-	-	1,398	1,398
Total Revenues	7,645,886	14,850,632	5,853,187	(8,997,445)
EXPENDITURES				
General Government				
Personnel Services	33,463	32,901	11,694	21,207
Services and Supplies	-	-	112	(112)
Capital Outlay	320,000	455,000	176,779	278,221
Total General Government	353,463	487,901	188,585	299,316
Public Safety				
Personnel Services	979,982	1,001,105	823,489	177,616
Services and Supplies	2,203,341	2,360,204	1,853,564	506,640
Capital Outlay	1,010,000	3,266,000	387,040	2,878,960
Total Public Safety	4,193,323	6,627,309	3,064,093	3,563,216
Public Works				
Capital Outlay	-	5,065,714	362,689	4,703,025
Total Public Works	-	5,065,714	362,689	4,703,025

(Continued)

See the accompanying Independent Auditor's Report.

CITY OF LAKEWOOD, COLORADO
GRANTS FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
EXPENDITURES (Continued)				
Culture and Recreation				
Personnel Services	45,996	45,577	77,237	(31,660)
Services and Supplies	9,869	9,869	20,533	(10,664)
Total Culture and Recreation	55,865	55,446	97,770	(42,324)
Urban Development and Housing				
Personnel Services	160,115	158,613	134,134	24,479
Services and Supplies	1,139,616	1,901,856	405,465	1,496,391
Capital Outlay	11,000	5,000	-	5,000
Total Urban Development and Housing	1,310,731	2,065,469	539,599	1,525,870
Economic Opportunity				
Personnel Services	1,225,959	1,177,995	1,240,278	(62,283)
Services and Supplies	257,285	257,285	212,688	44,597
Total Economic Opportunity	1,483,244	1,435,280	1,452,966	(17,686)
Debt Service				
Principal	320,000	320,000	320,000	-
Interest	49,572	49,572	49,572	-
Total Debt Service	369,572	369,572	369,572	-
Total Expenditures	7,766,198	16,106,691	6,075,274	10,031,417
Excess (Deficiency) of Revenues Over Expenditures	(120,312)	(1,256,059)	(222,087)	1,033,972
OTHER FINANCING SOURCES				
Transfers In	87,224	1,768,410	224,428	(1,543,982)
Net Change in Fund Balance	<u>\$ (33,088)</u>	<u>\$ 512,351</u>	2,341	<u>\$ (510,010)</u>
FUND BALANCE, Beginning of Year			<u>(329,803)</u>	
FUND BALANCE, End of Year			<u>(327,462)</u>	

See the accompanying Independent Auditor's Report.



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CITY OF LAKEWOOD, COLORADO
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
Year Ended December 31, 2019

NOTE 1 – SCHEDULE OF CITY CONTRIBUTIONS

Actuarial Assumptions

Significant actuarial methods and assumptions used to determine the contribution rates for the Retired City Manager Pension Plan are as follows:

Valuation Date	Actuarially determined contribution rates are calculated as of December 31, 2019, one year prior to the fiscal year in which the contributions are reported.
Actuarial Cost Method	Entry Age
Amortization Method	Level Dollar Method over Fixed Period of Years
Remaining Amortization Period	30 Years, Open
Asset Valuation Method	Contract Value of Invested Assets
Inflation	N/A
Benefits Expected Fixed	
COLA Increases	3% Per Annum Compounded Annually
Investment Rate of Return	6.75% Per Annum Compounded Annually, Net of Expenses
Number of Participants Employed	0
Number of Participants Retired	1
Retirement Date	September 19, 2009
Mortality Rates	Modified 1994 Group Annuity Mortality Table Uni-Sex Rates

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

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

1. As required by City Charter, by September 15, the City Manager shall submit to the Mayor and City Council a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them. Budgets for the Lakewood Public Building Authority and the Lakewood Reinvestment Authority are adopted by their governing boards.
2. Two public hearings are conducted at regular City Council meetings to obtain public comment.
3. Prior to November 1, the budget is legally enacted through passage of an ordinance.
4. Expenditures may not legally exceed budgeted appropriations at the fund level, and all annual appropriations lapse at year-end, except for those of the Capital Improvements Fund and certain projects of the Special Revenue Funds, which may be carried over. The City Manager is authorized to transfer budgeted amounts between departments within any fund and to expend amounts within the approved appropriations and the City Code. However, any revisions that alter the total budgeted expenditures of any fund must be approved by City Council.

CITY OF LAKEWOOD, COLORADO
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
Year Ended December 31, 2019

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

Budgetary Information (Continued)

5. Formal budgetary integration is employed as a management control device during the year for the General, Special Revenue, Capital Projects, Internal Service, and Enterprise Funds.
6. Budgets for the General, Special Revenue, Capital Projects, and Internal Service Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). The budgets for the Enterprise Funds are adopted on a basis consistent with GAAP except that debt proceeds are treated as revenues, capital outlay and debt service principal are treated as expenditures, and capital contributions are not budgeted.

Legal Compliance

For the year ended December 31, 2019, the General Fund, the Golf Course Enterprise Fund, Lakewood Public Building Authority (LPBA) Fund and the Lakewood Reinvestment Authority (LRA) Fund expenditures exceeded the amounts budgeted by \$3,110,370, \$320,095, \$85,723 and \$1,643,258, respectively. These may be a violation of State statutes. Although no explicit budget amendment was prepared, the following events were approved by Council through ordinance: the General Fund exceeded budget due to the 2019 transfer of funds to the Council created and approved TABOR Fund; and \$1,294,121 of the LRA overbudget was due to the Council approved refunding of debt. The LPBA exceeded budget due to the GASB requirement that arbitrage must be recorded at the fund level.

TABOR Amendment

In the November 2018 election, the citizens of the City passed ballot issue 2D, which lifts the TABOR limits on the City's budget through 2025. In addition, the ballot issue allowed the City to use the \$12.5 million that was identified for a refund in 2017. \$8.5 million of the refund must be used for open space and parkland purchases, \$2 million for police protective gear, safety-related and other needed items and \$2 million for infrastructure and transportation improvements.

Through December 31, 2025, any money collected in excess of the TABOR limits will be spent one-third each for open space and parkland purchases, improvements, and maintenance; police safety equipment, other assets or police agents; and transportation improvement to address high-priority safety concerns or for new and upgraded sidewalks, paths, streetlights or path lighting where needed for safety.

**SUPPLEMENTARY INFORMATION –
COMBINING AND INDIVIDUAL FUND
FINANCIAL STATEMENTS AND
SCHEDULES**



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GOVERNMENTAL FUNDS

GENERAL FUND

The General Fund accounts for all transactions of the City of Lakewood not accounted for in other funds. It is the City's primary operating fund. This fund represents an accounting for the City's ordinary operations financed from taxes and other general revenues and is the City's most significant fund in relation to overall expenditures.

CAPITAL PROJECTS FUNDS

Capital Projects Funds are created to account for resources used for the acquisition and construction of major capital facilities and other capital assets other than those financed by proprietary funds and trust funds. These funds are established to maintain a separate accounting of specific capital projects as directed by City Council.

MAJOR FUNDS

CAPITAL IMPROVEMENT FUND

The purpose of the Capital Improvement Fund is to account for expenditures for the acquisition, construction, and improvements of capital assets. Revenue for this fund is primarily derived from one sixth of the City's sales and use taxes approved by voters and other intergovernmental revenues restricted for these purposes.

LAKEWOOD REINVESTMENT AUTHORITY CAPITAL PROJECT FUND

On November 4, 1997 registered electors approved the creation of an Urban Renewal Authority. Pursuant to the Urban Renewal Law, Colorado Revised Statutes 31-25-101, Et. Seq., and the Lakewood Charter. The City subsequently created an Urban Renewal Authority known as the Lakewood Reinvestment Authority to exercise the powers provided under Colorado's urban renewal law.

NON-MAJOR FUNDS

EQUIPMENT REPLACEMENT FUND

The Equipment Replacement Fund is established to accumulate resources to finance the acquisition, construction and improvements of vehicles, technology and public, education, and government access equipment.

SPECIAL REVENUE FUNDS

Special Revenue Funds are established for the purpose of accounting for monies received by the City from specific revenue sources that are restricted or committed to expenditures for specified purposes.

MAJOR FUNDS

GRANTS FUND

The Grants Fund is established to maintain a separate accounting for Federal, State, and other qualified grants.

TABOR FUND

The TABOR Fund was established to maintain a separate accounting for the spending of the excess revenue over the TABOR limit. The revenues were moved from other funds through transfers.



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SPECIAL REVENUE FUNDS (CONTINUED)

NON-MAJOR FUNDS

CONSERVATION TRUST FUND

This fund is established as required by Section 31-25-220, Colorado Revised Statutes, 1973 to account for monies received from the State of Colorado for Conservation Trust Fund (lottery) and restricted for the purposes of planning, acquisition, development and maintenance of new conservation sites or for capital improvements or maintenance for recreational purposes on public sites.

ECONOMIC DEVELOPMENT FUND

The Economic Development Fund is established by Ordinance 85-54 to account for the City's hotel accommodation taxes which were approved by the voters in 1987 and restricted for the purpose of promoting economic development within the City.

HERITAGE, CULTURE & ARTS FUND

This fund is established to provide a full complement of heritage, cultural, and art activities to the general public on a continuing basis financed primarily through user charges, intergovernmental revenues restricted to these activities, and other financial resources assigned specifically for these purposes.

OPEN SPACE FUND

This fund was established in 1987 to account for intergovernmental funds received from Jefferson County related to its Open Space Sales Tax Resolution approved by voters in 1980 and which restricts the use to open space purposes. Open space purposes include planning, development, construction, acquisition and maintenance of park and recreation capital improvements.

DEBT SERVICE FUNDS

Debt Service Funds are used to account for the accumulation of resources for payment of bond principal and interest from government resources. Financing is provided by ad valorem property taxes, and operating transfers from various funds.

NON-MAJOR FUNDS

LAKESWOOD PUBLIC BUILDING AUTHORITY DEBT SERVICE FUND

The Authority was incorporated as a nonprofit corporation on May 8, 1979 for the purpose of construction of municipal facilities for use by the City of Lakewood. This fund was established to facilitate the various issuances of Certificates of Participation financing the acquisition, construction, and equipping of various City facilities and certain offsite infrastructure improvements; the acquisition, construction, and equipping of a public library to be subleased to and operated by the Board of Trustees of the Jefferson County Library; capitalized interest; and paying issuance costs of the certificates.

CITY OF LAKEWOOD, COLORADO
CAPITAL IMPROVEMENTS FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Taxes				
Sales Tax	\$ 12,709,851	\$ 12,107,112	\$ 12,372,814	\$ 265,702
General Use Tax	651,994	651,994	802,860	150,866
Building Material Use Tax	619,500	619,500	689,643	70,143
Motor Vehicle Use Tax	1,071,192	1,071,192	1,244,452	173,260
Total Taxes	15,052,537	14,449,798	15,109,769	659,971
Intergovernmental				
State Government Shared Revenue	2,063,773	2,063,773	2,563,663	499,890
Miscellaneous				
Investment Income	217,489	217,489	453,051	235,562
Other	3,500	3,500	-	(3,500)
Total Miscellaneous	220,989	220,989	453,051	232,062
Total Revenues	17,337,299	16,734,560	18,126,483	1,391,923
EXPENDITURES				
General Government				
Personnel Services	120,863	120,822	119,298	1,524
Services and Supplies	1,490,000	1,934,602	1,648,996	285,606
Capital Outlay	1,175,000	2,118,514	722,079	1,396,435
Total General Government	2,785,863	4,173,938	2,490,373	1,683,565
Public Safety				
Personnel Services	191,079	182,667	190,590	(7,923)
Services and Supplies	286,165	275,771	411,355	(135,584)
Capital Outlay	1,400,000	4,236,808	385,356	3,851,452
Total Public Safety	1,877,244	4,695,246	987,301	3,707,945
Public Works				
Personnel Services	721,791	732,073	711,308	20,765
Services and Supplies	113,300	113,300	1,276,816	(1,163,516)
Capital Outlay	9,751,782	13,391,935	8,497,879	4,894,056
Total Public Works	10,586,873	14,237,308	10,486,003	3,751,305

(Continued)

See the accompanying Independent Auditor's Report.

CITY OF LAKEWOOD, COLORADO
CAPITAL IMPROVEMENTS FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
EXPENDITURES (Continued)				
Culture and Recreation				
Services and Supplies	350	350	2,992	(2,642)
Capital Outlay	4,650	35,045	-	35,045
Total Culture and Recreation	5,000	35,395	2,992	32,403
Economic Development				
Services and Supplies	10,000	131,211	112,619	18,592
Capital Outlay	1,889,908	2,074,135	2,096,651	(22,516)
Total Economic Development	1,899,908	2,205,346	2,209,270	(3,924)
Total Expenditures	17,154,888	25,347,233	16,175,939	9,171,294
Excess (Deficiency) of Revenues Over Expenditures	182,411	(8,612,673)	1,950,544	10,563,217
OTHER FINANCING SOURCES (USES)				
Transfers In	855,000	855,000	120,000	(735,000)
Transfers Out	(1,521,000)	(8,571,768)	(7,519,134)	1,052,634
Total Other Financing Sources (Uses)	(666,000)	(7,716,768)	(7,399,134)	317,634
Net Change in Fund Balance	\$ (483,589)	\$ (16,329,441)	(5,448,590)	\$ 10,880,851
FUND BALANCE, Beginning of Year			22,408,501	
FUND BALANCE, End of Year			\$ 16,959,911	

See the accompanying Independent Auditor's Report.

CITY OF LAKEWOOD, COLORADO
LAKEWOOD REINVESTMENT AUTHORITY FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Taxes				
Property Taxes Increment	\$ 10,624,997	\$ 10,294,291	\$ 11,459,264	\$ 1,164,973
General Sales Taxes Increment	414,875	278,139	292,230	14,091
Investment Income	11,179	11,179	94,366	83,187
Miscellaneous	1,104,048	997,647	992,175	(5,472)
Total Revenues	<u>12,155,099</u>	<u>11,581,256</u>	<u>12,838,035</u>	<u>1,256,779</u>
EXPENDITURES				
Urban Development and Housing				
Personnel Services	69,260	56,115	93,499	(37,384)
Services and Supplies	444,358	420,345	450,648	(30,303)
Capital Outlay	10,864,967	14,365,881	14,566,176	(200,295)
Debt Service	281,154	281,154	1,656,430	(1,375,276)
Total Expenditures	<u>11,659,739</u>	<u>15,123,495</u>	<u>16,766,753</u>	<u>(1,643,258)</u>
Excess (Deficiency) of Revenues Over Expenditures	495,360	(3,542,239)	(3,928,718)	(386,479)
OTHER FINANCING SOURCES				
Issuance of Note Payable	-	-	1,294,121	1,294,121
Transfers In	-	2,000,000	2,000,000	-
Total Other Financing Sources	<u>-</u>	<u>2,000,000</u>	<u>3,294,121</u>	<u>1,294,121</u>
Net Change in Fund Balance	<u>\$ 495,360</u>	<u>\$ (1,542,239)</u>	<u>(634,597)</u>	<u>\$ 907,642</u>
FUND BALANCE, Beginning of Year			<u>6,071,334</u>	
FUND BALANCE, End of Year			<u>\$ 5,436,737</u>	

See the accompanying Independent Auditor's Report.



