

# Comprehensive Annual Financial Report



**Lakewood**  
Full of Possibilities.

City of Lakewood, Colorado  
For year ended  
December 31, 2012



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

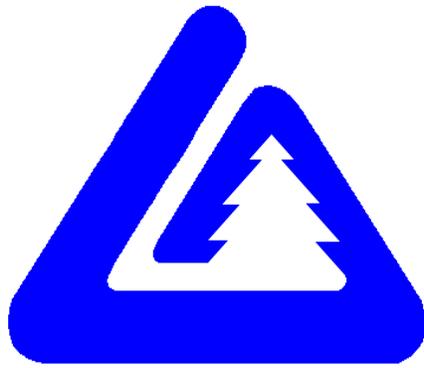


**For The Year Ended  
December 31, 2012**

**Prepared by:  
Department of Finance**



# **INTRODUCTORY SECTION**



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**CITY OF LAKEWOOD, COLORADO  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 Year Ended December 31, 2012**

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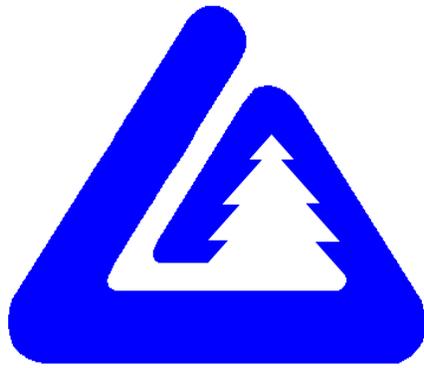
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# City of Lakewood

## City Manager's Office

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

July 27, 2013

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, 2012 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 2012. 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 economy across the country is showing clear signs of continued improvement and increasing strength. This is also true for the City as Lakewood's primary source of income, sales and use tax, increased 5.0% during 2012. While the City is experiencing improving core revenues, some areas of the local economy and other 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 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 revenues and spending. The long-term financial plan is used for current and future service and infrastructure decision making. During 2012, none of these financial policies were significantly impacted by 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 its Certificate of Achievement for Excellence in Financial Reporting to the City for its Comprehensive Annual Financial Report for the fiscal year ended December 31, 2011. This is the twenty third year that the City has been awarded this Certificate of Achievement. The Certificate of Achievement is valid for only one year. We believe that our current CAFR will meet the GFOA’s Certificate of Achievement requirements and we are submitting it to the GFOA to determine its eligibility. The GFOA has also awarded the City its Distinguished Budget Presentation Award for fiscal years 2001 through 2013.

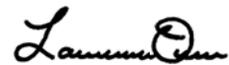
We sincerely appreciate the assistance of the entire Finance Department both for their efforts throughout the year and especially for their help in preparing this report. Specifically we would like to acknowledge Richianne Sullivan and the entire Accounting Division, Cathy Barum and Camille DeBell for 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.

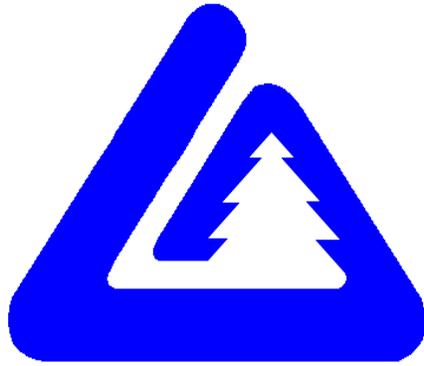
Respectfully submitted,



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, 2011

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.



