

Lakewood



2011

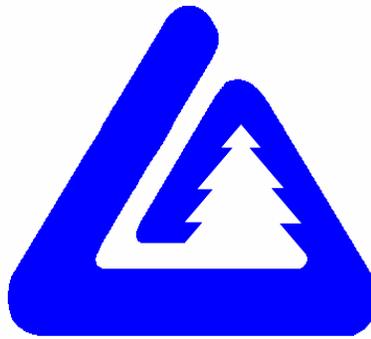
2011
Diversity Award



**Comprehensive
Annual
Financial
Report**

**City of Lakewood, Colorado
For year ended
December 31, 2011**

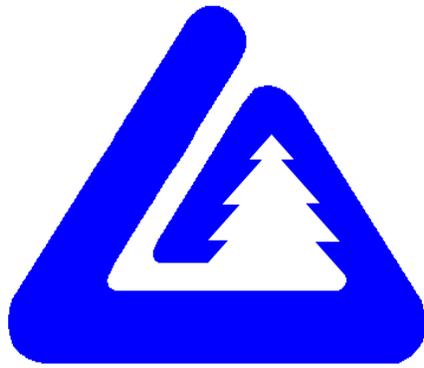
**COMPREHENSIVE
ANNUAL FINANCIAL REPORT
OF
THE CITY OF LAKEWOOD
COLORADO**



**For The Year Ended
December 31, 2011**

**Prepared by:
Department of Finance**

INTRODUCTORY SECTION



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CITY OF LAKEWOOD, COLORADO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
Year Ended December 31, 2011

TABLE OF CONTENTS

	PAGE
INTRODUCTORY SECTION	
Table of Contents	iii-v
Letter of Transmittal	vii-ix
Certificate of Achievement.....	xi
Organization Chart	xii
City Officials and Administration.....	xiii
 FINANCIAL SECTION	
Independent Auditors' Report	c-d
Management's Discussion and Analysis	e-m
 Basic Financial Statements	
Statement of Net Assets.....	3
Statement of Activities	4-5
Balance Sheet - Governmental Funds.....	6
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	7
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	8
Statement of Net Assets - Proprietary Funds.....	9
Statement of Revenues, Expenses and Changes in Fund Net Assets - Proprietary Funds	10
Statement of Cash Flows - Proprietary Funds	11
Statement of Fiduciary Net Assets	12
Statement of Changes in Fiduciary Net Assets.....	13
Notes to Financial Statements	15-46
 Required Supplementary Information	
Schedule of Funding Progress – City Manager Pension Plan.....	48
Schedule of Funding Progress – Postemployment Benefits Other Than Pensions	59
Budgetary Comparison Schedule - General Fund	50
Notes to Required Supplementary Information	51
 Combining and Individual Fund Financial Statements and Schedules	
Combining Balance Sheet - Nonmajor Governmental Funds.....	56
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds	57
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual General Fund	60-63
Schedule of Expenditures and Other Financing Uses by Department - Budget and Actual General Fund	64
Combining Balance Sheet - Special Revenue Funds	66
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Special Revenue Funds	67
Budgetary Comparison Schedule - Conservation Trust Fund.....	68
Budgetary Comparison Schedule - Economic Development Fund.....	69
Budgetary Comparison Schedule - Grants Fund	70-71
Budgetary Comparison Schedule - Heritage, Culture and Arts Fund	72
Budgetary Comparison Schedule - Open Space Fund	73
Budgetary Comparison Schedule - Lakewood Public Building Authority	77

CITY OF LAKEWOOD, COLORADO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
Year Ended December 31, 2011

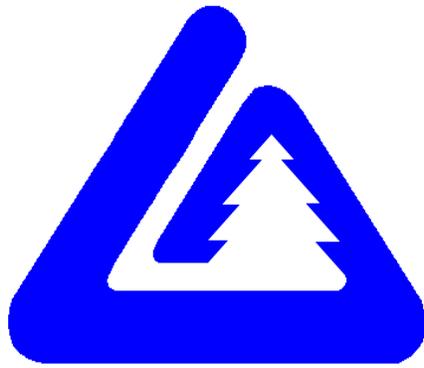
TABLE OF CONTENTS (Continued)

	PAGE
FINANCIAL SECTION (Continued)	
Combining and Individual Fund Financial Statements and Schedules (Continued)	
Combining Balance Sheet - Capital Projects Funds	80
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Capital Projects Funds	81
Budgetary Comparison Schedule - Capital Improvements Fund	82-83
Budgetary Comparison Schedule - Lakewood Reinvestment Authority Capital Projects Fund	84
Budgetary Comparison Schedule - Equipment Replacement Fund	85
Budgetary Comparison Schedule - Golf Course Enterprise Fund	89
Budgetary Comparison Schedule - Sewer Enterprise Fund	90
Budgetary Comparison Schedule - Stormwater Enterprise Fund	91
Budgetary Comparison Schedule - Water Enterprise Fund	92
Combining Statement of Net Assets - Internal Service Funds	95
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets - Internal Service Funds	96
Combining Statement of Cash Flows - Internal Service Funds	97
Budgetary Comparison Schedule - Property and Casualty Self-Insurance Fund	98
Budgetary Comparison Schedule - Workers' Compensation Self-Insurance Fund	99
Budgetary Comparison Schedule - Dental Self-Insurance Fund	100
Budgetary Comparison Schedule - Retiree's Health Program Fund	101
PAGE SCHEDULE	
STATISTICAL SECTION	
Financial Trends Information	
Net Assets by Component	105..... 1
Changes in Net Assets	106..... 2
Fund Balances, Governmental Funds	108..... 3
Changes in Fund Balances, Governmental Funds	109..... 4
Revenue Capacity Information	
Taxable Sales by Category	110..... 5
Direct and Overlapping General Sales and Use Tax Rates	111..... 6
Principal Sales/Use Taxpayers, by Category	112..... 7
Assessed Value and Actual Value of Taxable Property	113..... 8
Direct and Overlapping Property Tax Rates	114..... 9
Principal Property Taxpayers	115..... 10
Property Tax Levies and Collections	116..... 11
Debt Capacity Information	
Ratios of Outstanding Debt by Type	117..... 12
Ratios of General Bonded Debt Outstanding and Legal Debt Margin	118..... 13
Direct and Overlapping Governmental Activities Debt	119..... 14
Pledged Revenue Coverage	120..... 15

**CITY OF LAKEWOOD, COLORADO
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 Year Ended December 31, 2011**

TABLE OF CONTENTS (Continued)

	PAGE	SCHEDULE
STATISTICAL SECTION (Continued)		
Demographic and Economic Information		
Demographic and Economic Statistics	121	16
Principal Employers	122	17
Operating Information		
Full-Time Equivalent City Government Employees by Department	123	18
Operating Indicators by Function/Program	124	19
Capital Asset Statistics by Function/Program	125	20
COMPLIANCE SECTION		
Single Audit		
Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Governmental Auditing Standards</i>	129-130	
Independent Auditors' Report on Compliance with Requirements That Could Have a Direct and Material Effect on Each Major Program and on Internal Control over Compliance in Accordance with OMB Circular A-133.....	131-132	
Schedule of Findings and Questioned Costs	133	
Independent Auditors' Report on Schedule of Expenditures of Federal Awards	134	
Schedule of Expenditures of Federal Awards.....	135	
Notes to Schedule of Expenditures of Federal Awards	137	
Other Reports		
Local Highway Finance Report.....	138-139	



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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 26, 2012

Honorable Mayor Bob Murphy,
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 for the fiscal year ended December 31, 2011 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 housing 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 Circular A-133.



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 Swanhorst & Company LLC, conducted the audit of the City's financial statements for the year ended 2011. Their Independent Auditors' 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 Management's Discussion and Analysis ("MD&A"). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. 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.

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.

The global recession has had an impact on local government revenues throughout Colorado and the United States. Lakewood's primary source of income, sales and use tax, increased 3.6% during 2011. While the City is experiencing improving revenues, the local economy and General Fund revenues have not recovered to the levels prior to the recession. Fortunately the City continues to enjoy robust economic development related to the completion of St. Anthony Hospital and the Regional Transportation District's West Corridor Light Rail line. The City has built reserves in years past that will enable consistent and predictable municipal services for the foreseeable future. This economic development activity will continue to impact the City's long-term financial planning activities.

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 spending and revenues. The long-term financial plan is used for current and future service and infrastructure decision making. During 2011, none of these financial policies had a significant impact on these financial statements.

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 the Certificate of Achievement for Excellence in Financial Reporting to the City for its Comprehensive Annual Financial Report for the fiscal year ended December 31, 2010. This is the twenty second year that the City has been awarded the 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 2012.

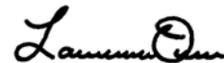
We sincerely appreciate the assistance of the entire Finance Department both for their efforts throughout the year and especially for their help in preparing this report. Specifically we would like to acknowledge Richianne Sullivan and the entire Accounting Division, Cathy Barum and Sheila Becker for their direct contributions in preparing this report and facilitating the audit. Additionally we thank Swanhorst & Company 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 Committee, for their support and continued desire to ensure the highest standards of professionalism in the management of the City’s financial affairs.

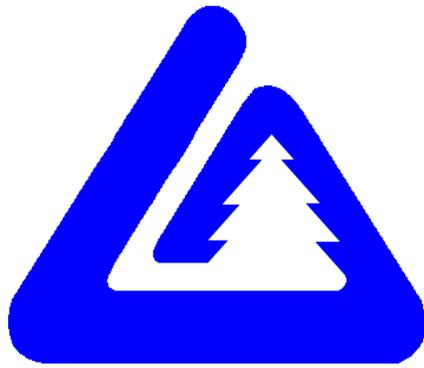
Respectfully submitted,



Kathleen E. Hodgson
City Manager



Larry Dorr, CPA
Finance Director



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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, 2010

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



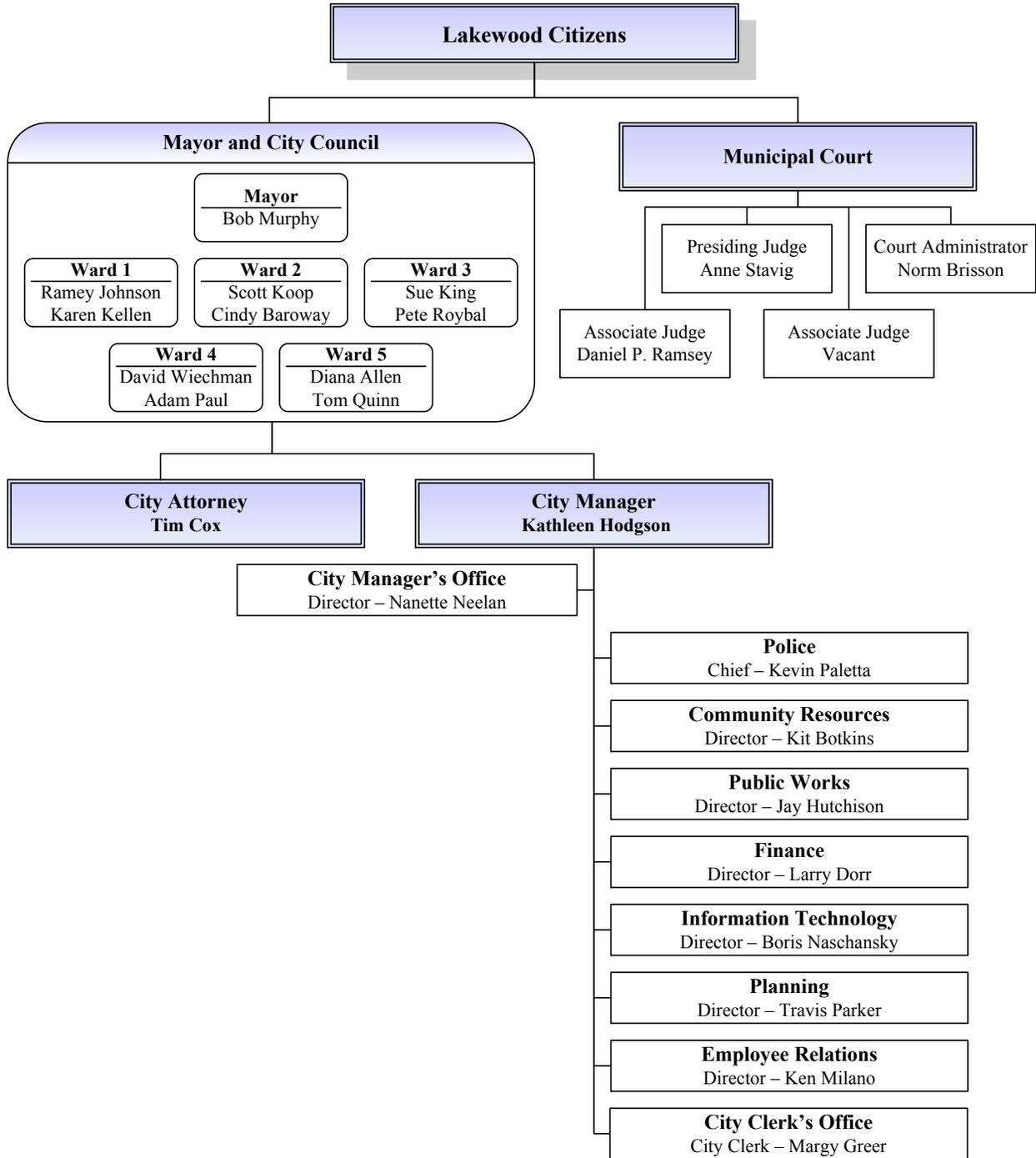
Linda C. Davison

President

Jeffrey R. Emer

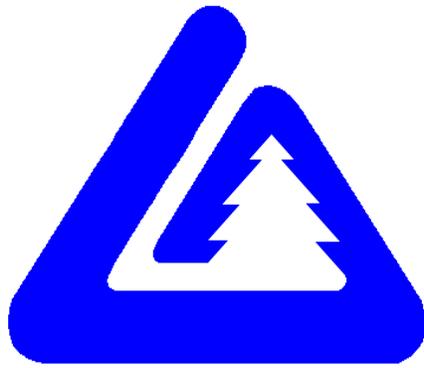
Executive Director

**CITY OF LAKEWOOD, COLORADO
ORGANIZATION CHART
Year Ended December 31, 2011**



CITY OF LAKEWOOD, COLORADO
CITY OFFICIALS AND ADMINISTRATION
Year Ended December 31, 2011

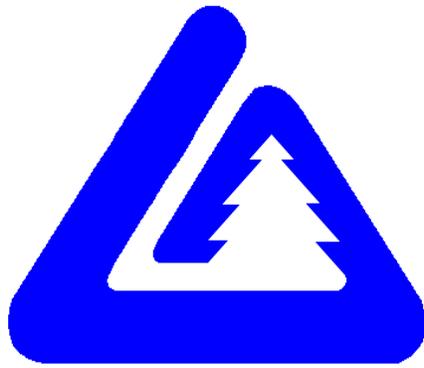
Mayor:	At-Large	Bob Murphy
Members of Council:	Ward I	Ramey Johnson Karen Kellen
	Ward II	Scott Koop Cindy Baroway
	Ward III	Sue King Pete Roybal
	Ward IV	David Wiechman Adam Paul
	Ward V	Diana Allen Tom Quinn
City Officials:		
City Manager		Kathleen Hodgson
City Attorney		Tim Cox
City Clerk		Margy Greer
Department of Mayor and City Manager's Office		Nanette Neelan, Director
Department of Community Resources		Kit Botkins, Director
Department of Employee Relations		Kenneth Milano, Director
Department of Finance		Larry Dorr, Director
Department of Information Technology		Boris Naschansky, Director
Municipal Court		Anne Stavig, Presiding Judge Norm Brisson, Court Administrator
Department of Planning		Travis Parker, Director
Police Department		Kevin Paletta, 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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Honorable Mayor and Members of the City Council
City of Lakewood
Lakewood, Colorado

INDEPENDENT AUDITORS' REPORT

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 as of and for the year ended December 31, 2011, which collectively comprise the basic financial statements of the City of Lakewood, as listed in the table of contents. These financial statements are the responsibility of the City of Lakewood's management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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 as of December 31, 2011, and the respective changes in financial position and cash flows, where applicable, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 25, 2012, 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, 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* and should be considered in assessing the results of our audit.

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Lakewood's financial statements as a whole. The introductory section, combining and individual fund financial statements and schedules, statistical section and local highway finance report listed in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual fund financial statements and schedules and the local highway finance report are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling the information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Swanlund & Company LLC

June 25, 2012



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, 2011. 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

Taken as a whole, the City's increase in net assets and strong operating reserves demonstrate continued positive and stable overall financial health. While the City has not been immune to the weakened economic environment, conservative planning and robust economic development have allowed the City to maintain a strong financial position and a stable level of municipal services.

- Total governmental fund revenues increased \$3.03 million, or 2.2% in 2011. General Fund revenues increased \$2.91 million or 3.1% in 2011. Capital Improvement Fund revenues increased \$167,043 or 1.3% in 2011.
- While some revenues decreased, the City was able to increase reserves. For 2011, General Fund surplus was \$2,788,070 or 3.0% as a percent of expenditures and transfers out. As a result, the fund balance of the General Fund has increased from \$28,748,362 to \$31,536,432 an increase of 9.7%. The fund balance of the General Fund taken as a percent of 2011 expenditures and transfers out was 33.5% as of December 31, 2011.
- General Fund sales and use taxes, which comprised 59.9% of General Fund revenues, increased \$1,999,896 or 3.6%. Sales and use tax revenues collected by the Capital Improvement Fund increased \$309,476 or 2.9%. 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 2011, General Fund property taxes decreased by \$52,499 or 0.7%.
- Total governmental fund expenditures and net transfers increased \$2.3 million or 1.7% in 2011. Total General Fund expenditures and transfers out increased \$3.88 million or 4.3%.

Since 2009, City revenues have been impacted by the global economic recession. Because Lakewood has built its highest level of reserves in its history, the City has not made changes to the levels of service to the community. City Management, City Council and its Budget & Audit Committee are continuing to monitor revenues and expenditures each month as the situation warrants. In the face of these difficult circumstances, the City has been able to maintain a competitive, well trained and 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 Assets* presents information on all of the City's assets and liabilities, with the balance between the two reported as *Net Assets*. Over time, increases or decreases in net assets can serve as an indicator of the City's financial condition.
- *The Statement of Activities* presents information showing how the City's net assets changed during the given fiscal year. All changes in net assets 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 City Manager Pension Fund and City Manager Severance Fund are reported in a separate statement of fiduciary net assets.

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 Assets

As noted earlier, the Statement of Net Assets can serve as an indicator of the overall financial condition of the City. As of December 31, 2011, the City had total assets of \$560,178,467. As of December 31, 2011, the City’s assets exceeded its liabilities by \$469,295,074.

The following reflects the City’s Net Assets:

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2011	2010	2011	2010	2011	2010
Assets						
Current and Other Assets	\$104,650,155	\$ 97,906,022	\$ 7,965,581	\$ 7,513,548	\$112,615,736	\$105,419,570
Capital Assets	425,838,690	411,908,427	21,724,041	22,375,300	447,562,731	434,283,727
Total Assets	530,488,845	509,814,449	29,689,622	29,888,848	560,178,467	539,703,297
Liabilities						
Long-term Liabilities	60,188,238	65,400,900	119,191	167,744	60,307,429	65,568,644
Other Liabilities	30,089,106	26,455,408	486,858	374,675	30,575,964	26,830,083
Total Liabilities	90,277,344	91,856,308	606,049	542,419	90,883,393	92,398,727
Net Assets						
Invested in Capital Assets, Net of Related Debt	374,822,394	355,370,344	21,604,850	22,207,556	396,427,244	377,577,900
Restricted	27,439,596	27,618,110	-	-	27,439,596	27,618,110
Unrestricted	37,949,511	34,969,687	7,478,723	7,138,873	45,428,234	42,108,560
Total Net Assets	\$440,211,501	\$417,958,141	\$ 29,083,573	\$ 29,346,429	\$469,295,074	\$447,304,570

The largest portion of the City’s Statement of Net Assets is Capital Assets. 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.

- Capital Assets represent \$447,562,731 or 79.9% of total assets.
- Capital assets added in 2011 included various playground improvements, street and traffic improvements, bike paths and sidewalks and certain sanitary and stormwater sewer improvements. Also during 2011, the City completed the reconstruction of the intersection of Kipling Street and Colfax Avenue.
- During 2011, the City received donated capital assets related to development. In constructing the new Solterra residential development, it was necessary for its developers to build streets, sidewalks and other infrastructure to serve the neighborhood. Capital assets of this nature were donated to the City in excess of \$14.6 million.
- Additional information on the City’s assets may be found in the Notes to the Financial Statements, starting on page 17.

In addition, it should be noted that the City retired long-term debt and accomplished some increases in reserves.

- The long-term debt of the City, as detailed in the Notes to the Financial Statements starting on page 17 was reduced during 2011. In 2011, the City’s overall long-term debt decreased by \$5,261,215 or 8.0%. The City has appropriated funds in its 2012



budget to retire an additional \$4.99 million in long-term debt. This retirement of debt contributes to the City’s positive overall financial health and very strong credit ratings.

- Of the City’s \$469,295,074 in net assets, \$27,439,596 or 5.8% was restricted for various purposes, including emergencies, parks and open space, economic development, debt service, capital improvements and urban renewal. Additional information on net asset restrictions may be found below under Governmental Fund Balances.

Statement of Activities

This statement presents information showing how the City’s net assets changed during the given fiscal year.

The following reflect the City’s Net Change in Assets:

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2011	2010	2011	2010	2011	2010
Revenues						
Program Revenues-						
Charges for Services	\$ 20,243,036	\$ 20,057,273	\$ 10,322,713	\$ 10,135,970	\$ 30,565,749	\$ 30,193,243
Operating Grants and Contributions	12,563,105	13,590,239	-	-	12,563,105	13,590,239
Capital Grants and Contributions	24,134,258	16,801,801	112,321	660,205	24,246,579	17,462,006
General Revenues-						
Property Taxes	15,767,447	16,254,126	-	-	15,767,447	16,254,126
Sales and Use Taxes	69,498,098	66,963,692	-	-	69,498,098	66,963,692
Franchise & Other Taxes	10,131,203	9,498,254	-	-	10,131,203	9,498,254
Intergovernmental Revenue	552,273	373,052	-	-	552,273	373,052
Investment Income	1,233,115	1,321,255	136,869	214,837	1,369,984	1,536,092
Miscellaneous	199,804	179,566	34,310	60,610	234,114	240,176
Total Revenues	154,322,339	145,039,258	10,606,213	11,071,622	164,928,552	156,110,880
Expenses						
General Government	28,984,951	27,521,624	-	-	28,984,951	27,521,624
Public Safety	49,551,448	48,255,341	-	-	49,551,448	48,255,341
Public Works	17,576,101	17,757,345	-	-	17,576,101	17,757,345
Culture and Recreation	18,470,341	18,956,880	-	-	18,470,341	18,956,880
Urban Development and Housing	13,439,978	12,132,169	-	-	13,439,978	12,132,169
Economic Opportunity	2,000,883	1,618,911	-	-	2,000,883	1,618,911
Interest on Long-term Debt	2,653,845	3,293,702	-	-	2,653,845	3,293,702
Golf Course	-	-	3,698,979	3,767,166	3,698,979	3,767,166
Sewer	-	-	3,644,660	3,586,602	3,644,660	3,586,602
Stormwater	-	-	1,980,805	1,996,190	1,980,805	1,996,190
Water	-	-	936,057	858,582	936,057	858,582
Total Expenses	132,677,547	129,535,972	10,260,501	10,208,540	142,938,048	139,744,512
Increase (Decrease) Before Transfers	21,644,792	15,503,286	345,712	863,082	21,990,504	16,366,368
Transfers	608,568	1,066,479	(608,568)	(1,066,479)	-	-
Increase (Decrease) in Net Assets	22,253,360	16,569,765	(262,856)	(203,397)	21,990,504	16,366,368
Net Assets, Beginning of Year	417,958,141	401,388,376	29,346,429	29,549,826	447,304,570	430,938,202
Net Assets, End of Year	\$440,211,501	\$417,958,141	\$ 29,083,573	\$ 29,346,429	\$469,295,074	\$447,304,570

For the year ending December 31, 2011, the City’s net assets increased by \$21,990,504. The reasons for this overall increase are discussed in the following sections.



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 surplus was \$2,788,070 or 3.0% of expenditures and transfers out in 2011. As such the General Fund's fund balance increased from \$28,748,362 to \$31,536,432 an increase of 9.7%. As of December 31, 2011, the Fund Balance of the General Fund taken as a percent of 2011 expenditures and transfers out was 33.5%. 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 require the use of General 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 times the City has the opportunity to increase fund balances, which provides financial flexibility during economic downturns. Until 2003, the City had not had a year when it had reduced its General Fund balance since 1996. However, 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 each of the forecasted years. During these challenging economic times, 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 time to allow for economic recovery, and an improved outlook for revenue growth. Presently, the City's General Fund balance is the highest in the City's history.

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 this new GASB 54 reporting is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be applied more consistently across governments. The classifications are designed 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.

	General Fund	Capital Improvements Fund	Lakewood Reinvestment Authority Fund	Other Governmental Funds	Total Governmental Funds
Nonspendable:					
Inventories	\$ 131,934	\$ -	\$ -	\$ 42,667	\$ 174,601
Prepays	-	-	-	500	500
Total Nonspendable	131,934	-	-	43,167	175,101
Restricted for:					
Emergencies	2,350,510	-	-	-	2,350,510
Parks and Open Space	-	-	-	3,268,862	3,268,862
Economic Development	-	-	-	2,909,683	2,909,683
Debt Service	371,218	-	249,000	2,833,784	3,454,002
Capital Improvements	225,368	12,354,475	-	-	12,579,843
Urban Renewal	-	-	2,876,696	-	2,876,696
Total Restricted	2,947,096	12,354,475	3,125,696	9,012,329	27,439,596
Assigned to:					
Cultural Activities	-	-	-	418,466	418,466
Capital Improvements	-	-	-	4,571,619	4,571,619
Total Assigned	-	-	-	4,990,085	4,990,085
Unassigned	28,457,402	-	-	(97,252)	28,360,150
Total Fund Balances	\$ 31,536,432	\$ 12,354,475	\$ 3,125,696	\$ 13,948,329	\$ 60,964,932

Revenues

As discussed in the financial highlights, General Fund revenues had an overall increase in 2011 compared to 2010.