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CITY OF LAKEWOOD, COLORADO
TABOR FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Investment Income	\$ -	\$ -	\$ 86,180	\$ 86,180
Total Revenues	-	-	86,180	86,180
EXPENDITURES				
General Government				
Services and Supplies	-	275,000	57,800	217,200
Total General Government	-	275,000	57,800	217,200
Public Safety				
Personnel Services	-	284,036	313,112	(29,076)
Services and Supplies	-	1,497,120	557,776	939,344
Capital Outlay	-	1,641,000	618,438	1,022,562
Total Public Safety	-	3,422,156	1,489,326	1,932,830
Public Works				
Capital Outlay	-	3,754,026	14,189	3,739,837
Total Public Works	-	3,754,026	14,189	3,739,837
Culture and Recreation				
Capital Outlay	-	11,217,522	-	11,217,522
Total Culture and Recreation	-	11,217,522	-	11,217,522
Total Expenditures	-	18,668,704	1,561,315	17,107,389
Excess (Deficiency) of Revenues Over Expenditures	-	(18,668,704)	(1,475,135)	17,193,569

(Continued)

See the accompanying Independent Auditor's Report.

CITY OF LAKEWOOD, COLORADO
TABOR FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
OTHER FINANCING SOURCES (USES)				
Transfers In	-	20,614,190	29,826,612	9,212,422
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ 1,945,486</u>	28,351,477	<u>\$ 26,405,991</u>
FUND BALANCE, Beginning of Year			-	
FUND BALANCE, End of Year			<u>\$ 28,351,477</u>	

See the accompanying Independent Auditor's Report.

CITY OF LAKEWOOD, COLORADO
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2019

	Special Revenue Funds			
	Conservation Trust Fund	Economic Development Fund	Heritage, Culture and Arts Fund	Open Space Fund
ASSETS				
Cash and Investments	\$ 1,572,820	\$ 8,766,603	\$ 1,489,639	\$ 7,244,998
Restricted Cash and Investments	-	-	-	-
Accounts Receivable	-	103,031	79,000	1,189,232
Inventories	-	-	29,678	-
Prepays	-	-	55	-
Total Assets	<u>\$ 1,572,820</u>	<u>\$ 8,869,634</u>	<u>\$ 1,598,372</u>	<u>\$ 8,434,230</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ -	\$ 30,730	\$ 88,052	\$ 223,021
Accrued Liabilities	-	18,155	75,731	81,705
Retainage Payable	-	-	4,383	64,741
Unearned Revenues	-	-	422,244	-
Total Liabilities	<u>-</u>	<u>48,885</u>	<u>590,410</u>	<u>369,467</u>
DEFERRED INFLOWS OF RESOURCES				
Grants	-	-	79,000	-
FUND BALANCES				
Nonspendable:				
Inventories	-	-	29,678	-
Prepays	-	-	55	-
Restricted for:				
Parks and Open Space	1,572,820	-	-	8,064,763
Economic Development	-	8,820,749	-	-
Debt Service	-	-	-	-
Assigned to:				
Cultural Activities	-	-	899,229	-
Capital Improvements	-	-	-	-
Total Fund Balances	<u>1,572,820</u>	<u>8,820,749</u>	<u>928,962</u>	<u>8,064,763</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 1,572,820</u>	<u>\$ 8,869,634</u>	<u>\$ 1,598,372</u>	<u>\$ 8,434,230</u>

See the accompanying Independent Auditor's Report.

<u>Debt Service</u> <u>Lakewood</u> <u>Public Building</u> <u>Authority</u>	<u>Capital Projects</u> <u>Equipment</u> <u>Replacement</u> <u>Fund</u>	<u>Total Nonmajor</u> <u>Governmental</u> <u>Funds</u>
\$ -	\$ 4,749,049	\$ 23,823,109
2,976,107	-	2,976,107
-	64,819	1,436,082
-	-	29,678
-	-	55
<u>\$ 2,976,107</u>	<u>\$ 4,813,868</u>	<u>\$ 28,265,031</u>
\$ 87,457	\$ 262,277	\$ 691,537
-	1,673	177,264
-	-	69,124
-	-	422,244
<u>87,457</u>	<u>263,950</u>	<u>1,360,169</u>
-	-	79,000
-	-	29,678
-	-	55
-	-	9,637,583
-	-	8,820,749
2,888,650	-	2,888,650
-	-	899,229
-	4,549,918	4,549,918
<u>2,888,650</u>	<u>4,549,918</u>	<u>26,825,862</u>
<u>\$ 2,976,107</u>	<u>\$ 4,813,868</u>	<u>\$ 28,265,031</u>

CITY OF LAKEWOOD, COLORADO
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
Year Ended December 31, 2019

	Special Revenue Funds			
	Conservation Trust Fund	Economic Development Fund	Heritage, Culture and Arts Fund	Open Space Fund
REVENUES				
Taxes	\$ -	\$ 1,809,367	\$ -	\$ -
Charges for Services	-	79,674	1,323,217	11,025
Intergovernmental	1,751,647	-	472,845	7,331,665
Investment Income	28,722	170,661	-	214,710
Miscellaneous	-	-	192,710	127,508
Total Revenues	1,780,369	2,059,702	1,988,772	7,684,908
EXPENDITURES				
Current				
General Government	-	-	-	-
Culture and Recreation	-	-	3,098,385	4,340,846
Urban Development and Housing	-	788,030	-	-
Capital Outlay				
General Government	-	-	-	-
Culture and Recreation	1,003,324	66,495	336,062	1,906,940
Debt Service				
Principal	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
Total Expenditures	1,003,324	854,525	3,434,447	6,247,786
Excess (Deficiency) of Revenues Over Expenditures	777,045	1,205,177	(1,445,675)	1,437,122
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	1,276,014	-
Transfers Out	(625,456)	(2,544,859)	-	(8,853,519)
Total Other Financing Sources (Uses)	(625,456)	(2,544,859)	1,276,014	(8,853,519)
Net Change in Fund Balances	151,589	(1,339,682)	(169,661)	(7,416,397)
FUND BALANCES, Beginning of Year	1,421,231	10,160,431	1,098,623	15,481,160
FUND BALANCES, End of Year	<u>\$ 1,572,820</u>	<u>\$ 8,820,749</u>	<u>\$ 928,962</u>	<u>\$ 8,064,763</u>

See the accompanying Independent Auditor's Report.

Debt Service Lakewood Public Building Authority	Capital Projects Equipment Replacement Fund	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ 1,809,367
-	2,001,370	3,415,286
-	-	9,556,157
145,834	-	559,927
-	232,635	552,853
<u>145,834</u>	<u>2,234,005</u>	<u>15,893,590</u>
-	1,171,529	1,171,529
-	-	7,439,231
-	-	788,030
-	2,149,200	2,149,200
-	-	3,312,821
4,405,000	-	4,405,000
805,887	-	805,887
<u>5,210,887</u>	<u>3,320,729</u>	<u>20,071,698</u>
<u>(5,065,053)</u>	<u>(1,086,724)</u>	<u>(4,178,108)</u>
4,962,735	1,340,000	7,578,749
-	(1,628,704)	(13,652,538)
<u>4,962,735</u>	<u>(288,704)</u>	<u>(6,073,789)</u>
(102,318)	(1,375,428)	(10,251,897)
<u>2,990,968</u>	<u>5,925,346</u>	<u>37,077,759</u>
<u>\$ 2,888,650</u>	<u>\$ 4,549,918</u>	<u>\$ 26,825,862</u>

**CITY OF LAKEWOOD, COLORADO
CONSERVATION TRUST FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2019**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Intergovernmental				
State Government Shared Revenue	\$ 1,350,000	\$ 1,350,000	\$ 1,751,647	\$ 401,647
Investment Income	16,644	22,657	28,722	6,065
Miscellaneous	-	165,000	-	(165,000)
	<u>1,366,644</u>	<u>1,537,657</u>	<u>1,780,369</u>	<u>242,712</u>
EXPENDITURES				
Culture and Recreation				
Capital Outlay	<u>770,000</u>	<u>1,436,000</u>	<u>1,003,324</u>	<u>432,676</u>
	<u>770,000</u>	<u>1,436,000</u>	<u>1,003,324</u>	<u>432,676</u>
Excess of Revenues Over Expenditures	596,644	101,657	777,045	675,388
OTHER FINANCING SOURCES (USES)				
Transfers Out	<u>(625,600)</u>	<u>(790,600)</u>	<u>(625,456)</u>	<u>165,144</u>
Net Change in Fund Balance	<u>\$ (28,956)</u>	<u>\$ (688,943)</u>	151,589	<u>\$ 840,532</u>
FUND BALANCE, Beginning of Year			<u>1,421,231</u>	
FUND BALANCE, End of Year			<u>\$ 1,572,820</u>	

See the accompanying Independent Auditor's Report.

CITY OF LAKEWOOD, COLORADO
ECONOMIC DEVELOPMENT FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Hotel Accommodation Taxes	\$ 1,428,000	\$ 1,600,000	\$ 1,809,367	\$ 209,367
Charges for Services	91,800	85,000	79,674	(5,326)
Investment Income	57,120	75,000	170,661	95,661
Total Revenues	1,576,920	1,760,000	2,059,702	299,702
EXPENDITURES				
Urban Development and Housing				
Personnel Services	608,408	606,741	458,975	147,766
Services and Supplies	1,382,600	1,382,850	329,055	1,053,795
Capital Outlay	3,000	3,000	66,495	(63,495)
Total Expenditures	1,994,008	1,992,591	854,525	1,138,066
Excess (Deficiency) of Revenues Over Expenditures	(417,088)	(232,591)	1,205,177	1,437,768
OTHER FINANCING SOURCES (USES)				
Transfers Out	-	(2,454,923)	(2,544,859)	(89,936)
Net Change in Fund Balance	\$ (417,088)	\$ (2,687,514)	(1,339,682)	\$ 1,347,832
FUND BALANCE, Beginning of Year			10,160,431	
FUND BALANCE, End of Year			\$ 8,820,749	

See the accompanying Independent Auditor's Report.

CITY OF LAKEWOOD, COLORADO
HERITAGE, CULTURE AND ARTS FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Charges for Services	\$ 1,272,500	\$ 1,258,475	\$ 1,323,217	\$ 64,742
Intergovernmental				
Federal Grants	15,000	25,000	12,686	(12,314)
State Government Grants	550,000	550,000	440,442	(109,558)
Local Government Grants	40,113	19,113	19,717	604
Miscellaneous	233,285	228,385	192,710	(35,675)
Total Revenues	2,110,898	2,080,973	1,988,772	(92,201)
EXPENDITURES				
Culture and Recreation				
Personnel Services	2,265,879	2,120,780	2,184,745	(63,965)
Services and Supplies	1,087,772	1,170,239	913,640	256,599
Capital Outlay	249,000	913,500	336,062	577,438
Total Expenditures	3,602,651	4,204,519	3,434,447	770,072
Deficiency of Revenues Over Expenditures	(1,491,753)	(2,123,546)	(1,445,675)	677,871
OTHER FINANCING SOURCES				
Transfers In	1,405,100	1,355,855	1,276,014	(79,841)
Net Change in Fund Balance	\$ (86,653)	\$ (767,691)	(169,661)	\$ 598,030
FUND BALANCE, Beginning of Year			1,098,623	
FUND BALANCE, End of Year			\$ 928,962	

See the accompanying Independent Auditor's Report.

CITY OF LAKEWOOD, COLORADO
OPEN SPACE FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Charges for Services	\$ 5,000	\$ 5,000	\$ 11,025	\$ 6,025
County Open Space Shared Revenues	5,004,559	6,501,459	7,331,665	830,206
Intergovernmental	735,000	794,805	-	(794,805)
Investment Income	35,471	68,176	214,710	146,534
Miscellaneous	-	15,008	127,508	112,500
Total Revenues	5,780,030	7,384,448	7,684,908	300,460
EXPENDITURES				
Culture and Recreation				
Parks and Open Space				
Personnel Services	3,223,644	3,131,928	2,845,416	286,512
Services and Supplies	1,238,009	1,192,955	1,495,430	(302,475)
Capital Outlay	1,169,800	6,117,706	1,906,940	4,210,766
Total Expenditures	5,631,453	10,442,589	6,247,786	4,194,803
Deficiency of Revenues				
Over Expenditures	148,577	(3,058,141)	1,437,122	4,495,263
OTHER FINANCING SOURCES (USES)				
Transfers In	800,000	165,000	-	(165,000)
Transfers Out	(1,088,519)	(9,588,519)	(8,853,519)	735,000
Total Other Financing Sources (Uses)	(288,519)	(9,423,519)	(8,853,519)	570,000
Net Change in Fund Balance	\$ (139,942)	\$ (12,481,660)	(7,416,397)	\$ 5,065,263
FUND BALANCE, Beginning of Year			15,481,160	
FUND BALANCE, End of Year			\$ 8,064,763	

See the accompanying Independent Auditor's Report.

CITY OF LAKEWOOD, COLORADO
LAKEWOOD PUBLIC BUILDING AUTHORITY
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Investment Income	\$ 140,000	\$ 140,000	\$ 145,834	\$ 5,834
Total Revenues	140,000	140,000	145,834	5,834
EXPENDITURES				
General Government				
Services and Supplies	1,700	1,700	-	1,700
Total General Government	1,700	1,700	-	1,700
Debt Service				
Principal	4,405,000	4,405,000	4,405,000	-
Interest and Fiscal Charges	718,464	718,464	805,887	(87,423)
Total Debt Service	5,123,464	5,123,464	5,210,887	(87,423)
Total Expenditures	5,125,164	5,125,164	5,210,887	(85,723)
Deficiency of Revenues Over Expenditures	(4,985,164)	(4,985,164)	(5,065,053)	(79,889)
OTHER FINANCING SOURCES				
Transfers In	4,976,964	4,976,964	4,962,735	(14,229)
Net Change in Fund Balance	\$ (8,200)	\$ (8,200)	(102,318)	\$ (94,118)
FUND BALANCE, Beginning of Year			2,990,968	
FUND BALANCE, End of Year			\$ 2,888,650	

See the accompanying Independent Auditors' Report.