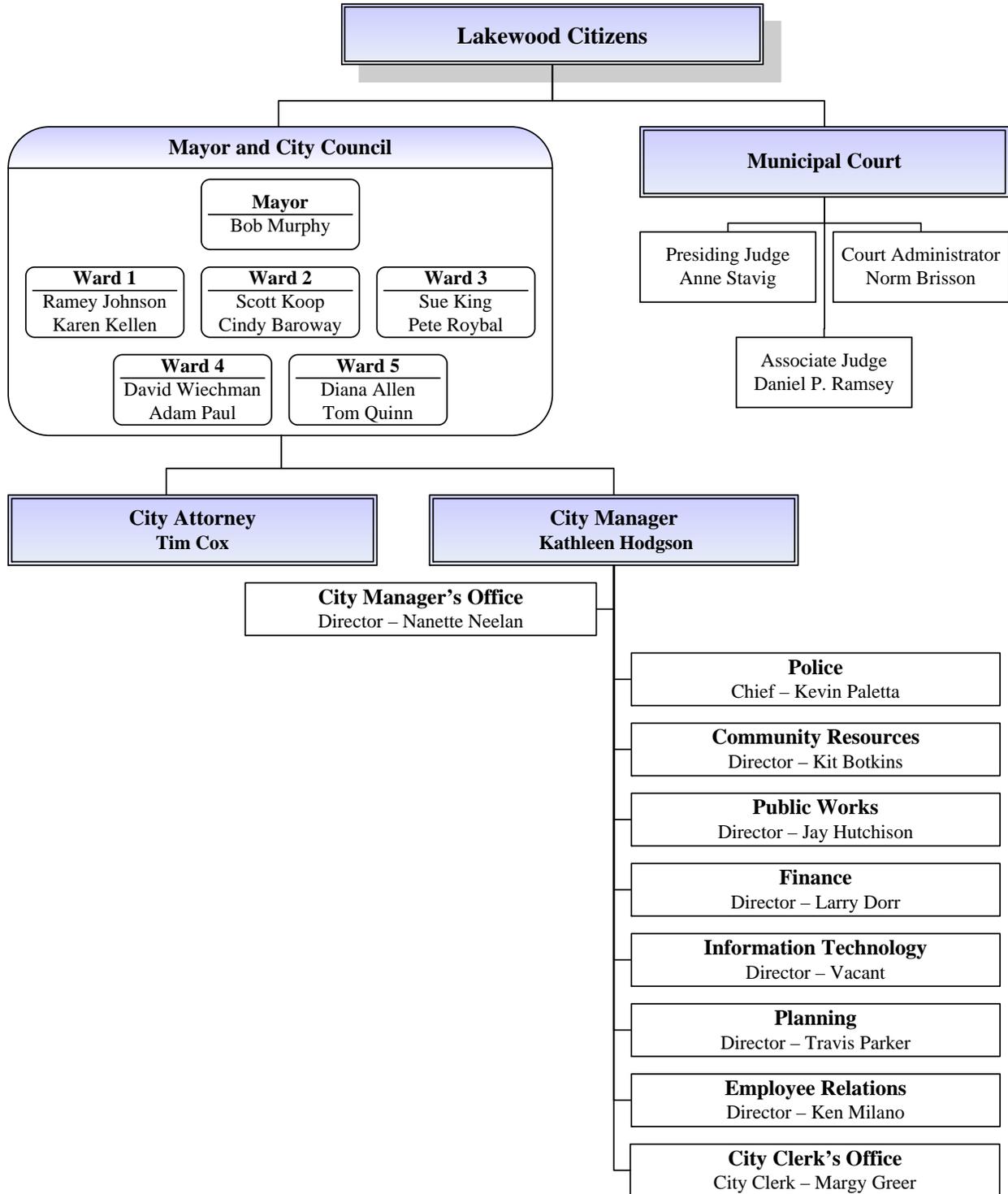
*Christopher P. Morrill*

President

*Jeffrey R. Emer*

Executive Director

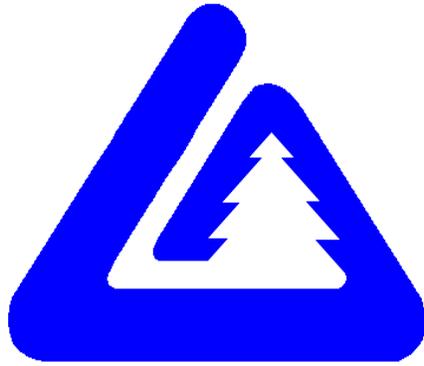
**CITY OF LAKEWOOD, COLORADO  
ORGANIZATION CHART  
Year Ended December 31, 2012**



**CITY OF LAKEWOOD, COLORADO  
CITY OFFICIALS AND ADMINISTRATION  
Year Ended December 31, 2012**

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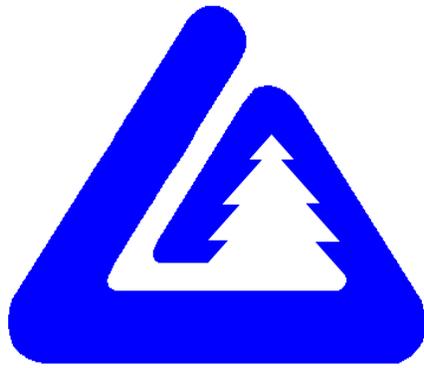
<b>Mayor:</b>	At-Large	Bob Murphy
<b>Members of Council:</b>	Ward I	Ramey Johnson Karen Kellen
	Ward II	Scott Koop Cindy Baroway
	Ward III	Sue King Pete Roybal
	Ward IV	David Wiechman Adam Paul
	Ward V	Diana Allen Tom Quinn
<b>City Officials:</b>		
City Manager		Kathleen Hodgson
City Attorney		Tim Cox
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		Vacant, 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

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Lakewood as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the basic financial statements of the City of Lakewood, as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditors' Responsibility***

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

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

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Lakewood as of December 31, 2012, and the respective changes in financial position and cash flows, where applicable, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Other Matters (Required Supplementary Information)***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information listed in the table of contents be presented to supplement the basic financial statements. Such information, 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 the auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

***Other Matters (Other Information)***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Lakewood's basic financial statements. The introductory section, combining and individual 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 basic 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 basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling the information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated July 26, 2013, on our consideration of the City of Lakewood's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Lakewood's internal control over financial reporting and compliance.

*Swanlund Company LLC*

July 26, 2013



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, 2012. 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 strong core revenues and increased operating reserves illustrate the stable financial condition of the City. The City's increase in net assets and continued investments in infrastructure demonstrate our continued positive overall financial health. While the City has not been immune to the weakened and volatile economic environment, conservative planning and robust economic development have enabled the City to maintain a strong financial position and a stable level of municipal services.