- General Fund sales and use tax revenues increased \$2.0 million or 3.6% in 2011. In addition to general growth in the Lakewood economy, the City experienced meaningful economic development. The community welcomed new retail outlets from Best Buy, Nordstrom Rack and the Target Corporation. In addition, national retailers invested in new or remodeled outlets, including the 7-11 Corporation and McDonald’s. These investments, large and small, demonstrate business confidence in the Lakewood economy. Even with these positive results, the amount of sales and use taxes are only just returning to the levels collected prior to the recession. During 2011, the Lakewood community saw the final stages of the Regional Transportation District’s construction of the West Corridor Light Rail. The substantial track and bridge construction is



complete with an anticipated opening in the spring of 2013. The light rail's construction cost is estimated at over \$350 million, which has generated meaningful new jobs during 2011. It is anticipated that considerable transit oriented development will occur along the light rail line in the future.

- As an additional sign of an improving economy, the City experienced a 6.3% increase in motor vehicle use tax receipts. Nationally, businesses and households are slowly beginning to replace aging vehicle stocks, and similar trends are happening in Lakewood.
- During 2011 the City experienced a significant hail storm event that damaged several thousand structures in the community. As a result, significant reconstruction activities took place during 2011, enabling the City to revise its 2011 General Fund budget, increasing construction tax and permit fee revenues by \$800,000. Building material use taxes still decreased compared to 2010 due to a separate hail storm that occurred in the latter part of 2009.
- Offsetting the budgeted increase in construction use tax was a reduction in anticipated intergovernmental revenues. In the fourth quarter of 2010, the Jefferson County Board of County Commissioners elected to decrease the amount of County Road & Bridge property tax revenues that it shares with the City. As a result, intergovernmental revenues received in 2011 were \$532,424 below the original 2011 budget.

Expenditures

During the first quarter of 2011, the City's revenues continued to be relatively volatile and uncertain. It is evident that the global financial crisis has not yet fully recovered. As such, management made strategic decisions to decrease anticipated expenditures during 2011.

- The City continued a strategic hiring process whereby departments sought alternatives to filling vacant positions and are only doing so upon an evaluation and approval by the City Manager. Due to this constraint, and other favorable spending conditions, the General Fund was under budget in expenditures.
- However, overall General Fund expenditures and transfers out increased \$3.9 million or 4.3% over 2010. This was largely due to increasing costs for fuel and employee salaries and medical benefits.

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:

- City council and management took action to decrease spending in response to a weakening overall economy.
- Capital improvement projects, which were not completed due to construction delays and had remaining expenditures, were re-appropriated.



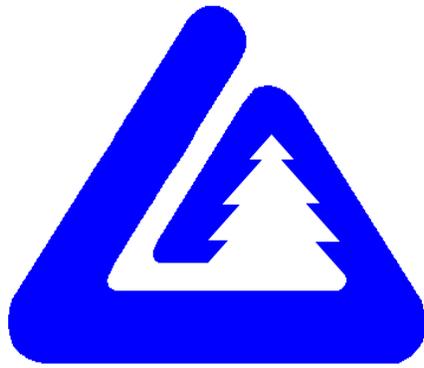
Economic Factors and Next Year's Budget

In preparing both the 2011 revised budget as well as the 2012 budget, the City seeks guidance from many sources for an overall economic outlook. Those sources include the State's Office of Planning & Budgeting and the State Legislative Council's economics staff.

As mentioned above, the country and the world are beginning to recognize an overall economy that is not weakening further. At the same time, there has been some evidence that economic activity is actually improving. Correspondingly, city management is continuing to analyze the need to fill any and all personnel vacancies and seeking to reduce spending by way of shared services with neighboring communities. The City's management has recent experience managing its budget in volatile economic conditions and will make adjustments as warranted.

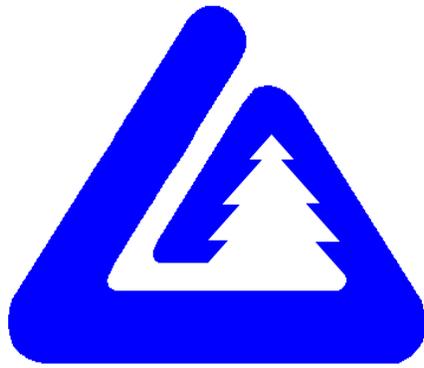
V. Requests for Information

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 Finance Director's Office, 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.



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BASIC FINANCIAL STATEMENTS



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CITY OF LAKEWOOD, COLORADO
STATEMENT OF NET ASSETS
December 31, 2011

	Primary Government		Total
	Governmental	Business-Type	
	Activities	Activities	
Assets			
Cash and Investments	\$ 69,159,032	\$ 7,127,878	\$ 76,286,910
Restricted Cash and Investments	6,475,539	-	6,475,539
Receivables			
Accounts	6,686,034	1,031,211	7,717,245
Taxes	20,926,213	-	20,926,213
Inventories	174,601	126,829	301,430
Prepays	500	-	500
Net Pension Asset	452,480	-	452,480
Internal Balances	320,337	(320,337)	-
Debt Issuance Costs, Net of Accumulated Amortization	455,419	-	455,419
Capital Assets, Not Being Depreciated	122,825,175	7,902,698	130,727,873
Capital Assets, Net of Accumulated Depreciation	303,013,515	13,821,343	316,834,858
	<u>530,488,845</u>	<u>29,689,622</u>	<u>560,178,467</u>
Liabilities			
Accounts Payable	7,954,005	406,904	8,360,909
Accrued Liabilities	2,967,049	53,630	3,020,679
Accrued Interest Payable	310,485	-	310,485
Refundable Deposits	1,549,818	11,250	1,561,068
Retainage Payable	118,715	15,074	133,789
Deferred Revenues	15,313,657	-	15,313,657
Claims Payable	1,875,377	-	1,875,377
Noncurrent Liabilities			
Due Within One Year	6,183,942	51,778	6,235,720
Due In More Than One Year	54,004,296	67,413	54,071,709
	<u>90,277,344</u>	<u>606,049</u>	<u>90,883,393</u>
Net Assets			
Invested in Capital Assets, Net of Related Debt	374,822,394	21,604,850	396,427,244
Restricted for			
Emergencies	2,350,510	-	2,350,510
Parks and Open Space	3,268,862	-	3,268,862
Economic Development	2,909,683	-	2,909,683
Debt Service	3,454,002	-	3,454,002
Capital Improvements	12,579,843	-	12,579,843
Urban Renewal	2,876,696	-	2,876,696
Unrestricted	37,949,511	7,478,723	45,428,234
	<u>\$ 440,211,501</u>	<u>\$ 29,083,573</u>	<u>\$ 469,295,074</u>

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

CITY OF LAKEWOOD, COLORADO
STATEMENT OF ACTIVITIES
Year Ended December 31, 2011

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
PRIMARY GOVERNMENT				
Governmental Activities				
General Government	\$ 28,984,951	\$ 8,899,658	\$ 809,116	\$ -
Public Safety	49,551,448	4,059,494	3,538,007	552,431
Public Works	17,576,101	519,188	1,268,249	22,158,999
Culture and Recreation	18,470,341	4,871,635	5,682,848	55,000
Urban Development and Housing	13,439,978	1,012,283	52,718	1,367,828
Economic Opportunity	2,000,883	880,778	1,212,167	-
Interest on Long-Term Debt	2,653,845	-	-	-
Total Governmental Activities	132,677,547	20,243,036	12,563,105	24,134,258
Business-Type Activities				
Golf Course	3,698,979	4,112,309	-	-
Sewer	3,644,660	2,772,278	-	-
Stormwater	1,980,805	2,411,079	-	112,321
Water	936,057	1,027,047	-	-
Total Business-Type Activities	10,260,501	10,322,713	-	112,321
Total Primary Government	\$ 142,938,048	\$ 30,565,749	\$ 12,563,105	\$ 24,246,579

General Revenues

Taxes

Property

General Sales and Use

Building Materials and Motor Vehicle Use

Franchise

Other

Intergovernmental Revenues not Restricted to

Specific Programs

Investment Income

Miscellaneous

Transfers

Total General Revenues and Transfers

Change in Net Assets

NET ASSETS, Beginning of Year

NET ASSETS, End of Year

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

Net (Expense) Revenue and Change in Net Assets

Governmental Activities	Business-Type Activities	Total
\$ (19,276,177)	\$ -	\$ (19,276,177)
(41,401,516)	-	(41,401,516)
6,370,335	-	6,370,335
(7,860,858)	-	(7,860,858)
(11,007,149)	-	(11,007,149)
92,062	-	92,062
(2,653,845)	-	(2,653,845)
<u>(75,737,148)</u>	<u>-</u>	<u>(75,737,148)</u>
-	413,330	413,330
-	(872,382)	(872,382)
-	542,595	542,595
-	90,990	90,990
<u>-</u>	<u>174,533</u>	<u>174,533</u>
<u>(75,737,148)</u>	<u>174,533</u>	<u>(75,562,615)</u>
15,767,447	-	15,767,447
62,522,192	-	62,522,192
6,975,906	-	6,975,906
6,437,480	-	6,437,480
3,693,723	-	3,693,723
552,273	-	552,273
1,233,115	136,869	1,369,984
199,804	34,310	234,114
608,568	(608,568)	-
<u>97,990,508</u>	<u>(437,389)</u>	<u>97,553,119</u>
22,253,360	(262,856)	21,990,504
<u>417,958,141</u>	<u>29,346,429</u>	<u>447,304,570</u>
<u>\$ 440,211,501</u>	<u>\$ 29,083,573</u>	<u>\$ 469,295,074</u>

CITY OF LAKEWOOD, COLORADO
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2011

	General Fund	Capital Improvements Fund	Lakewood Reinvestment Authority Fund	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and Investments	\$ 28,421,512	\$ 14,114,274	\$ 1,483,371	\$ 10,683,790	\$ 54,702,947
Restricted Cash and Investments	596,586	-	3,043,574	2,835,379	6,475,539
Accounts Receivable	1,983,634	218,506	956,364	3,522,035	6,680,539
Property Taxes Receivable	7,663,146	-	6,555,322	-	14,218,468
Sales Taxes Receivable	5,569,765	1,081,013	56,967	-	6,707,745
Due from Other Funds	320,337	-	-	-	320,337
Inventories	131,934	-	-	42,667	174,601
Prepays	-	-	-	500	500
Total Assets	<u>\$ 44,686,914</u>	<u>\$ 15,413,793</u>	<u>\$ 12,095,598</u>	<u>\$ 17,084,371</u>	<u>\$ 89,280,676</u>
LIABILITIES					
Accounts Payable	\$ 2,362,407	\$ 981,684	\$ 2,412,719	\$ 2,137,864	\$ 7,894,674
Accrued Liabilities	2,888,600	13,174	1,861	63,414	2,967,049
Refundable Deposits	97,028	1,452,790	-	-	1,549,818
Retainage Payable	-	68,787	-	49,928	118,715
Deferred Revenues	7,802,447	542,883	6,555,322	884,836	15,785,488
Total Liabilities	<u>13,150,482</u>	<u>3,059,318</u>	<u>8,969,902</u>	<u>3,136,042</u>	<u>28,315,744</u>
FUND BALANCES					
Nonspendable:					
Inventories	131,934	-	-	42,667	174,601
Prepays	-	-	-	500	500
Restricted for:					
Emergencies	2,350,510	-	-	-	2,350,510
Parks and Open Space	-	-	-	3,268,862	3,268,862
Economic Development	-	-	-	2,909,683	2,909,683
Debt Service	371,218	-	249,000	2,833,784	3,454,002
Capital Improvements	225,368	12,354,475	-	-	12,579,843
Urban Renewal	-	-	2,876,696	-	2,876,696
Assigned to:					
Cultural Activities	-	-	-	418,466	418,466
Capital Improvements	-	-	-	4,571,619	4,571,619
Unassigned	28,457,402	-	-	(97,252)	28,360,150
Total Fund Balances	<u>31,536,432</u>	<u>12,354,475</u>	<u>3,125,696</u>	<u>13,948,329</u>	<u>60,964,932</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 44,686,914</u>	<u>\$ 15,413,793</u>	<u>\$ 12,095,598</u>	<u>\$ 17,084,371</u>	

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	425,838,690
Long-term assets are not available to pay current year expenditures and, therefore, are not reported in the funds. This amount represents the City's net pension obligation.	452,480
Other long-term assets are not available to pay current year expenditures and, therefore, are deferred in the funds.	471,831
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 assets.	12,526,872
Long-term liabilities are not due and payable in the current year and, therefore, are not reported in the funds. These include long-term debt (\$60,188,238), accrued interest payable (\$310,485) and debt issuance costs \$455,419.	(60,043,304)
Total Net Assets of Governmental Activities	<u>\$ 440,211,501</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, 2011

	General Fund	Capital Improvements Fund	Lakewood Reinvestment Authority Fund	Other Governmental Funds	Total Governmental Funds
REVENUES					
Taxes	\$ 75,673,943	\$ 11,121,820	\$ 7,674,102	\$ 926,883	\$ 95,396,748
Licenses and Permits	2,739,114	-	-	-	2,739,114
Intergovernmental	5,464,167	1,912,046	-	16,877,480	24,253,693
Charges for Services	10,365,425	-	-	3,425,064	13,790,489
Fines and Forfeitures	1,520,956	-	-	-	1,520,956
Miscellaneous					
Investment Income	661,954	257,834	19,434	244,006	1,183,228
Sale of Assets	-	21,560	-	178,244	199,804
Other	379,562	7,000	945,983	155,409	1,487,954
Total Revenues	96,805,121	13,320,260	8,639,519	21,807,086	140,571,986
EXPENDITURES					
Current					
General Government	25,192,088	1,479,580	-	588,571	27,260,239
Public Safety	43,856,057	418,187	-	2,539,623	46,813,867
Public Works	6,517,499	1,784,035	-	128,008	8,429,542
Culture and Recreation	10,407,162	9,023	-	5,585,782	16,001,967
Urban Development and Housing	88,879	7,520	202,780	1,394,260	1,693,439
Economic Opportunity	709,558	-	-	1,244,950	1,954,508
Capital Outlay					
General Government	236,562	582,641	-	2,657,449	3,476,652
Public Safety	285,272	403,870	-	1,395,795	2,084,937
Public Works	7,394	6,134,860	-	2,578,171	8,720,425
Culture and Recreation	46,452	1,750	-	1,096,814	1,145,016
Urban Development and Housing	-	1,974,054	9,608,389	410,220	11,992,663
Economic Opportunity	-	1,650	-	-	1,650
Debt Service					
Principal	78,844	1,443,695	135,911	4,041,609	5,700,059
Interest and Fiscal Charges	102,786	115,460	164,050	2,251,882	2,634,178
Total Expenditures	87,528,553	14,356,325	10,111,130	25,913,134	137,909,142
Excess (Deficiency) of Revenues Over Expenditures	9,276,568	(1,036,065)	(1,471,611)	(4,106,048)	2,662,844
OTHER FINANCING SOURCES (USES)					
Transfers In	16,189	2,283,512	-	6,274,389	8,574,090
Transfers Out	(6,504,687)	(386,000)	(16,189)	(1,058,646)	(7,965,522)
Total Other Financing Sources (Uses)	(6,488,498)	1,897,512	(16,189)	5,215,743	608,568
Net Change in Fund Balances	2,788,070	861,447	(1,487,800)	1,109,695	3,271,412
FUND BALANCES, Beginning of Year	28,748,362	11,493,028	4,613,496	12,838,634	57,693,520
FUND BALANCES, End of Year	\$ 31,536,432	\$ 12,354,475	\$ 3,125,696	\$ 13,948,329	\$ 60,964,932

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

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, 2011

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

Net Change in Fund Balances - Governmental Funds	\$	3,271,412
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Governmental funds report capital outlays as expenditures. However, in the statement of activities, the costs of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays \$8,977,990 and capital contributions \$14,689,885 exceeded depreciation expense (\$9,692,720) and capital asset disposals (\$44,892) in the current year.		13,930,263
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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 assets and does not affect the statement of activities. Repayment of long-term principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. This amount is the net effect of these differences in the treatment of long-term debt and related items: bond and loan principal payments \$5,388,911, principal payments on capital leases \$311,148, amortization of issuance costs (\$58,750), amortization of premium \$130,642, and amortization of loss on refunding (\$173,003).		5,598,948
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Revenues in the statement of activities that do not provide current financial resources are deferred in the funds.		(1,175,328)
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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 the net pension obligation \$130,600, compensated absences (\$226,870), accrued interest payable \$22,694 and postemployment benefits (\$218,166).		(291,742)
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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.		919,807
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Change in Net Assets of Governmental Activities	\$	22,253,360
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The accompanying notes are an integral part of the financial statements.

CITY OF LAKEWOOD, COLORADO
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
December 31, 2011

	Business-Type Activities - Enterprise Funds					Governmental
						Activities
	Golf Course	Sewer	Stormwater	Nonmajor Water	Total Enterprise	Internal Service
Fund	Fund	Fund	Fund	Funds	Funds	
ASSETS						
Current Assets						
Cash and Investments	\$ -	\$ 3,460,714	\$ 2,752,372	\$ 914,792	\$ 7,127,878	\$ 14,456,085
Accounts Receivable	10,493	608,549	274,128	138,041	1,031,211	5,495
Inventories	126,829	-	-	-	126,829	-
Total Current Assets	137,322	4,069,263	3,026,500	1,052,833	8,285,918	14,461,580
Noncurrent Assets						
Land	6,921,465	108,312	256,827	75,459	7,362,063	-
Construction in Progress	-	-	540,635	-	540,635	-
Infrastructure	-	11,299,631	8,166,921	1,459,130	20,925,682	-
Buildings	4,732,305	-	-	-	4,732,305	-
Improvements	3,217,062	419,766	-	20,600	3,657,428	-
Machinery, Furniture and Equipment	2,528,560	451,571	54,775	362	3,035,268	-
Less Accumulated Depreciation	(7,243,150)	(7,553,500)	(2,602,809)	(1,129,881)	(18,529,340)	-
Total Noncurrent Assets	10,156,242	4,725,780	6,416,349	425,670	21,724,041	-
Total Assets	10,293,564	8,795,043	9,442,849	1,478,503	30,009,959	14,461,580
Current Liabilities						
Accounts Payable	78,730	148,452	79,015	100,707	406,904	59,331
Accrued Liabilities	24,917	9,096	18,160	1,457	53,630	-
Due to Other Funds	320,337	-	-	-	320,337	-
Deposits	11,250	-	-	-	11,250	-
Retainage Payable	-	10,510	3,421	1,143	15,074	-
Lease Payable, Current Portion	51,778	-	-	-	51,778	-
Claims Payable	-	-	-	-	-	1,875,377
Total Current Liabilities	487,012	168,058	100,596	103,307	858,973	1,934,708
Noncurrent Liabilities						
Lease Payable	67,413	-	-	-	67,413	-
Total Liabilities	554,425	168,058	100,596	103,307	926,386	1,934,708
NET ASSETS						
Invested in Capital Assets, Net of Related Debt	10,037,051	4,725,780	6,416,349	425,670	21,604,850	-
Unrestricted	(297,912)	3,901,205	2,925,904	949,526	7,478,723	12,526,872
Total Net Assets	\$ 9,739,139	\$ 8,626,985	\$ 9,342,253	\$ 1,375,196	\$ 29,083,573	\$ 12,526,872

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

CITY OF LAKEWOOD, COLORADO
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
Year Ended December 31, 2011

	Business-Type Activities - Enterprise Funds					Governmental
					Activities	
	Golf Course	Sewer	Stormwater	Nonmajor Water	Total	Internal Service Funds
Fund	Fund	Fund	Fund			
OPERATING REVENUES						
Charges for Services	\$ 4,112,309	\$ 2,772,278	\$ 2,411,079	\$ 1,027,047	\$ 10,322,713	\$ 3,120,503
Intergovernmental	-	-	-	-	-	185,909
Miscellaneous	-	7,750	15,000	11,560	34,310	-
Total Operating Revenues	4,112,309	2,780,028	2,426,079	1,038,607	10,357,023	3,306,412
OPERATING EXPENSES						
Cost of Goods Sold	299,975	-	-	-	299,975	-
Personnel Services	2,200,039	568,282	971,330	90,012	3,829,663	-
Services and Supplies	780,608	214,642	609,911	59,706	1,664,867	-
Sanitation Treatment	-	2,185,311	-	-	2,185,311	-
Water Purchased	-	-	-	724,554	724,554	-
Claims	-	-	-	-	-	1,934,864
Premiums	-	-	-	-	-	638,675
Capital Maintenance	19,560	267,527	20,002	14,092	321,181	48,862
Depreciation	383,099	408,898	379,562	47,693	1,219,252	-
Total Operating Expenses	3,683,281	3,644,660	1,980,805	936,057	10,244,803	2,622,401
Operating Income (Loss)	429,028	(864,632)	445,274	102,550	112,220	684,011
NONOPERATING REVENUES (EXPENSES)						
Investment Income	-	72,668	49,787	14,414	136,869	235,796
Interest Expense	(15,698)	-	-	-	(15,698)	-
Total Nonoperating Revenues (Expenses)	(15,698)	72,668	49,787	14,414	121,171	235,796
Income (Loss) Before Capital Contributions and Transfers	413,330	(791,964)	495,061	116,964	233,391	919,807
Capital Contributions	-	-	112,321	-	112,321	-
Transfers In	-	-	67,800	-	67,800	-
Transfers Out	(676,368)	-	-	-	(676,368)	-
Change in Net Assets	(263,038)	(791,964)	675,182	116,964	(262,856)	919,807
NET ASSETS, Beginning of Year	10,002,177	9,418,949	8,667,071	1,258,232	29,346,429	11,607,065
NET ASSETS, End of Year	\$ 9,739,139	\$ 8,626,985	\$ 9,342,253	\$ 1,375,196	\$ 29,083,573	\$ 12,526,872

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, 2011

	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	\$ 4,118,521	\$ 2,617,587	\$ 2,400,259	\$ 1,009,737	\$ 10,146,104	\$ 3,301,882
Cash Paid to Suppliers	(1,101,327)	(2,664,265)	(569,699)	(738,125)	(5,073,416)	(2,373,928)
Cash Paid to Employees	(2,203,678)	(569,054)	(969,903)	(90,107)	(3,832,742)	-
Net Cash Provided (Used) by Operating Activities	813,516	(615,732)	860,657	181,505	1,239,946	927,954
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Payments to Other Funds	(749,265)	-	-	-	(749,265)	-
Payments from Other Funds	-	-	67,800	-	67,800	-
Interest Paid	(6,297)	-	-	-	(6,297)	-
Net Cash Provided (Used) by Noncapital Financing Activities	(755,562)	-	67,800	-	(687,762)	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Purchases of Capital Assets	-	(36,170)	(419,503)	-	(455,673)	-
Debt Principal Paid	(48,553)	-	-	-	(48,553)	-
Debt Interest Paid	(9,401)	-	-	-	(9,401)	-
Net Cash (Used) by Capital and Related Financing Activities	(57,954)	(36,170)	(419,503)	-	(513,627)	-
CASH FLOWS FROM INVESTING ACTIVITIES						
Investment Income	-	72,668	49,787	14,414	136,869	235,796
Net Cash Provided by Investing Activities	-	72,668	49,787	14,414	136,869	235,796
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	-	(579,234)	558,741	195,919	175,426	1,163,750
CASH AND CASH EQUIVALENTS, Beginning of Year	-	4,039,948	2,193,631	718,873	6,952,452	13,292,335
CASH AND CASH EQUIVALENTS, End of Year	\$ -	\$ 3,460,714	\$ 2,752,372	\$ 914,792	\$ 7,127,878	\$ 14,456,085
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES						
Operating Income (Loss)	\$ 429,028	\$ (864,632)	\$ 445,274	\$ 102,550	\$ 112,220	\$ 684,011
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities						
Depreciation	383,099	408,898	379,562	47,693	1,219,252	-
Accounts Receivable	6,212	(162,441)	(15,820)	(28,870)	(200,919)	(4,530)
Inventories	(2,791)	-	-	-	(2,791)	-
Accounts Payable	1,607	(7,295)	56,793	59,084	110,189	25,975
Accrued Liabilities	(3,639)	(772)	1,427	(95)	(3,079)	-
Retainage Payable	-	10,510	3,421	1,143	15,074	-
Claims Payable	-	-	-	-	-	222,498
Deferred Revenue	-	-	(10,000)	-	(10,000)	-
Net Cash Provided (Used) By Operating Activities	\$ 813,516	\$ (615,732)	\$ 860,657	\$ 181,505	\$ 1,239,946	\$ 927,954
NONCASH CAPITAL TRANSACTIONS						
Donated Capital Assets	\$ -	\$ -	\$ 112,321	\$ -	\$ 112,321	\$ -

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

CITY OF LAKEWOOD, COLORADO
STATEMENT OF FIDUCIARY NET ASSETS
December 31, 2011

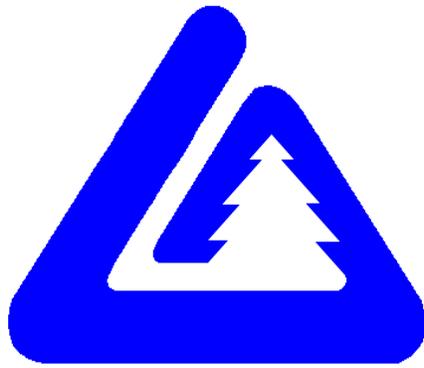
	Pension Trust Funds
	<u> </u>
ASSETS	
Pooled Cash	\$ 4,542
Certificate of Deposit	345,406
Mutual Funds	1,541,728
Accounts Receivable	<u>1,335</u>
Total Assets	<u>1,893,011</u>
NET ASSETS	
Held in Trust for City Manager Benefits	1,547,605
Held in Trust for City Manager Severance	<u>345,406</u>
Total Net Assets	<u><u>\$ 1,893,011</u></u>

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

CITY OF LAKEWOOD, COLORADO
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
Year Ended December 31, 2011

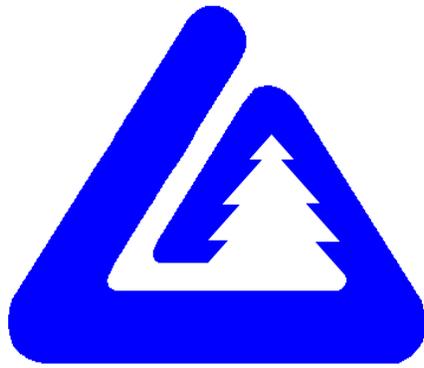
	Pension Trust Funds
ADDITIONS	
Contributions	
Employer	\$ 272,000
Miscellaneous	
Investment Income	83,484
Total Additions	355,484
DEDUCTIONS	
Benefit Payments	176,542
Administrative Expenses	1,952
Total Deductions	178,494
Change in Net Assets	176,990
NET ASSETS, Beginning of Year	1,716,021
NET ASSETS, End of Year	\$ 1,893,011

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, 2011

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, elected two 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 provided benefits to, or imposes 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. 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 assets 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, 2011

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

Separate financial statements are provided for governmental funds, proprietary funds, and 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 and liabilities, including capital assets and long-term liabilities are included in the individual fund's statement of net assets. The statement of activities presents changes in net assets. 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 to be susceptible to accrual. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collected within the current year or soon enough thereafter to pay liabilities of the current year. For this purpose, the City considers revenues to be 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.