CITY OF LAKEWOOD, COLORADO
EQUIPMENT REPLACEMENT FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Charges for Services	\$ 2,100,523	\$ 2,100,523	\$ 2,001,370	\$ (99,153)
Miscellaneous	200,000	200,000	232,635	32,635
Total Revenues	2,300,523	2,300,523	2,234,005	(66,518)
EXPENDITURES				
General Government				
Personnel Services	-	-	28,337	(28,337)
Services and Supplies	477,000	1,223,000	1,143,192	79,808
Capital Outlay	3,765,000	4,120,000	2,149,200	1,970,800
Total Expenditures	4,242,000	5,343,000	3,320,729	2,022,271
Excess (Deficiency) of Revenues Over Expenditures	(1,941,477)	(3,042,477)	(1,086,724)	1,955,753
OTHER FINANCING SOURCES (USES)				
Transfers In	1,340,000	1,340,000	1,340,000	-
Transfers Out	(80,000)	(1,165,120)	(1,628,704)	(463,584)
Total Other Financing Sources (Uses)	1,260,000	174,880	(288,704)	(463,584)
Net Change in Fund Balance	\$ (681,477)	\$ (2,867,597)	(1,375,428)	\$ 1,492,169
FUND BALANCE, Beginning of Year			5,925,346	
FUND BALANCE, End of Year			\$ 4,549,918	

See the accompanying Independent Auditor's Report.



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ENTERPRISE FUNDS

Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises—where the intent of the governing body is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or where the City Council has decided that periodic determination of net income is appropriate for accountability purposes.

MAJOR FUNDS

GOLF COURSE ENTERPRISE FUND

The Golf Course Fund was established in 1990 to develop Fox Hollow at Lakewood Golf Course, which opened in August 1993. An additional golf course, Homestead Golf Course, was completed in summer 2002.

SEWER ENTERPRISE FUND

The Lakewood Board of Water and Sewer Enterprise Fund was established as required by Chapter 13.04, Section 080 of the City of Lakewood Municipal Code, 1974 supplement, to account for sewer services provided to Lakewood residents on a user charge basis.

STORMWATER ENTERPRISE FUND

The Stormwater Enterprise Fund was created by City Council adopting Ordinance O-98-28 to account for user fees collected from property owners to maintain existing storm water facilities, meet federal requirements for storm water quality, and to build new drainage facilities. All activities necessary to provide such services are accounted for in this fund.

NON-MAJOR FUNDS

WATER ENTERPRISE FUND

The Lakewood Board of Water and Sewer Enterprise Fund was established as required by Chapter 13.04, Section 080 of the City of Lakewood Municipal Code, 1974 supplement, to account for water services provided to Lakewood residents on a user charge basis.

CITY OF LAKEWOOD, COLORADO
GOLF COURSE ENTERPRISE FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Charges for Services	\$ 5,169,366	\$ 5,169,366	\$ 4,879,402	\$ (289,964)
Investment Income	-	-	(1,822)	(1,822)
Total Revenues	5,169,366	5,169,366	4,877,580	(291,786)
EXPENDITURES				
Cost of Goods Sold	286,151	286,151	342,756	(56,605)
Personnel Services	2,853,165	2,818,344	2,781,879	36,465
Services and Supplies	961,014	961,014	1,212,160	(251,146)
Capital Outlay	125,000	125,000	313,613	(188,613)
Depreciation	242,632	242,632	253,898	(11,266)
Transfers Out	814,724	814,724	663,654	151,070
Total Expenditures	5,282,686	5,247,865	5,567,960	(320,095)
Change in Net Position, Budgetary Basis	<u>\$ (113,320)</u>	<u>\$ (78,499)</u>	(690,380)	<u>\$ (611,881)</u>
ADJUSTMENTS TO GAAP BASIS				
Capital Additions			172,566	
CHANGE IN NET POSITION, GAAP BASIS			(517,814)	
NET POSITION, Beginning of Year			9,133,149	
NET POSITION, End of Year			<u>\$ 8,615,335</u>	

See the accompanying Independent Auditor's Report.

CITY OF LAKEWOOD, COLORADO
SEWER ENTERPRISE FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Charges for Services	\$ 4,298,640	\$ 4,237,240	\$ 4,344,665	\$ 107,425
Investment Income	41,700	41,700	119,830	78,130
System Investment Fees	500,000	500,000	981,070	481,070
Total Revenues	4,840,340	4,778,940	5,445,565	666,625
EXPENDITURES				
Personnel Services	809,510	744,299	757,106	(12,807)
Services and Supplies	524,238	571,290	431,973	139,317
Sanitation Treatment	3,203,600	2,598,697	2,596,515	2,182
Capital Outlay	1,550,000	2,755,000	1,895,277	859,723
Depreciation	408,896	408,896	449,060	(40,164)
Total Expenditures	6,496,244	7,078,182	6,129,931	948,251
Change in Net Position, Budgetary Basis	\$ (1,655,904)	\$ (2,299,242)	(684,366)	\$ 1,614,876
ADJUSTMENTS TO GAAP BASIS				
Capital Additions			1,709,607	
CHANGE IN NET POSITION, GAAP BASIS			1,025,241	
NET POSITION, Beginning of Year			10,881,917	
NET POSITION, End of Year			\$ 11,907,158	

See the accompanying Independent Auditor's Report.

CITY OF LAKEWOOD, COLORADO
STORMWATER ENTERPRISE FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Charges for Services	\$ 4,853,965	\$ 4,950,000	\$ 4,954,558	\$ 4,558
Investment Income	24,500	24,500	117,580	93,080
Miscellaneous	35,000	35,000	16,035	(18,965)
Capital Contributions	-	-	1,132,694	1,132,694
Total Revenues	4,913,465	5,009,500	6,220,867	1,211,367
EXPENDITURES				
Personnel Services	1,435,821	1,436,201	1,235,639	200,562
Services and Supplies	1,022,981	997,031	862,992	134,039
Capital Outlay	3,000,000	4,272,549	1,848,872	2,423,677
Depreciation	479,562	500,000	542,079	(42,079)
Total Expenditures	5,938,364	7,205,781	4,489,582	2,716,199
Change in Net Position, Budgetary Basis	\$ (1,024,899)	\$ (2,196,281)	1,731,285	\$ 3,927,566
ADJUSTMENTS TO GAAP BASIS				
Capital Additions			1,848,810	
CHANGE IN NET POSITION, GAAP BASIS			3,580,095	
NET POSITION, Beginning of Year			18,115,422	
NET POSITION, End of Year			\$ 21,695,517	

See the accompanying Independent Auditor's Report.

CITY OF LAKEWOOD, COLORADO
WATER ENTERPRISE FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Charges for Services	\$ 1,150,200	\$ 1,150,200	\$ 1,067,937	\$ (82,263)
Investment Income	14,000	14,000	35,643	21,643
System Investment Fees	25,000	25,000	58,800	33,800
Total Revenues	1,189,200	1,189,200	1,162,380	(26,820)
EXPENDITURES				
Personnel Services	125,612	128,020	115,510	12,510
Services and Supplies	109,445	118,078	36,977	81,101
Water Purchased	875,000	900,000	912,024	(12,024)
Capital Outlay	200,000	1,550,000	335,890	1,214,110
Depreciation	48,732	48,732	27,919	20,813
Total Expenditures	1,358,789	2,744,830	1,428,320	1,316,510
Change in Net Position, Budgetary Basis	\$ (169,589)	\$ (1,555,630)	(265,940)	\$ 1,289,690
ADJUSTMENTS TO GAAP BASIS				
Capital Additions			285,358	
CHANGE IN NET POSITION, GAAP BASIS			19,418	
NET POSITION, Beginning of Year			2,342,091	
NET POSITION, End of Year			\$ 2,361,509	

See the accompanying Independent Auditor's Report.



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INTERNAL SERVICE FUNDS

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.

PROPERTY AND CASUALTY SELF-INSURANCE FUND

This fund was established by Ordinance for the purpose of paying premiums, claims, judgments, settlements, legal fees, and any other self-insurance related program expenses. The City has chosen to use large self-insured retentions/deductibles for its property and casualty insurance program through the municipal insurance pool.

WORKERS' COMPENSATION SELF-INSURANCE FUND

This fund was established by Ordinance for worker's compensation self-insurance purposes which include the payment of claims, administrative expenses, employee compensation, and funding a loss control program.

MEDICAL AND DENTAL SELF-INSURANCE FUND

This fund was established by Ordinance for employee medical and/or dental self-insurance purposes which include the payment of claims, administrative expenses, legal expenses and payment for prevention efforts. On April 1, 2010, the self-insurance program for medical claims was discontinued.

RETIREES' HEALTH PROGRAM FUND

The Retirees' Health Program Fund was established to account for all of the necessary activities of two benefit plans--the Benefit Trust Plan, a defined contribution retirement plan that distributes a lump sum amount to eligible employees upon retirement, and the Pre-Funded Health Care Plan which distributes a monthly payment to eligible employees upon retirement to supplement insurance premiums.

CITY OF LAKEWOOD, COLORADO
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
December 31, 2019

	Property and Casualty	Workers' Compensation	Medical and Dental	Retirees' Health	Total
ASSETS					
Cash and Investments	\$ 3,068,408	\$ 1,932,985	\$ 11,563,438	\$ 4,069,341	\$ 20,634,172
Accounts Receivable	-	-	125,397	-	125,397
Total Assets	<u>\$ 3,068,408</u>	<u>\$ 1,932,985</u>	<u>\$ 11,688,835</u>	<u>\$ 4,069,341</u>	<u>\$ 20,759,569</u>
LIABILITIES AND NET POSITION					
LIABILITIES					
Accounts Payable	\$ 198,460	\$ 50,162	\$ 52,326	\$ -	\$ 300,948
Accrued Liabilities	7,696	6,493	7,832	-	22,021
Retainage Payable	20,419	-	-	-	20,419
Claims Payable	957,191	1,182,497	427,611	-	2,567,299
Total Liabilities	<u>1,183,766</u>	<u>1,239,152</u>	<u>487,769</u>	<u>-</u>	<u>2,910,687</u>
NET POSITION					
Unrestricted	<u>1,884,642</u>	<u>693,833</u>	<u>11,201,066</u>	<u>4,069,341</u>	<u>17,848,882</u>
Total Net Position	<u>1,884,642</u>	<u>693,833</u>	<u>11,201,066</u>	<u>4,069,341</u>	<u>17,848,882</u>
Total Liabilities and Net Position	<u>\$ 3,068,408</u>	<u>\$ 1,932,985</u>	<u>\$ 11,688,835</u>	<u>\$ 4,069,341</u>	<u>\$ 20,759,569</u>

See the accompanying Independent Auditor's Report.

CITY OF LAKEWOOD, COLORADO
COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
Year Ended December 31, 2019

	Property and Casualty	Workers' Compensation	Medical and Dental	Retirees' Health	Total
OPERATING REVENUES					
Charges for Services	\$ 600,000	\$ 600,000	\$ 12,601,486	\$ 320,000	\$ 14,121,486
Miscellaneous	-	-	422,062	-	422,062
Total Revenues	600,000	600,000	13,023,548	320,000	14,543,548
OPERATING EXPENSES					
Personnel Services	197,360	157,365	256,728	11,752	623,205
Other Expenses	228,136	97,317	452,949	-	778,402
Claims	1,687,283	349,569	8,088,526	-	10,125,378
Premiums	580,289	123,810	1,960,991	38,673	2,703,763
Total Expenses	2,693,068	728,061	10,759,194	50,425	14,230,748
Operating Income (Loss)	(2,093,068)	(128,061)	2,264,354	269,575	312,800
NONOPERATING REVENUES					
Investment Income	54,863	27,529	199,120	65,252	346,764
Total Nonoperating Revenues	54,863	27,529	199,120	65,252	346,764
Income (Loss) Before Transfers	(2,038,205)	(100,532)	2,463,474	334,827	659,564
Transfers In	600,000	600,000	-	-	1,200,000
Transfers Out	-	-	(1,475,000)	-	(1,475,000)
Change in Net Position	(1,438,205)	499,468	988,474	334,827	384,564
NET POSITION, Beginning of Year	3,322,847	194,365	10,212,592	3,734,514	17,464,318
NET POSITION, End of Year	\$ 1,884,642	\$ 693,833	\$ 11,201,066	\$ 4,069,341	\$ 17,848,882

See the accompanying Independent Auditor's Report.

CITY OF LAKEWOOD, COLORADO
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
Year Ended December 31, 2019

	Property and Casualty	Workers' Compensation	Medical and Dental	Retirees' Health	Total
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash Received from Customers	\$ 600,000	\$ 600,000	\$ 12,564,076	\$ 320,000	\$ 14,084,076
Other Receipts	-	-	422,062	-	422,062
Cash Paid to Suppliers	(2,630,946)	(1,055,407)	(10,630,268)	(37,254)	(14,353,875)
Cash Paid to Employees	(198,423)	(158,549)	(255,737)	(15,260)	(627,969)
Net Cash Provided (Used) by Operating Activities	(2,229,369)	(613,956)	2,100,133	267,486	(475,706)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Receipts (Payments) from Other Funds	600,000	600,000	(1,475,000)	-	(275,000)
CASH FLOWS FROM INVESTING ACTIVITIES					
Investment Income	54,863	27,529	199,120	65,252	346,764
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(1,574,506)	13,573	824,253	332,738	(403,942)
CASH AND INVESTMENTS, Beginning of Year	4,642,914	1,919,412	10,739,185	3,736,603	21,038,114
CASH AND INVESTMENTS, End of Year	\$ 3,068,408	\$ 1,932,985	\$ 11,563,438	\$ 4,069,341	\$ 20,634,172
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES					
Operating Income (Loss)	\$ (2,093,068)	\$ (128,061)	\$ 2,264,354	\$ 269,575	\$ 312,800
Adjustments to Reconcile Operating Income to Net Cash Provided by (Used in) Operating Activities					
Accounts Receivable	-	-	(37,409)	-	(37,409)
Accounts Payable	149,267	41,981	52,176	(1,790)	241,634
Retainage Payable	20,419	-	-	-	20,419
Accrued Liabilities	1,063	1,183	990	(299)	2,937
Claims Payable	(307,050)	(529,059)	(179,978)	-	(1,016,087)
Net Cash Provided by (Used in) Operating Activities	<u>\$ (2,229,369)</u>	<u>\$ (613,956)</u>	<u>\$ 2,100,133</u>	<u>\$ 267,486</u>	<u>\$ (475,706)</u>

See the accompanying Independent Auditor's Report.