CITY OF LAKEWOOD, COLORADO
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2011

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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.

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

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 *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 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 City Manager Pension Fund and the City Manager Severance Fund as trust funds.

CITY OF LAKEWOOD, COLORADO
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2011

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Net Assets/Fund Balances

Cash and Investments - Cash equivalents include investments with original maturities of three months or less. Investments are reported at fair value.

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

Property Taxes Receivable - Property taxes earned but collected in the subsequent year are recorded as receivables and deferred revenue at year end. Taxes are due in the subsequent year on April 30, or in two installments on February 28 and June 15. Taxes are collected by the County Treasurer and remitted to the City on a monthly basis.

Inventories - Inventories in the General and Heritage, Culture, and Arts Funds consist of expendable supplies held for consumption and are valued at average cost. Inventory in the Golf Course Fund 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 machinery and equipment with an individual cost of \$5,000 or greater, land, easements and buildings of \$50,000, and infrastructure of \$100,000, and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Interest accrued during construction is not capitalized.

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 expense.

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

Deferred Revenues - Deferred revenues include grants that have been collected but the corresponding expenditures have not been incurred, and certain unearned revenues received in advance. Property taxes earned but levied for a subsequent year are also deferred. Revenues not available as current financial resources are deferred in the governmental fund financial statements.

CITY OF LAKEWOOD, COLORADO
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2011

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Net Assets/Fund Balances (Continued)

Compensated Absences - Accumulated unpaid vacation and sick pay is recorded when earned in the government-wide 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 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, as well as issuance costs, are deferred and amortized over the life of the debt using the straight-line method.

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

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

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

CITY OF LAKEWOOD, COLORADO
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2011

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Net Assets/Fund Balances (Continued)

- Unassigned Fund Balance – the remaining fund balance after amounts are set aside for other classifications.

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, 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

Accountability

At December 31, 2011, the Grants Fund had a negative fund balance of \$97,252. Some grant receivables were earned but not available at December 31, 2011, and were reported as deferred revenues. The negative fund balance will be eliminated once the receivables are collected.

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 the average balance for the quarter. 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:

Primary Government Cash and Investments	\$ 76,286,910
Primary Government Restricted Cash and Investments	6,475,539
Fiduciary Funds Cash and Investments	1,891,676
Total	\$ 84,654,125

CITY OF LAKEWOOD, COLORADO
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2011

NOTE 3 – CASH AND INVESTMENTS (Continued)

At December 31, 2011, cash and investments consisted of the following:

Cash on Hand	\$ 23,015
Deposits	50,297,234
Investments	<u>34,333,876</u>
Total	<u>\$ 84,654,125</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, 2011, the City had bank deposits of \$45,954,208 collateralized with securities held by the financial institutions' agents but not in the City's name.

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 funds or the investments of the Lakewood Public Building Authority.

CITY OF LAKEWOOD, COLORADO
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2011

NOTE 3 – CASH AND INVESTMENTS (Continued)

Investments (Continued)

At December 31, 2011, the City's investment balances were as follows:

<u>Investment Type</u>	<u>S&P Rating</u>	<u>Investment Maturities (In Years)</u>			<u>Pension Trust</u>	<u>All Other Funds</u>	<u>Fair Value</u>
		<u>Less than 1</u>	<u>1 - 5</u>				
U.S. Agency Securities	AA+	\$ 12,123,985	\$ 5,087,085	\$ -	\$ 17,211,070	\$ 17,211,070	
U.S. Agency Securities	N/A	1,504,338	11,013,144	-	12,517,482	12,517,482	
Commercial Paper	A-1+	2,817,042	-	-	2,817,042	2,817,042	
Money Market Funds	AAAm	246,554	-	-	246,554	246,554	
Mutual Funds	N/A	1,541,728	-	1,541,728	-	1,541,728	
Total		\$ 18,233,647	\$ 16,100,229	\$ 1,541,728	\$ 32,792,148	\$ 34,333,876	

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

Credit Risk - State statutes limit investments in U.S. Agency securities to the highest rating issued by two or more nationally recognized statistical rating organizations (NRSROs). Commercial paper must be rated in the top rating category by two or more NRSROs. State statutes also limit investments in money market funds to those that maintain a constant share price, with a maximum remaining maturity in accordance with Rule 2a-7, and either have assets of one billion dollars or the highest rating issued by a NRSRO.

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, 2011, the City's investment in the Federal Farm Credit Bank, Federal Home Loan Bank, Federal National Mortgage Association, and Federal Home Loan Mortgage Corporation represented 16%, 35%, 29% and 7% respectively, of total investments. Scaldis Capital Limited commercial paper represented 8% of the total investments and was held by the Lakewood Public Building Authority which, as a separate board, controls its own investments.

Restricted Cash and Investments

The General Fund has restricted cash and investments of \$596,586 representing Section 108 loan proceeds. Of this amount, \$225,368 is available for completion of related projects and \$371,218 is the required Section 108 deposit reserve account. The Lakewood Reinvestment Authority has restricted cash and investments of \$3,043,574, which represents \$2,794,574 Station Betterments loan proceeds and related interest earnings available for the project and \$249,000 for the required loan reserve. The Lakewood Public Building Authority has cash and investments of \$2,835,379 restricted for debt service.

CITY OF LAKEWOOD, COLORADO
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2011

NOTE 4 - INTERFUND BALANCES AND TRANSFERS

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

At December 31, 2011, the Golf Course Fund borrowed from the General Fund to cover temporary cash shortfalls, as follows:

Due to	Due from	Amount
General Fund	Golf Course Enterprise Fund	\$ 320,337

Transfers between funds during the year ended December 31, 2011, were as follows:

Transfers In	Transfers Out	Amount
General Fund	Lakewood Reinvestment Authority Fund	\$ 16,189
Capital Improvements Fund	General Fund	2,283,512
Stormwater Fund	General Fund	67,800
Nonmajor Funds	General Fund	4,153,375
		6,504,687
Lakewood Public Building Authority	Golf Course Enterprise Fund	676,368
Lakewood Public Building Authority	Capital Improvements Fund	386,000
Lakewood Public Building Authority	Nonmajor Funds	1,058,646
Total		\$ 8,641,890

The Lakewood Reinvestment Authority Fund transferred excess revenues to the General Fund as reimbursement of startup costs. The General Fund annually provides funding for capital projects and the required debt service for the 2009 Sales and Use Tax Revenue Refunding Bonds 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 transferred \$67,800 to the Stormwater Fund to cover the 2010 TABOR refunds paid to the citizens from the Stormwater Fund (see Note 7). In addition, the General Fund subsidized the operations of the Heritage, Culture and Arts Fund in the amount of \$965,976 for the year ended December 31, 2011.

CITY OF LAKEWOOD, COLORADO
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2011

NOTE 5 - CAPITAL ASSETS

The following is a summary of changes in capital assets for the year ended December 31, 2011.

	Balance 12/31/10	Additions	Deletions	Balance 12/31/11
Governmental Activities				
Capital Assets, Not Being Depreciated				
Land	\$ 113,556,724	\$ 4,990,652	\$ -	\$ 118,547,376
Construction in Progress	2,445,460	2,701,845	869,506	4,277,799
Total Capital Assets, Not Being Depreciated	116,002,184	7,692,497	869,506	122,825,175
Capital Assets, Being Depreciated				
Infrastructure	184,536,795	11,409,181	-	195,945,976
Park Buildings, Facilities & Improvements	100,275,974	193,465	-	100,469,439
Buildings	67,081,372	723,386	-	67,804,758
Machinery, Furniture and Equipment	31,980,052	4,518,852	1,330,753	35,168,151
Total Capital Assets, Being Depreciated	383,874,193	16,844,884	1,330,753	399,388,324
Less Accumulated Depreciation for				
Infrastructure	(24,249,912)	(2,604,821)	-	(26,854,733)
Park Buildings, Facilities & Improvements	(24,880,169)	(2,034,356)	-	(26,914,525)
Buildings	(18,850,086)	(1,653,281)	-	(20,503,367)
Machinery and Equipment	(19,987,783)	(3,400,262)	1,285,861	(22,102,184)
Total Accumulated Depreciation	(87,967,950)	(9,692,720)	1,285,861	(96,374,809)
Capital Assets, Being Depreciated, Net	295,906,243	7,152,164	44,892	303,013,515
Governmental Activities Capital Assets, Net	<u>\$ 411,908,427</u>	<u>\$ 14,844,661</u>	<u>\$ 914,398</u>	<u>\$ 425,838,690</u>

CITY OF LAKEWOOD, COLORADO
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2011

NOTE 5 - CAPITAL ASSETS (Continued)

	Balance			Balance
	12/31/10	Additions	Deletions	12/31/11
Business-Type Activities				
Capital Assets, Not Being Depreciated				
Land	\$ 7,362,063	\$ -	\$ -	\$ 7,362,063
Construction in Progress	75,000	465,635	-	540,635
Total Capital Assets, Not Being Depreciated	7,437,063	465,635	-	7,902,698
Capital Assets, Being Depreciated				
Infrastructure	20,823,324	102,358	-	20,925,682
Buildings	4,732,305	-	-	4,732,305
Improvements	3,657,428	-	-	3,657,428
Machinery, Furniture and Equipment	3,035,268	-	-	3,035,268
Total Capital Assets, Being Depreciated	32,248,325	102,358	-	32,350,683
Less Accumulated Depreciation for				
Infrastructure	(9,560,956)	(797,114)	-	(10,358,070)
Buildings	(1,803,066)	(160,593)	-	(1,963,659)
Improvements	(3,228,825)	(205,292)	-	(3,434,117)
Machinery, Furniture and Equipment	(2,717,241)	(56,253)	-	(2,773,494)
Total Accumulated Depreciation	(17,310,088)	(1,219,252)	-	(18,529,340)
Capital Assets, Being Depreciated, Net	14,938,237	(1,116,894)	-	13,821,343
Business-Type Activities Capital Assets, Net	\$ 22,375,300	\$ (651,259)	\$ -	\$ 21,724,041

CITY OF LAKEWOOD, COLORADO
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2011

NOTE 5 - CAPITAL ASSETS (Continued)

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

Governmental Activities

General Government	\$ 2,059,160
Public Safety	2,107,768
Public Works	3,107,186
Culture and Recreation	2,309,654
Urban Development and Housing	64,227
Economic Opportunity	44,725
	<hr/>
Total Governmental Activities	<u>\$ 9,692,720</u>

Business-Type Activities

Golf Course	\$ 383,099
Sewer	408,898
Stormwater	379,562
Water	47,693
	<hr/>
Total Business-Type Activities	<u>\$ 1,219,252</u>

CITY OF LAKEWOOD, COLORADO
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2011

NOTE 6 - LONG-TERM DEBT

Governmental Activities

Following is a summary of long-term debt transactions for the year ended December 31, 2011:

	<u>Balance</u> <u>12/31/10</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12/31/11</u>	<u>Due within</u> <u>one year</u>
Governmental Activities					
Bonds Payable					
Sales and Use Tax Revenue Refunding					
Bonds, Series 2009	\$ 2,565,000	\$ -	\$ 1,265,000	\$ 1,300,000	\$ 1,300,000
Certificates of Participation					
Certificates of Participation, 2006A	26,180,000	-	1,480,000	24,700,000	1,550,000
2006A COPs Premium	1,306,413	-	130,642	1,175,771	-
2006A COPs Loss on Refunding	(1,156,446)	-	(115,644)	(1,040,802)	-
Certificates of Participation, 2006B	21,680,000	-	2,280,000	19,400,000	2,375,000
2006B COPs Loss on Refunding	(573,595)	-	(57,359)	(516,236)	-
Capital Leases Payable					
Police Facility Building	2,289,225	-	78,844	2,210,381	82,384
Office Condo	122,897	-	122,897	-	-
William Frederick Hayden Park Land	1,006,589	-	109,407	897,182	119,253
Notes Payable					
Section 108 Notes Payable	3,118,000	-	228,000	2,890,000	238,000
LRA Station Betterments Loan	2,718,030	-	135,911	2,582,119	94,305
Compensated Absences					
Sick Leave	2,572,548	1,682,707	1,624,941	2,630,314	225,000
Vacation	3,126,681	3,204,444	3,035,340	3,295,785	200,000
Postemployment Benefits					
Postemployment Benefits	445,558	218,166	-	663,724	-
Total	<u>\$ 65,400,900</u>	<u>\$ 5,105,317</u>	<u>\$ 10,317,979</u>	<u>\$ 60,188,238</u>	<u>\$ 6,183,942</u>

CITY OF LAKEWOOD, COLORADO
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2011

NOTE 6 - LONG-TERM DEBT (Continued)

Sales and Use Tax Revenue Refunding Bonds, Series 2009

In December, 2009, the City issued \$3,800,000 Sales and Use Tax Revenue Refunding Bonds to advance refund the remaining Sales and Use Tax Revenue Refunding Bonds, Series 1998. The bonds bear interest at 2.53%, payable semi-annually, and mature serially through December, 2012.

The bonds are payable solely from the City's 2% sales and use tax which is deposited into the General and Capital Improvements Funds. During the year ended December 31, 2011, revenues of approximately \$45 million were available to pay annual debt service of \$1,329,895. Remaining debt service at December 31, 2011, was as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	<u>\$ 1,300,000</u>	<u>\$ 32,890</u>	<u>\$ 1,332,890</u>

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 3.50% through 5.00%, payable semi-annually, and mature serially through December, 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.

Following are the future principal and interest requirements:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 1,550,000	\$ 1,168,013	\$ 2,718,013
2013	1,625,000	1,090,950	2,715,950
2014	1,700,000	1,015,950	2,715,950
2015	1,780,000	937,850	2,717,850
2016	1,860,000	855,750	2,715,750
2017 - 2021	10,845,000	2,744,875	13,589,875
2022	<u>5,340,000</u>	<u>133,500</u>	<u>5,473,500</u>
Total	<u><u>\$ 24,700,000</u></u>	<u><u>\$ 7,946,888</u></u>	<u><u>\$ 32,646,888</u></u>

CITY OF LAKEWOOD, COLORADO
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2011

NOTE 6 - LONG-TERM DEBT (Continued)

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.

Following are the future principal and interest requirements:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 2,375,000	\$ 738,391	\$ 3,113,391
2013	2,465,000	644,289	3,109,289
2014	1,845,000	553,523	2,398,523
2015	1,920,000	480,420	2,400,420
2016	1,995,000	404,275	2,399,275
2017 - 2020	<u>8,800,000</u>	<u>794,813</u>	<u>9,594,813</u>
Total	<u>\$ 19,400,000</u>	<u>\$ 3,615,711</u>	<u>\$ 23,015,711</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 to date are \$381,775, \$1,957,650 and \$13,703, respectively, which includes interest income on the lease proceeds. Annual payments of \$181,630, including principal and interest accruing at 4.49%, are due on December 31, through 2029.

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, 2011:

2012	\$ 181,630
2013	181,630
2014	181,630
2015	181,630
2016	181,630
2017 - 2021	908,150
2022 - 2026	908,150
2027 - 2029	<u>544,892</u>
Total Minimum Lease Payments	3,269,342
Less: Amount Representing Interest	<u>(1,058,961)</u>
Present Value of Minimum Lease Payments	<u>\$ 2,210,381</u>

CITY OF LAKEWOOD, COLORADO
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2011

NOTE 6 - LONG-TERM DEBT (Continued)

Capital Leases (Continued)

Office Condo Lease - On January 21, 2005, the City entered into a lease purchase agreement for the purchase of the condo unit in the public safety center from West Metro Fire Protection District. The building is recorded in the City's capital assets at \$677,000, the present value of minimum lease payments on the date of inception of the lease. Annual payments of \$127,260, including principal and interest accruing at 3.55%, were due on January 21, through 2011. This lease was paid in full during the year ended December 31, 2011.

William Frederick Hayden Park Land Lease - On September 8, 1988, the City entered into a lease agreement with an option to purchase land. The land is recorded in the City's capital assets at \$2,239,657, the present value of minimum lease payments on the date of inception of the lease. Annual payments of \$200,000, including principal and interest accruing at 9%, are due on September 8, through 2017.

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, 2011:

2012	\$	200,000
2013		200,000
2014		200,000
2015		200,000
2016		200,000
2017		<u>200,000</u>
Total Minimum Lease Payments		1,200,000
Less: Amount Representing Interest		<u>(302,818)</u>
Present Value of Minimum Lease Payments		<u>\$ 897,182</u>

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 rates on the loan range from 2.62% to 5.42%. The note 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, 2011, was \$371,218. 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, 2011

NOTE 6 - LONG-TERM DEBT (Continued)

Section 108 Notes Payable (Continued)

Future debt service requirements are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 238,000	\$ 130,909	\$ 368,909
2013	248,000	121,818	369,818
2014	258,000	111,898	369,898
2015	269,000	101,216	370,216
2016	279,000	89,569	368,569
2017 - 2021	1,598,000	241,664	1,839,664
Total	\$ 2,890,000	\$ 797,074	\$ 3,687,074

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. Under the terms of the agreement, principal and interest at a fixed rate of 6% is payable semi-annually on the first day of each June and December through December 1, 2030.

The loan is collateralized by a Loan Reserve Account funded with \$249,000 of the loan proceeds plus interest earnings and a Surplus Reserve Account funded from all surplus Incremental Tax Revenue from the Colfax Avenue Corridor urban renewal area in excess of the amounts used to make principal and interest payments under the loan. The Surplus Reserve Account requirement was released during 2010, when the debt service coverage ratio reached 1.25% or greater. For the year ended December 31, 2011, incremental property tax revenues of \$298,136 were available to pay annual debt service of \$299,961, which included a prepayment of \$50,000. Remaining debt service at December 31, 2011, was as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 94,305	\$ 155,656	\$ 249,961
2013	100,129	149,832	249,961
2014	106,314	143,647	249,961
2015	112,878	137,083	249,961
2016	119,850	130,111	249,961
2017 - 2021	719,852	529,951	1,249,803
2022 - 2026	971,342	278,461	1,249,803
2027 - 2030	357,449	22,218	379,667
Total	\$ 2,582,119	\$ 1,546,959	\$ 4,129,078

CITY OF LAKEWOOD, COLORADO
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2011

NOTE 6 - LONG-TERM DEBT (Continued)

Compensated Absences and Postemployment Benefits

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

Business-Type Activities

Following is a summary of long-term debt transactions for the year ended December 31, 2011:

	Balance	Additions	Deletions	Balance	Due within
	12/31/10			12/31/11	one year
Business-Type Activities					
Capital Leases Payable					
Golf Carts	\$ 167,744	\$ -	\$ 48,553	\$ 119,191	\$ 51,778

Golf Cart Lease – On April 15, 2009, the City entered into a lease agreement to purchase sixty golf carts for the Homestead Golf Course. The equipment is recorded in the City’s capital assets at \$242,035, the present value of minimum lease payments on the date of inception of the lease. Principal and interest payments of \$4,829 are due on the 15th of each month with final balloon payment of \$48,000 due on May 13, 2013.

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, 2011:

2012	\$ 57,953
2013	67,318
Total Minimum Lease Payments	125,271
Less: Amount Representing Interest	(6,080)
Present Value of Minimum Lease Payments	\$ 119,191

CITY OF LAKEWOOD, COLORADO
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2011

NOTE 7 – FUND BALANCE

Fund balances reserved for TABOR emergencies constitute fiscal year spending as defined by a 1992 amendment to the State Constitution, Article X, Section 20, which has several limitations, including revenue raising, spending abilities, 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. TABOR 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 reserved at December 31, 2011, totaled \$2,350,510 and is included in the General Fund's fund balance in the category "Restricted".

Revenue limits under TABOR are determined based on prior year revenues (as defined under TABOR) adjusted for inflation and annual local growth. Revenues collected in excess of these limits must be refunded in the next fiscal year unless voters approve retention of such revenue. For the year ended December 31, 2011, the City refunded \$67,800 for excess revenues received in 2010.

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 TABOR 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.

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 eligible 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.

Under the terms of this plan, 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. In 2011, the City contributed 18% of the City Manager's contribution, which includes the employer and employee portion. Contribution requirements of the City and the participants are established and may be amended by the City Council. During the year ended December 31, 2011, the City and employees made all required contributions to the plan, of \$3,420,899 and \$2,723,912 (including voluntary contributions of \$14,970), respectively.

CITY OF LAKEWOOD, COLORADO
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2011

NOTE 8 – EMPLOYEE RETIREMENT PLANS (Continued)

Lakewood Employees Pension Plan (Continued)

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 2011, \$112,475 was used from this account to fund a portion of the City’s contribution, and \$126,918 was available to fund future City contributions.

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%

Employee voluntary after-tax contributions to the plan are allowed to the extent allowed by law. Since a third party trustee holds the assets in trust, they are not reflected on the City’s financial statements.

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 Wells Fargo Bank West, N.A. Institutional Trust Group.

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. Contribution requirements of the City and the participants are established and may be amended by the City Council. During the year ended December 31, 2011, the City and employees made all required contributions to the plan, of \$2,079,763 and \$1,703,061 (including voluntary contributions of \$39,251), respectively.

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 2011, \$24,033 was used from this account to fund a portion of the City’s contribution.

CITY OF LAKEWOOD, COLORADO
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2011

NOTE 8 – EMPLOYEE RETIREMENT PLANS (Continued)

Police Pension Plan (Continued)

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%

Employee voluntary after-tax contributions to the plan are allowed to the extent allowed by law. Since a third party trustee holds the assets in trust, they are not reflected on the City’s financial statements.

Retired City Manager Pension Plan

Plan Description - In August, 2000, the City Council approved and established a plan for the now retired City Manager, known as the City Manager Defined Benefit Pension Plan, qualified under the Internal Revenue Code of 1986, as amended, Section 401(a). The plan is a defined benefit pension plan whereby 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 was fully vested in the plan upon attainment of Normal Retirement Age (age 61) under the Plan, with zero vesting prior to that date. 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. The plan does not publish a separate stand-alone report, and is included in these financial statements as a Pension Trust Fund.

Funding Policy - 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 will be actuarially determined.

Annual Pension Cost and Annual Required Contributions - Contributions were determined as part of the January 1, 2012 actuarial valuation. The estimated net pension obligation at December 31, 2011, was (\$452,480) which is reported as an asset in the government-wide financial statements. AXA Equitable holds the plan assets in trust. The Director of Employee Relations, the Director of Finance, and the City Clerk shall exercise discretionary authority and control over management of the trust and render investment advice with respect to any monies or property of the trust. The City’s annual pension cost and net pension obligation to the City Manager Pension Plan for the current year were as follows:

CITY OF LAKEWOOD, COLORADO
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2011

NOTE 8 – EMPLOYEE RETIREMENT PLANS (Continued)

City Manager Pension Plan (Continued)

Annual required contribution (ARC)	\$ 160,897
Interest on net pension obligation	(21,727)
Adjustment to ARC	2,230
Annual pension cost	<u>141,400</u>
Contributions made	<u>(272,000)</u>
Increase (decrease) in net pension obligation	(130,600)
Net pension obligation beginning of year	<u>(321,880)</u>
Net pension obligation end of year	<u><u>\$ (452,480)</u></u>

Trend information of the plan follows:

<u>Year Ended</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation (Asset)</u>
12/31/06	\$ 5,340	0%	\$ (347,216)
12/31/07	\$ 7,294	0%	\$ (339,923)
12/31/08	\$ 39,850	0%	\$ (300,073)
12/31/09	\$ 43,182	85%	\$ (293,875)
12/31/10	\$ 138,995	120%	\$ (321,880)
12/31/11	\$ 141,400	192%	\$ (452,480)

<u>Date Required</u>	<u>Annual Required Contribution</u>	<u>Annual Contribution</u>	<u>Percentage Contribution</u>
12/31/06	\$ 33,575	\$ -	0%
12/31/07	\$ 34,925	\$ -	0%
12/31/08	\$ 66,713	\$ -	0%
12/31/09	\$ 66,713	\$ 36,984	55%
12/31/10	\$ 157,039	\$ 167,000	106%
12/31/11	\$ 160,897	\$ 272,000	169%

CITY OF LAKEWOOD, COLORADO
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2011

NOTE 8 – EMPLOYEE RETIREMENT PLANS (Continued)

City Manager Pension Plan (Continued)

Actuarial Methods and Assumptions -

Actuarial Valuation Date – January 1, 2012

Actuarial Cost Method – Entry Age

Amortization Method – Level Dollar Method over the Expected Life of the Participant

Remaining Amortization Period – 30 years, Open

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

Benefits Expected Fixed COLA Increases - 3%

Retirement – September 19, 2009

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

Asset Valuation – Market Value

Funded Status and Funding Progress - At January 1, 2012, the most recent actuarial valuation date, the actuarial value of assets was \$1,337,525, the actuarial accrued liability (AAL) was \$3,370,637, of which \$2,033,112 was unfunded, resulting in a funded ratio of 39.7%. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about the funded status of the Plan.

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, but is not required to be, supplemented by contributions from the City. All members employed by the City will make an equal contribution to the Trust; the current contribution is \$10 per pay period.

Wells Fargo Bank West holds the plan assets in trust. The Duty Death and Disability Board exercises discretionary authority and control over management of the trust and renders investment advice with respect to any monies or property of the trust.

Disabled officers receive 100% of their salary for the first 90 days of the disability, 60% for 91 days to age 65 and 50% thereafter. 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 or guardian of their children under the age of 18 receives 50% of their salary. The spouse's benefits cease upon remarriage or death and the children's benefits cease upon attaining age 18.

At September 1, 2007, 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 rate of return on the investment of present and future assets of 6%, (b) projected annual salary increases of between 4.5% and 13%, and (c) a mortality rate in accordance with the group annuity tables of 1994.

CITY OF LAKEWOOD, COLORADO
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2011

NOTE 8 – EMPLOYEE RETIREMENT PLANS (Continued)

Duty Death and Disability Plan (Continued)

Based on this valuation, the present value of projected benefits (based on employee service to date) totaled \$2,765,311. During the year ended December 31, 2011, benefit payments totaling \$65,663 were paid. At December 31, 2011, assets totaling \$2,165,175 were available for benefits. Under the plan document, there is no provision for benefits to be paid if sufficient assets are not available.

During 2011, the City contributed \$129,050 to the Police Duty Death and Disability Plan. Since a third party trustee holds the assets in trust, they are not reflected on the City’s financial statements.

NOTE 9 – PENSION PLANS

Combining Financial Statements

Combining financial statements for the City’s pension trust funds as of and for the year ended December 31, 2011, were as follows:

	City Manager Pension	City Manager Severance	Total
Assets			
Cash and Investments	\$ 1,546,270	\$ 345,406	\$ 1,891,676
Accounts Receivable	1,335	-	1,335
Net Assets			
Reserved	\$ 1,547,605	\$ 345,406	\$ 1,893,011
Additions			
Employer Contributions	\$ 272,000	\$ -	\$ 272,000
Investment Income	81,984	1,500	83,484
Total Additions	353,984	1,500	355,484
Deductions			
Benefit Payments	176,542	-	176,542
Administrative Expenses	1,952	-	1,952
Total Deductions	178,494	-	178,494
Change in Net Assets	175,490	1,500	176,990
Net Assets, Beginning of Year	1,372,115	343,906	1,716,021
Net Assets, End of Year	\$ 1,547,605	\$ 345,406	\$ 1,893,011

CITY OF LAKEWOOD, COLORADO
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2011

NOTE 10 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

Plan Description - The City provides retirees continuing access to group medical, dental, and vision coverage while retired until eligible for Medicare or any other group plan. 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.

Additionally, the City provides a lump sum payment to certain employees. There are 80 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.

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 Retiree's Health Internal Service Fund but no assets are held in a qualified trust.

Funding Policy - The City subsidizes retirees who were full time active employees at a monthly rate of \$10 per year of active service to a maximum of \$200 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.

Annual OPEB and Net OPEB Obligation - The City's annual other postemployment benefit (OPEB) cost is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period of thirty years. The following table shows the City's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the City's net OPEB obligation to the plan.

Annual required contribution	\$ 385,821
Interest on net OPEB obligation	20,050
Adjustment to annual required contributions	(26,677)
Annual OPEB Cost	<u>379,194</u>
Contributions made	<u>(161,028)</u>
Increase in net OPEB obligation	218,166
Net OPEB Obligation, Beginning	<u>445,558</u>
Net OPEB Obligation, Ending	<u><u>\$ 663,724</u></u>

CITY OF LAKEWOOD, COLORADO
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2011

NOTE 10 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)

Trend Information of the Plan Follows:

<u>Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
12/31/09	\$ 431,562	76.3%	\$ 343,004
12/31/10	\$ 431,562	76.3%	\$ 445,558
12/31/11	\$ 379,194	42.5%	\$ 663,724

Funded Status and Funding Progress - At December 31, 2011, the most recent actuarial valuation date, the actuarial accrued liability (AAL) was \$4,249,357, all of which was unfunded in accordance with GASB Statement 45 requirements. The covered payroll (annual payroll of active employees covered by the plan) was \$55,334,724, and the ratio of the unfunded actuarial accrued liability (UAAL) to the covered payroll was 7.7%.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. These assumptions include among others, annual rates of payroll increases, healthcare cost trends, and mortality rates. Amounts determined regarding the funded status of the plan and the annual required contributions of the City are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions - Projections of benefits for financial reporting purposes are based on the substantive plan as understood by the City and plan members, and are based on the types of benefits provided at the time of each valuation and the historical pattern of sharing of the benefit costs between the City and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. Significant methods and assumptions included the following:

- Actuarial Valuation Date – December 31, 2011
- Actuarial Cost Method – Unit Credit Cost Method
- Amortization Method – Level Dollar
- Remaining Amortization Period - 30 years, Open
- Asset Valuation Method – Fair Value
- Discount Rate – 4.5%
- Healthcare Cost Trend Factors – Not Applicable for Unit Credit Cost Method
- Turnover Rates – Uni-Sex Graduated Rates by Attained Age
- Retirement Rates – Uni-Sex Graduated Rates Based on Plan Experience

CITY OF LAKEWOOD, COLORADO
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2011

NOTE 11 – 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, 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 \$400,000. Royal Insurance Company provides excess coverage for individual property claims in excess of \$50,000 and casualty claims in excess of \$250,000. 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.

Premiums for the dental program are paid by employee payroll deductions and City contributions. The dental program is a fully self-insured program that requires the City to reimburse Delta Dental Plan of Colorado for the total claims paid by them for plan dental services provided to eligible employees. The plan follows the employee benefit plan fiscal year of April 1st through March 31st.

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, 2010 to December 31, 2011:

	<u>Property and Casualty</u>	<u>Workers' Compensation</u>	<u>Dental</u>
Claims Payable December 31, 2009	\$ 1,114,563	\$ 486,297	\$ 22,968
Claims and Changes in Provisions	166,661	529,104	2,532,988
Claims Payments	<u>(221,927)</u>	<u>(452,565)</u>	<u>(2,525,210)</u>
Claims Payable December 31, 2010	1,059,297	562,836	30,746
Claims and Changes in Provisions	757,846	427,425	749,593
Claims Payments	<u>(495,847)</u>	<u>(459,438)</u>	<u>(757,081)</u>
Claims Payable December 31, 2011	<u><u>\$ 1,321,296</u></u>	<u><u>\$ 530,823</u></u>	<u><u>\$ 23,258</u></u>

CITY OF LAKEWOOD, COLORADO
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2011

NOTE 12 - CONTINGENCIES

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 11), or have a material effect on the City's financial statements.

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.

Economic Development Agreements

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 and use tax, or pay a portion of its sales and use 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.

CITY OF LAKEWOOD, COLORADO
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2011

NOTE 12 – CONTINGENCIES (Continued)

Economic Development Agreements (Continued)

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	2011 Amount Of Tax Shared With Developer	Future Contingent Payments Required By Agreement
Stevinson I ⁽³⁾ (Colorado Mills ⁽⁴⁾ & Denver West Village)	Not Limited	12/31/2028	1/4 th of 2% Sales Tax	\$1,668,923	N/A
Stevinson II ⁽³⁾ (Hotels/Dealerships)	Not Limited	10/09/2026	1/4 th of 2% Sales Tax	\$29,449	N/A
Kohl's Retail Center	\$1,287,265	04/16/2014	1/2 of 2% Sales Tax	\$275,682	\$27,081

⁽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.

⁽⁴⁾ The Colorado Mills project includes a public improvement fee (instituted by the developer) which contributes to the overall reimbursement amount. In addition, the sales tax rate increase of 1% which began in 2006 was waived for the Colorado Mills area during 2006 & 2007.

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."

CITY OF LAKEWOOD, COLORADO
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2011

NOTE 12 – CONTINGENCIES (Continued)

Economic Development Agreements (Continued)

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	2011 Amount Of Tax Shared With Developer	Future Contingent Payments Required By Agreement
Belmar	\$120,000,000	05/25/2023	2/3 rd s of 3% Sales Tax Rate Waived	\$ -0-	N/A
Creekside Shopping Center (Wal-Mart)	\$24,320,435 ⁽³⁾	08/09/2024	100% of Sales Tax increment in excess of \$1,000,000	\$1,610,759	\$15,951,931

⁽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 obligation has been satisfied, whichever occurs first.

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

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF LAKEWOOD, COLORADO
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS
CITY MANAGER PENSION PLAN
Year Ended December 31, 2011

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
4/1/03	\$1,085,309	\$973,425	(\$111,884)	111.5%	\$205,058	(54.6%)
4/1/05	\$1,462,732	\$1,257,042	(\$205,690)	116.4%	\$214,102	(96.1%)
4/1/07	\$1,804,256	\$1,587,851	(\$216,405)	113.6%	\$244,285	(88.6%)
4/1/08	\$1,728,390	\$1,773,359	\$44,969	97.5%	\$234,527	19.2%
1/1/11	\$1,279,431	\$3,327,193	\$2,047,762	38.5%	N/A	N/A
1/1/12	\$1,337,525	\$3,370,637	\$2,033,112	39.7%	N/A	N/A

See the accompanying Independent Auditors' Report.

CITY OF LAKEWOOD, COLORADO
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS
POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS
Year Ended December 31, 2011

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/08	\$0	\$5,040,911	\$5,040,911	0.0%	\$54,521,302	9.2%
12/31/09	\$0	\$4,575,275	\$4,575,275	0.0%	\$53,562,178	8.5%
12/31/11	\$0	\$4,249,357	\$4,249,357	0.0%	\$55,334,724	7.7%

See the accompanying Independent Auditors' Report.

CITY OF LAKEWOOD, COLORADO
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2011

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Taxes	\$ 74,209,312	\$ 74,742,604	\$ 75,673,943	\$ 931,339
Licenses and Permits	1,717,921	2,095,749	2,739,114	643,365
Intergovernmental	5,996,591	5,210,988	5,464,167	253,179
Charges for Services	10,006,752	10,713,005	10,365,425	(347,580)
Fines and Forfeitures	1,367,640	1,567,338	1,520,956	(46,382)
Miscellaneous				
Investment Income	776,290	543,754	661,954	118,200
Other	407,688	402,688	379,562	(23,126)
Total Revenues	<u>94,482,194</u>	<u>95,276,126</u>	<u>96,805,121</u>	<u>1,528,995</u>
EXPENDITURES				
Current				
General Government	26,446,707	26,723,959	25,373,718	1,350,241
Public Safety	45,023,774	45,109,372	43,856,057	1,253,315
Public Works	6,952,486	7,147,211	6,517,499	629,712
Culture and Recreation	11,175,385	10,971,108	10,407,162	563,946
Urban Development and Housing	191,500	329,832	88,879	240,953
Economic Opportunity	954,583	851,147	709,558	141,589
Capital Outlay				
General Government	147,089	160,789	236,562	(75,773)
Public Safety	121,862	121,862	285,272	(163,410)
Public Works	11,500	11,500	7,394	4,106
Culture and Recreation	20,000	58,425	46,452	11,973
Total Expenditures	<u>91,044,886</u>	<u>91,485,205</u>	<u>87,528,553</u>	<u>3,956,652</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>3,437,308</u>	<u>3,790,921</u>	<u>9,276,568</u>	<u>5,485,647</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	18,620	17,620	16,189	(1,431)
Transfers Out	(5,038,541)	(5,853,378)	(6,504,687)	(651,309)
Total Other Financing Sources (Uses)	<u>(5,019,921)</u>	<u>(5,835,758)</u>	<u>(6,488,498)</u>	<u>(652,740)</u>
Net Change in Fund Balance	(1,582,613)	(2,044,837)	2,788,070	4,832,907
FUND BALANCE, Beginning of Year	<u>25,065,313</u>	<u>28,748,362</u>	<u>28,748,362</u>	<u>-</u>
FUND BALANCE, End of Year	<u><u>\$ 23,482,700</u></u>	<u><u>\$ 26,703,525</u></u>	<u><u>\$ 31,536,432</u></u>	<u><u>\$ 4,832,907</u></u>

See the accompanying Independent Auditors' Report.

CITY OF LAKEWOOD, COLORADO
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
Year Ended December 31, 2011

NOTE 1 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

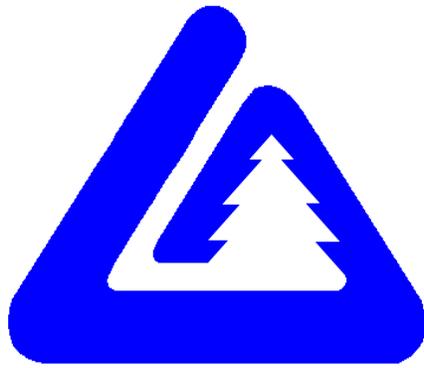
Budgetary Information

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 submits 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 LPBA are adopted by their governing board.
2. Two public hearings are conducted at regular City Council meetings to obtain taxpayer comments.
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 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 expenditures of any fund must be approved by City Council.
5. Formal budgetary integration is employed as a management control device during the year for the General, Special Revenue, Debt Service, Capital Projects, Internal Service, and Enterprise Funds.
6. Budgets for the General, Special Revenue, Debt Service, 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 bond proceeds are treated as revenues, capital outlay and debt service principal are treated as expenditures, and capital contributions are not budgeted.

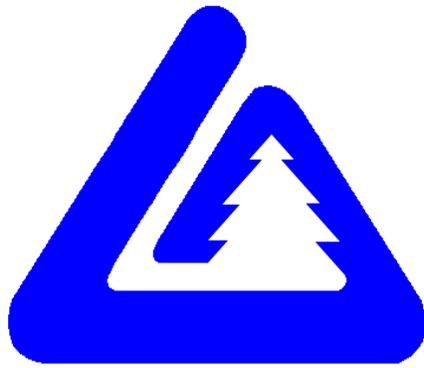
Legal Compliance

For the year ended December 31, 2011, the Grants Fund supplemental budget allowed for expenditures in excess of the resources available, including revenues and beginning fund balance. This may be a violation of State statutes.



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**COMBINING AND
INDIVIDUAL FUND
FINANCIAL STATEMENTS
AND SCHEDULES**



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GOVERNMENTAL NONMAJOR

CITY OF LAKEWOOD, COLORADO
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2011

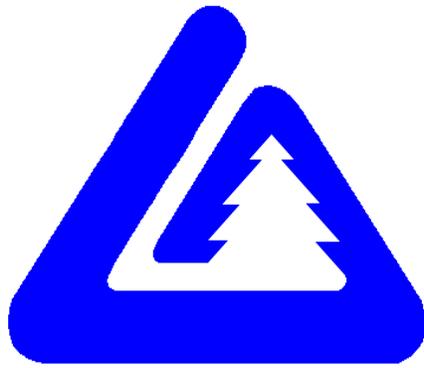
	Special Revenue Funds	Lakewood Public Building Authority	Equipment Replacement Fund	Total Nonmajor Governmental Funds
ASSETS				
Cash and Investments	\$ 6,148,696	\$ -	\$ 4,535,094	\$ 10,683,790
Restricted Cash and Investments	-	2,835,379	-	2,835,379
Accounts Receivable	3,472,400	-	49,635	3,522,035
Inventories	42,667	-	-	42,667
Prepays	500	-	-	500
	<u>9,664,263</u>	<u>2,835,379</u>	<u>4,584,729</u>	<u>17,084,371</u>
Total Assets	<u>\$ 9,664,263</u>	<u>\$ 2,835,379</u>	<u>\$ 4,584,729</u>	<u>\$ 17,084,371</u>
LIABILITIES				
Accounts Payable	\$ 2,123,871	1,595	12,398	\$ 2,137,864
Accrued Liabilities	62,702	-	712	63,414
Retainage Payable	49,928	-	-	49,928
Deferred Revenues	884,836	-	-	884,836
	<u>3,121,337</u>	<u>1,595</u>	<u>13,110</u>	<u>3,136,042</u>
Total Liabilities	<u>3,121,337</u>	<u>1,595</u>	<u>13,110</u>	<u>3,136,042</u>
FUND BALANCES				
Nonspendable:				
Inventories	42,667	-	-	42,667
Prepays	500	-	-	500
Restricted for:				
Parks and Open Space	3,268,862	-	-	3,268,862
Economic Development	2,909,683	-	-	2,909,683
Debt Service	-	2,833,784	-	2,833,784
Assigned to:				
Cultural Activities	418,466	-	-	418,466
Capital Improvements	-	-	4,571,619	4,571,619
Unassigned	(97,252)	-	-	(97,252)
	<u>6,542,926</u>	<u>2,833,784</u>	<u>4,571,619</u>	<u>13,948,329</u>
Total Fund Balances	<u>6,542,926</u>	<u>2,833,784</u>	<u>4,571,619</u>	<u>13,948,329</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 9,664,263</u>	<u>\$ 2,835,379</u>	<u>\$ 4,584,729</u>	<u>\$ 17,084,371</u>

See the accompanying Independent Auditors' Report.

CITY OF LAKEWOOD, COLORADO
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
Year Ended December 31, 2011

	Special Revenue Funds	Lakewood Public Building Authority	Equipment Replacement Fund	Total Nonmajor Governmental Funds
REVENUES				
Taxes	\$ 926,883	\$ -	\$ -	\$ 926,883
Intergovernmental	16,877,480	-	-	16,877,480
Charges for Services	919,475	717,612	1,787,977	3,425,064
Investment Income	108,182	135,824	-	244,006
Sale of Assets	-	-	178,244	178,244
Miscellaneous	155,409	-	-	155,409
Total Revenues	18,987,429	853,436	1,966,221	21,807,086
EXPENDITURES				
Current				
General Government	175,074	5,099	408,398	588,571
Public Safety	2,477,671	-	61,952	2,539,623
Public Works	128,008	-	-	128,008
Culture and Recreation	5,585,782	-	-	5,585,782
Urban Development and Housing	1,394,260	-	-	1,394,260
Economic Opportunity	1,244,950	-	-	1,244,950
Capital Outlay				
General Government	504,836	-	2,152,613	2,657,449
Public Safety	1,385,395	-	10,400	1,395,795
Public Works	2,578,171	-	-	2,578,171
Culture and Recreation	1,096,814	-	-	1,096,814
Urban Development and Housing	410,220	-	-	410,220
Debt Service				
Principal	281,609	3,760,000	-	4,041,609
Interest and Fiscal Charges	183,143	2,068,739	-	2,251,882
Total Expenditures	17,445,933	5,833,838	2,633,363	25,913,134
Excess (Deficiency) of Revenues Over Expenditures	1,541,496	(4,980,402)	(667,142)	(4,106,048)
OTHER FINANCING SOURCES (USES)				
Transfers In	965,976	4,970,444	337,969	6,274,389
Transfers Out	(978,646)	-	(80,000)	(1,058,646)
Total Other Financing Sources (Uses)	(12,670)	4,970,444	257,969	5,215,743
Net Change in Fund Balances	1,528,826	(9,958)	(409,173)	1,109,695
FUND BALANCES, Beginning of Year	5,014,100	2,843,742	4,980,792	12,838,634
FUND BALANCES, End of Year	\$ 6,542,926	\$ 2,833,784	\$ 4,571,619	\$ 13,948,329

See the accompanying Independent Auditors' Report.



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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.

CITY OF LAKEWOOD, COLORADO
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
Year Ended December 31, 2011

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Taxes				
Property Tax	\$ 8,024,928	\$ 7,903,919	\$ 7,986,944	\$ 83,025
Sales Tax	49,308,689	49,397,703	49,374,582	(23,121)
General Use Tax	2,259,034	2,513,173	2,753,778	240,605
Building Material Use Tax	1,553,450	1,886,783	2,061,471	174,688
Business and Occupational Tax	1,772,539	1,952,926	2,142,379	189,453
Specific Ownership Tax	624,304	571,499	541,358	(30,141)
Motor Vehicle Use Tax	3,854,241	3,704,474	3,751,489	47,015
Franchise and Other Taxes	6,812,127	6,812,127	7,061,942	249,815
Total Taxes	<u>74,209,312</u>	<u>74,742,604</u>	<u>75,673,943</u>	<u>931,339</u>
Licenses and Permits				
Business Licenses and Permits	536,950	490,119	540,685	50,566
Nonbusiness Licenses and Permits	1,180,971	1,605,630	2,198,429	592,799
Total Licenses and Permits	<u>1,717,921</u>	<u>2,095,749</u>	<u>2,739,114</u>	<u>643,365</u>
Intergovernmental Revenue				
Federal Government Grants	-	-	207,281	207,281
State Government Grants	-	-	5,000	5,000
State Government Shared Revenue	3,897,010	3,901,366	3,931,924	30,558
Local Government Grants	53,360	35,000	51,713	16,713
Local Government Shared Revenue	2,046,221	1,274,622	1,268,249	(6,373)
Total Intergovernmental Revenue	<u>5,996,591</u>	<u>5,210,988</u>	<u>5,464,167</u>	<u>253,179</u>
Charges for Services				
General Government	1,118,516	1,057,302	1,143,017	85,715
Public Safety	520,420	515,085	508,570	(6,515)
Culture and Recreation	3,333,246	3,461,550	3,592,220	130,670
Other Sales and Services	5,034,570	5,679,068	5,121,618	(557,450)
Total Charges for Services	<u>10,006,752</u>	<u>10,713,005</u>	<u>10,365,425</u>	<u>(347,580)</u>
Fines and Forfeitures				
	<u>1,367,640</u>	<u>1,567,338</u>	<u>1,520,956</u>	<u>(46,382)</u>
Miscellaneous				
Investment Income	776,290	543,754	661,954	118,200
Other	407,688	402,688	379,562	(23,126)
Total Miscellaneous	<u>1,183,978</u>	<u>946,442</u>	<u>1,041,516</u>	<u>95,074</u>
TOTAL REVENUES	<u>94,482,194</u>	<u>95,276,126</u>	<u>96,805,121</u>	<u>1,528,995</u>

(Continued)

See the accompanying Independent Auditors' Report.

CITY OF LAKEWOOD, COLORADO
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
Year Ended December 31, 2011

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
EXPENDITURES				
General Government				
Legislative				
Personnel Services	330,844	254,282	248,205	6,077
Services and Supplies	225,626	227,349	189,210	38,139
Total Legislative	<u>556,470</u>	<u>481,631</u>	<u>437,415</u>	<u>44,216</u>
Judicial				
Personnel Services	1,924,590	1,914,833	1,824,119	90,714
Services and Supplies	212,841	243,916	171,004	72,912
Capital Outlay	-	13,700	13,431	269
Total Judicial	<u>2,137,431</u>	<u>2,172,449</u>	<u>2,008,554</u>	<u>163,895</u>
Executive				
Personnel Services	1,333,095	1,406,079	1,379,139	26,940
Services and Supplies	220,312	207,422	203,628	3,794
Total Executive	<u>1,553,407</u>	<u>1,613,501</u>	<u>1,582,767</u>	<u>30,734</u>
Administrative				
Personnel Services	6,481,612	6,559,816	5,831,797	728,019
Services and Supplies	3,040,228	2,600,106	3,314,172	(714,066)
Capital Outlay	11,440	11,440	-	11,440
Total Administrative	<u>9,533,280</u>	<u>9,171,362</u>	<u>9,145,969</u>	<u>25,393</u>
Other				
Personnel Services	5,751,709	5,664,675	5,383,825	280,850
Services and Supplies	6,744,220	7,463,851	6,646,989	816,862
Debt Service	181,630	181,630	181,630	-
Capital Outlay	135,649	135,649	223,131	(87,482)
Total Other	<u>12,813,208</u>	<u>13,445,805</u>	<u>12,435,575</u>	<u>1,010,230</u>
Total General Government	<u>26,593,796</u>	<u>26,884,748</u>	<u>25,610,280</u>	<u>1,274,468</u>

(Continued)

See the accompanying Independent Auditors' Report.

CITY OF LAKEWOOD, COLORADO
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
Year Ended December 31, 2011

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Public Safety				
Law Enforcement				
Personnel Services	37,491,870	37,092,244	36,432,728	659,516
Services and Supplies	2,884,812	3,141,944	2,702,412	439,532
Capital Outlay	65,000	65,000	255,084	(190,084)
Total Law Enforcement	<u>40,441,682</u>	<u>40,299,188</u>	<u>39,390,224</u>	<u>908,964</u>
Correction				
Personnel Services	546,135	571,292	487,379	83,913
Services and Supplies	17,069	17,678	13,916	3,762
Total Correction	<u>563,204</u>	<u>588,970</u>	<u>501,295</u>	<u>87,675</u>
Protective Inspection				
Personnel Services	1,896,742	1,943,976	2,196,679	(252,703)
Services and Supplies	113,320	257,391	102,453	154,938
Total Protective Inspection	<u>2,010,062</u>	<u>2,201,367</u>	<u>2,299,132</u>	<u>(97,765)</u>
Other Protection				
Personnel Services	1,565,568	1,552,891	1,492,150	60,741
Services and Supplies	508,258	531,956	428,340	103,616
Capital Outlay	56,862	56,862	30,188	26,674
Total Other Protection	<u>2,130,688</u>	<u>2,141,709</u>	<u>1,950,678</u>	<u>191,031</u>
Total Public Safety	<u>45,145,636</u>	<u>45,231,234</u>	<u>44,141,329</u>	<u>1,089,905</u>
Public Works				
Highways and Streets				
Personnel Services	3,315,908	3,177,981	2,976,984	200,997
Services and Supplies	3,636,578	3,969,230	3,540,515	428,715
Capital Outlay	11,500	11,500	7,394	4,106
Total Highways and Streets	<u>6,963,986</u>	<u>7,158,711</u>	<u>6,524,893</u>	<u>633,818</u>
Total Public Works	<u>6,963,986</u>	<u>7,158,711</u>	<u>6,524,893</u>	<u>633,818</u>

(Continued)

See the accompanying Independent Auditors' Report.

CITY OF LAKEWOOD, COLORADO
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
Year Ended December 31, 2011

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Culture and Recreation				
Recreation				
Personnel Services	5,881,067	5,715,258	5,410,691	304,567
Services and Supplies	1,624,025	1,568,766	1,429,159	139,607
Capital Outlay	20,000	58,425	46,452	11,973
Total Recreation	<u>7,525,092</u>	<u>7,342,449</u>	<u>6,886,302</u>	<u>456,147</u>
Parks				
Personnel Services	1,890,311	1,854,388	1,768,225	86,163
Services and Supplies	1,779,982	1,832,696	1,799,087	33,609
Total Parks	<u>3,670,293</u>	<u>3,687,084</u>	<u>3,567,312</u>	<u>119,772</u>
Total Culture and Recreation	<u>11,195,385</u>	<u>11,029,533</u>	<u>10,453,614</u>	<u>575,919</u>
Urban Development and Housing				
Personnel Services	-	119,682	66,146	53,536
Services and Supplies	191,500	210,150	22,733	187,417
Total Urban Development and Housing	<u>191,500</u>	<u>329,832</u>	<u>88,879</u>	<u>240,953</u>
Economic Opportunity				
Personnel Services	725,625	626,413	588,064	38,349
Services and Supplies	228,958	224,734	121,494	103,240
Total Economic Opportunity	<u>954,583</u>	<u>851,147</u>	<u>709,558</u>	<u>141,589</u>
TOTAL EXPENDITURES	<u>91,044,886</u>	<u>91,485,205</u>	<u>87,528,553</u>	<u>3,956,652</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>3,437,308</u>	<u>3,790,921</u>	<u>9,276,568</u>	<u>5,485,647</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	18,620	17,620	16,189	(1,431)
Transfers Out	<u>(5,038,541)</u>	<u>(5,853,378)</u>	<u>(6,504,687)</u>	<u>(651,309)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(5,019,921)</u>	<u>(5,835,758)</u>	<u>(6,488,498)</u>	<u>(652,740)</u>
Net Change in Fund Balance	(1,582,613)	(2,044,837)	2,788,070	4,832,907
FUND BALANCE, Beginning of Year	<u>25,065,313</u>	<u>28,748,362</u>	<u>28,748,362</u>	<u>-</u>
FUND BALANCE, End of Year	<u>\$ 23,482,700</u>	<u>\$ 26,703,525</u>	<u>\$ 31,536,432</u>	<u>\$ 4,832,907</u>

See the accompanying Independent Auditors' Report.