CITY OF LAKEWOOD, COLORADO
PROPERTY AND CASUALTY SELF-INSURANCE FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Charges for Services	\$ 600,000	\$ 600,000	\$ 600,000	\$ -
Investment Income	25,000	25,000	54,863	29,863
Miscellaneous	873,000	873,000	-	(873,000)
Total Revenues	1,498,000	1,498,000	654,863	(843,137)
EXPENDITURES				
Personnel Services	187,678	192,812	197,360	(4,548)
Other Expenses	287,500	287,500	228,136	59,364
Claims	640,000	3,574,021	1,687,283	1,886,738
Premiums	525,000	525,000	580,289	(55,289)
Total Expenditures	1,640,178	4,579,333	2,693,068	1,886,265
Loss Before Transfers	(142,178)	(3,081,333)	(2,038,205)	1,043,128
Transfers In	-	600,000	600,000	-
Change in Net Position	\$ (142,178)	\$ (2,481,333)	(1,438,205)	\$ 1,043,128
NET POSITION, Beginning of Year			3,322,847	
NET POSITION, End of Year			\$ 1,884,642	

See the accompanying Independent Auditor's Report.

CITY OF LAKEWOOD, COLORADO
WORKERS' COMPENSATION SELF-INSURANCE FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Charges for Services	\$ 600,000	\$ 600,000	\$ 600,000	\$ -
Investment Income	33,000	33,000	27,529	(5,471)
Total Revenues	633,000	633,000	627,529	(5,471)
EXPENDITURES				
Personnel Services	145,906	155,450	157,365	(1,915)
Other Expenses	142,500	142,500	97,317	45,183
Claims	800,000	800,000	349,569	450,431
Premiums	125,000	125,000	123,810	1,190
Capital Outlay	5,000	5,000	-	5,000
Total Expenditures	1,218,406	1,227,950	728,061	499,889
Loss Before Transfers	(585,406)	(594,950)	(100,532)	494,418
Transfers In	-	600,000	600,000	-
Change in Net Position	<u>\$ (585,406)</u>	<u>\$ 5,050</u>	499,468	<u>\$ 494,418</u>
NET POSITION, Beginning of Year			<u>194,365</u>	
NET POSITION, End of Year			<u><u>\$ 693,833</u></u>	

See the accompanying Independent Auditor's Report.

CITY OF LAKEWOOD, COLORADO
MEDICAL AND DENTAL SELF-INSURANCE FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Charges for Services	\$ 13,233,744	\$ 13,233,744	\$ 12,601,486	\$ (632,258)
Investment Income	20,000	20,000	199,120	179,120
Miscellaneous Revenue	50,000	50,000	422,062	372,062
Total Revenues	13,303,744	13,303,744	13,222,668	(81,076)
EXPENDITURES				
Personnel Services	271,880	273,204	256,728	16,476
Other Expenses	653,793	653,793	452,949	200,844
Claims	10,545,934	10,545,934	8,088,526	2,457,408
Premiums	1,880,000	1,880,000	1,960,991	(80,991)
Total Expenditures	13,351,607	13,352,931	10,759,194	2,593,737
Income Before Transfers	(47,863)	(49,187)	2,463,474	2,512,661
Transfers Out	-	(1,475,000)	(1,475,000)	-
Change in Net Position	\$ (47,863)	\$ (1,524,187)	988,474	\$ 2,512,661
NET POSITION, Beginning of Year			10,212,592	
NET POSITION, End of Year			\$ 11,201,066	

See the accompanying Independent Auditor's Report.

CITY OF LAKEWOOD, COLORADO
RETIREES' HEALTH PROGRAM FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Charges for Services	\$ -	\$ -	\$ 320,000	\$ 320,000
Investment Income	25,000	25,000	65,252	40,252
Total Revenues	25,000	25,000	385,252	360,252
EXPENDITURES				
Personnel Services	60,000	60,000	11,752	48,248
Premiums	160,000	160,000	38,673	121,327
Total Expenditures	220,000	220,000	50,425	169,575
Change in Net Position	<u>\$ (195,000)</u>	<u>\$ (195,000)</u>	334,827	<u>\$ 529,827</u>
NET POSITION, Beginning of Year			<u>3,734,514</u>	
NET POSITION, End of Year			<u>\$ 4,069,341</u>	

See the accompanying Independent Auditor's Report.

STATISTICAL SECTION

Statistical tables are used to provide a historical financial review. The various tables provide information, which is useful in analyzing the existing financial position of the City and identifying potential trends.

FINANCIAL TRENDS

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

REVENUE CAPACITY

These schedules contain information to help the reader assess the City's significant local revenue sources which are sales and use tax and property tax.

DEBT CAPACITY

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

DEMOGRAPHIC AND ECONOMIC INFORMATION

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

OPERATING INFORMATION

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 the City provides and the activities it performs.

CITY OF LAKEWOOD, COLORADO
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(Accrual basis of accounting)

	2010	2011	2012	2013
Governmental activities				
Net investment in capital assets	\$ 355,370,344	\$ 374,822,394	\$ 377,969,428	\$ 381,609,040
Restricted	27,618,110	27,439,596	31,757,394	37,533,053
Unrestricted	34,969,687	37,949,511	38,708,259	39,259,813
Total governmental activities net position	<u>\$ 417,958,141</u>	<u>\$ 440,211,501</u>	<u>\$ 448,435,081</u>	<u>\$ 458,401,906</u>
Business-type activities				
Net investment in capital assets	\$ 22,207,556	\$ 21,604,850	\$ 21,221,070	\$ 21,462,965
Unrestricted	7,138,873	7,478,723	7,890,750	7,933,903
Total business-type activities net position	<u>\$ 29,346,429</u>	<u>\$ 29,083,573</u>	<u>\$ 29,111,820</u>	<u>\$ 29,396,868</u>
Primary government				
Net investment in capital assets	\$ 377,577,900	\$ 396,427,244	\$ 399,190,498	\$ 403,072,005
Restricted	27,618,110	27,439,596	31,757,394	37,533,053
Unrestricted	42,108,560	45,428,234	46,599,009	47,193,716
Total primary government net position	<u>\$ 447,304,570</u>	<u>\$ 469,295,074</u>	<u>\$ 477,546,901</u>	<u>\$ 487,798,774</u>

⁽¹⁾ 2014 Government activities net position reflects a prior period adjustment of \$2,009,337 for the implementation of GASB 68, Accounting and Financial Reporting for Pensions

Source: City's Comprehensive Annual Financial Report

Schedule 1

2014	2015	2016	2017	2018	2019
\$ 384,728,358	\$ 389,207,761	\$ 401,018,598	\$ 406,147,538	\$ 422,135,173	\$ 441,082,405
41,479,996	49,133,274	53,564,615	60,771,877	71,071,769	77,041,106
39,214,362	37,736,590	37,663,933	37,827,320	35,836,599	39,996,577
<u>\$ 465,422,716 ⁽¹⁾</u>	<u>\$ 476,077,625</u>	<u>\$ 492,247,146</u>	<u>\$ 504,746,735</u>	<u>\$ 529,043,541</u>	<u>\$ 558,120,088</u>
\$ 22,356,764	\$ 21,781,809	\$ 21,592,444	\$ 22,033,747	\$ 23,432,371	\$ 27,308,451
8,710,594	9,969,049	13,199,417	15,281,306	17,040,208	17,271,068
<u>\$ 31,067,358</u>	<u>\$ 31,750,858</u>	<u>\$ 34,791,861</u>	<u>\$ 37,315,053</u>	<u>\$ 40,472,579</u>	<u>\$ 44,579,519</u>
\$ 407,085,122	\$ 410,989,570	\$ 422,611,042	\$ 428,181,285	\$ 445,567,544	\$ 468,390,856
41,479,996	49,133,274	53,564,615	60,771,877	71,071,769	77,041,106
47,924,956	47,705,639	50,863,350	53,108,626	52,876,807	57,267,645
<u>\$ 496,490,074</u>	<u>\$ 507,828,483</u>	<u>\$ 527,039,007</u>	<u>\$ 542,061,788</u>	<u>\$ 569,516,120</u>	<u>\$ 602,699,607</u>

CITY OF LAKEWOOD, COLORADO
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Accrual basis of accounting)

Expenses	2010	2011	2012	2013	2014
Governmental activities:					
General government	\$ 27,521,624	\$ 28,984,951	\$ 33,613,178	\$ 30,085,415	\$ 40,054,077
Public safety	48,255,341	49,551,448	49,079,213	50,635,595	52,596,221
Public works	17,757,345	17,576,101	14,035,937	18,528,117	12,744,230
Culture and recreation	18,956,880	18,470,341	18,124,914	18,724,863	18,829,506
Urban development and housing	12,132,169	13,439,978	12,714,594	12,811,514	11,923,053
Economic opportunity	1,618,911	2,000,883	1,893,704	1,886,174	2,066,087
Interest and fees on long-term debt	3,293,702	2,653,845	2,440,277	2,194,969	2,005,119
Total governmental activities expenses	129,535,972	132,677,547	131,901,817	134,866,647	140,218,293
Business-type activities:					
Golf course	3,767,166	3,698,979	3,743,788	3,747,277	4,036,918
Sewer	3,586,602	3,644,660	3,534,954	3,854,381	3,622,591
Stormwater	1,996,190	1,980,805	2,445,596	2,075,559	2,274,398
Water	858,582	936,057	959,538	951,787	963,402
Total business-type activities	10,208,540	10,260,501	10,683,876	10,629,004	10,897,309
Total primary government expenses	\$ 139,744,512	\$ 142,938,048	\$ 142,585,693	\$ 145,495,651	\$ 151,115,602
Program Revenues					
Governmental activities:					
Charges for services:					
General government	\$ 8,511,221	\$ 8,899,658	\$ 8,486,130	\$ 8,406,938	\$ 8,189,453
Public safety	4,341,434	4,059,494	4,453,197	4,867,400	6,150,066
Public works	516,036	519,188	522,223	523,838	527,951
Culture and recreation	4,641,418	4,871,635	5,078,856	5,342,330	5,529,773
Urban development and housing	1,043,989	1,012,283	1,019,828	1,458,204	1,502,026
Economic opportunity	1,003,175	880,778	829,573	856,895	982,199
Operating grants and contributions	13,590,239	12,563,105	13,124,320	11,210,485	12,285,903
Capital grants and contributions	16,801,801	24,134,258	7,710,450	8,404,044	7,205,953
Total governmental activities program revenues	50,449,313	56,940,399	41,224,577	41,070,134	42,373,324
Business-type activities:					
Charges for services:					
Golf course	4,247,555	4,112,309	4,450,040	4,339,298	4,648,585
Sewer	2,452,125	2,772,278	3,078,441	3,566,999	3,750,838
Stormwater	2,464,436	2,411,079	2,448,746	2,481,899	2,456,281
Water	971,854	1,027,047	1,100,546	1,102,484	1,131,155
Operating grants and contributions	660,205	112,321	--	--	--
Capital grants and contributions	--	--	--	--	1,157,091
Total business-type activities program revenues	10,796,175	10,435,034	11,077,773	11,490,680	13,143,950
Total primary government program revenues	\$ 61,245,488	\$ 67,375,433	\$ 52,302,350	\$ 52,560,814	\$ 55,517,274
Net (Expense)/Revenue					
Governmental activities	\$ (79,086,659)	\$ (75,737,148)	\$ (90,677,240)	\$ (93,796,513)	\$ (97,844,969)
Business-type activities	587,635	174,533	393,897	861,676	2,246,641
Total primary government net expense	\$ (78,499,024)	\$ (75,562,615)	\$ (90,283,343)	\$ (92,934,837)	\$ (95,598,328)
General Revenues and Other Changes in Net Position					
Governmental activities:					
Taxes:					
Property and specific ownership	\$ 16,254,126	\$ 15,767,447	\$ 14,825,086	\$ 15,516,166	\$ 15,715,606
Sales and use	66,963,692	69,498,098	72,476,177	77,387,186	83,208,721
Franchise & other	9,498,254	10,131,203	9,644,791	10,293,898	10,749,372
Grants and contributions not restricted to specific programs	373,052	552,273	364,123	357,990	349,592
Investment earnings	1,321,255	1,233,115	819,405	456,169	1,114,230
Miscellaneous	179,566	199,804	94,693	274,809	260,786
Transfers	1,066,479	608,568	676,545	754,485	676,928
TABOR Refund	--	--	--	(1,277,365)	(5,200,119)
Total governmental activities	95,656,424	97,990,508	98,900,820	103,763,338	106,875,116
Business-type activities:					
Investment earnings	214,837	136,869	99,831	84,841	81,317
Miscellaneous	60,610	34,310	211,064	93,016	19,460
Transfers	(1,066,479)	(608,568)	(676,545)	(754,485)	(676,928)
Total business-type activities	(791,032)	(437,389)	(365,650)	(576,628)	(576,151)
Total primary government	\$ 94,865,392	\$ 97,553,119	\$ 98,535,170	\$ 103,186,710	\$ 106,298,965
Change in Net Position					
Governmental activities	\$ 16,569,765	\$ 22,253,360	\$ 8,223,580	\$ 9,966,825	\$ 9,030,147
Business-type activities	(203,397)	(262,856)	28,247	285,048	1,670,490
Total primary government	\$ 16,366,368	\$ 21,990,504	\$ 8,251,827	\$ 10,251,873	\$ 10,700,637