CITY OF LAKEWOOD, COLORADO
GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES BY DEPARTMENT
BUDGET AND ACTUAL
Year Ended December 31, 2011

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
EXPENDITURES				
Mayor and City Council	\$ 556,470	\$ 481,631	\$ 437,415	\$ 44,216
City Manager's Office	1,937,871	1,997,095	1,918,818	78,277
City Attorney	1,539,443	1,535,147	1,445,238	89,909
City Clerk	682,193	751,040	680,531	70,509
Community Resources	16,239,575	15,911,866	15,244,786	667,080
Employee Relations	1,364,453	1,373,632	1,318,000	55,632
Finance	3,062,412	3,106,602	2,686,839	419,763
Information Technology	4,430,174	4,375,253	4,412,719	(37,466)
Municipal Court	2,700,635	2,761,419	2,509,849	251,570
Planning	1,257,869	1,407,591	1,179,384	228,207
Police Department	39,618,406	39,472,745	38,423,248	1,049,497
Public Works	14,317,470	15,453,333	14,089,992	1,363,341
Non-Departmental	3,337,915	2,857,851	3,181,734	(323,883)
Total Expenditures	91,044,886	91,485,205	87,528,553	3,956,652
OTHER FINANCING USES				
TRANSFERS OUT				
Stormwater Enterprise Fund	-	-	67,800	(67,800)
Capital Improvement Fund	868,066	1,700,000	2,283,512	(583,512)
Equipment Replacement Fund	337,969	337,969	337,969	-
Heritage, Culture and The Arts Fund	983,073	965,976	965,976	-
Lakewood Public Building Authority	2,849,433	2,849,433	2,849,430	3
Total Uses	5,038,541	5,853,378	6,504,687	(651,309)
TOTAL EXPENDITURES AND USES	\$ 96,083,427	\$ 97,338,583	\$ 94,033,240	\$ 3,305,343

See the accompanying Independent Auditors' Report.

SPECIAL REVENUE FUNDS

Special Revenue Funds are established for the purpose of accounting for monies received by the City of Lakewood from specific revenue sources that are restricted or committed to expenditures for specified purposes. The City's Special Revenue Funds account for the following revenues:

NONMAJOR 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.

GRANTS FUND

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

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.

CITY OF LAKEWOOD, COLORADO
COMBINING BALANCE SHEET
SPECIAL REVENUE FUNDS
December 31, 2011

	Nonmajor Special Revenue Funds					Total Special Revenue Funds
	Conservation	Economic	Grants	Heritage,	Open	
	Trust Fund	Development		Culture and Arts	Space	
	Fund	Fund	Fund	Fund	Fund	
ASSETS						
Cash and Investments	\$ 432,064	\$ 2,837,368	\$ 12,661	\$ 588,962	\$ 2,277,641	\$ 6,148,696
Accounts Receivable	-	80,028	2,553,226	75,944	763,202	3,472,400
Inventories	-	-	-	42,667	-	42,667
Prepays	-	-	-	500	-	500
Total Assets	\$ 432,064	\$ 2,917,396	\$ 2,565,887	\$ 708,073	\$ 3,040,843	\$ 9,664,263
LIABILITIES AND FUND BALANCES						
LIABILITIES						
Accounts Payable	\$ -	\$ 2,895	\$ 1,914,384	\$ 88,090	\$ 118,502	\$ 2,123,871
Accrued Liabilities	-	4,818	-	21,612	36,272	62,702
Retainage Payable	-	-	-	657	49,271	49,928
Deferred Revenues	-	-	748,755	136,081	-	884,836
Total Liabilities	-	7,713	2,663,139	246,440	204,045	3,121,337
FUND BALANCES						
Nonspendable:						
Inventories	-	-	-	42,667	-	42,667
Prepays	-	-	-	500	-	500
Restricted for:						
Parks and Open Space	432,064	-	-	-	2,836,798	3,268,862
Economic Development	-	2,909,683	-	-	-	2,909,683
Assigned to:						
Cultural Activities	-	-	-	418,466	-	418,466
Unassigned	-	-	(97,252)	-	-	(97,252)
Total Fund Balances	432,064	2,909,683	(97,252)	461,633	2,836,798	6,542,926
TOTAL LIABILITIES AND FUND BALANCES	\$ 432,064	\$ 2,917,396	\$ 2,565,887	\$ 708,073	\$ 3,040,843	\$ 9,664,263

See the accompanying Independent Auditors' Report.

CITY OF LAKEWOOD, COLORADO
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
SPECIAL REVENUE FUNDS
Year Ended December 31, 2011

	Nonmajor Special Revenue Funds					Total Special Revenue Funds
	Conservation Trust Fund	Economic Development Fund	Grants Fund	Heritage, Culture and Arts Fund	Open Space Fund	
REVENUES						
Taxes	\$ -	\$ 926,883	\$ -	\$ -	\$ -	\$ 926,883
Intergovernmental	1,286,414	-	11,272,936	264,365	4,053,765	16,877,480
Charges for Services	-	66,300	-	796,035	57,140	919,475
Investment Income	11,180	46,366	6,337	-	44,299	108,182
Miscellaneous	-	-	-	155,409	-	155,409
Total Revenues	<u>1,297,594</u>	<u>1,039,549</u>	<u>11,279,273</u>	<u>1,215,809</u>	<u>4,155,204</u>	<u>18,987,429</u>
EXPENDITURES						
Current						
General Government	-	-	175,074	-	-	175,074
Public Safety	-	-	2,477,671	-	-	2,477,671
Public Works	-	-	128,008	-	-	128,008
Culture and Recreation	-	-	972	2,143,248	3,441,562	5,585,782
Urban Development and Housing	-	505,288	888,972	-	-	1,394,260
Economic Opportunity	-	-	1,244,950	-	-	1,244,950
Capital Outlay						
General Government	-	-	504,836	-	-	504,836
Public Safety	-	-	1,385,395	-	-	1,385,395
Public Works	-	-	2,578,171	-	-	2,578,171
Culture and Recreation	452,800	-	-	55,213	588,801	1,096,814
Urban Development and Housing	-	7,298	402,922	-	-	410,220
Debt Service						
Principal	53,609	-	228,000	-	-	281,609
Interest	44,391	-	138,752	-	-	183,143
Total Expenditures	<u>550,800</u>	<u>512,586</u>	<u>10,153,723</u>	<u>2,198,461</u>	<u>4,030,363</u>	<u>17,445,933</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>746,794</u>	<u>526,963</u>	<u>1,125,550</u>	<u>(982,652)</u>	<u>124,841</u>	<u>1,541,496</u>
OTHER FINANCING SOURCES (USES)						
Transfers In	-	-	-	965,976	-	965,976
Transfers Out	(625,246)	-	-	-	(353,400)	(978,646)
Total Other Financing Sources (Uses)	<u>(625,246)</u>	<u>-</u>	<u>-</u>	<u>965,976</u>	<u>(353,400)</u>	<u>(12,670)</u>
Net Change in Fund Balances	121,548	526,963	1,125,550	(16,676)	(228,559)	1,528,826
FUND BALANCES, Beginning of Year	<u>310,516</u>	<u>2,382,720</u>	<u>(1,222,802)</u>	<u>478,309</u>	<u>3,065,357</u>	<u>5,014,100</u>
FUND BALANCES, End of Year	<u>\$ 432,064</u>	<u>\$ 2,909,683</u>	<u>\$ (97,252)</u>	<u>\$ 461,633</u>	<u>\$ 2,836,798</u>	<u>\$ 6,542,926</u>

See the accompanying Independent Auditors' Report.

CITY OF LAKEWOOD, COLORADO
CONSERVATION TRUST FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2011

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES				
Intergovernmental				
State Government Shared Revenue	\$ 1,310,282	\$ 1,310,282	\$ 1,286,414	\$ (23,868)
Investment Income	5,703	5,595	11,180	5,585
Total Revenues	<u>1,315,985</u>	<u>1,315,877</u>	<u>1,297,594</u>	<u>(18,283)</u>
EXPENDITURES				
Culture and Recreation				
Capital Outlay	623,000	648,558	452,800	195,758
Debt Service	-	98,000	98,000	-
Total Expenditures	<u>623,000</u>	<u>746,558</u>	<u>550,800</u>	<u>195,758</u>
Excess (Deficiency) of Revenues Over Expenditures	692,985	569,319	746,794	177,475
OTHER FINANCING SOURCES (USES)				
Transfers Out	<u>(625,249)</u>	<u>(625,249)</u>	<u>(625,246)</u>	<u>3</u>
Net Change in Fund Balances	67,736	(55,930)	121,548	177,478
FUND BALANCE, Beginning of Year	<u>144,473</u>	<u>310,516</u>	<u>310,516</u>	<u>-</u>
FUND BALANCE, End of Year	<u><u>\$ 212,209</u></u>	<u><u>\$ 254,586</u></u>	<u><u>\$ 432,064</u></u>	<u><u>\$ 177,478</u></u>

See the accompanying Independent Auditors' Report.

CITY OF LAKEWOOD, COLORADO
ECONOMIC DEVELOPMENT FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2011

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Hotel Accommodation Taxes	\$ 850,000	\$ 850,000	\$ 926,883	\$ 76,883
Charges for Services	52,000	52,000	66,300	14,300
Investment Income	72,782	48,733	46,366	(2,367)
Total Revenues	<u>974,782</u>	<u>950,733</u>	<u>1,039,549</u>	<u>88,816</u>
EXPENDITURES				
Urban Development and Housing				
Personnel Services	391,076	423,506	272,749	150,757
Services and Supplies	390,400	640,400	232,539	407,861
Capital Outlay	3,000	6,500	7,298	(798)
Total Expenditures	<u>784,476</u>	<u>1,070,406</u>	<u>512,586</u>	<u>557,820</u>
Net Change in Fund Balance	190,306	(119,673)	526,963	646,636
FUND BALANCE, Beginning of Year	<u>2,180,677</u>	<u>2,382,720</u>	<u>2,382,720</u>	<u>-</u>
FUND BALANCE, End of Year	<u><u>\$ 2,370,983</u></u>	<u><u>\$ 2,263,047</u></u>	<u><u>\$ 2,909,683</u></u>	<u><u>\$ 646,636</u></u>

See the accompanying Independent Auditors' Report.

CITY OF LAKEWOOD, COLORADO
GRANTS FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2011

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Intergovernmental				
Federal Government Grants	\$ 3,532,155	\$ 9,744,497	\$ 7,461,066	\$ (2,283,431)
State Government Grants	1,520,000	2,108,092	1,426,888	(681,204)
Local Government Grants	1,448,420	6,200,202	2,384,982	(3,815,220)
Total Intergovernmental	6,500,575	18,052,791	11,272,936	(6,779,855)
Investment Income	-	7,500	6,337	(1,163)
Total Revenues	6,500,575	18,060,291	11,279,273	(6,781,018)
EXPENDITURES				
General Government				
Personnel Services	44,336	64,100	39,372	24,728
Services and Supplies	914	70,349	135,702	(65,353)
Capital Outlay	50,000	178,701	504,836	(326,135)
Total General Government	95,250	313,150	679,910	(366,760)
Public Safety				
Personnel Services	1,000,674	1,039,761	865,583	174,178
Services and Supplies	1,266,630	1,780,333	1,612,088	168,245
Capital Outlay	1,338,000	2,712,568	1,385,395	1,327,173
Total Public Safety	3,605,304	5,532,662	3,863,066	1,669,596
Public Works				
Personnel Services	-	10,840	106,502	(95,662)
Services and Supplies	-	43,481	21,506	21,975
Capital Outlay	-	7,197,458	2,578,171	4,619,287
Total Public Works	-	7,251,779	2,706,179	4,545,600

(Continued)

See the accompanying Independent Auditors' Report.

CITY OF LAKEWOOD, COLORADO
GRANTS FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2011

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
EXPENDITURES (Continued)				
Culture and Recreation				
Personnel Services	-	21,804	972	20,832
Services and Supplies	-	25,000	-	25,000
Total Culture and Recreation	-	46,804	972	45,832
Urban Development and Housing				
Personnel Services	255,621	365,732	340,647	25,085
Services and Supplies	981,369	2,398,438	548,325	1,850,113
Capital Outlay	-	461,084	402,922	58,162
Total Urban Development and Housing	1,236,990	3,225,254	1,291,894	1,933,360
Economic Opportunity				
Personnel Services	1,014,557	1,075,628	1,020,363	55,265
Services and Supplies	210,132	225,857	224,587	1,270
Total Economic Opportunity	1,224,689	1,301,485	1,244,950	56,535
Debt Service				
Principal	228,000	228,000	228,000	-
Interest	138,752	138,752	138,752	-
Total Debt Service	366,752	366,752	366,752	-
Total Expenditures	6,528,985	18,037,886	10,153,723	7,884,163
Net Change in Fund Balance	(28,410)	22,405	1,125,550	1,103,145
FUND BALANCE, Beginning of Year	415,684	(1,222,802)	(1,222,802)	-
FUND BALANCE, End of Year	<u>\$ 387,274</u>	<u>\$ (1,200,397)</u>	<u>\$ (97,252)</u>	<u>\$ 1,103,145</u>

See the accompanying Independent Auditors' Report.

CITY OF LAKEWOOD, COLORADO
HERITAGE, CULTURE AND ARTS FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2011

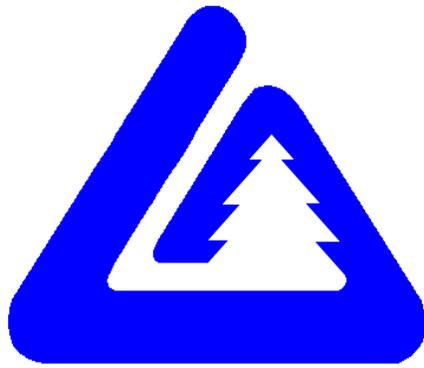
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES				
Intergovernmental				
State Government Grants	\$ 310,000	\$ 241,840	\$ 264,365	\$ 22,525
Federal Government Grants	10,000	10,000	-	(10,000)
Charges for Services	818,300	844,241	796,035	(48,206)
Miscellaneous	209,525	221,300	155,409	(65,891)
	<u>1,347,825</u>	<u>1,317,381</u>	<u>1,215,809</u>	<u>(101,572)</u>
EXPENDITURES				
Culture and Recreation				
Personnel Services	1,442,325	1,465,115	1,416,263	48,852
Services and Supplies	901,966	850,105	726,985	123,120
Capital Outlay	-	125,500	55,213	70,287
	<u>2,344,291</u>	<u>2,440,720</u>	<u>2,198,461</u>	<u>242,259</u>
Excess (Deficiency) of Revenues Over Expenditures	(996,466)	(1,123,339)	(982,652)	140,687
OTHER FINANCING SOURCES				
Transfers In	983,073	965,976	965,976	-
Net Change in Fund Balance	(13,393)	(157,363)	(16,676)	140,687
FUND BALANCE, Beginning of Year	<u>493,415</u>	<u>478,309</u>	<u>478,309</u>	<u>-</u>
FUND BALANCE, End of Year	<u>\$ 480,022</u>	<u>\$ 320,946</u>	<u>\$ 461,633</u>	<u>\$ 140,687</u>

See the accompanying Independent Auditors' Report.

CITY OF LAKEWOOD, COLORADO
OPEN SPACE FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2011

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Open Space Revenue	\$ 4,418,323	\$ 4,268,223	\$ 4,053,765	\$ (214,458)
Intergovernmental	200,000	35,250	-	(35,250)
Charges for Services	-	20,000	57,140	37,140
Investment Income	35,449	42,852	44,299	1,447
Contributions and Donations	10,822	10,822	-	(10,822)
Total Revenues	4,664,594	4,377,147	4,155,204	(221,943)
EXPENDITURES				
Culture and Recreation				
Parks and Open Space				
Personnel Services	2,565,823	2,656,321	2,554,536	101,785
Services and Supplies	1,043,942	1,423,146	887,026	536,120
Capital Outlay	794,071	1,748,571	588,801	1,159,770
Total Expenditures	4,403,836	5,828,038	4,030,363	1,797,675
Excess (Deficiency) of Revenues Over Expenditures	260,758	(1,450,891)	124,841	1,575,732
OTHER FINANCING SOURCES (USES)				
Transfers Out	(353,402)	(353,402)	(353,400)	2
Net Change in Fund Balance	(92,644)	(1,804,293)	(228,559)	1,575,734
FUND BALANCE, Beginning of Year	1,154,785	3,065,357	3,065,357	-
FUND BALANCE, End of Year	\$ 1,062,141	\$ 1,261,064	\$ 2,836,798	\$ 1,575,734

See the accompanying Independent Auditors' Report.



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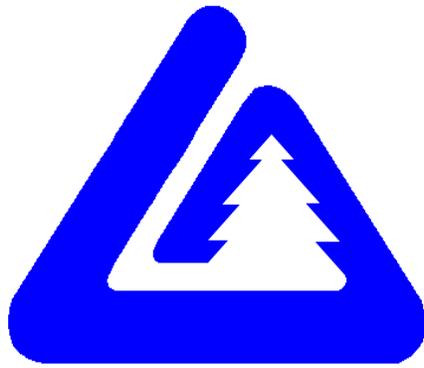
DEBT SERVICE FUNDS

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. The City's Debt Service Funds account for the following debt issues:

NONMAJOR 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, 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, the construction of certain offsite infrastructure improvements, capitalized interest, and paying issuance costs of the certificates.

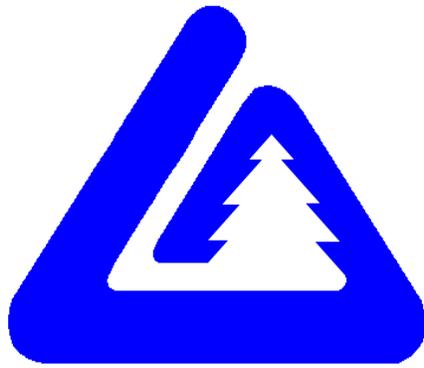


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CITY OF LAKEWOOD, COLORADO
LAKEWOOD PUBLIC BUILDING AUTHORITY
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2011

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Charges for Services	\$ 717,613	\$ 717,613	\$ 717,612	\$ (1)
Investment Income	160,200	160,200	135,824	(24,376)
Total Revenues	877,813	877,813	853,436	(24,377)
EXPENDITURES				
General Government				
Services and Supplies	45,445	45,445	5,099	40,346
Total General Government	45,445	45,445	5,099	40,346
Debt Service				
Principal	3,760,000	3,760,000	3,760,000	-
Interest and Fiscal Charges	2,073,564	2,073,564	2,068,739	4,825
Total Debt Service	5,833,564	5,833,564	5,828,739	4,825
Total Expenditures	5,879,009	5,879,009	5,833,838	45,171
Excess (Deficiency) of Revenues Over Expenditures	(5,001,196)	(5,001,196)	(4,980,402)	20,794
OTHER FINANCING SOURCES (USES)				
Transfers In	5,109,626	5,109,626	4,970,444	(139,182)
Net Change in Fund Balance	108,430	108,430	(9,958)	(118,388)
FUND BALANCE, Beginning of Year	2,968,247	2,843,742	2,843,742	-
FUND BALANCE, End of Year	\$ 3,076,677	\$ 2,952,172	\$ 2,833,784	\$ (118,388)

See the accompanying Independent Auditors' Report.



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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. The City's Capital Projects Funds account for the following projects:

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.

LAKWOOD 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.

NONMAJOR 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.

CITY OF LAKEWOOD, COLORADO
COMBINING BALANCE SHEET
CAPITAL PROJECTS FUNDS
December 31, 2011

	<u>Major Capital Projects Funds</u>			Total Capital Projects Funds
	Nonmajor Equipment Replacement Fund	Capital Improvements Fund	Lakewood Reinvestment Authority Fund	
ASSETS				
Cash and Investments	\$ 4,535,094	\$ 14,114,274	\$ 1,483,371	\$ 20,132,739
Restricted Cash and Investments	-	-	3,043,574	3,043,574
Accounts Receivable	49,635	218,506	956,364	1,224,505
Property Taxes Receivable	-	-	6,555,322	6,555,322
Sales Taxes Receivable	-	1,081,013	56,967	1,137,980
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 4,584,729</u>	<u>\$ 15,413,793</u>	<u>\$ 12,095,598</u>	<u>\$ 32,094,120</u>
LIABILITIES				
Accounts Payable	\$ 12,398	\$ 981,684	\$ 2,412,719	\$ 3,406,801
Accrued Liabilities	712	13,174	1,861	15,747
Refundable Deposits	-	1,452,790	-	1,452,790
Retainage Payable	-	68,787	-	68,787
Deferred Revenues	-	542,883	6,555,322	7,098,205
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	<u>13,110</u>	<u>3,059,318</u>	<u>8,969,902</u>	<u>12,042,330</u>
FUND BALANCES				
Restricted for:				
Debt Service	-	-	249,000	249,000
Capital Improvements	-	12,354,475	-	12,354,475
Urban Renewal	-	-	2,876,696	2,876,696
Assigned to:				
Capital Improvements	4,571,619	-	-	4,571,619
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Fund Balances	<u>4,571,619</u>	<u>12,354,475</u>	<u>3,125,696</u>	<u>20,051,790</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 4,584,729</u>	<u>\$ 15,413,793</u>	<u>\$ 12,095,598</u>	<u>\$ 32,094,120</u>

See the accompanying Independent Auditors' Report.

CITY OF LAKEWOOD, COLORADO
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
CAPITAL PROJECTS FUNDS
Year Ended December 31, 2011

	<u>Major Capital Projects Funds</u>			
	Nonmajor Equipment Replacement Fund	Capital Improvements Fund	Lakewood Reinvestment Authority Fund	Total Capital Projects Funds
REVENUES				
Taxes	\$ -	\$ 11,121,820	\$ 7,674,102	\$ 18,795,922
Intergovernmental	-	1,912,046	-	1,912,046
Charges for Services	1,787,977	-	-	1,787,977
Investment Income	-	257,834	19,434	277,268
Sale of Assets	178,244	21,560	-	199,804
Miscellaneous	-	7,000	945,983	952,983
Total Revenues	<u>1,966,221</u>	<u>13,320,260</u>	<u>8,639,519</u>	<u>23,926,000</u>
EXPENDITURES				
Current				
General Government	408,398	1,479,580	-	1,887,978
Public Safety	61,952	418,187	-	480,139
Public Works	-	1,784,035	-	1,784,035
Culture and Recreation	-	9,023	-	9,023
Urban Development and Housing	-	7,520	202,780	210,300
Capital Outlay				
General Government	2,152,613	582,641	-	2,735,254
Public Safety	10,400	403,870	-	414,270
Public Works	-	6,134,860	-	6,134,860
Culture and Recreation	-	1,750	-	1,750
Urban Development and Housing	-	1,974,054	9,608,389	11,582,443
Economic Opportunity	-	1,650	-	1,650
Debt Service				
Principal	-	1,443,695	135,911	1,579,606
Interest and Fiscal Charges	-	115,460	164,050	279,510
Total Expenditures	<u>2,633,363</u>	<u>14,356,325</u>	<u>10,111,130</u>	<u>27,100,818</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(667,142)</u>	<u>(1,036,065)</u>	<u>(1,471,611)</u>	<u>(3,174,818)</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	337,969	2,283,512	-	2,621,481
Transfers Out	(80,000)	(386,000)	(16,189)	(482,189)
Total Other Financing Sources (Uses)	<u>257,969</u>	<u>1,897,512</u>	<u>(16,189)</u>	<u>2,139,292</u>
Net Change in Fund Balances	(409,173)	861,447	(1,487,800)	(1,035,526)
FUND BALANCES, Beginning of Year	<u>4,980,792</u>	<u>11,493,028</u>	<u>4,613,496</u>	<u>21,087,316</u>
FUND BALANCES, End of Year	<u>\$ 4,571,619</u>	<u>\$ 12,354,475</u>	<u>\$ 3,125,696</u>	<u>\$ 20,051,790</u>

See the accompanying Independent Auditors' Report.

CITY OF LAKEWOOD, COLORADO
CAPITAL IMPROVEMENTS FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2011

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES				
Taxes				
Sales Tax	\$ 9,456,412	\$ 9,360,576	\$ 9,407,809	\$ 47,233
General Use Tax	469,108	474,362	551,066	76,704
Building Material Use Tax	312,072	378,739	412,255	33,516
Motor Vehicle Use Tax	771,736	741,638	750,690	9,052
Total Taxes	<u>11,009,328</u>	<u>10,955,315</u>	<u>11,121,820</u>	<u>166,505</u>
Intergovernmental				
State Government Shared Revenue	1,932,962	2,024,637	1,912,046	(112,591)
Miscellaneous				
Investment Income	147,407	171,561	257,834	86,273
Sale of Assets	-	-	21,560	21,560
Other	57,500	57,500	7,000	(50,500)
Total Miscellaneous	<u>204,907</u>	<u>229,061</u>	<u>286,394</u>	<u>57,333</u>
Total Revenues	<u>13,147,197</u>	<u>13,209,013</u>	<u>13,320,260</u>	<u>111,247</u>
EXPENDITURES				
General Government				
Personnel Services	87,515	88,182	88,260	(78)
Services and Supplies	1,350,000	1,350,000	1,391,320	(41,320)
Capital Outlay	625,000	1,588,931	582,641	1,006,290
Debt Service	127,260	127,260	127,260	-
Total General Government	<u>2,189,775</u>	<u>3,154,373</u>	<u>2,189,481</u>	<u>964,892</u>
Public Safety				
Personnel Services	127,452	126,352	123,081	3,271
Services and Supplies	292,500	267,500	295,106	(27,606)
Capital Outlay	352,500	527,500	403,870	123,630
Total Public Safety	<u>772,452</u>	<u>921,352</u>	<u>822,057</u>	<u>99,295</u>
Public Works				
Personnel Services	665,713	590,559	521,337	69,222
Services and Supplies	143,300	4,683,400	1,262,698	3,420,702
Capital Outlay	6,570,000	7,305,000	6,134,860	1,170,140
Total Public Works	<u>7,379,013</u>	<u>12,578,959</u>	<u>7,918,895</u>	<u>4,660,064</u>

(Continued)

See the accompanying Independent Auditors' Report.