Source: City's Comprehensive Annual Financial Report

Schedule 2

	2015	2016	2017	2018	2019
\$	38,309,285	\$ 33,523,638	\$ 33,364,806	\$ 46,008,217	\$ 39,927,557
	53,441,033	58,281,345	59,452,180	61,659,817	65,644,796
	13,573,693	12,204,246	17,930,662	11,010,780	3,831,135
	21,017,674	21,389,068	22,703,154	22,691,427	25,305,871
	10,616,107	11,528,561	10,284,829	12,347,347	17,229,186
	2,228,416	2,374,391	4,294,677	4,837,612	4,974,827
	1,879,178	1,614,934	1,378,589	1,196,617	1,107,604
	141,065,386	140,916,183	149,408,897	159,751,817	158,020,976
	4,099,274	4,149,108	4,423,571	4,499,986	4,731,740
	3,972,398	3,879,114	4,891,624	4,464,144	4,420,324
	2,219,674	2,387,282	2,317,783	2,683,444	2,640,772
	1,008,011	1,013,114	1,257,877	1,039,641	1,142,962
	11,299,357	11,428,618	12,890,855	12,687,215	12,935,798
\$	152,364,743	\$ 152,344,801	\$ 162,299,752	\$ 172,439,032	\$ 170,956,774
\$	7,414,938	\$ 7,275,623	\$ 8,750,573	\$ 8,142,753	\$ 7,786,478
	6,113,323	6,214,784	6,959,710	6,550,358	6,701,776
	536,287	510,462	557,247	548,695	559,256
	5,984,015	6,388,691	6,771,306	7,141,698	7,467,291
	984,407	1,025,298	1,187,163	1,173,191	1,145,567
	1,111,309	1,166,022	1,203,221	1,287,174	1,126,282
	12,693,115	13,961,253	15,243,100	14,312,975	16,051,999
	6,348,540	6,880,770	6,623,045	7,268,406	7,456,864
	41,185,934	43,422,903	47,295,365	46,425,250	48,295,513
	4,728,997	4,836,356	4,866,509	4,988,439	4,879,402
	4,046,357	3,927,807	4,155,404	4,244,838	4,344,665
	2,553,599	4,570,573	4,644,376	4,847,531	4,954,558
	1,135,710	1,113,591	1,167,275	1,151,744	1,067,937
	--	--	--	--	--
	89,300	528,230	1,006,100	1,007,510	2,172,564
	12,553,963	14,976,557	15,839,664	16,240,062	17,419,126
\$	53,739,897	\$ 58,399,460	\$ 63,135,029	\$ 62,665,312	\$ 65,714,639
\$	(99,879,452)	\$ (97,493,280)	\$ (102,113,532)	\$ (113,326,567)	\$ (109,725,463)
	1,254,606	3,547,939	2,948,809	3,552,847	4,483,328
\$	(98,624,846)	\$ (93,945,341)	\$ (99,164,723)	\$ (109,773,720)	\$ (105,242,135)
\$	15,413,513	\$ 16,630,365	\$ 17,528,452	\$ 21,200,905	\$ 22,941,102
	87,251,437	90,146,096	95,874,916	92,856,656	83,246,192
	10,228,753	11,128,813	11,360,718	11,310,808	23,177,857
	343,229	354,755	321,768	327,964	297,242
	1,007,841	436,653	1,326,433	1,707,727	4,800,751
	148,591	114,423	61,943	168,724	232,635
	676,647	675,630	675,395	685,148	663,654
	(4,535,650)	(5,823,934)	(12,536,504)	12,536,504	--
	110,534,361	113,662,801	114,613,121	140,794,436	135,359,433
	98,058	135,819	199,144	239,266	271,231
	7,483	32,875	50,634	50,561	16,035
	(676,647)	(675,630)	(675,395)	(685,148)	(663,654)
	(571,106)	(506,936)	(425,617)	(395,321)	(376,388)
\$	109,963,255	\$ 113,155,865	\$ 114,187,504	\$ 140,399,115	\$ 134,983,045
\$	10,654,909	\$ 16,169,521	\$ 12,499,589	\$ 27,467,869	\$ 25,633,970
	683,500	3,041,003	2,523,192	3,157,526	4,106,940
\$	11,338,409	\$ 19,210,524	\$ 15,022,781	\$ 30,625,395	\$ 29,740,910

CITY OF LAKEWOOD, COLORADO
FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	2010	2011	2012	2013	2014
General Fund					
Nondisposable	\$ 130,771	\$ 131,934	\$ 132,870	\$ 128,247	\$ 132,354
Restricted ⁽¹⁾	2,909,251	2,947,096	2,758,085	2,858,903	4,222,206
Unassigned ⁽²⁾	25,708,340	28,457,402	30,569,397	32,363,563	35,598,763
Total General Fund	28,748,362	31,536,432	33,460,352	35,350,713	39,953,323
All Other Governmental Funds					
Nondisposable	37,930	43,167	92,926	40,865	34,536
Restricted ⁽¹⁾	24,708,859	24,492,500	28,999,309	34,674,150	37,257,790
Assigned	5,421,171	4,990,085	4,098,451	4,233,647	4,528,092
Unassigned ⁽²⁾	(1,222,802)	(97,252)	-	(647,381)	(316,733)
Total all other governmental funds	28,945,158	29,428,500	33,190,686	38,301,281	41,503,685
Total all governmental funds	\$ 57,693,520	\$ 60,964,932	\$ 66,651,038	\$ 73,651,994	\$ 81,457,008

⁽¹⁾ For years prior to the implementation of Governmental Accounting Board Statement No. 54 in 2010, this portion of Fund Balance was classified as "Reserved"

⁽²⁾ For years prior to the implementation of Governmental Accounting Board Statement No. 54 in 2010, this portion of Fund Balance was classified as "Unreserved"

Source: City's Comprehensive Annual Financial Report

Schedule 3

2015	2016	2017	2018	2019
\$ 196,504	\$ 266,562	\$ 283,908	\$ 238,507	\$ 271,317
4,353,215	4,487,234	4,633,173	11,178,024	4,945,999
37,423,037	31,302,115	25,234,678	25,185,969	25,978,966
41,972,756	36,055,911	30,151,759	36,602,500	31,196,282
29,640	39,912	31,810	24,759	29,733
44,780,059	49,077,381	56,138,704	59,618,745	72,095,107
4,975,337	4,936,870	6,063,720	5,914,090	5,449,147
(605,812)	(779,253)	(132,095)	(329,803)	(327,462)
49,179,224	53,274,910	62,102,139	65,227,791	77,246,525
\$ 91,151,980	\$ 89,330,821	\$ 92,253,898	\$ 101,830,291	\$ 108,442,807

CITY OF LAKEWOOD, COLORADO
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	2010	2011	2012	2013	2014
Revenues					
Taxes	\$ 92,716,072	\$ 95,396,748	\$ 96,946,054	\$ 102,303,258	\$ 109,666,669
Licenses and permits	2,928,913	2,739,114	2,730,120	2,983,251	3,963,589
Charges for services	13,291,495	13,790,489	13,931,232	14,545,071	14,679,323
Fines and forfeitures	1,434,598	1,520,956	1,421,983	1,279,097	1,451,120
Intergovernmental	24,440,825	24,253,693	21,581,104	18,394,300	20,421,087
Investment income	980,571	1,183,228	643,893	313,481	990,636
Other revenues	1,749,388	1,687,758	1,732,361	3,197,967	2,352,414
TABOR refund	-	-	-	(1,277,365)	(5,200,119)
Total revenues	137,541,862	140,571,986	138,986,747	141,739,060	148,324,719
Expenditures					
General government	25,979,970	27,260,239	26,344,967	27,214,581	28,585,442
Public safety	46,265,464	46,813,867	46,978,050	48,328,891	50,594,496
Public works	8,432,446	8,429,542	7,734,198	7,939,452	8,495,828
Culture and recreation	16,193,360	16,001,967	16,611,826	16,360,324	17,188,004
Urban development and housing	1,807,275	1,693,439	2,231,645	2,336,376	2,265,819
Economic opportunity	1,940,597	1,954,508	1,845,956	1,841,430	2,021,343
Capital outlay	26,170,866	27,421,343	24,047,903	24,609,459	26,906,966
Debt service:					
Principal	5,460,559	5,700,059	5,753,704	4,685,816	4,142,565
Interest and fiscal charges	2,918,162	2,634,178	2,428,937	2,176,260	1,953,170
Total expenditures	135,168,699	137,909,142	133,977,186	135,492,589	142,153,633
Excess of revenues over (under) expenditures	2,373,163	2,662,844	5,009,561	6,246,471	6,171,086
Other Financing Sources (Uses)					
Proceeds from capital lease	-	-	-	-	957,000
Operating transfers in	8,472,578	8,574,090	10,781,107	13,326,455	10,267,501
Operating transfers out	(7,406,099)	(7,965,522)	(10,104,562)	(12,571,970)	(9,590,573)
Total other financing sources (uses)	1,066,479	608,568	676,545	754,485	1,633,928
Net change in fund balances	\$ 3,439,642	\$ 3,271,412	\$ 5,686,106	\$ 7,000,956	\$ 7,805,014
Debt service as a percentage of noncapital expenditures	6.7%	6.5%	6.4%	5.4%	4.6%

Source: City's Comprehensive Annual Financial Report

Schedule 4

2015	2016	2017	2018	2019
\$ 112,889,810	\$ 117,905,274	\$ 124,764,086	\$ 125,368,369	\$ 129,365,151
3,770,885	4,173,666	6,395,757	4,902,432	4,661,369
14,331,781	14,611,126	15,172,392	16,154,436	16,133,169
1,599,055	1,348,190	1,200,775	1,241,903	1,306,555
19,803,064	21,641,837	23,403,955	22,596,907	24,391,707
885,195	293,225	1,104,820	1,403,640	4,453,987
1,916,126	1,854,572	1,866,776	2,051,959	2,302,059
(4,535,650)	(5,823,934)	(12,536,504)	12,536,504	-
150,660,266	156,003,956	161,372,057	186,256,150	182,613,997
29,536,810	36,699,831	33,176,171	36,317,120	35,954,335
51,622,011	55,370,581	56,969,269	60,108,519	63,720,520
8,672,155	8,505,714	10,498,621	7,905,435	9,789,121
17,983,812	18,750,071	19,698,085	22,059,611	21,980,199
2,057,475	1,675,377	2,049,451	2,029,880	2,641,060
2,189,740	2,337,470	2,517,426	2,800,016	2,850,576
23,253,012	28,908,414	28,042,799	41,572,537	33,627,454
4,446,045	4,647,620	4,804,628	4,938,664	8,051,274
1,880,881	1,605,667	1,367,925	1,143,977	1,100,748
141,641,941	158,500,745	159,124,375	178,875,759	179,715,287
9,018,325	(2,496,789)	2,247,682	7,380,391	2,898,710
-	-	-	1,510,854	2,775,152
11,075,437	11,122,500	13,106,692	27,554,369	40,349,789
(10,398,790)	(10,446,870)	(12,431,297)	(26,869,221)	(39,411,135)
676,647	675,630	675,395	2,196,002	3,713,806
\$ 9,694,972	\$ (1,821,159)	\$ 2,923,077	\$ 9,576,393	\$ 6,612,516
4.8%	4.5%	4.2%	4.0%	6.3%

CITY OF LAKEWOOD, COLORADO
TAXABLE SALES BY CATEGORY
LAST TEN FISCAL YEARS

	2010	2011	2012	2013
Accommodation & Food Services	\$ 323,762,289	\$ 340,463,306	\$ 364,439,074	\$ 381,037,346
Ag, Forestry, Fishing, Hunting	62,337	74,539	46,562	93,382
Art, Entertainment, Recreation	25,395,341	25,246,985	25,898,217	27,101,908
Construction	10,296,417	9,073,635	9,314,144	11,315,064
Educational Services	1,387,456	1,296,435	1,181,081	985,425
Finance and Insurance	2,486,313	2,423,563	4,035,689	7,014,801
Health Care, Social Assistance	3,035,827	3,665,007	4,081,882	3,123,409
Information	165,939,044	163,375,015	173,416,615	180,179,637
Manufacturing	24,391,638	24,118,142	25,453,139	27,018,793
Mgmt of Companies, Enterprises	38,922	122,769	1,970	585
Mining	383,415	320,482	258,177	205,050
Miscellaneous/Random Filers	1,424,547	3,697,594	1,845,694	1,156,862
Other Services	44,779,044	46,330,263	53,935,536	62,713,986
Professional, Scientific, & Technical Svcs	8,488,654	8,835,276	10,586,606	11,243,515
Public Administration	161,980	185,719	148,100	112,297
Real Estate, Rental, Leasing	39,521,475	39,724,566	38,661,926	41,004,757
Retail Trade	1,104,655,929	1,165,383,682	1,221,944,170	1,286,882,574
Transportation & Warehousing	533,707	520,013	543,240	1,116,069
Utilities	148,519,760	148,584,305	140,996,599	152,930,446
Waste Mgmt & Remediation Services	8,042,171	9,344,269	7,918,685	8,269,879
Wholesale Trade	35,642,067	36,703,429	45,747,674	51,071,736
Total all categories	<u>\$ 1,948,948,333</u>	<u>\$ 2,029,488,994</u>	<u>\$ 2,130,454,780</u>	<u>\$ 2,254,577,521</u>
City direct sales tax rate ⁽¹⁾	3.0%	3.0%	3.0%	3.0%

⁽¹⁾ The City's sales tax rate may be increased only by a majority vote of the City's residents. Effective September 1, 2003, the City Council temporarily reduced the sales tax rate for the Belmar redevelopment area to 1%.

Source: City of Lakewood's Revenue System

Schedule 5

2014	2015	2016	2017	2018	2019
\$ 408,245,016	\$ 449,554,901	\$ 461,970,873	\$ 475,256,644	\$ 492,020,947	\$ 502,615,911
366,409	451,474	402,716	465,766	470,479	708,412
24,825,731	32,528,279	35,017,932	34,658,388	36,189,635	36,664,419
16,011,073	17,482,459	16,701,330	19,466,552	22,112,333	23,889,052
1,011,783	1,129,499	1,032,450	944,406	837,501	948,923
8,493,511	10,039,666	12,118,581	13,823,268	13,772,599	14,714,864
4,950,405	5,288,410	6,055,882	5,207,230	4,450,327	4,119,112
191,725,253	163,724,094	152,945,713	137,788,403	132,999,261	123,166,478
33,858,565	32,904,890	38,840,453	44,670,499	42,273,061	44,494,804
550,531	1,295	4,686	20,482	5,817	2,568
236,226	166,562	116,042	11,362	52,058	139,325
16,765	-	-	-	-	-
79,363,921	56,544,781	57,562,361	59,756,351	61,501,640	63,053,239
17,033,686	15,051,591	14,563,441	19,046,404	15,660,958	15,794,938
101,359	260,699	197,571	103,578	115,118	401,222
39,806,823	50,043,806	54,206,742	63,914,638	67,381,332	67,989,548
1,339,502,528	1,470,089,651	1,530,521,070	1,463,604,295	1,517,607,543	1,527,150,678
5,542,408	2,149,265	2,493,054	2,907,813	2,954,568	3,616,271
154,914,127	147,677,320	141,101,743	141,712,433	141,820,052	144,397,208
9,186,620	11,316,000	13,457,481	11,412,402	12,272,408	12,228,059
65,041,856	70,061,942	77,084,541	90,553,256	84,077,437	81,494,732
<u>\$ 2,400,784,596</u>	<u>\$ 2,536,466,584</u>	<u>\$ 2,616,394,662</u>	<u>\$ 2,585,324,170</u>	<u>\$ 2,648,575,074</u>	<u>\$ 2,667,589,763</u>
3.0%	3.0%	3.0%	3.0%	3.0%	3.0%

CITY OF LAKEWOOD, COLORADO
DIRECT AND OVERLAPPING GENERAL SALES AND USE TAX RATES
LAST TEN FISCAL YEARS

	2010	2011	2012	2013	2014
City direct rate ⁽¹⁾	3.00%	3.00%	3.00%	3.00%	3.00%
Overlapping rates:					
State of Colorado	2.90%	2.90%	2.90%	2.90%	2.90%
Jefferson County	0.50%	0.50%	0.50%	0.50%	0.50%
SE Jefferson County Road Improvement District ⁽²⁾	0.43%	0.43%	0.43%	0.43%	0.43%
Football Stadium District	0.10%	0.10%	0.00%	0.00%	0.00%
Scientific & Cultural Facilities District	0.10%	0.10%	0.10%	0.10%	0.10%
Regional Transportation District	1.00%	1.00%	1.00%	1.00%	1.00%

⁽¹⁾ The City's sales tax rate may be increased only by a majority vote of the City's residents. Effective September 1, 2003, the City Council temporarily reduced the sales tax rate for the Belmar redevelopment area to 1%.