CITY OF LAKEWOOD, COLORADO
CAPITAL IMPROVEMENTS FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2011

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
EXPENDITURES (Continued)				
Culture and Recreation				
Services and Supplies	9,057	9,057	9,023	34
Capital Outlay	4,700	4,700	1,750	2,950
Debt Service	102,000	102,000	102,000	-
Total Culture and Recreation	<u>115,757</u>	<u>115,757</u>	<u>112,773</u>	<u>2,984</u>
Urban Development and Housing				
Services and Supplies	10,000	10,000	7,520	2,480
Capital Outlay	1,717,351	1,989,844	1,974,054	15,790
Total Urban Development and Housing	<u>1,727,351</u>	<u>1,999,844</u>	<u>1,981,574</u>	<u>18,270</u>
Economic Opportunity				
Capital Outlay	-	14,585	1,650	12,935
Total Economic Opportunity	<u>-</u>	<u>14,585</u>	<u>1,650</u>	<u>12,935</u>
Debt Service				
Principal	1,265,000	1,265,000	1,265,000	-
Interest and Fiscal Charges	64,895	64,895	64,895	-
Total Debt Service	<u>1,329,895</u>	<u>1,329,895</u>	<u>1,329,895</u>	<u>-</u>
Total Expenditures	<u>13,514,243</u>	<u>20,114,765</u>	<u>14,356,325</u>	<u>5,758,440</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(367,046)</u>	<u>(6,905,752)</u>	<u>(1,036,065)</u>	<u>5,869,687</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	1,200,540	1,700,000	2,283,512	583,512
Transfers Out	(386,000)	(386,000)	(386,000)	-
Total Other Financing Sources (Uses)	<u>814,540</u>	<u>1,314,000</u>	<u>1,897,512</u>	<u>583,512</u>
Net Change in Fund Balance	447,494	(5,591,752)	861,447	6,453,199
FUND BALANCE, Beginning of Year	<u>4,360,300</u>	<u>11,493,028</u>	<u>11,493,028</u>	<u>-</u>
FUND BALANCE, End of Year	<u>\$ 4,807,794</u>	<u>\$ 5,901,276</u>	<u>\$ 12,354,475</u>	<u>\$ 6,453,199</u>

See the accompanying Independent Auditors' Report.

CITY OF LAKEWOOD, COLORADO
LAKEWOOD REINVESTMENT AUTHORITY CAPITAL PROJECTS FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2011

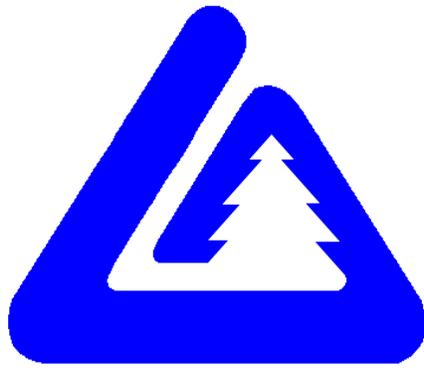
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES				
Taxes				
Property Taxes	\$ 7,227,000	\$ 7,546,386	\$ 7,239,145	\$ (307,241)
General Sales and Use Taxes	240,000	240,000	434,957	194,957
Investment Income	27,427	21,700	19,434	(2,266)
Miscellaneous	991,000	991,000	945,983	(45,017)
	<u>8,485,427</u>	<u>8,799,086</u>	<u>8,639,519</u>	<u>(159,567)</u>
EXPENDITURES				
Urban Development and Housing				
Personnel Services	106,123	105,828	100,815	5,013
Services and Supplies	177,089	230,133	101,965	128,168
Capital Outlay	7,886,388	11,270,521	9,608,389	1,662,132
Debt Service	349,961	349,961	299,961	50,000
	<u>8,519,561</u>	<u>11,956,443</u>	<u>10,111,130</u>	<u>1,845,313</u>
Excess (Deficiency) of Revenues Over Expenditures	(34,134)	(3,157,357)	(1,471,611)	1,685,746
OTHER FINANCING SOURCES (USES)				
Transfers Out	(18,620)	(17,620)	(16,189)	1,431
	<u>(18,620)</u>	<u>(17,620)</u>	<u>(16,189)</u>	<u>1,431</u>
Net Change in Fund Balance	(52,754)	(3,174,977)	(1,487,800)	1,687,177
FUND BALANCE, Beginning of Year	<u>1,700,729</u>	<u>4,613,495</u>	<u>4,613,496</u>	<u>1</u>
FUND BALANCE, End of Year	<u>\$ 1,647,975</u>	<u>\$ 1,438,518</u>	<u>\$ 3,125,696</u>	<u>\$ 1,687,178</u>

See the accompanying Independent Auditors' Report.

CITY OF LAKEWOOD, COLORADO
EQUIPMENT REPLACEMENT FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2011

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Charges for Services	\$ 1,802,564	\$ 2,003,658	\$ 1,787,977	\$ (215,681)
Investment Income	2,907	-	-	-
Sale of Assets	150,000	150,000	178,244	28,244
Total Revenues	<u>1,955,471</u>	<u>2,153,658</u>	<u>1,966,221</u>	<u>(187,437)</u>
EXPENDITURES				
General Government				
Personnel Services	-	-	19,433	(19,433)
Services and Supplies	509,000	509,000	388,965	120,035
Capital Outlay	2,486,000	2,751,351	2,152,613	598,738
Total General Government	<u>2,995,000</u>	<u>3,260,351</u>	<u>2,561,011</u>	<u>699,340</u>
Public Safety				
Services and Supplies	100,000	100,000	61,952	38,048
Capital Outlay	-	-	10,400	(10,400)
Total Public Safety	<u>100,000</u>	<u>100,000</u>	<u>72,352</u>	<u>27,648</u>
Total Expenditures	<u>3,095,000</u>	<u>3,360,351</u>	<u>2,633,363</u>	<u>726,988</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(1,139,529)</u>	<u>(1,206,693)</u>	<u>(667,142)</u>	<u>539,551</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	337,969	337,969	337,969	-
Transfers Out	(80,000)	(80,000)	(80,000)	-
Total Other Financing Sources (Uses)	<u>257,969</u>	<u>257,969</u>	<u>257,969</u>	<u>-</u>
Net Change in Fund Balance	(881,560)	(948,724)	(409,173)	539,551
FUND BALANCE, Beginning of Year	<u>4,556,615</u>	<u>4,980,792</u>	<u>4,980,792</u>	<u>-</u>
FUND BALANCE, End of Year	<u>\$ 3,675,055</u>	<u>\$ 4,032,068</u>	<u>\$ 4,571,619</u>	<u>\$ 539,551</u>

See the accompanying Independent Auditors' 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. The City has the following Enterprise Funds:

MAJOR FUNDS

GOLF COURSE 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.

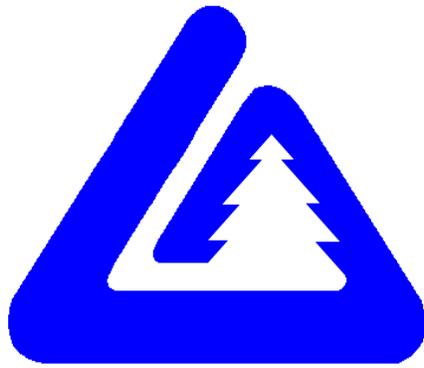
STORMWATER ENTERPRISE FUND

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.

NONMAJOR 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.



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CITY OF LAKEWOOD, COLORADO
GOLF COURSE ENTERPRISE FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2011

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Charges for Services	\$ 4,951,400	\$ 4,275,852	\$ 4,112,309	\$ (163,543)
EXPENDITURES				
Cost of Goods Sold	286,151	286,151	299,975	(13,824)
Personnel Services	2,554,536	2,309,864	2,200,039	109,825
Services and Supplies	745,462	728,462	780,608	(52,146)
Capital Outlay	85,000	75,400	19,560	55,840
Debt Principal	48,562	48,552	48,553	(1)
Interest Expense	11,282	16,765	15,698	1,067
Depreciation	417,567	392,253	383,099	9,154
Transfers Out	1,148,016	815,542	676,368	139,174
Total Expenditures	<u>5,296,576</u>	<u>4,672,989</u>	<u>4,423,900</u>	<u>249,089</u>
Change in Net Assets, Budgetary Basis	<u>\$ (345,176)</u>	<u>\$ (397,137)</u>	\$ (311,591)	<u>\$ 85,546</u>
ADJUSTMENTS TO GAAP BASIS				
Debt Principal Payments			<u>48,553</u>	
CHANGE IN NET ASSETS, GAAP BASIS			<u>\$ (263,038)</u>	

See the accompanying Independent Auditors' Report.

CITY OF LAKEWOOD, COLORADO
SEWER ENTERPRISE FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2011

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Charges for Services	\$ 2,507,800	\$ 2,586,000	\$ 2,772,278	\$ 186,278
Miscellaneous	10,000	10,000	7,750	(2,250)
Investment Income	134,977	71,954	72,668	714
Total Revenues	<u>2,652,777</u>	<u>2,667,954</u>	<u>2,852,696</u>	<u>184,742</u>
EXPENDITURES				
Personnel Services	574,650	577,413	568,282	9,131
Services and Supplies	416,990	426,649	214,642	212,007
Sanitation Treatment	2,250,717	2,187,373	2,185,311	2,062
Capital Outlay	350,000	850,000	303,697	546,303
Depreciation	371,129	400,331	408,898	(8,567)
Total Expenditures	<u>3,963,486</u>	<u>4,441,766</u>	<u>3,680,830</u>	<u>760,936</u>
Change in Net Assets	<u>\$ (1,310,709)</u>	<u>\$ (1,773,812)</u>	(828,134)	<u>\$ 945,678</u>
ADJUSTMENTS TO GAAP BASIS				
Capital Outlay			<u>36,170</u>	
CHANGE IN NET ASSETS, GAAP BASIS			<u>\$ (791,964)</u>	

See the accompanying Independent Auditors' Report.

CITY OF LAKEWOOD, COLORADO
STORMWATER ENTERPRISE FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2011

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Charges for Services	\$ 2,480,000	\$ 2,480,000	\$ 2,411,079	\$ (68,921)
Investment Income	92,230	36,323	49,787	13,464
Miscellaneous	-	-	15,000	15,000
Transfers In	-	-	67,800	67,800
Total Revenues	<u>2,572,230</u>	<u>2,516,323</u>	<u>2,543,666</u>	<u>27,343</u>
EXPENDITURES				
Personnel Services	990,641	977,322	971,330	5,992
Services and Supplies	756,925	862,340	609,911	252,429
Capital Outlay	650,000	1,813,989	439,505	1,374,484
Depreciation	333,195	355,882	379,562	(23,680)
Total Expenditures	<u>2,730,761</u>	<u>4,009,533</u>	<u>2,400,308</u>	<u>1,609,225</u>
Change in Net Assets	<u>\$ (158,531)</u>	<u>\$ (1,493,210)</u>	143,358	<u>\$ 1,636,568</u>
ADJUSTMENTS TO GAAP BASIS				
Capital Contributions			112,321	
Capital Outlay			<u>419,503</u>	
CHANGE IN NET ASSETS, GAAP BASIS			<u>\$ 675,182</u>	

See the accompanying Independent Auditors' Report.

CITY OF LAKEWOOD, COLORADO
WATER ENTERPRISE FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2011

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Charges for Services	\$ 923,000	\$ 1,060,200	\$ 1,027,047	\$ (33,153)
Miscellaneous	2,400	2,400	11,560	9,160
Investment Income	24,307	16,396	14,414	(1,982)
Total Revenues	<u>949,707</u>	<u>1,078,996</u>	<u>1,053,021</u>	<u>(25,975)</u>
EXPENDITURES				
Personnel Services	94,370	94,026	90,012	4,014
Services and Supplies	53,457	54,876	59,706	(4,830)
Water Purchased	705,000	740,000	724,554	15,446
Capital Outlay	29,200	103,800	14,092	89,708
Depreciation	48,728	48,732	47,693	1,039
Total Expenditures	<u>930,755</u>	<u>1,041,434</u>	<u>936,057</u>	<u>105,377</u>
CHANGE IN NET ASSETS, GAAP BASIS	<u>\$ 18,952</u>	<u>\$ 37,562</u>	<u>\$ 116,964</u>	<u>\$ 79,402</u>

See the accompanying Independent Auditors' Report.

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. The City's Internal Service Funds account for the following services:

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.

WORKER'S COMPENSATION SELF-INSURANCE FUND

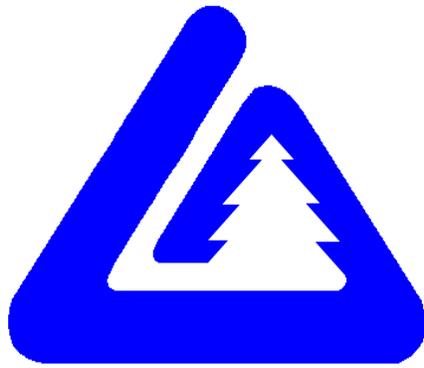
This fund was established by Ordinance for worker's compensation self-insurance purposes which include the payment of claims, administrative expenses, employee compensation, funding a loss control program, and an incentive awards program.

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.

RETIREE'S HEALTH PROGRAM FUND

The Retiree's 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.



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CITY OF LAKEWOOD, COLORADO
COMBINING STATEMENT OF NET ASSETS
INTERNAL SERVICE FUNDS
December 31, 2011

	Property and Casualty	Workers' Compensation	Dental	Retiree's Health	Total
ASSETS					
Cash and Investments	\$ 4,736,442	\$ 6,148,906	\$ 1,556,590	\$ 2,014,147	\$ 14,456,085
Accounts Receivable	4,993	502	-	-	5,495
Total Assets	<u>4,741,435</u>	<u>6,149,408</u>	<u>1,556,590</u>	<u>2,014,147</u>	<u>14,461,580</u>
LIABILITIES					
Accounts Payable	48,516	10,815	-	-	59,331
Claims Payable	1,321,296	530,823	23,258	-	1,875,377
Total Liabilities	<u>1,369,812</u>	<u>541,638</u>	<u>23,258</u>	<u>-</u>	<u>1,934,708</u>
NET ASSETS					
Unrestricted	<u>\$ 3,371,623</u>	<u>\$ 5,607,770</u>	<u>\$ 1,533,332</u>	<u>\$ 2,014,147</u>	<u>\$ 12,526,872</u>

See the accompanying Independent Auditors' Report.

CITY OF LAKEWOOD, COLORADO
COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET ASSETS
INTERNAL SERVICE FUNDS
Year Ended December 31, 2011

	Property and Casualty	Workers' Compensation	Dental	Retiree's Health	Total
OPERATING REVENUES					
Charges for Services	\$ 1,103,000	\$ 797,000	\$ 900,503	\$ 320,000	\$ 3,120,503
Intergovernmental	-	-	-	185,909	185,909
Total Revenues	1,103,000	797,000	900,503	505,909	3,306,412
OPERATING EXPENSES					
Claims	757,846	427,425	749,593	-	1,934,864
Premiums	379,451	98,196	-	161,028	638,675
Other Expenses	23,374	25,488	-	-	48,862
Total Expenses	1,160,671	551,109	749,593	161,028	2,622,401
Operating Income (Loss)	(57,671)	245,891	150,910	344,881	684,011
NONOPERATING REVENUES					
Investment Income	72,560	103,011	27,932	32,293	235,796
Total Nonoperating Revenues	72,560	103,011	27,932	32,293	235,796
Change in Net Assets	14,889	348,902	178,842	377,174	919,807
NET ASSETS, Beginning of Year	3,356,734	5,258,868	1,354,490	1,636,973	11,607,065
NET ASSETS, End of Year	<u>\$ 3,371,623</u>	<u>\$ 5,607,770</u>	<u>\$ 1,533,332</u>	<u>\$ 2,014,147</u>	<u>\$ 12,526,872</u>

See the accompanying Independent Auditors' Report.

CITY OF LAKEWOOD, COLORADO
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
Year Ended December 31, 2011

	Property and Casualty	Workers' Compensation	Dental	Retiree's Health	Total
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash Received from Customers	\$ 1,098,007	\$ 797,463	\$ 900,503	\$ 505,909	\$ 3,301,882
Cash Paid to Suppliers	(856,815)	(599,004)	(757,081)	(161,028)	(2,373,928)
Net Cash Provided by Operating Activities	241,192	198,459	143,422	344,881	927,954
CASH FLOWS FROM INVESTING ACTIVITIES					
Investment Income	72,560	103,011	27,932	32,293	235,796
NET INCREASE IN CASH AND CASH EQUIVALENTS	313,752	301,470	171,354	377,174	1,163,750
CASH AND CASH EQUIVALENTS, Beginning of Year	4,422,690	5,847,436	1,385,236	1,636,973	13,292,335
CASH AND CASH EQUIVALENTS, End of Year	\$ 4,736,442	\$ 6,148,906	\$ 1,556,590	\$ 2,014,147	\$ 14,456,085
RECONCILIATION OF OPERATING INCOME (LOSS)					
TO NET CASH PROVIDED BY OPERATING ACTIVITIES					
Operating Income (Loss)	\$ (57,671)	\$ 245,891	\$ 150,910	\$ 344,881	\$ 684,011
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities					
Accounts Receivable	(4,993)	463	-	-	(4,530)
Accounts Payable	41,857	(15,882)	-	-	25,975
Claims Payable	261,999	(32,013)	(7,488)	-	222,498
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ 241,192	\$ 198,459	\$ 143,422	\$ 344,881	\$ 927,954

See the accompanying Independent Auditors' Report.

CITY OF LAKEWOOD, COLORADO
PROPERTY AND CASUALTY SELF-INSURANCE FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2011

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Charges for Services	\$ 940,000	\$ 603,000	\$ 1,103,000	\$ 500,000
Investment Income	77,796	62,123	72,560	10,437
Total Revenues	<u>1,017,796</u>	<u>665,123</u>	<u>1,175,560</u>	<u>510,437</u>
EXPENDITURES				
Claims	818,020	867,594	757,846	109,748
Premiums	476,071	476,071	379,451	96,620
Other Expenses	97,500	97,500	23,374	74,126
Total Expenditures	<u>1,391,591</u>	<u>1,441,165</u>	<u>1,160,671</u>	<u>280,494</u>
Change in Net Assets	(373,795)	(776,042)	14,889	790,931
NET ASSETS, Beginning of Year	<u>2,619,506</u>	<u>3,356,734</u>	<u>3,356,734</u>	<u>-</u>
NET ASSETS, End of Year	<u><u>\$ 2,245,711</u></u>	<u><u>\$ 2,580,692</u></u>	<u><u>\$ 3,371,623</u></u>	<u><u>\$ 790,931</u></u>

See the accompanying Independent Auditors' Report.

CITY OF LAKEWOOD, COLORADO
WORKERS' COMPENSATION SELF-INSURANCE FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2011

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Charges for Services	\$ 460,000	\$ 297,000	\$ 797,000	\$ 500,000
Investment Income	143,552	98,986	103,011	4,025
Total Revenue	<u>603,552</u>	<u>395,986</u>	<u>900,011</u>	<u>504,025</u>
EXPENDITURES				
Claims	895,525	799,093	427,425	371,668
Premiums	180,596	180,596	98,196	82,400
Other Expenses	94,500	94,500	25,488	69,012
Capital Outlay	5,000	5,000	-	5,000
Total Expenditures	<u>1,175,621</u>	<u>1,079,189</u>	<u>551,109</u>	<u>528,080</u>
Change in Net Assets	(572,069)	(683,203)	348,902	1,032,105
NET ASSETS, Beginning of Year	<u>4,774,782</u>	<u>5,258,868</u>	<u>5,258,868</u>	<u>-</u>
NET ASSETS, End of Year	<u><u>\$ 4,202,713</u></u>	<u><u>\$ 4,575,665</u></u>	<u><u>\$ 5,607,770</u></u>	<u><u>\$ 1,032,105</u></u>

See the accompanying Independent Auditors' Report.

CITY OF LAKEWOOD, COLORADO
DENTAL SELF-INSURANCE FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2011

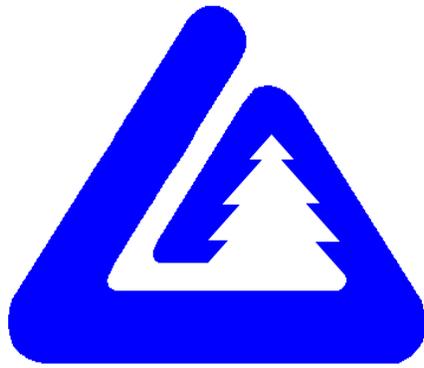
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Charges for Services	\$ 1,085,051	\$ 1,085,051	\$ 900,503	\$ (184,548)
Investment Income	37,942	27,336	27,932	596
Total Revenue	<u>1,122,993</u>	<u>1,112,387</u>	<u>928,435</u>	<u>(183,952)</u>
EXPENDITURES				
Claims	<u>1,060,392</u>	<u>1,060,392</u>	<u>749,593</u>	<u>310,799</u>
Total Expenditures	<u>1,060,392</u>	<u>1,060,392</u>	<u>749,593</u>	<u>310,799</u>
Change in Net Assets	62,601	51,995	178,842	126,847
NET ASSETS, Beginning of Year	<u>1,155,120</u>	<u>1,354,490</u>	<u>1,354,490</u>	<u>-</u>
NET ASSETS, End of Year	<u><u>\$ 1,217,721</u></u>	<u><u>\$ 1,406,485</u></u>	<u><u>\$ 1,533,332</u></u>	<u><u>\$ 126,847</u></u>

See the accompanying Independent Auditors' Report.

**CITY OF LAKEWOOD, COLORADO
RETIREE'S HEALTH PROGRAM FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2011**

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Charges for Services	\$ 320,000	\$ 320,000	\$ 320,000	\$ -
Intergovernmental	-	-	185,909	185,909
Investment Income	53,904	34,189	32,293	(1,896)
Total Revenues	<u>373,904</u>	<u>354,189</u>	<u>538,202</u>	<u>184,013</u>
EXPENDITURES				
Premiums	<u>175,000</u>	<u>175,000</u>	<u>161,028</u>	<u>13,972</u>
Total Expenditures	<u>175,000</u>	<u>175,000</u>	<u>161,028</u>	<u>13,972</u>
Change in Net Assets	198,904	179,189	377,174	197,985
NET ASSETS, Beginning of Year	<u>1,586,073</u>	<u>1,636,973</u>	<u>1,636,973</u>	<u>-</u>
NET ASSETS, End of Year	<u><u>\$ 1,784,977</u></u>	<u><u>\$ 1,816,162</u></u>	<u><u>\$ 2,014,147</u></u>	<u><u>\$ 197,985</u></u>

See the accompanying Independent Auditors' Report.



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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

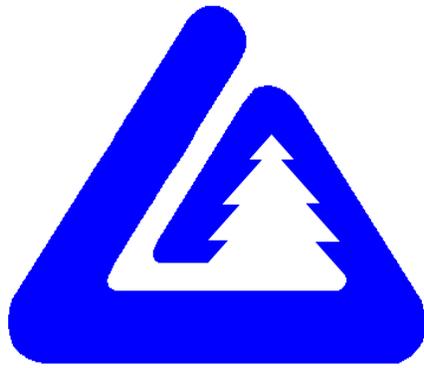
These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

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.



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CITY OF LAKEWOOD, COLORADO
NET ASSETS BY COMPONENT
LAST NINE FISCAL YEARS⁽¹⁾
(Accrual basis of accounting)

	Fiscal Year								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
Governmental activities									
Invested in capital assets, net of related debt	\$ 160,854,728	\$ 162,226,950	\$ 163,462,561	\$ 167,689,001	\$ 325,726,727	\$ 335,683,929	\$ 343,557,286	\$ 355,370,344	\$ 374,822,394
Restricted	8,553,953	8,079,337	8,143,091	8,316,040	11,020,727	7,485,564	7,360,195	27,618,110	27,439,596
Unrestricted	11,281,104	12,997,833	16,814,934	28,477,880	38,581,052	47,539,872	50,470,895	34,969,687	37,949,511
Total governmental activities net assets	\$ 180,689,785	\$ 183,304,120	\$ 188,420,586	\$ 204,482,921	\$ 375,328,506	\$ 390,709,365	\$ 401,388,376	\$ 417,958,141	\$ 440,211,501
Business-type activities									
Invested in capital assets, net of related debt	\$ 20,043,602	\$ 20,923,981	\$ 23,620,260	\$ 22,989,467	\$ 21,945,137	\$ 22,923,935	\$ 22,289,522	\$ 22,207,556	\$ 21,604,850
Unrestricted	7,401,153	8,113,194	6,324,767	7,659,477	8,933,362	7,941,025	7,260,304	7,138,873	7,478,723
Total business-type activities	\$ 27,444,755	\$ 29,037,175	\$ 29,945,027	\$ 30,648,944	\$ 30,878,499	\$ 30,864,960	\$ 29,549,826	\$ 29,346,429	\$ 29,083,573
Primary government									
Invested in capital assets, net of related debt	\$ 180,898,330	\$ 183,150,931	\$ 187,082,821	\$ 190,678,468	\$ 347,671,864	\$ 358,607,864	\$ 365,846,808	\$ 377,577,900	\$ 396,427,244
Restricted	8,553,953	8,079,337	8,143,091	8,316,040	11,020,727	7,485,564	7,360,195	27,618,110	27,439,596
Unrestricted	18,682,257	21,111,027	23,139,701	36,137,357	47,514,414	55,480,897	57,731,199	42,108,560	45,428,234
Total primary government	\$ 208,134,540	\$ 212,341,295	\$ 218,365,613	\$ 235,131,865	\$ 406,207,005	\$ 421,574,325	\$ 430,938,202	\$ 447,304,570	\$ 469,295,074

(1) Years prior to 2007 have not been restated to reflect adoption of Governmental Accounting Standards Statement 34 infrastructure.