⁽²⁾ This tax is applicable only to businesses located in the Marston Park and Belleview Shores shopping centers in southern Lakewood.

Source: City of Lakewood, Colorado Department of Revenue

Schedule 6

2015	2016	2017	2018	2019
3.00%	3.00%	3.00%	3.00%	3.00%
2.90%	2.90%	2.90%	2.90%	2.90%
0.50%	0.50%	0.50%	0.50%	0.50%
0.43%	0.43%	0.43%	0.43%	0.43%
0.00%	0.00%	0.00%	0.00%	0.00%
0.10%	0.10%	0.10%	0.10%	0.10%
1.00%	1.00%	1.00%	1.00%	1.00%



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CITY OF LAKEWOOD, COLORADO
PRINCIPAL SALES/USE TAXPAYERS, BY CATEGORY
CURRENT YEAR AND NINE YEARS AGO

Category of Taxpayer ⁽¹⁾	2019			2010		
			Percentage of			Percentage of
	Sales/Use		Total City	Sales/Use		Total City
	Taxes		Sales/Use Tax	Taxes		Sales/Use Tax
	Remitted	Rank	Revenues	Remitted	Rank	Revenues
Aggregated top ten filers						
Utility	\$ 5,478,408	1	6.58%	\$ 6,736,373	1	10.06%
Clothing, gifts, jewelry	4,693,592	2	5.64%	4,998,326	2	7.46%
Building materials	3,680,388	3	4.42%	814,402	4	1.22%
Electronic Shopping and Mail-Order Houses	1,982,190	4	2.38%			
Computers and software	1,870,595	5	2.25%	2,149,657	3	3.21%
Grocery store	1,558,967	6	1.87%			
Car dealerships						

⁽¹⁾ The City is legally prohibited from disclosing sales and use tax information for individual taxpayers. Therefore, the principal sales/use taxpayers have been identified by category to assist users in understanding the degree to which the City's primary source of revenue is concentrated.

Source: City of Lakewood's Revenue System

CITY OF LAKEWOOD, COLORADO
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS
(In thousands of dollars)

Levy Year	Taxable Real and Personal Property ⁽¹⁾					Total Taxable Assessed Value
	Residential Property	Commercial Property	Industrial Property	Vacant Land	Other Property ⁽²⁾	
2010	\$ 943,892,270	\$ 706,260,650	\$ 42,205,720	\$ 35,813,160	\$ 63,982,280	\$ 1,792,154,080
2011	902,126,911	660,647,705	41,302,769	34,993,494	65,689,257	1,704,760,136
2012	900,361,551	662,238,324	40,399,818	34,173,828	67,396,234	1,701,819,508
2013	924,221,737	668,484,522	38,940,473	34,295,409	65,389,484	1,731,331,625
2014	932,635,730	665,338,880	54,799,706	26,784,847	66,098,532	1,745,657,695
2015	1,161,769,824	700,450,293	41,677,085	37,091,662	66,145,873	2,007,134,737
2016	1,179,123,864	749,149,792 ⁽⁴⁾	5,846,743 ⁽⁴⁾	29,303,014	67,477,032	2,030,900,445
2017	1,330,678,157	930,934,068	9,359,339	32,196,861	68,940,987	2,372,109,412
2018	1,344,657,871	924,537,828	8,384,826	27,940,978	66,017,372	2,371,538,875
2019	1,557,979,183	1,024,942,495	10,023,057	32,068,638	68,181,371	2,693,194,744

⁽¹⁾ Property in Jefferson County is reassessed every two years (odd numbered year) and is based on the market value calculated as of January 1 of the preceding year. Jefferson County combines real and personal property values and does not provide information regarding tax exempt property by category.

⁽²⁾ "Other Property" includes natural resources, agricultural and state-assessed properties.

⁽³⁾ All property except residential is assessed at 29% of the estimated actual value. The residential assessment rate is established by the State Legislature every two years in order to maintain the tax burden balance between residential property and all other property, in accordance with the State Constitution, and its Gallagher Amendment.

⁽⁴⁾ The 2016 increase in commercial property and decrease in industrial property over (under) 2015 is primarily due to category coding changes by the Jefferson County Assessor, as a result of a computer (database program) replacement project at the County.

⁽⁵⁾ The City's revenues are limited by the Colorado Constitution and its Tax Payer's Bill of Rights (TABOR). To refund the revenues in excess of the limit, the City Council chose to temporarily reduce the City's mill levy for the years 2016, 2017, and 2018 (levy years 2015, 2016, and 2017).

Source: Jefferson County Assessor's Office

Schedule 8

Total Direct Tax Rate	Assessment Rates		Estimated Taxable Value	Assessed Value as a Percentage of Actual Value
	Residential	All		
		Other ⁽³⁾		
4.711	7.96%	29.00%	\$ 14,782,983,815	12.12%
4.711	7.96%	29.00%	14,100,953,427	12.09%
4.711	7.96%	29.00%	14,084,206,499	12.08%
4.711	7.96%	29.00%	14,393,963,387	12.03%
4.711	7.96%	29.00%	14,520,053,289	12.02%
2.031 ⁽⁵⁾	7.96%	29.00%	17,510,149,716	11.46%
2.392 ⁽⁵⁾	7.96%	29.00%	17,750,274,493	11.44%
2.148 ⁽⁵⁾	7.96%	29.00%	20,308,204,532	11.68%
4.711	7.96%	29.00%	20,433,655,801	11.61%
4.711	7.15%	29.00%	25,704,455,061	10.48%

CITY OF LAKEWOOD, COLORADO
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS
(Rate per \$1,000 of Assessed Value)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
CITY DIRECT RATE:										
Property Tax Operating Mill Levy	4.711	4.711	4.711	4.711	4.711	2.031	2.392	2.148	4.711	4.711
OVERLAPPING RATES:^{(1) (2)}										
Jefferson County	24.346	24.346	24.346	25.846	25.846	24.212	24.709	22.420	23.739	23.332
School District R-1	48.145	48.210	50.616	50.369	50.165	47.487	45.941	42.878	49.416	47.075
Alameda Corridor Bus. Improve. Dist.	5.720	5.720	5.720	5.720	5.720	5.720	5.720	5.720	5.720	5.720
Alameda Water & Sanitation District	7.000	7.000	7.000	7.000	7.000	7.000	7.000	7.000	7.000	7.000
Bancroft-Clover Water & Sanitation Dist.	1.746	1.746	1.746	1.746	1.746	1.628	1.633	1.442	1.454	1.295
Bear Creek Water & Sanitation District	4.535	4.416	4.425	4.420	4.425	3.820	3.745	3.860	4.030	3.745
Bennett Bear Creek Farms Water & San. Dist.	2.468	2.468	2.468	2.468	2.468	1.884	1.884	1.570	1.784	1.806
Bowles Metro District	40.000	40.000	42.000	42.000	42.000	42.000	42.000	42.000	42.000	42.000
Daniels Sanitation District	0.468	0.465	0.465	0.462	0.390	0.390	0.375	0.284	0.282	0.265
Denver West Metro District	36.000	35.000	35.000	35.000	35.000	35.000	35.000	35.000	35.000	35.000
Denver West Metro District Ex. 04	13.129	9.512	20.142	23.945	26.395	25.056	25.373	22.876	23.556	19.658
Denver West Metro District Ex. 14	N/A	N/A	N/A	N/A	29.431	27.931	28.068	26.179	27.682	23.091
Denver West Metro District Ex. 98	13.129	9.512	7.562	12.091	14.620	13.866	14.140	5.942	0.957	0.837
Denver West Promenade Metro District	N/A	N/A	60.000	60.000	60.000	60.000	60.000	60.000	60.000	60.000
East Jefferson County Sanitation District	1.167	1.141	1.141	1.115	1.115	0.914	0.914	0.744	0.744	0.679
East Lakewood Sanitation District	4.813	4.840	4.840	4.840	4.840	4.101	4.262	3.682	3.745	3.204
Foothills Rec & Park Sub A	7.579	7.464	7.527	7.559	7.551	7.237	7.191	9.671	9.691	9.539
Fossil Ridge Metro District No. 1	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	5.000	0.000
Fossil Ridge Metro District No. 2	30.000	30.000	30.000	30.000	38.500	40.000	40.000	43.668	37.668	43.668
Fossil Ridge Metro District No. 3	30.000	30.000	30.000	30.000	40.000	40.000	40.000	43.668	37.668	43.668
Highview Water District	0.198	0.189	0.189	0.183	0.183	0.158	0.152	0.139	0.139	0.135
Lakewood West Colfax Business Improve.	N/A	N/A	5.000	5.000	5.000	5.000	5.000	5.000	5.000	5.000
Lochmoor Water & Sanitation District	13.193	13.193	13.193	13.193	13.193	11.475	12.007	9.955	9.959	0.000
Mount Carbon Metro District	37.000	37.000	37.000	37.000	37.000	37.000	37.000	40.421	40.569	40.918
Mount Carbon Metro District Ex. 07	20.000	20.000	20.000	20.000	20.000	20.000	20.000	21.849	21.929	22.118
Mount Carbon Metro District Ex. 08	20.000	20.000	20.000	20.000	20.000	20.000	20.000	21.849	21.929	22.118
Northwest Lakewood Sanitation District	7.525	7.747	7.571	7.285	7.703	6.878	6.522	6.825	5.437	5.987
Plaza Metro District No. 2	25.000	25.000	25.000	25.000	25.000	25.000	25.000	25.000	25.000	25.000
Plaza Metro District No. 3	20.000	20.000	20.000	20.000	22.990	22.990	22.990	25.416	25.416	25.533
Pleasant View Metro District	7.000	7.000	7.000	7.000	7.000	7.000	7.000	7.000	7.000	7.000
Pleasant View Water & Sanitation District	0.552	0.552	0.552	0.552	0.552	0.552	0.552	0.552	0.552	0.552
Prospect Recreation & Park District	3.000	3.000	3.000	3.000	3.000	4.000	6.600	6.600	6.600	6.600
Section 14 Metro District	21.043	21.460	23.290	23.356	23.422	23.290	23.669	23.691	23.803	20.465
Section 14 Metro District Ex. 04	17.564	17.666	16.798	18.961	19.088	18.180	18.559	14.006	16.150	0.000
South Sheridan Water & Sanitation	7.896	7.896	7.896	7.896	7.896	7.896	5.748	6.314	6.700	7.896
Urban Drainage & Flood	0.508	0.523	0.599	0.608	0.632	0.553	0.559	0.500	0.726	0.097
Urban Drainage & Flood Control South Platte	0.061	0.053	0.058	0.064	0.068	0.058	0.061	0.057	0.094	0.900
West Metro Fire Protection District	13.662	13.784	13.739	13.632	13.595	13.550	13.394	13.219	13.732	13.268
Wheat Ridge Fire District	4.257	7.500	7.500	7.500	12.586	12.527	0.000	0.000	0.000	0.000 ⁽³⁾
Wheat Ridge Sanitation District	0.546	0.546	0.546	0.537	0.537	0.468	0.468	0.468	0.398	0.354

Note: The City's direct rate is for General Fund Operating and has no other individual components. The City's property tax rate may be increased only by a majority vote of the City's residents. The rate applies to the following year's payments. For example, the 2017 rate above applies to the property taxes levied in 2017 but paid in 2018. For the years 2015 through 2017, the City Council temporarily reduced the City's mill levy in order to refund revenues in excess of the limit imposed by the Colorado Constitution and the Taxpayer's Bill of Rights (TABOR).

⁽¹⁾ Overlapping rates are those of local and county governments that apply to property owners within the City of Lakewood. Not all overlapping rates apply to all Lakewood property owners; for example, although the county property tax rates apply to all Lakewood property owners, the Alameda Water and Sanitation District rates apply only to those Lakewood property owners whose property is located within that district's geographic boundaries.

⁽²⁾ The following entities overlap with the City of Lakewood but currently do not have a mill levy: Big Sky Metro District 1-7, Bonvue Water & Sanitation District, Grant Water & Sanitation District, Green Mountain Water & Sanitation District, Indiana Valley Metro District, Lakehurst Water & Sanitation District, Lena Gulch Metro District, Plaza Metro District 1, and Southwest Suburban Denver Water & Sanitation.

⁽³⁾ Wheat Ridge Fire District became part of West Metro Fire Protection District at the end of 2016.