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

Expenses	Fiscal Year			
	2003	2004	2005	2006
Governmental activities:				
General government	\$ 25,249,462	\$ 24,021,063	\$ 22,119,793	\$ 23,318,455
Public safety	35,541,757	36,041,655	36,183,348	39,260,678
Public works	5,370,005	9,764,151	9,702,056	15,763,085
Culture and recreation	16,113,243	14,735,519	15,646,471	14,972,489
Urban development and housing	6,440,021	5,671,867	4,050,877	2,718,091
Economic opportunity	--	--	1,857,209	1,952,093
Miscellaneous	2,610,755	12,393	20,167	--
Interest on long-term debt	4,027,690	3,861,806	3,693,070	2,753,239
Total governmental activities expenses	95,352,933	94,108,454	93,272,991	100,738,130
Business-type activities:				
Golf course	3,590,247	3,629,350	3,805,695	4,138,661
Sewer	2,723,281	2,453,538	3,003,328	2,980,535
Stormwater	1,402,250	1,703,178	1,837,080	1,762,925
Water	678,365	659,983	719,655	776,053
Total business-type activities	7,715,778	7,786,066	8,646,103	9,658,174
Total primary government expenses	\$ 103,068,711	\$ 101,894,520	\$ 101,919,094	\$ 110,396,304
Program Revenues				
Governmental activities:				
Charges for services:				
General government	\$ 3,567,624	\$ 8,591,376	\$ 6,739,296	\$ 5,962,221
Public safety	4,655,987	4,464,136	4,508,817	4,255,872
Public works	4,245,710	553,645	538,956	532,783
Culture and recreation	9,700,704	3,761,194	3,668,872	4,268,856
Urban development and housing	139,168	--	--	--
Economic opportunity	--	--	761,224	700,412
Operating grants and contributions	3,329,930	9,832,169	10,711,088	10,603,690
Capital grants and contributions	6,282,330	6,235,545	7,574,047	6,335,711
Total governmental activities program revenues	31,921,453	33,438,065	34,502,300	32,659,545
Business-type activities:				
Charges for services:				
Golf course	4,357,511	4,340,822	4,413,495	4,551,743
Sewer	2,609,111	2,398,505	2,376,025	2,281,430
Stormwater	2,361,483	2,436,126	2,414,799	2,493,070
Water	599,058	670,420	650,368	731,165
Operating grants and contributions	--	--	--	--
Total business-type activities program revenues	9,328,105	9,175,453	9,204,319	10,057,408
Total primary government program revenues	\$ 41,249,558	\$ 42,613,518	\$ 43,706,619	\$ 42,716,953
Net (Expense)/Revenue				
Governmental activities	\$ (63,431,480)	\$ (60,670,389)	\$ (58,770,691)	\$ (68,078,585)
Business-type activities	1,612,327	1,389,387	558,216	399,234
Total primary government net expense	\$ (61,819,153)	\$ (59,281,002)	\$ (58,212,475)	\$ (67,679,351)
General Revenues and Other Changes in Net Assets				
Governmental activities:				
Taxes:				
Property	\$ 7,790,746	\$ 8,252,961	\$ 8,068,791	\$ 8,513,624
Sales and use	45,711,904	46,143,121	45,298,314	63,851,451
Franchise & other	7,748,032	7,956,491	8,088,384	8,890,830
Grants and contributions not restricted to specific programs	--	--	--	--
Investment earnings	764,607	644,278	653,776	1,607,617
Miscellaneous	1,741,842	158,129	1,858,997	1,169,982
Transfers	3,988,458	129,744	(81,105)	9,224
Total governmental activities	67,745,589	63,284,724	63,887,157	84,042,728
Business-type activities:				
Investment earnings	267,614	210,777	257,378	273,282
Miscellaneous	25,947	111,563	80,440	40,625
Transfers	(3,988,458)	(129,744)	81,105	(9,224)
Total business-type activities	(3,694,897)	192,596	418,923	304,683
Total primary government	\$ 64,050,692	\$ 63,477,320	\$ 64,306,080	\$ 84,347,411
Change in Net Assets				
Governmental activities	\$ 4,314,109	\$ 2,614,335	\$ 5,116,466	\$ 15,964,143
Business-type activities	(2,082,570)	1,581,983	977,139	703,917
Total primary government	\$ 2,231,539	\$ 4,196,318	\$ 6,093,605	\$ 16,668,060

		Fiscal Year				
		2007	2008	2009	2010	2011
\$	30,586,932	\$ 33,219,490	\$ 26,271,208	\$ 27,521,624	\$ 28,984,951	
	44,782,919	43,292,095	47,399,393	48,255,341	49,551,448	
	13,974,839	12,564,574	16,469,884	17,757,345	17,576,101	
	17,147,447	17,075,010	18,568,035	18,956,880	18,470,341	
	9,373,994	14,062,779	12,222,887	12,132,169	13,439,978	
	1,974,192	1,788,320	2,030,004	1,618,911	2,000,883	
	--	--	--	--	--	
	3,186,882	3,263,809	3,148,917	3,293,702	2,653,845	
	<u>121,027,205</u>	<u>125,266,077</u>	<u>126,110,328</u>	<u>129,535,972</u>	<u>132,677,547</u>	
	3,783,458	3,949,318	3,876,949	3,767,166	3,698,979	
	2,981,580	3,184,497	3,484,607	3,586,602	3,644,660	
	1,776,798	1,865,588	1,934,566	1,996,190	1,980,805	
	774,530	822,456	802,559	858,582	936,057	
	9,316,366	9,821,859	10,098,681	10,208,540	10,260,501	
\$	<u>130,343,571</u>	<u>135,087,936</u>	<u>136,209,009</u>	<u>139,744,512</u>	<u>142,938,048</u>	
\$	7,402,054	\$ 9,829,152	\$ 8,421,072	\$ 8,511,221	\$ 8,899,658	
	3,965,180	4,266,880	3,950,696	4,341,434	4,059,494	
	540,101	1,482,726	526,284	516,036	519,188	
	4,548,295	4,445,338	4,504,693	4,641,418	4,871,635	
	--	--	--	1,043,989	1,012,283	
	2,154,543	2,590,270	1,910,102	1,003,175	880,778	
	12,976,886	9,841,298	12,764,092	13,590,239	12,563,105	
	6,934,522	7,361,818	8,848,584	16,801,801	24,134,258	
	<u>38,521,581</u>	<u>39,817,482</u>	<u>40,925,523</u>	<u>50,449,313</u>	<u>56,940,399</u>	
	4,580,751	4,726,715	4,245,555	4,247,555	4,112,309	
	2,243,071	2,261,692	2,193,322	2,452,125	2,772,278	
	2,349,510	2,487,637	2,284,152	2,464,436	2,411,079	
	780,218	853,999	850,730	971,854	1,027,047	
	--	--	--	660,205	112,321	
	9,953,550	10,330,043	9,573,759	10,796,175	10,435,034	
\$	<u>48,475,131</u>	<u>50,147,525</u>	<u>50,499,282</u>	<u>61,245,488</u>	<u>67,375,433</u>	
\$	(82,505,624)	\$ (85,448,595)	\$ (85,184,805)	\$ (79,086,659)	\$ (75,737,148)	
	637,184	508,184	(524,922)	587,635	174,533	
\$	<u>(81,868,440)</u>	<u>(84,940,411)</u>	<u>(85,709,727)</u>	<u>(78,499,024)</u>	<u>(75,562,615)</u>	
\$	13,889,739	\$ 15,246,760	\$ 16,126,726	\$ 16,254,126	\$ 15,767,447	
	68,066,620	70,814,487	65,994,458	66,963,692	69,498,098	
	9,106,031	9,741,759	9,217,521	9,498,254	10,131,203	
	--	--	--	373,052	552,273	
	2,608,891	2,993,259	1,801,742	1,321,255	1,233,115	
	1,129,371	103,468	1,645,640	179,566	199,804	
	799,353	894,157	1,077,729	1,066,479	608,568	
	<u>95,600,005</u>	<u>99,793,890</u>	<u>95,863,816</u>	<u>95,656,424</u>	<u>97,990,508</u>	
	370,521	366,394	278,307	214,837	136,869	
	21,203	6,040	9,210	60,610	34,310	
	(799,353)	(894,157)	(1,077,729)	(1,066,479)	(608,568)	
	(407,629)	(521,723)	(790,212)	(791,032)	(437,389)	
\$	<u>95,192,376</u>	<u>99,272,167</u>	<u>95,073,604</u>	<u>94,865,392</u>	<u>97,553,119</u>	
\$	13,094,381	\$ 14,345,295	\$ 10,679,011	\$ 16,569,765	\$ 22,253,360	
	229,555	(13,539)	(1,315,134)	(203,397)	(262,856)	
\$	<u>13,323,936</u>	<u>14,331,756</u>	<u>9,363,877</u>	<u>16,366,368</u>	<u>21,990,504</u>	

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

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
General Fund										
Nonspendable										
Restricted ⁽¹⁾	\$ 2,554,322	\$ 2,537,491	\$ 2,465,311	\$ 2,450,514	\$ 2,548,668	\$ 2,500,552	\$ 2,613,670	\$ 2,438,682	\$ 2,909,251	\$ 130,771
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned ⁽²⁾	10,804,671	6,313,672	6,252,704	8,003,196	15,819,913	19,084,119	21,685,744	22,258,568	25,708,340	28,457,402
Total General Fund	13,358,993	8,851,163	8,718,015	10,453,710	18,368,581	21,584,671	24,299,414	24,697,250	28,748,362	31,536,432
All Other Governmental Funds										
Nonspendable										
Restricted ⁽¹⁾	4,136,378	6,080,545	5,717,724	5,790,655	5,925,465	8,683,517	5,061,448	5,100,815	24,708,859	24,492,500
Assigned	-	-	-	-	-	-	-	-	5,421,171	4,990,085
Unassigned ⁽²⁾	12,139,859	7,328,344	8,405,762	9,907,538	12,036,364	17,423,836	21,208,235	24,455,813	(1,222,802)	(97,252)
Total all other governmental funds	16,276,237	13,408,889	14,123,486	15,698,193	17,961,829	26,107,353	26,269,683	29,556,628	28,945,158	29,428,500
Total all governmental funds	\$ 29,635,230	\$ 22,260,052	\$ 22,841,501	\$ 26,151,903	\$ 36,330,410	\$ 47,692,024	\$ 50,569,097	\$ 54,253,878	\$ 57,693,520	\$ 60,964,932

(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"

CITY OF LAKEWOOD, COLORADO
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

(Modified accrual basis of accounting)

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Revenues										
Taxes and special assessments	\$ 60,614,348	\$ 61,250,682	\$ 62,435,530	\$ 61,455,489	\$ 81,255,905	\$ 91,062,390	\$ 95,803,007	\$ 91,338,705	\$ 92,716,072	\$ 95,396,748
Licenses and permits	2,307,769	2,647,062	2,503,280	2,497,127	2,220,599	1,997,828	2,254,964	3,520,572	2,928,913	2,739,114
Intergovernmental	16,942,676	16,322,414	16,364,138	18,273,397	17,227,647	19,708,679	18,874,989	19,822,060	24,440,825	24,253,693
Charges for services	7,880,248	9,461,453	11,684,127	11,109,732	10,991,242	12,393,014	14,151,198	12,101,845	13,291,495	13,790,489
Fines and forfeitures	1,922,294	2,373,970	1,241,362	1,341,905	1,443,905	1,469,790	1,491,636	1,483,425	1,434,598	1,520,956
Investment earnings	1,471,404	718,086	564,895	546,455	1,443,422	2,302,875	2,601,205	1,392,534	980,571	1,183,228
Other revenues	11,047,114	2,621,252	1,803,287	3,970,983	1,548,434	3,180,057	3,153,015	3,406,978	1,749,388	1,687,758
Total revenues	102,185,853	95,394,919	96,596,619	99,195,088	116,131,154	132,114,633	138,330,014	133,066,119	137,541,862	140,571,986
Expenditures										
General government	24,242,415	25,702,489	24,560,198	22,199,005	23,883,865	28,336,296	27,910,751	25,987,154	25,979,970	27,260,239
Public safety	32,301,040	36,555,631	35,617,438	36,229,976	38,529,408	40,582,675	42,858,952	44,754,419	46,265,464	46,813,867
Public works	6,688,493	12,688,625	9,637,972	11,364,626	15,409,340	11,694,463	7,049,390	7,827,009	8,432,446	8,429,542
Culture and recreation	12,641,899	14,800,588	14,783,175	14,293,640	16,265,033	16,426,816	15,257,748	16,169,447	16,193,360	16,001,967
Urban development and housing	5,475,479	5,629,091	4,705,330	4,926,184	3,454,072	11,782,892	4,432,712	4,534,946	3,747,872	3,647,947
Miscellaneous	2,127,772	2,610,755	12,393	20,167	--	--	--	--	--	--
Capital outlay	24,243,338	1,333,686	216,602	43,913	434,743	9,315,956	33,982,648	25,443,092	26,170,866	27,421,343
Debt service:										
Principal	2,870,000	3,410,000	3,550,000	3,710,000	4,800,346	4,010,753	4,658,032	4,968,944	5,460,559	5,700,059
Interest	4,064,051	4,027,690	3,861,806	3,693,070	2,710,878	3,144,521	3,171,865	3,106,556	2,918,162	2,634,178
Other	--	--	--	--	743,753	--	--	27,500	--	--
Total expenditures	114,654,487	106,758,555	96,944,914	96,480,581	106,231,438	125,294,372	139,322,098	132,819,067	135,168,699	137,909,142
Excess of revenues over (under) expenditures	(12,468,634)	(11,363,636)	(348,295)	2,714,507	9,899,716	6,820,261	(992,084)	247,052	2,373,163	2,662,844
Other Financing Sources (Uses)										
Proceeds from borrowing	--	--	--	--	--	3,742,000	2,975,000	6,130,000	--	--
Proceeds from refunding	--	--	--	--	54,649,623	--	--	--	--	--
Proceeds from capital lease	--	--	800,000	677,000	--	--	--	--	--	--
Payments to escrow agent	--	--	--	--	(53,880,056)	--	--	(3,770,000)	--	--
Operating transfers in	8,100,830	10,905,378	8,028,106	8,226,713	15,458,636	15,742,284	14,469,326	10,928,554	8,472,578	8,574,090
Operating transfers out	(7,928,853)	(6,916,920)	(7,898,362)	(8,307,818)	(15,949,412)	(14,942,931)	(13,575,169)	(9,850,825)	(7,406,099)	(7,965,522)
Total other financing sources (uses)	171,977	3,988,458	929,744	595,895	278,791	4,541,353	3,869,157	3,437,729	1,066,479	608,568
Net change in fund balances	\$(12,296,657)	\$(7,375,178)	\$ 581,449	\$ 3,310,402	\$ 10,178,507	\$ 11,361,614	\$ 2,877,073	\$ 3,684,781	\$ 3,439,642	\$ 3,271,412
Debt service as a percentage of noncapital expenditures	8.3%	7.8%	7.9%	8.0%	8.1%	6.1%	6.4%	6.6%	6.7%	6.5%

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

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Accommodation & Food Services	\$ 260,540,155	\$ 261,689,013	\$ 279,463,942	\$ 298,790,765	\$ 316,208,421	\$ 343,056,204	\$ 345,100,265	\$ 320,289,448	\$ 323,762,289	\$ 340,463,306
Ag. Forestry, Fishing, Hunting	13,579	14,449	12,478	26,465	43,527	43,555	23,839	117,048	62,337	74,539
Art, Entertainment, Recreation	7,926,493	15,145,617	25,949,918	25,963,868	25,830,808	24,461,703	26,979,696	26,708,686	25,395,341	25,246,985
Construction	8,273,551	7,012,868	6,731,471	7,007,854	6,132,539	7,698,792	8,287,469	9,541,011	10,296,417	9,073,635
Educational Services	1,079,420	1,376,560	2,019,552	1,784,184	1,549,550	1,613,269	1,815,890	1,547,490	1,387,456	1,296,435
Finance and Insurance	4,482,517	5,162,616	3,752,424	3,124,742	3,484,009	4,016,957	3,244,055	3,009,452	2,486,313	2,423,563
Health Care, Social Assistance	4,371,439	2,510,214	2,328,536	2,419,838	3,041,328	2,002,124	2,979,213	2,599,499	3,035,827	3,665,007
Information	121,294,820	122,325,572	123,084,680	123,909,872	139,327,593	151,806,729	156,344,604	162,143,261	165,939,044	163,375,015
Manufacturing	30,354,189	22,997,447	25,783,858	25,430,835	24,759,990	22,798,003	22,806,330	21,350,766	24,391,638	24,118,142
Mgmt of Companies, Enterprises	959,269	856,761	833,629	810,034	587,272	660,767	2,070	22,001	38,922	122,769
Mining	83,491	183,969	205,529	311,194	248,613	314,864	510,219	316,181	383,415	320,482
Miscellaneous/Random Filers	4,671,289	2,062,837	4,014,658	1,633,678	2,429,417	2,090,361	2,242,544	2,834,053	1,424,547	3,697,594
Other Services	38,139,601	36,071,358	34,999,720	35,683,947	37,476,920	39,942,343	38,656,964	40,476,981	44,779,044	46,330,263
Prof. Scientific, Tech Svcs	9,807,373	9,859,400	9,313,723	8,735,003	8,604,767	10,525,117	7,850,444	7,655,528	8,488,654	8,835,276
Public Administration	246,561	207,185	228,308	207,383	158,118	146,049	155,475	153,217	161,980	185,719
Real Estate, Rental, Leasing	70,235,641	61,419,459	56,121,298	51,584,173	50,628,421	49,328,321	49,161,961	43,606,095	39,521,475	39,724,566
Retail Trade	1,124,247,974	1,216,567,628	1,256,659,824	1,314,918,953	1,360,804,001	1,432,258,374	1,371,500,627	1,075,287,861	1,104,655,929	1,165,383,595
Transportation & Warehousing	334,421	276,956	335,390	376,835	673,859	753,317	700,737	589,948	533,707	520,013
Utilities	96,343,557	109,134,120	119,089,150	138,584,136	134,013,746	132,876,970	155,090,726	134,905,580	148,519,760	148,584,305
Waste Mgmt & Remediation Svcs	9,444,872	8,000,948	8,458,688	7,740,284	8,634,578	9,374,884	9,280,213	8,489,981	8,042,171	9,344,269
Wholesale Trade	27,871,244	30,630,002	30,217,023	30,606,097	32,092,010	32,419,176	34,007,632	37,721,541	35,642,067	36,703,429
Not Coded	6,490,137	-	-	-	-	-	-	-	-	87
Total all categories	\$ 1,827,211,593	\$ 1,913,504,979	\$ 1,989,603,799	\$ 2,079,650,140	\$ 2,156,729,487	\$ 2,268,187,879	\$ 2,236,740,973	\$ 1,899,365,628	\$ 1,948,948,333	\$ 2,029,488,994
City direct sales tax rate	2.0%	2.0%	2.0%	2.0%	2.0%	3.0% ⁽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 January 1, 2006, the sales tax rate was increased by 1% direct rate for specific areas within the City. Currently excludes the Belmar area (1%).

Source: City of Lakewood's Revenue System

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

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
City direct rate ^{(1) (2)}	2.00%	2.00%	2.00%	2.00%	3.00%	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%	2.90%	2.90%	2.90%	2.90%	2.90%
Jefferson County	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%
SE Jefferson County Road Improvement District ⁽³⁾	0.43%	0.43%	0.43%	0.43%	0.43%	0.43%	0.43%	0.43%	0.43%	0.43%
Football Stadium District	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%
Scientific & Cultural Facilities District	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%
Regional Transportation District	0.60%	0.60%	0.60%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%

(1) Effective September 1, 2003, one-half of the City's 2% sales tax was waived in the Belmar area.

(2) The City's sales tax rate may be increased only by a majority vote of the City's residents. Effective January 1, 2006, the sales tax rate was increased by 1% direct rate for specific areas within the City. From 2006 to present, excludes the Belmar area (1%). From 2006 through 2008, excluded areas of Colorado Mills (2%) and Creekside (2%). Effective January 1, 2009, Colorado Mills and Creekside were changed to 3%.

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

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

Category of Taxpayer ⁽¹⁾	2011			2002		
	Sales/Use Taxes	Rank	Percentage of Total City Sales/Use Tax Revenues	Sales/Use Taxes	Rank	Percentage of Total City Sales/Use Tax Revenues
	Remitted			Remitted		
Utility	\$ 4,588,952	1	6.61%	\$ 2,089,099	1	4.60%
Clothing, gifts, jewelry	1,759,760	2	2.54%	-		
Utility	1,353,302	3	1.95%	-		
Clothing, gifts, jewelry	1,235,475	4	1.78%	-		
Clothing, gifts, jewelry	1,192,832	5	1.72%	-		
Computers and software	1,124,306	6	1.62%	531,637	10	1.17%
Computers and software	1,084,509	7	1.56%	-		
Utility	842,028	8	1.21%	851,498	3	1.88%
Building materials	836,247	9	1.20%	722,140	5	1.59%
Cellular/wireless	705,886	10	1.02%	-		
Clothing, gifts, jewelry	-			1,151,784	2	2.54%
Clothing, gifts, jewelry	-			792,852	4	1.75%
Grocery store	-			566,563	6	1.25%
Clothing, gifts, jewelry	-			553,737	7	1.22%
Clothing, gifts, jewelry	-			551,591	8	1.22%
Computers and software	-			538,079	9	1.19%

(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 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)

Fiscal Year	Taxable Real and Personal Property					Total Taxable Assessed Value	Total Direct Tax Rate	Assessment Rates		Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
	Residential Property	Commercial Property	Industrial Property	Vacant Land	Other Property			Residential	All Other		
2002	\$ 828,755,660	\$ 442,487,120	\$ 26,802,240	\$ 36,525,440	\$ 68,357,190	\$ 1,402,927,650	4.711	9.15%	29.00%	\$ 111,037,342,321	12.71%
2003	837,137,520	530,078,720	34,479,890	28,985,880	75,453,280	1,506,135,290	4.711	9.15%	29.00%	11,455,932,796	13.15%
2004	875,720,400	583,970,780	38,843,300	34,371,790	71,391,650	1,604,297,920	4.711	7.96%	29.00%	13,513,848,839	11.87%
2005	885,221,590	587,181,600	33,267,840	34,883,330	63,517,290	1,604,071,650	4.711	7.96%	29.00%	13,599,667,557	11.79%
2006	899,439,850	663,343,010	35,483,170	32,953,220	65,276,370	1,696,495,620	4.711	7.96%	29.00%	14,047,963,775	12.08%
2007	905,503,120	663,132,320	34,845,570	29,988,190	61,220,620	1,694,689,820	4.711	7.96%	29.00%	14,097,000,785	12.02%
2008	949,882,820	708,202,110	42,549,260	41,385,890	66,486,370	1,808,506,450	4.711	7.96%	29.00%	14,893,972,394	12.14%
2009	959,317,300	709,262,060	41,669,900	42,478,050	66,981,210	1,819,708,520	4.711	7.96%	29.00%	15,018,591,150	12.12%
2010	942,716,810	736,784,840	41,720,120	36,304,950	65,356,390	1,822,883,110	4.711	7.96%	29.00%	14,878,232,212	12.25%
2011	943,892,270	706,260,650	42,205,720	35,813,160	63,982,280	1,792,154,080	4.711	7.96%	29.00%	14,782,983,815	12.12%

Notes:

- (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.
- (2) Jefferson County combines real and personal property values and does not provide information regarding tax exempt property by category.
- (3) "Other Property" includes natural resources and agricultural and state-assessed properties.
- (4) 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.

Source: Jefferson County Assessor's Office

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

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
City direct rate	4.711	4.711	4.711	4.711	4.711	4.711	4.711	4.711	4.711	4.711
Overlapping rates: ⁽¹⁾										
Jefferson County	22.416	23.539	23.867	24.346	24.346	24.346	24.346	24.346	24.346	24.346
School District R-1	45.201	45.387	43.848	51.098	49.053	49.028	48.118	48.284	48.145	48.210
Alameda Corridor Business Improvement Dist	0.000	0.000	0.000	0.000	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 District	1.601	1.709	1.672	1.703	1.662	1.746	1.746	1.746	1.746	1.746
Bear Creek Water & Sanitation District	4.811	4.796	4.795	4.727	4.542	4.600	4.509	4.471	4.535	4.416
Bennett Bear Creek Farms Water & San. Dist.	2.590	2.745	2.731	2.779	2.647	2.647	2.504	2.504	2.468	2.468
Bonvue Water & Sanitation District	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Bowles Metro District	40.000	40.000	40.000	40.000	40.000	40.000	40.000	40.000	40.000	40.000
Daniels Sanitation District	0.592	0.575	0.548	0.542	0.542	0.531	0.495	0.495	0.468	0.465
Denver West Metro District	35.000	35.000	35.000	35.000	35.000	35.000	35.000	35.000	36.000	35.000
Denver West Metro District Ex. 04	0.000	0.000	0.000	0.000	13.922	13.094	13.233	12.844	13.129	9.512
Denver West Metro District Ex. 98	23.281	23.281	22.422	14.790	13.922	13.094	13.233	12.844	13.129	9.512
East Jefferson County Sanitation District	1.380	1.380	1.282	1.282	1.223	1.223	1.167	1.167	1.167	1.141
East Lakewood Sanitation District	5.067	5.199	4.591	4.591	4.450	4.570	4.840	4.833	4.813	4.840
Foothills Parks and Recreation District Sub A	8.333	8.248	8.120	8.047	7.912	7.878	7.650	7.636	7.579	7.464
Fossil Ridge Metro District No. 1	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Fossil Ridge Metro District No. 2	0.000	0.000	0.000	0.000	0.000	0.000	30.000	30.000	30.000	30.000
Fossil Ridge Metro District No. 3	0.000	0.000	0.000	0.000	0.000	0.000	30.000	30.000	30.000	30.000
Grant Water & Sanitation District	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Green Mountain Water & Sanitation District	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
High View Water District	0.269	0.268	0.249	0.229	0.227	0.213	0.210	0.210	0.198	0.189
Indiana Valley Metro District	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Lakehurst Water & Sanitation District	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Lena Gulch Metro District	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Littleton Fire District	6.678	6.678	6.678	7.678	7.678	7.678	7.678	7.678	7.678	7.678
Lochmoor Water & Sanitation District	12.938	13.379	13.236	13.379	13.193	13.193	13.193	13.193	13.193	13.193
Mt. Carbon Metro District	21.455	37.000	37.000	37.000	37.000	37.000	37.000	37.000	37.000	37.000
Mt. Carbon Metro District Ex. 07	0.000	0.000	0.000	0.000	0.000	0.000	20.000	20.000	20.000	20.000
Mt. Carbon Metro District Ex. 08	0.000	0.000	0.000	0.000	0.000	0.000	0.000	20.000	20.000	20.000
Northwest Lakewood Sanitation District	6.434	7.187	7.451	7.696	7.696	7.696	7.738	7.802	7.525	7.747
Plaza Metro District No. 1	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Plaza Metro District No. 2	0.000	18.000	25.000	25.000	25.000	25.000	25.000	25.000	25.000	25.000
Plaza Metro District No. 3	0.000	20.000	20.000	20.000	20.000	20.000	20.000	20.000	20.000	20.000
Pleasant View Metro District	3.890	3.847	3.227	4.984	4.516	4.984	4.984	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	0.000	0.000	0.000	0.000	3.000	3.000	3.000	3.000	3.000	3.000
Regional Transportation District	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Section 14 Metro District	32.000	29.000	29.000	27.000	26.720	26.720	23.717	23.476	21.043	21.460
Section 14 Metro District Ex. 04	0.000	0.000	0.000	0.000	11.232	10.246	9.709	9.684	17.564	17.666
South Sheridan Water & Sanitation District	7.677	7.781	7.506	7.506	7.896	7.896	7.896	7.896	7.896	7.896
Southwest Suburban Water & Sanitation Dist.	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Urban Drainage & Flood Control District	0.590	0.531	0.533	0.538	0.597	0.542	0.507	0.528	0.508	0.523
Urban Drainage & Flood Control South Platte	0.000	0.071	0.065	0.066	0.065	0.066	0.061	0.063	0.061	0.053
Vance Street Metro District 1	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Vance Street Metro District 2	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
West Metro Fire Protection District	11.478	11.480	11.484	11.498	11.458	13.588	13.702	13.737	13.662	13.784
Wheat Ridge Fire District	4.500	4.400	4.400	4.400	4.400	4.400	4.400	4.400	4.257	7.500
Wheat Ridge Sanitation District	0.650	0.650	0.616	0.618	0.583	0.583	0.560	0.550	0.546	0.546

Note: The City's property tax rate may be increased only by a majority vote of the City's residents.