Source: Jefferson County Assessor's Office

**CITY OF LAKEWOOD, COLORADO
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO**

Taxpayer	2019			2010		
	Taxable Assessed Value	Rank	Percentage of Total City Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Assessed Value
Belmar Commercial Owner LP ⁽¹⁾	\$ 44,860,926	1	1.89%	\$ 28,521,760	2	1.59%
Public Service Co of Colorado	41,391,222	2	1.74%	25,048,410	3	1.40%
Colorado Mills Mall LP	36,506,219	3	1.54%	33,353,600	1	1.86%
Terumo BCT Inc ⁽²⁾	29,179,337	4	1.23%			
Lakewood MOB LLC	22,048,929	8	0.93%			
Qwest Corp.	17,040,100	5	0.72%	24,938,500	4	1.39%
Lakewood City Commons LP	11,852,436	6	0.50%	12,568,460	5	0.70%
BR CWS Lakewood LLC	8,786,123	7	0.37%			
Wal Mart Real Estate Business Trust	8,183,317	9	0.34%			
Target Corporation	7,784,299	10	0.33%			
The Section 14 Development Company				11,372,930	6	0.63%
Denver West Village LP ⁽³⁾				11,358,320	7	0.63%
Carma Lakewood LLC				8,548,150	8	0.48%
Centro Westland LLC				7,268,390	9	0.41%
HUB Properties Trust ⁽⁴⁾				7,244,490	10	0.40%

⁽¹⁾ Belmar Commercial Owner LP formerly Belmar Mainstreet Holdings I LLC, formerly Belmar I, LLC

⁽²⁾ Terumo BCT was formerly known as Caridian BCT formerly known as Gambro

⁽³⁾ Denver West Village LP formerly Denver West Mills LP formerly DW Village, LLC

⁽⁴⁾ HUB Properties Trust formerly HUB Acquisition Trust

Source: Jefferson County Assessor's Office

CITY OF LAKEWOOD, COLORADO
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

Levy Year	Year Collected	Taxes Levied for Collection (from abstract)	Amount Collected by the City	Percentage of Levy	Mill Levy	TABOR Refund ⁽¹⁾	Total Property Tax Revenue
2009	2010	\$ 8,260,372	\$ 8,039,443	97.33%	4.711	-	\$ 8,039,443
2010	2011	8,128,249	7,986,944	98.26%	4.711	-	7,986,944
2011	2012	7,739,528	7,573,830	97.86%	4.711	-	7,573,830
2012	2013	7,713,072	7,601,278	98.55%	4.711	-	7,601,278
2013	2014	7,852,912	7,715,595	98.25%	4.711	-	7,715,595
2014	2015	7,933,999	7,737,330	97.52%	4.711	-	7,737,330
2015	2016	3,941,301 ⁽¹⁾	3,952,039 ⁽¹⁾	100.27%	2.031	5,200,119	9,152,158
2016	2017	4,679,870 ⁽¹⁾	4,614,865 ⁽¹⁾	98.61%	2.392	4,535,650	9,150,515
2017	2018	4,882,439 ⁽¹⁾	4,775,902 ⁽¹⁾	97.82%	2.148	5,823,934	10,599,836
2018	2019	10,689,230	10,529,868	98.51%	4.711		10,529,868

Note: Includes City of Lakewood property taxes only. Jefferson County is the collection agent for the City of Lakewood and does not provide data indicating to which levy year delinquent tax collections relate. Since the tax collection data isn't provided and is not under the control of the City, statistical information can not be provided regarding collections in subsequent years and total collections to date. Typically less than 3% of the total taxes levied each year are delinquent and delinquent taxes collected each year are less than 1/2%.

⁽¹⁾ The City's revenues are limited by the Colorado Constitution and its Tax Payer's Bill of Rights (TABOR). To refund the revenues in excess of the limit, the City Council has chosen to temporarily reduce the City's mill levy for the years 2015, 2016, and 2017; resulting in a refund in 2016, 2017, and 2018.

Sources: Jefferson County Assessor's Office, City's Comprehensive Annual Financial Report

CITY OF LAKEWOOD, COLORADO
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(In thousands of dollars)

Fiscal Year	Governmental Activities					Business Activities	Total Primary Government Debt	Debt as a Percentage of Personal Income ⁽¹⁾	Debt Per Capita ⁽¹⁾
	Sales and Use Tax Revenue Bonds	Certificates of Participation	Capital Leases	Grant/ Program Revenue Notes	Total Governmental Activities Debt	Capital Leases			
2010	\$ 2,565,000	\$ 49,166,413	\$ 3,418,711	\$ 5,836,030	\$ 60,986,154	\$ 167,744	\$ 61,153,898	1.51%	427
2011	1,300,000	45,275,771	3,107,563	5,472,119	55,155,453	119,191	55,274,644	1.32%	382
2012	-	41,220,129	2,905,926	5,145,052	49,271,107	67,413	49,338,520	1.16%	338
2013	-	36,999,487	2,689,857	4,765,305	44,454,649	-	44,454,649	0.98%	302
2014	-	33,323,846	3,415,224	4,399,373	41,138,443	-	41,138,443	0.86%	276
2015	-	29,493,205	3,089,320	3,979,232	36,561,757	-	36,561,757	0.73%	241
2016	-	25,507,564	2,741,723	3,534,209	31,783,496	-	31,783,496	0.61%	207
2017	-	21,351,923	2,369,543	3,126,761	26,848,227	-	26,848,227	0.50%	174
2018	-	17,001,282	3,684,415	2,604,079	23,289,776	-	23,289,776	0.41%	149
2019	-	12,465,641	3,444,251	1,973,121	17,883,013	-	17,883,013	0.29%	114

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

⁽¹⁾ See Schedule 16 for personal income and population data.

Source: City's Comprehensive Annual Financial Report

CITY OF LAKEWOOD, COLORADO
RATIOS OF GENERAL BONDED DEBT OUTSTANDING AND LEGAL DEBT MARGIN
LAST TEN FISCAL YEARS

	2010	2011	2012	2013	2014
General bonded debt outstanding:					
General obligation bonds ⁽¹⁾	\$ --	\$ --	\$ --	\$ --	\$ --
Percentage of estimated actual property value ⁽²⁾	0.00%	0.00%	0.00%	0.00%	0.00%
Per capita ⁽³⁾	\$ --	\$ --	\$ --	\$ --	\$ --
Legal debt limit ⁽⁴⁾	\$ 443,489,514	\$ 423,028,603	\$ 422,526,195	\$ 431,818,902	\$ 435,601,599
Legal debt margin ⁽⁵⁾	\$ 443,489,514	\$ 423,028,603	\$ 422,526,195	\$ 431,818,902	\$ 435,601,599
Legal debt margin as a percentage of the debt limit	100.00%	100.00%	100.00%	100.00%	100.00%

⁽¹⁾ No amounts have been restricted to the repayment of the principal of these general obligation bonds.

⁽²⁾ Property value data can be found in Schedule 8, Assessed Value and Actual Value of Taxable Property.

⁽³⁾ Population data can be found in Schedule 16, Economic and Demographic Indicators.

⁽⁴⁾ State statutes limit the City's outstanding general debt to no more than 3% of the estimated actual property value.

⁽⁵⁾ The legal debt margin is the City's available borrowing authority under state statutes and is calculated by subtracting the net debt applicable to the legal debt limit (general obligation debt) from the legal debt limit.

Source: City's Comprehensive Annual Financial Report

Schedule 13

2015		2016		2017		2018		2019	
\$	--	\$	--	\$	--	\$	--	\$	--
	0.00%		0.00%		0.00%		0.00%		0.00%
\$	--	\$	--	\$	--	\$	--	\$	--
\$	525,304,491	\$	532,508,235	\$	609,246,136	\$	613,009,674	\$	613,009,674
\$	525,304,491	\$	532,508,235	\$	609,246,136	\$	613,009,674	\$	613,009,674
	100.00%		100.00%		100.00%		100.00%		100.00%

CITY OF LAKEWOOD, COLORADO
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2019

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Debt repaid with property taxes:			
Bowles Metropolitan District	\$ 18,695,000	43.32%	\$ 8,098,674
Denver West Metropolitan District	43,232,886	80.11%	34,633,865
Denver West Metropolitan District EX 04	1,146,096	94.81%	1,086,614
Denver West Metropolitan District EX 14	1,321,961	97.50%	1,288,912
Denver West Metropolitan District EX 98	54,057	0.00%	-
Denver West Promenade Metro District	4,910,000	98.77%	4,849,607
Fossil Ridge Metropolitan District 1	7,960,000	98.97%	7,878,012
Fossil Ridge Metropolitan District 3	19,955,000	98.93%	19,741,482
Jefferson County	17,800,000	24.41%	4,344,980
Jefferson County R-1 School District	613,465,000	24.41%	149,746,807
Mount Carbon Metropolitan District	15,080,000	100.00%	15,080,000
Prospect Recreation and Park District	8,050,000	20.56%	1,655,080
Sheridan Station West Metropolitan District	3,625,000	99.25%	3,597,813
West Metro Fire Protection District	21,465,000	55.71%	11,958,152
Other debt:			
Indiana Valley Metropolitan District	39,150,000	99.50%	38,954,250
Jefferson County	52,377,116	24.41%	12,785,254
Jefferson County R-1 School District	61,080,000	24.41%	14,909,628
Plaza Metropolitan District	69,725,000	100.00%	69,725,000
Pleasant View Water & Sanitation District	340,025	52.99%	180,179
Section 14 Metropolitan District	184,488	33.47%	61,748
West Metro Fire Protection District	956,143	55.71%	532,667
Subtotal, overlapping debt	1,000,572,772		401,108,724
City direct debt	17,883,013	100.00%	17,883,013
Total direct and overlapping debt	\$ 1,018,455,785		\$ 418,991,737

Note: Overlapping governments are those that impose property taxes that coincide, at least in part, with geographic boundaries of the City of Lakewood (the City). This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the property taxpayers of the City. The estimated percentage applicable is calculated using an estimated assessed value located within the City divided by the total Assessed Valuation of each area as provided by Jefferson County. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the property taxpayers should be taken into account.

Sources: Debt outstanding provided by each governmental unit

Assessed values used to determine percentage provided by Jefferson County Assessor's Office

CITY OF LAKEWOOD, COLORADO
PLEDGED REVENUE COVERAGE
LAST TEN FISCAL YEARS

Lakewood Reinvestment Authority (LRA)						
LRA Station Betterments Loan						
Fiscal Year	LRA Sales & Property Tax		Required Debt Service		Total	Coverage
	Revenues	Principal ⁽¹⁾	Interest			
2010	\$ 408,069	\$ 72,729	\$ 177,805	\$ 250,534	1.63	
2011	298,136	85,911	164,050	249,961	1.19	
2012	296,813	70,510	169,661	240,171	1.24	
2013	396,576	88,079	124,769	212,848	1.86	
2014	633,932	95,390	117,458	212,848	2.98	
2015	700,652	101,141	111,707	212,848	3.29	
2016	783,970	133,127	79,721	212,848	3.68	
2017	803,428	113,448	67,707	181,155	4.44	
2018	745,127	117,682	63,472	181,154	4.11	
2019	1,000,528	129,803	51,351	181,154	5.52	

⁽¹⁾ The principal payments above are the required principal payments per year. However, the Authority Board chose to make additional principal payments as outlined below:

2010	\$ 150,000
2011	50,000
2012	18,557
2013	43,668
2014	12,542
2015	50,000
2016	32,896
2017	-
2018	100,000
2019	181,155

Note: In 2019, the 2008 LRA loan was paid off and a new loan was recorded for the same amount.
Only the amounts paid through normal debt service are included above.

Source: City's Comprehensive Annual Financial Report

CITY OF LAKEWOOD, COLORADO
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS

Fiscal Year	Population ⁽¹⁾	Personal Income ⁽²⁾	Per Capita Personal Income ⁽²⁾	Median Age ⁽³⁾	Education Level in Years of Schooling ⁽⁴⁾	K-12 School Enrollment ⁽⁵⁾	Unemployment Rate (%) ⁽⁶⁾
2010	143,310	\$ 4,042,918,410	\$ 28,211	40	13.8	21,191	8.4
2011	144,599	4,201,757,742	29,058	39	13.9	21,170	8.7
2012	145,876	4,235,509,660	29,035	39	14.0	20,812	7.9
2013	147,290	4,524,748,800	30,720	39	14.0	21,266	6.7
2014	149,319	4,795,827,642	32,118	39	14.0	21,083	5.1
2015	151,934	4,975,230,764	32,746	38	14.0	20,944	3.9
2016	153,775	5,232,655,700	34,028	38	14.1	20,768	3.2
2017	154,689	5,373,277,104	34,736	38	14.1	19,902	2.6
2018	156,493	5,707,925,682	36,474	39	14.1	19,715	3.1
2019	157,469	6,150,266,733	39,057	39	14.2	21,764	2.8

Sources for the data are listed below:

⁽¹⁾ Colorado Division of Local Government, State Demography Office - latest fiscal year is always an estimate

⁽²⁾ Lakewood Finance Department estimate using data from the U.S. Census Bureau and Bureau of Economic Analysis

⁽³⁾ U.S. Census Bureau

⁽⁴⁾ Lakewood Finance Department estimate using data from the U.S. Census Bureau, American Fact Finder, American Community Survey 5 year - for 2019 used 2013-2017

⁽⁵⁾ Colorado Department of Education

⁽⁶⁾ U.S. Department of Labor, Bureau of Labor Statistics

CITY OF LAKEWOOD, COLORADO
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO

Employer	2018			2009		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Denver Federal Center	8,000	1	9.70%	6,200	1	8.09%
Jefferson County R-1 School District	3,510	2	4.25%	3,637	2	4.75%
Terumo BCT ⁽¹⁾	2,400	3	2.91%	1,634	3	2.13%
St. Anthony Medical Campus	2,200	4	2.67%			
State of Colorado (various departments)	1,823	5	2.21%			
First Bank	1,332	6	1.61%	723	8	0.94%
Home Advisor ⁽²⁾	1,100	7	1.33%	798	6	1.04%
City of Lakewood	871	8	1.06%	865	5	1.13%
Colorado Christian University	456	9	0.55%			
West Metro Fire Protection and Rescue	405	10	0.49%			
The Integer Group				580	10	0.76%
MoneyGram International				875	4	1.14%
Lockheed Martin-Orion Project Offices ⁽³⁾				650	9	0.85%
National Renewable Energy Laboratory ⁽³⁾				774	7	1.01%

⁽¹⁾ Terumo BCT was formerly known as Caridian BCT formerly known as Gambro

⁽²⁾ Home Advisor was formerly known as Service Magic

⁽³⁾ Offices in Lakewood

Note: Due to COVID-19, information was not available for 2019.

Sources: City of Lakewood Economic Development Division
American Fact Finder (U.S. Census Bureau) for total employed

CITY OF LAKEWOOD, COLORADO
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY DEPARTMENT
LAST TEN FISCAL YEARS

Department	December 31, 2010	December 31, 2011	December 31, 2012	December 31, 2013	December 31, 2014
Mayor and City Council	0.54	-	-	-	-
City Manager's Office	15.85	16.37	15.65	19.12	18.46
City Attorney's Office	10.56	10.70	10.75	10.80	10.07
City Clerk's Office	7.68	8.73	7.78	8.91	8.99
Lakewood Reinvestment Authority	0.94	1.07	1.13	1.13	1.13
Community Resources	175.36	174.48	170.99	167.44	192.58
Employee Relations	13.49	13.67	13.71	13.29	14.36
Finance	32.73	29.57	27.87	28.74	32.09
Information Technology	27.17	26.60	26.09	25.52	26.25
Municipal Court	26.98	26.38	29.81	30.00	30.27
Planning	12.67	14.15	14.79	15.44	15.91
Police	412.59	411.11	390.93	403.87	409.38
Public Works	112.34	112.24	113.87	110.96	113.40
Total	848.90	845.07	823.37	835.22	872.89

Note: The numbers above reflect actual hours worked from the City's financial payroll data. They do not reflect the City's authorized or vacant positions.