(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.

Source: Jefferson County Assessor's Office

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

Taxpayer	2011			2002		
	Taxable Assessed	Rank	Percentage of Total City Assessed	Taxable Assessed	Rank	Percentage of Total City Assessed
	Value		Value	Value		Value
Colorado Mills Mall Limited Partnership	\$ 28,713,654	1	1.60%	\$ -		
Belmar Mainstreet Holdings I LLC	27,320,494	2	1.52%	-		
Qwest Corp.	25,535,900	3	1.42%	28,999,900	2	1.93%
Public Service Co of Colorado	22,271,660	4	1.24%	21,967,960	3	1.46%
Lakewood City Commons LP	12,568,455	5	0.70%	6,731,800	7	0.45%
Denver West Mills LP	11,358,314	6	0.63%	-		
The Section 14 Development Company	11,199,899	7	0.62%	7,562,860	5	0.50%
Centro Westland LLC	7,213,164	8	0.40%	-		
Government Properties Income Trust LLC	7,211,430	9	0.40%	-		
Realty Associates Fund IX LP	6,670,000	10	0.37%	-		
Denver West Office Bldg Venture LLP	-			34,514,390	1	2.29%
HUB Properties Trust	-			7,788,960	4	0.52%
Denver West Village, Inc.	-			6,876,050	6	0.46%
SMII TRP Properties LLC	-			6,090,000	8	0.40%
Lincoln RECP Waterside OPCO LLC	-			6,087,240	9	0.40%
PCMT Partnership	-			5,916,000	10	0.39%

Source: Jefferson County Assessor's Office

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

Fiscal Year	Taxes Levied for Collection in the Fiscal Year	Collected within the Fiscal Year of the Levy	
		Amount	Percentage of Levy
2002	6,975,530	6,840,211	98.06%
2003	7,064,764	6,896,935	97.62%
2004	7,506,169	7,331,458	97.67%
2005	7,475,265	7,337,046	98.15%
2006	7,801,346	7,635,192	97.87%
2007	7,752,755	7,631,817	98.44%
2008	8,240,546	8,104,568	98.35%
2009	8,248,260	8,017,422	97.20%
2010	8,260,372	8,039,443	97.33%
2011	8,128,249	7,986,944	98.26%

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. Further, typically less than 3% of the total taxes levied each year are delinquent and delinquent taxes collected each year are less than 1/2%. Therefore, collection of delinquent taxes are not shown separately here.

CITY OF LAKEWOOD, COLORADO
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

Fiscal Year	Governmental Activities				Total Primary Government	Percentage of Personal Income ⁽¹⁾	Per Capita ⁽¹⁾
	Sales and Use Tax Revenue Bonds	Certificates of Participation	Capital Leases	Grant/Program Revenue Notes			
2002	\$ 10,835,000	\$ 70,160,000	\$ 3,090,143	\$ 945,000	\$ 85,030,143	2.29%	595
2003	9,950,000	67,635,000	2,197,190	715,000	80,497,190	2.18%	566
2004	9,025,000	65,010,000	2,493,928	465,000	76,993,928	2.02%	541
2005	8,060,000	62,265,000	2,576,375	195,000	73,096,375	1.85%	516
2006	7,055,000	60,450,000	2,196,029	-	69,701,029	1.86%	493
2007	6,005,000	57,885,000	1,800,276	3,742,000	69,432,276	1.78%	489
2008	4,910,000	54,765,000	1,555,244	6,519,000	67,749,244	1.67%	474
2009	3,800,000	51,385,000	3,678,543	6,276,757	65,140,300	1.66%	452
2010	2,565,000	47,860,000	3,418,711	5,836,030	59,679,741	1.48%	417
2011	1,300,000	44,100,000	3,107,563	5,472,119	53,979,682	1.29%	375

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.

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

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
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%	0.00%	0.00%	0.00%	0.00%	0.00%
Per capita ⁽³⁾	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Legal debt limit ⁽⁴⁾	\$331,120,270	\$343,677,984	\$405,415,465	\$407,990,027	\$421,438,913	\$422,910,024	\$446,819,172	\$450,557,735	\$446,346,966	\$443,489,514
Legal debt margin ⁽⁵⁾	\$331,120,270	\$343,677,984	\$405,415,465	\$407,990,027	\$421,438,913	\$422,910,024	\$446,819,172	\$450,557,735	\$446,346,966	\$443,489,514
Legal debt margin as a percentage of the debt limit	100.00%	100.00%	100.00%	100.00%	100.00%	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.

CITY OF LAKEWOOD, COLORADO
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2011

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Debt repaid with property taxes:			
Bowles Metropolitan District	\$ 22,700,000	40.36%	\$ 9,161,720
Denver West Metropolitan District	54,850,000	75.43%	41,373,355
Foothills Park & Recreation District	15,710,000	1.36%	213,656
Fossil Ridge Metro Districts 1, 2, and 3	8,350,000	100.00%	8,350,000
Jefferson County R-1 School District	452,710,000	24.69%	111,774,099
Mount Carbon Metropolitan District	16,791,004	100.00%	16,791,004
Section 14 Metropolitan District	6,545,000	31.06%	2,032,877
Other debt:			
Foothills Park & Recreation District	23,801,780	1.36%	323,704
Fossil Ridge Metropolitan Districts 1, 2, and 3	39,872,421	100.00%	39,872,421
Jefferson County School District R-1	32,375,000	24.69%	7,993,388
Plaza Metropolitan Districts 1, 2, and 3	86,505,000	100.00%	86,505,000
Pleasant View Metropolitan District	293,541	55.67%	163,414
Pleasant View Water & Sanitation District	1,790,000	53.25%	953,175
Regional Transportation District	1,973,085,000	27.41%	540,822,599
Subtotal, overlapping debt	2,735,378,746		866,330,412
City direct debt	53,979,682	100.00%	53,979,682
Total direct and overlapping debt	<u>\$ 2,789,358,428</u>		<u>\$ 920,310,094</u>

Source: Overlapping governments listed above

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

Fiscal Year	Sales and Use Tax Revenue Bonds			
	Sales and Use Tax Revenues	Debt Service		Coverage
		Principal	Interest	
2002	\$ 45,670,263	\$ 850,000	\$ 523,122	33.26
2003	45,711,904	885,000	488,272	33.29
2004	46,143,123	925,000	451,545	33.52
2005	45,298,314	965,000	412,695	32.88
2006	45,027,899	1,005,000	371,683	32.71
2007	47,577,763	1,050,000	328,468	34.51
2008	49,919,634	1,095,000	282,792	36.23
2009	43,715,792	1,140,000	234,613	31.80
2010	44,712,459	1,235,000	96,140	33.59
2011	45,634,512	1,265,000	64,895	34.31

Fiscal Year	Lakewood Reinvestment Authority (LRA) LRA Station Betterments Loan			
	LRA Property Tax Revenues	Debt Service		Coverage
		Principal	Interest	
2008	\$ 277,174	\$ --	\$ 33,221	8.34
2009	421,933	34,243	180,979	1.96
2010	408,069	72,156 ⁽¹⁾	177,805	1.63
2011	298,136	85,911 ⁽²⁾	164,050	1.19

(1) Actual 2010 payments included an additional \$150,000 prepayment of principal.

(2) Actual 2011 payments included an additional \$50,000 prepayment of principal.

**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⁾
2002	142,967	\$ 3,706,419,475	\$ 25,925	37	13.5	20,549	5.5
2003	142,260	\$ 3,691,931,520	\$ 25,952	37	13.5	20,541	6.0
2004	142,398	\$ 3,816,693,594	\$ 26,803	37	13.7	20,457	5.0
2005	141,592	\$ 3,949,850,432	\$ 27,896	37	13.7	20,701	5.0
2006	141,378	\$ 3,737,610,186	\$ 26,437	38	13.8	20,558	4.5
2007	141,919	\$ 3,901,495,229	\$ 27,491	40	13.6	20,759	4.0
2008	143,055	\$ 4,045,881,510	\$ 28,282	39	13.8	20,406	5.2
2009	144,116	\$ 3,927,161,000	\$ 27,250	40	14.0	21,229	7.6
2010	142,980	\$ 4,033,608,780	\$ 28,211	40	13.8	21,191	8.4
2011	144,135	\$ 4,188,274,830	\$ 29,058	39	13.9	21,170	8.7

- (1) Source: Colorado Division of Local Government, State Demography Office
- (2) Source: Lakewood Finance Department estimate using data from the U.S. Census Bureau and the U.S. Department of Commerce, Bureau of Economic Analysis
- (3) Source: U.S. Census Bureau, American Community Survey
- (4) Source: Lakewood Finance Department estimate using data from the U.S. Census Bureau
- (5) Source: Jefferson County R-1 School District
- (6) Source: U.S. Department of Labor, Bureau of Labor Statistics

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

Employer	2011			2002		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Denver Federal Center	8,000	1	10.88%	6,240	2	8.33%
Jefferson County R-1 School District	2,734	2	3.72%	8,396	1	11.21%
Terumo BCT (formerly Gambro)	1,624	3	2.21%	1,300	3	1.74%
St. Anthony Medical Campus	1,600	4	2.18%	-		
City of Lakewood	893	5	1.21%	897	5	1.20%
Service Magic	884	6	1.20%	-		
FirstBank	723	7	0.98%	849	6	1.13%
The Integer Group	629	8	0.86%	-		
Red Rocks Community College	400	9	0.54%	-		
West Metro Fire Protection and Rescue	393	10	0.53%	-		
AON Innovative Solutions	-			950	4	1.27%
Qwest	-			800	7	1.07%
Colorado Christian University	-			454	8	0.61%
Safeco Insurance Company	-			400	9	0.53%
Kinder Morgan, Inc.	-			375	10	0.50%

Source: City of Lakewood Economic Development Division

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

Department	December 31, 2005	December 31, 2006	December 31, 2007	December 31, 2008	December 31, 2009	December 31, 2010	December 31, 2011
Mayor and City Council	--	--	0.05	1.00	1.00	0.54	--
City Manager's Office ⁽¹⁾	16.28	14.63	18.07	17.80	16.64	15.85	16.37
City Attorney's Office	8.16	11.48	11.18	10.87	10.80	10.56	10.70
City Clerk's Office	5.77	6.58	7.56	7.73	7.74	7.68	8.73
Lakewood Reinvestment Authority	1.64	0.99	0.77	1.25	1.28	0.94	1.07
Community Resources ⁽¹⁾	162.94	164.00	175.68	179.06	180.58	175.36	174.48
Employee Relations	10.97	11.95	12.59	12.76	13.74	13.49	13.67
Finance	29.24	29.03	30.53	32.74	34.00	32.73	29.57
Information Technology	18.42	18.29	19.14	25.82	27.04	27.17	26.60
Municipal Court	26.59	27.48	28.49	27.56	27.91	26.98	26.38
Planning	11.50	14.79	16.20	13.00	13.00	12.67	14.15
Police ⁽¹⁾	369.99	379.70	402.88	428.45	420.25	412.59	411.11
Public Works	113.43	115.03	115.87	117.33	115.12	112.34	112.24
Total	774.93	793.95	839.01	875.37	869.10	848.90	845.07

(1) Numbers have been restated due to reorganization completed in 2009.

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

Function/Program	December 31, 2005	December 31, 2006	December 31, 2007	December 31, 2008	December 31, 2009	December 31, 2010	December 31, 2011
Building Department							
Permits issued:							
Building	1,601	1,360	1,253	1,178	1,155	1,447	1,434
Other (electrical, plumbing, mechanical, sign, miscellaneous)	8,381	6,669	6,032	5,907	17,270 ⁽¹⁾	10,687	10,914
Municipal Court							
Cases received	20,863	19,910	20,554	20,902	19,159	19,336	20,780
Public Safety							
Physical arrests	6,711	6,798	7,092	6,782	5,979	5,738	5,557
Parking violations	2,460	2,817	3,033	2,077	2,295	2,297	1,952
Traffic violations	22,881	21,068	22,364	23,301	19,163	18,288	19,797
Public Works							
Highways and Streets							
Street resurfacing (miles)	67.00	68.75	27.82	24.43	30.70	43.00	47.00
Potholes repaired	1,200-1,500	1,200-1,500	1,000-1,200	1,000-1,200	1,000-1,200	800-1,000	800-1,000
Water							
New connections	1	8	3	0	0	0	1
Average daily consumption (gallons)	672,693	683,419	664,030	635,474	578,203	610,989	585,800
Sewer							
New connections	29	13	9	2	2	6	4
Average daily treatment (gallons)	3,102,429	2,898,082	3,410,904	3,097,479	3,466,110	3,188,329	2,827,589
Culture and Recreation							
Rounds of golf (two courses)	109,878	110,369	107,654	104,256	96,971	96,533	93,157
Cultural admissions (paid and unpaid)	99,186	110,805	129,551	124,860	124,752	127,888	138,587

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

(1) The increase in permits for 2009 is due to a large number of re-roofing and re-siding permits after a major hailstorm in July 2009.

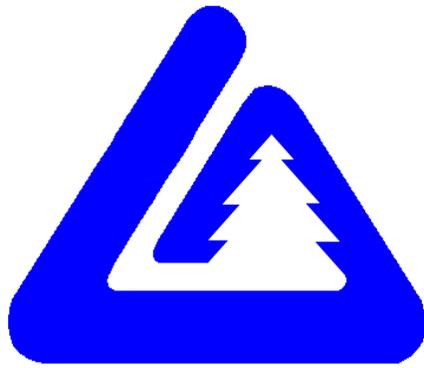
Source: City of Lakewood Public Works Department, Municipal Court, Police Department, and Community Resources Department

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

Function/Program	December 31, 2005	December 31, 2006	December 31, 2007	December 31, 2008	December 31, 2009	December 31, 2010	December 31, 2011
General Government							
Area (square miles)	44.933	44.933	44.022	44.022	44.022	44.022	44.022
Public Safety							
Number of police stations	2	2	2	2	2	2	2
Public Works							
Highways and Streets							
Streets (miles)	485	533	546	546	547	547	540
Streetlights	7,686	7,861	7,859	7,865	7,901	7,899	7,869
Traffic signals	193	193	193	195	196	199	199
Water							
Number of taps	721	725	728	728	730	730	731
Water mains (miles)	14	14	14	14	14	14	14
Sewer							
Number of taps	6,879	6,702	6,711	6,713	6,850	6,864	6,868
Sewer mains (miles)	106	106	106	106	106	106	106
Stormwater							
Stormwater mains (miles)	120	226	227	228	228	228	228
Culture and Recreation							
Number of parks	98	99	98	99	99	99	98
Park acreage	7,126	7,136	7,127	7,146	7,146	7,162	7,152
Playgrounds	44	46	46	46	46	53	53
Athletic fields*	55	56	56	56	57	57	57
Tennis courts	40	39	39	39	39	37	36
Basketball courts (outdoor)	17	17	17	17	18	17	21
Recreation centers	4	4	4	4	4	4	4
Outdoor swimming pools	4	4	3	3	3	3	3
Cultural centers	3	3	3	3	3	3	3
Golf courses	2	2	2	2	2	2	2

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

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



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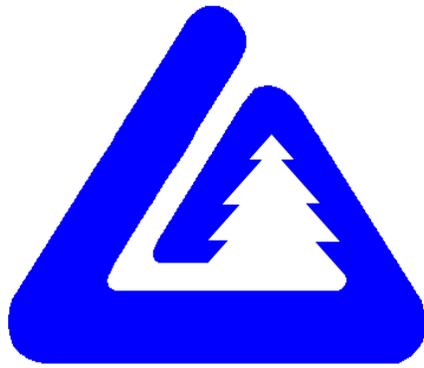
COMPLIANCE SECTION

SINGLE AUDIT

Schedule of Expenditures of Federal Awards, which is required for all state and local governments with more than \$500,000 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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Honorable Mayor and Members of the City Council
City of Lakewood
Lakewood, Colorado

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

We have audited 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 as of and for the year ended December 31, 2011, which collectively comprise the basic financial statements of the City of Lakewood, and have issued our report thereon dated June 25, 2012. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City of Lakewood's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Lakewood's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City of Lakewood's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City of Lakewood's financial statements will not be prevented, or detected and corrected, on a timely basis.

Our consideration of the City of Lakewood's internal control over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Lakewood's financial statements are free of 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*.

This report is intended solely for the information and use of the City Council, management, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Swanlund & Company LLC

June 25, 2012



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

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH
REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL
EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

Compliance

We have audited the City of Lakewood's compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2011. The City of Lakewood's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the City of Lakewood's management. Our responsibility is to express an opinion on the City of Lakewood's compliance based on our audit.

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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 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 of Lakewood'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. Our audit does not provide a legal determination of the City of Lakewood's compliance with those requirements.

In our opinion, the City of Lakewood complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2011.

Internal Control Over Compliance

Management of the City of Lakewood is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the City of Lakewood's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, 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 of Lakewood'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.

Our consideration of the City of Lakewood's 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 deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the City Council, management, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Swanlund & Company LLC

June 25, 2012

CITY OF LAKEWOOD, COLORADO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended December 31, 2011

Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: unqualified

Internal control over financial reporting:

- Material weaknesses identified? _____ yes x no
- Significant deficiencies identified that are not considered to be material weaknesses? _____ yes x none reported

Noncompliance material to financial statements noted?

_____ yes x no

Federal Awards

Internal control over major programs:

- Material weaknesses identified? _____ yes x no
- Significant deficiencies identified that are not considered to be material weaknesses? _____ yes x none reported

Type of auditors' report issued on compliance for major programs: unqualified

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133?

_____ yes x no

Identification of major programs:

- 14.218 Community Development Block Grant
- 14.253 ARRA - Community Development Block Grant
- 16.738 Edward Byrne Memorial Justice Assistance Grant
- 16.803 ARRA - Edward Byrne Memorial Justice Assistance Grant
- 16.804 ARRA - Edward Byrne Memorial Justice Assistance Grant
- 81.128 ARRA - Energy Efficiency and Conservation Block Grant

Dollar threshold used to distinguish between type A and type B programs: \$300,000

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

Financial Statement Findings

The audit of the financial statements did not disclose significant deficiencies in internal control that would be considered material weaknesses, and did not disclose fraud, illegal acts, violations of provisions of contracts and grant agreements, or abuse that were material to those financial statements.

Federal Awards Findings and Questioned Costs

The audit of federal awards did not disclose significant deficiencies in internal control that would be considered material weaknesses, and did not disclose instances of noncompliance or abuse that were material to those federal awards.



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

**INDEPENDENT AUDITORS' REPORT ON
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

We have audited 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 as of and for the year ended December 31, 2011, which collectively comprise the basic financial statements of the City of Lakewood, and have issued our report thereon dated June 25, 2012, which contained an unqualified opinion on those financial statements. The financial statements are the responsibility of the City of Lakewood's management. Our responsibility is to express opinions on the financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, *Government Auditing Standards*, issued by the Comptroller General of the United States, and the provisions of the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

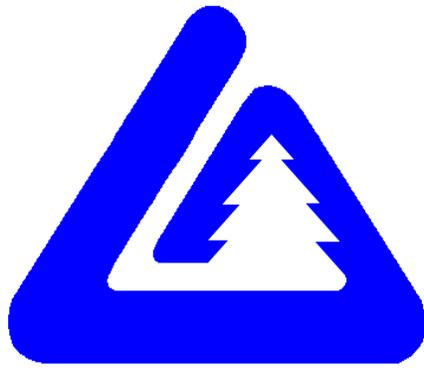
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Lakewood's financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling the information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

June 25, 2012

CITY OF LAKEWOOD, COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended December 31, 2011

Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Federal Expenditures
U.S. Department of Housing and Urban Development		
Community Development Block Grant	14.218	\$ 1,136,802
ARRA - Community Development Block Grant	14.253	32,733
HOME Investment Partnerships Program	14.239	263,541
Total U.S. Department of Housing and Urban Development		1,433,076
U.S. Department of Energy		
ARRA - Electricity Delivery and Energy Reliability, Research, Development and Analysis	81.122	83,247
ARRA - Energy Efficiency and Conservation Block Grant	81.128	734,242
Total U.S. Department of Energy		817,489
U.S. Department of Justice		
Edward Byrne Memorial Justice Assistance Grant	16.738	99,802
ARRA - Edward Byrne Memorial Justice Assistance Grant	16.804	209,320
Congressionally Recommended Awards	16.753	8,451
Passed through Colorado Department of Public Safety, Division of Criminal Justice		
Crime Victim Assistance	16.582	28,656
Edward Byrne Memorial Justice Assistance Grant	16.738	67,618
ARRA - Edward Byrne Memorial Justice Assistance Grant	16.803	19,343
Passed through Colorado Department of Revenue		
Enforcing Underage Drinking Laws	16.727	3,172
Total U.S. Department of Justice		436,362
U.S. Department of Health and Human Services		
Head Start	93.600	996,033
ARRA - Head Start	93.708	130,706
Total U.S. Department of Health and Human Services		1,126,739
U.S. Department of Agriculture		
Passed through Colorado Department of Public Health and Environment		
Child and Adult Care Food Program	10.558	78,539
U.S. Department of Commerce		
Passed through Arapahoe County		
Public Safety Interoperable Communications	11.555	207,281
National Endowment for the Arts		
Promotion of the Arts	45.024	10,000
Institute of Museum and Library Services		
Conservation Project Support	45.303	791
U.S. Department of Transportation		
Passed through Colorado Department of Transportation		
Highway Planning and Construction	20.205	2,079,707
State and Community Highway Safety	20.600	8,893
Alcohol Impaired Driving Countermeasures Incentive Grants	20.601	59,677
Total U.S. Department of Transportation		2,148,277
U.S. Department of Homeland Security		
Passed through Colorado Department of Local Affairs		
Emergency Management Performance Grants	97.042	52,854
U.S. Environmental Protection Agency		
Brownfields Assessment and Cleanup Cooperative Agreements	66.818	218,153
Executive Office of the President		
High Intensity Drug Trafficking Areas Program (HIDTA)	95.001	192,189
Total Expenditures of Federal Awards		\$ 6,721,750

See the accompanying Independent Auditors' Report.



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CITY OF LAKEWOOD, COLORADO
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended December 31, 2011

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, using the accrual basis of accounting. Therefore, some amounts presented in this schedule may differ from amounts presented in the financial statements.

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 2011
This Information From The Records Of (example - City of _ or County of City of Lakewood, Colorado)	Prepared By: Cathy Barum	Phone: 303-987-7031

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)	9,764,137
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	1,558,669
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	2,196,644
2. General fund appropriations		b. Snow and ice removal	982,804
3. Other local imposts (from page 2)	14,004,958	c. Other	2,576,506
4. Miscellaneous local receipts (from page 2)	1,749,636	d. Total (a. through c.)	5,755,954
5. Transfers from toll facilities	0	4. General administration & miscellaneous	586,971
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	6,361,137
a. Bonds - Original Issues	0	6. Total (1 through 5)	24,026,868
b. Bonds - Refunding Issues	0	B. Debt service on local obligations:	
c. Notes	0	1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	0
7. Total (1 through 6)	15,754,594	b. Redemption	0
B. Private Contributions	0	c. Total (a. + b.)	0
C. Receipts from State government (from page 2)	5,556,641	2. Notes:	
D. Receipts from Federal Government (from page 2)	2,715,633	a. Interest	0
E. Total receipts (A.7 + B + C + D)	24,026,868	b. Redemption	0
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	0
		C. Payments to State for highways	0
		D. Payments to toll facilities	0
		E. Total disbursements (A.6 + B.3 + C + D)	24,026,868

IV. LOCAL HIGHWAY DEBT STATUS
(Show all entries at par)

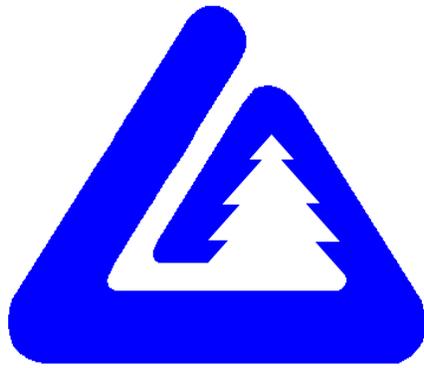
	Opening Debt	Amount Issued	Redemptions	Closing Debt
A. Bonds (Total)				0
1. Bonds (Refunding Portion)				
B. Notes (Total)				0

V. LOCAL ROAD AND STREET FUND BALANCE

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
		24,026,868	24,026,868		0

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT		STATE: Colorado	
		YEAR ENDING (mm/yy): December 2011	
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	0	a. Interest on investments	256,912
b. Other local imposts:		b. Traffic Fines & Penalties	1,177,542
1. Sales Taxes	12,099,850	c. Parking Garage Fees	0
2. Infrastructure & Impact Fees	0	d. Parking Meter Fees	40
3. Liens	0	e. Sale of Surplus Property	0
4. Licenses	95,501	f. Charges for Services	0
5. Specific Ownership &/or Other	1,809,607	g. Other Misc. Receipts	315,142
6. Total (1. through 5.)	14,004,958	h. Other	0
c. Total (a. + b.)	14,004,958	i. Total (a. through h.)	1,749,636
	(Carry forward to page 1)		(Carry forward to page 1)
III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL			
ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes	3,753,460	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	0
a. State bond proceeds		b. FEMA	0
b. Project Match		c. HUD	0
c. Motor Vehicle Registrations	480,465	d. Federal Transit Admin	0
d. Other (Grants)	79,035	e. U.S. Corps of Engineers	0
e. Other (FASTER = Highway Signal)	1,243,681	f. Other Federal	2,715,633
f. Total (a. through e.)	1,803,181	g. Total (a. through f.)	2,715,633
4. Total (1. + 2. + 3.f)	5,556,641	3. Total (1. + 2.g)	
			(Carry forward to page 1)
		ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)
		TOTAL (c)	
A.1. Capital outlay:			
a. Right-Of-Way Costs		0	0
b. Engineering Costs		0	494,352
c. Construction:			
(1). New Facilities		0	0
(2). Capacity Improvements		0	2,466,085
(3). System Preservation		0	5,376,711
(4). System Enhancement & Operation		0	1,426,989
(5). Total Construction (1) + (2) + (3) + (4)		0	9,269,785
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)		0	9,764,137
			(Carry forward to page 1)
Notes and Comments:			



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