Source: The City of Lakewood's Payroll System

Schedule 18

December 31, 2015	December 31, 2016	December 31, 2017	December 31, 2018	December 31, 2019
-	-	-	-	-
17.68	19.22	18.14	19.43	18.88
10.68	10.77	10.93	10.75	10.28
8.11	8.11	9.29	9.96	8.55
0.43	0.10	0.34	0.26	0.25
191.87	191.67	199.83	203.35	204.04
13.29	12.68	14.41	14.89	14.77
32.75	32.40	30.60	31.85	30.08
27.37	28.60	30.01	29.97	31.64
30.57	30.34	30.33	31.49	31.17
16.99	17.21	16.36	16.65	15.67
406.10	407.00	412.49	391.55	399.59
113.23	114.08	116.53	118.60	121.14
869.07	872.18	889.26	878.75	886.06

CITY OF LAKEWOOD, COLORADO
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

Function/Program	December 31, 2010	December 31, 2011	December 31, 2012	December 31, 2013	December 31, 2014
Building Department					
Permits ⁽¹⁾ issued:					
Building	1,447	1,434	1,610	1,915	2,175
Other (electrical, plumbing, (mechanical, sign, miscellaneous)	10,687	10,914	7,943	7,141	9,131
Municipal Court					
Cases received	19,336	20,780	17,849	18,228	19,519
Public Safety					
Physical arrests	5,738	5,557	5,129	5,262	5,625
Parking violations	2,297	1,952	1,916	2,260	2,093
Traffic violations	18,288	19,797	15,805	16,446	14,382
Public Works					
Highways and Streets					
Street resurfacing (miles)	43.00	47.00	46.00	54.60	55.04
Potholes repaired	800-1,000	800-1,000	800-1,000	800-1,000	900-1,000
Water					
New connections/accounts ⁽²⁾	0	1	0	8	0
Average daily consumption (gallons)	610,989	585,800	586,795	547,351	540,556
Sewer					
New connections/accounts ⁽²⁾	6	4	5	12	13
Average daily treatment (gallons)	3,188,329	2,827,589	2,496,685	2,536,493	2,691,397
Culture and Recreation					
Rounds of golf (two courses)	96,533	93,157	102,126	98,205	102,553
Cultural admissions (paid and unpaid)	127,888	138,587	130,716	139,655	171,093

Note: Indicators are not available for the general government function except as indicated above for the Building Department and Municipal Court.

⁽¹⁾ The increases in permits for 2010, 2011 and 2017 were due to a large number of re-roofing and re-siding permits after major hailstorms in 2010, and 2017.

⁽²⁾ In 2019, the City changed the indicator from new connections to new accounts as that more accurately reflects the City's customer growth.

Source: City of Lakewood Public Works Department, Municipal Court, Police Department, and Community Resources Department

Schedule 19

December 31, 2015	December 31, 2016	December 31, 2017	December 31, 2018	December 31, 2019
2,322	2,303	2,910	2,578	1,847
9,621	9,891	22,310	12,838	10,014
19,858	17,662	16,937	16,966	17,366
5,560	5,688	5,978	6,253	4,729
2,942	3,420	3,642	3,331	3,722
12,882	11,874	11,550	11,974	8,915
62.30	60.00	62.54	71.65	74.86
1,800-2,000	2,186	521	500	1,800
25	12	20	8	22
534,833	534,833	530,564	522,090	565,710
10	8	10	-	29
3,094,274	2,823,890	2,614,767	2,531,973	2,633,836
103,979	104,791	103,351	100,212	97,770
177,043	186,072	200,319	206,738	217,944

CITY OF LAKEWOOD, COLORADO
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

Function/Program	December 31, 2010	December 31, 2011	December 31, 2012	December 31, 2013	December 31, 2014
General Government					
Area (square miles)	44.022	44.022	44.022	44.210	44.210
Public Safety					
Number of police stations	2	2	2	2	2
Public Works					
Highways and Streets					
Streets (miles)	547	540	542	543	543
Streetlights	7,899	7,869	7,827	7,823	7,812
Traffic signals	199	199	200	200	201
Water					
Number of taps/accounts ⁽³⁾	730	731	731	739	739
Water mains (miles)	14	14	14	14	14
Sewer					
Number of taps/accounts ⁽³⁾	6,864	6,868	6,873	6,870	6,890
Sewer mains (miles)	106	106	106	106	106
Stormwater					
Stormwater mains (miles)	228	228	228	228	228
Culture and Recreation					
Number of parks	99	98	99	99	99
Park acreage	7,162	7,152	7,163	7,163	7,163
Playgrounds	74	76	76	76	76
Athletic fields ^{(1) (2)}	57	57	57	56	56
Tennis courts	37	36	36	34	34
Basketball courts (outdoor)	32	32	32	32	32
Recreation centers	4	4	4	4	4
Outdoor swimming pools	3	3	3	3	3
Cultural centers	3	3	3	3	3
Golf courses	2	2	2	2	2

⁽¹⁾ Prior to 2017 The City reported the number of parks that contained playgrounds. Reporting has changed to include the number of playgrounds contained in those 58 parks.

⁽²⁾ Athletic fields include baseball/softball diamonds and football/soccer fields. Some of the fields are multi-use depending on the season.

⁽³⁾ In 2019, the City changed the indicator from number of taps to number of accounts to more accurately reflects the City's customer base.

Source: City of Lakewood Property Management Division, Public Works Department, and Community Resources Department

Schedule 20

December 31, 2015	December 31, 2016	December 31, 2017	December 31, 2018	December 31, 2019
44.210	44.210	44.210	44.210	44.660
2	2	2	2	2
543	543	543	543	537
7,868	7,878	7,909	8,000	8,015
201	201	198	198	198
764	791	811	820	820
23	23	13	13	13
6,900	6,879	6,889	6,888	6,888
133	133	107	107	107
325	325	200	200	200
99	99	101	104	110
7,163	7,163	7,181	7,240	7,240
76	76	76	76	76
56	56	56	56	56
34	34	34	34	34
32	32	32	33	21
4	4	4	4	4
3	3	3	3	3
3	3	3	3	3
2	2	2	2	2



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COMPLIANCE SECTION

SINGLE AUDIT

Schedule of Expenditures of Federal Awards, which is required for all state and local governments with more than \$750,000 of federal expenditures.

OTHER REPORTS

Local Highway Finance Report, which is an annual statement of receipts and expenditures required to be submitted annually to the Colorado Department of Transportation as part of the mileage certification process.



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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*

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Lakewood, Colorado (the "City"), as of and for the year ended December 31, 2019, 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 29, 2020.

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) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

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

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

Compliance and Other Matters

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

**Purpose of this Report**

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

ACM LLP

Greeley, Colorado
June 29, 2020



Independent Auditor's Report on Compliance For Each Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance

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

Report on Compliance for Each Major Federal Program

We have audited the City of Lakewood, Colorado's (the "City") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended December 31, 2019. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on Each Major Federal Program

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2019.



Report on Internal Control over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's 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 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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.

ACM LLP

Greeley, Colorado
June 29, 2020

CITY OF LAKEWOOD, COLORADO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended December 31, 2019

Section I - Summary of Auditor's Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? _____ Yes X No
- Significant deficiency(ies) identified? _____ Yes X None Reported

Noncompliance material to financial statements noted? _____ Yes X No

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified? _____ Yes X No
- Significant deficiency(ies) identified? _____ Yes X 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 2 CFR 200.516(a)? _____ Yes X No

Identification of major federal programs:

<u>CFDA/Contract Number</u>	<u>Name of Federal Program or Cluster</u>
14.218	Community Development Block Grant

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

Auditee qualified as low-risk auditee? X Yes _____ No

CITY OF LAKEWOOD, COLORADO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended December 31, 2019

Section II – Financial Statement Findings

None.

Section III – Federal Award Findings and Questioned Costs

None.

Section IV – Status of Prior Year Findings

There were no findings in the prior year that were required to be reported.

CITY OF LAKEWOOD, COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended December 31, 2019

Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Pass Through Entity Identifying Number	Federal Expenditures	Passed Through to Subrecipients
U.S. Department of Housing and Urban Development				
Community Development Block Grant	14.218	N/A	\$ 979,909	\$ 202,680
U.S. Department of Justice				
Edward Byrne Memorial Justice Assistance Grant	16.738	N/A	139,807	
Passed through Colorado Department of Public Safety				
Crime Victim Assistance	16.575	2018-VA-19-034-01	3,758	
Passed through City of Colorado Springs				
Missing Children's Assistance	16.543	2018-MC-FX-K027	10,436	
Total U.S. Department of Justice			<u>154,001</u>	
U.S. Department of Health and Human Services				
Head Start	93.600	N/A	<u>1,325,865</u>	
U.S. Department of Agriculture				
Passed through Colorado Department of Public Health and Environment				
Child and Adult Care Food Program	10.558	16-788659	<u>91,152</u>	
U.S. Department of Transportation				
Passed through Colorado Department of Transportation				
		TAP M760-044		
		ACQ M760-039		
Highway Planning and Construction	20.205	STA M760-042	290,902	
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	2018-19-CMAQ	83,664	
State and Community Highway Safety	20.600	19NHTSA405B.61	43,842	
Alcohol Impaired Driving Countermeasures Incentive Grants	20.601	ST 438-438	22,284	
		MAP-21 Program		
		Section 405C		
National Priority Safety Programs	20.616	19-HAA-ZL-00156	<u>46,567</u>	
Total U.S. Department of Transportation			<u>487,259</u>	
U.S. Department of Homeland Security				
Passed through Colorado Department of Local Affairs				
Emergency Management Performance Grants	97.042	19EM-20-68	<u>50,000</u>	
Executive Office of the President				
High Intensity Drug Trafficking Areas Program (HIDTA)	95.001	G19RM0025A	<u>213,942</u>	
National Endowment for the Humanities				
Passed through Western States Arts Federation				
Promotion of the Arts Partnership Agreements	45.025	TW201600105	<u>14,026</u>	
Total Expenditures of Federal Awards			<u>\$ 3,316,154</u>	<u>\$ 202,680</u>

See the accompanying Independent Auditor's Report.



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CITY OF LAKEWOOD, COLORADO
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended December 31, 2019

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards is presented in accordance with the requirements of OMB's *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, using the accrual basis of accounting. Therefore, some amounts presented in this schedule may differ from amounts presented in the financial statements.

NOTE 2– SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance, because the City does not use an indirect cost allocation.

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

LOCAL HIGHWAY FINANCE REPORT		City or County: CITY OF LAKEWOOD, COLORADO	
		YEAR ENDING : December 2019	
This Information From The Records Of City of Lakewood, Colorado		Prepared By: Peggy Starr	Phone: 303-987-7664

I. DISPOSITION OF HIGHWAY-USER REVENUES AVAILABLE FOR LOCAL GOVERNMENT EXPENDITURE				
ITEM	A. Local Motor-Fuel Taxes	B. Local Motor-Vehicle Taxes	C. Receipts from State Highway-User Taxes	D. Receipts from Federal Highway Administration
1. Total receipts available				
2. Minus amount used for collection expenses				
3. Minus amount used for nonhighway purposes				
4. Minus amount used for mass transit				
5. Remainder used for highway purposes				

II. RECEIPTS FOR ROAD AND STREET PURPOSES		III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES	
ITEM	AMOUNT	ITEM	AMOUNT
A. Receipts from local sources:		A. Local highway disbursements:	
1. Local highway-user taxes		1. Capital outlay (from page 2)	9,104,617
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	1,839,382
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	3,110,870
2. General fund appropriations	2,401,985	b. Snow and ice removal	1,524,757
3. Other local imposts (from page 2)	15,614,176	c. Other	2,805,371
4. Miscellaneous local receipts (from page 2)	1,455,817	d. Total (a. through c.)	7,440,998
5. Transfers from toll facilities		4. General administration & miscellaneous	709,621
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	8,063,920
a. Bonds - Original Issues		6. Total (1 through 5)	27,158,538
b. Bonds - Refunding Issues		B. Debt service on local obligations:	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	
7. Total (1 through 6)	19,471,978	b. Redemption	
B. Private Contributions		c. Total (a. + b.)	0
C. Receipts from State government (from page 2)	7,258,269	2. Notes:	
D. Receipts from Federal Government (from page 2)	428,291	a. Interest	
E. Total receipts (A.7 + B + C + D)	27,158,538	b. Redemption	
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	0
		C. Payments to State for highways	
		D. Payments to toll facilities	
		E. Total disbursements (A.6 + B.3 + C + D)	27,158,538

IV. LOCAL HIGHWAY DEBT STATUS (Show all entries at par)				
	Opening Debt	Amount Issued	Redemptions	Closing Debt
A. Bonds (Total)				0
1. Bonds (Refunding Portion)				
B. Notes (Total)				0

V. LOCAL ROAD AND STREET FUND BALANCE					
	A. Beginning Balance	B. Total Receipts	C. Total Disbursement	D. Ending Balance	E. Reconciliation
		27,158,538	27,158,538		

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT		STATE: Colorado	
		YEAR ENDING (mm/yy): December 2019	

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL			
ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assessments		a. Interest on investments	453,051
b. Other local imposts:		b. Traffic Fines & Penalties	1,002,706
1. Sales Taxes	13,013,117	c. Parking Garage Fees	
2. Infrastructure & Impact Fees		d. Parking Meter Fees	60
3. Liens		e. Sale of Surplus Property	
4. Licenses	305,053	f. Charges for Services	
5. Specific Ownership &/or Other	2,296,006	g. Other Misc. Receipts	0
6. Total (1. through 5.)	15,614,176	h. Other	0
c. Total (a. + b.)	15,614,176	i. Total (a. through h.)	1,455,817
	(Carry forward to page 1)		(Carry forward to page 1)

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes	5,169,700	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	550,171	d. Federal Transit Admin	
d. Other (Specify) - Grants	0	e. U.S. Corps of Engineers	
e. Other (Specify) - FASTER/Signal	1,538,398	f. Other Federal	428,291
f. Total (a. through e.)	2,088,569	g. Total (a. through f.)	428,291
4. Total (1. + 2. + 3.f)	7,258,269	3. Total (1. + 2.g)	
			(Carry forward to page 1)

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL			
	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs			0
b. Engineering Costs			310,804
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements			0
(3). System Preservation		8,387,943	8,387,943
(4). System Enhancement & Operation		405,870	405,870
(5). Total Construction (1) + (2) + (3) + (4)	0	8,793,813	8,793,813
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	8,793,813	9,104,617
			(Carry forward to page 1)

Notes and Comments:



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