Total governmental fund revenues decreased \$1.59 million, or 1.1% in 2012. General Fund revenues increased \$1.39 million or 1.4% in 2012. Capital Improvement Fund revenues increased \$249,085 or 1.9% in 2012.

While some revenues decreased in 2012, the City was able to increase reserves. For 2012, General Fund surplus was \$1,923,920 or 2.0% as a percent of expenditures and transfers out. As a result, the fund balance of the General Fund has increased from \$31,536,432 to \$33,460,352 an increase of 6.1%. The fund balance of the General Fund taken as a percent of 2012 expenditures and transfers out was 34.7% as of December 31, 2012.

General Fund sales and use taxes, which comprised 61.9% of General Fund revenues, increased \$2,874,475 or 5.0%. Sales and use tax revenues collected by the Capital Improvement Fund increased \$327,467 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 2012, General Fund property taxes decreased by \$413,114 or 5.2%.

Total governmental fund expenditures and net transfers decreased \$3.86 million or 2.8% in 2012. Total General Fund expenditures and transfers out increased \$2.26 million or 2.4%.

Lakewood has built its highest level of operating reserves in its history. This has enabled the City to avoid changes to the levels of service to the community during the recent national recession. Indeed, the City has been able to utilize some of its 2012 operating surplus to invest in infrastructure projects for the community. City Management, City Council and its Budget & Audit Committee are continuing to monitor revenues and expenditures each month. In spite of uncertain economic 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 Position* presents information on all of the City's assets and liabilities, with the balance between the two reported as *Net Position*. Over time, increases or decreases in net position can serve as an indicator of the City's financial condition.
- *The Statement of Activities* presents information showing how the City's net position changed during the given fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Capital expenditures are not included in this statement; however capital grant revenues are reported.

### 2. Fund Financial Statements

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

#### Governmental Funds

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



Proprietary Funds

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

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

Fiduciary Funds

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

3. Notes to the Basic Financial Statements

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



### III. Government-wide Financial Statement Analysis

#### Statement of Net Position

As noted earlier, the Statement of Net Position can serve as an indicator of the overall financial condition of the City. As of December 31, 2012, the City had total assets of \$560,575,676. As of December 31, 2012, the City's assets exceeded its liabilities by \$477,546,901.

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2012	2011	2012	2011	2012	2011
<b>Assets</b>						
Current and Other Assets	\$107,443,696	\$104,650,155	\$ 8,480,049	\$ 7,965,581	\$115,923,745	\$112,615,736
Capital Assets	423,363,448	425,838,690	21,288,483	21,724,041	444,651,931	447,562,731
Total Assets	530,807,144	530,488,845	29,768,532	29,689,622	560,575,676	560,178,467
<b>Liabilities</b>						
Long-term Liabilities	54,418,883	60,188,238	67,413	119,191	54,486,296	60,307,429
Other Liabilities	27,953,180	30,089,106	589,299	486,858	28,542,479	30,575,964
Total Liabilities	82,372,063	90,277,344	656,712	606,049	83,028,775	90,883,393
<b>Net Position</b>						
Net Investment in Capital Assets	377,969,428	374,822,394	21,221,070	21,604,850	399,190,498	396,427,244
Restricted	31,757,394	27,439,596	-	-	31,757,394	27,439,596
Unrestricted	38,708,259	37,949,511	7,890,750	7,478,723	46,599,009	45,428,234
Total Net Position	\$448,435,081	\$440,211,501	\$ 29,111,820	\$ 29,083,573	\$477,546,901	\$469,295,074

Capital Assets make up the largest portion of the City's Statement of Net Position. Capital assets include items such as infrastructure, buildings, equipment, machinery, land and other tangible items. Infrastructure includes streets, traffic signals, buildings and sidewalks. The City uses capital assets to provide services to the community and thus they are not available for immediate spending. During 2012, the City added to its capital assets.

- The largest portion of the City's assets is Capital Assets that represent \$444,651,931 or 79.3% of Total Assets. Governmental capital assets added in 2012 included various park, street and technology improvements. Most notably during 2012 the City completed its \$3.1 million reconstruction of its Colfax Avenue and Kipling Boulevard intersection. The project further increased traffic capacity. This is one of the busiest automobile intersections within the City. In addition, the City has completed its \$1.7 million Surfside Splash Park which opened to significant neighborhood participation. Finally, the City completed a \$915,000 upgrade to its public safety radio system. This project has converted the Police Department's radio systems from an analog system to digital technology, resulting in improved public safety communications.
- The City has continued to invest in its fleet of vehicles during 2012 replacing various heavy duty trucks, mowers and other light duty trucks and automobiles.
- In addition, it should be noted that the City retired long-term debt and accomplished increases in reserves. The long-term debt of the City, as detailed in the Notes to the Financial Statements was reduced during 2012. In 2012 the City's overall long-term debt decreased by \$5,769,355 or 9.6%. The City has appropriated funds in its 2013 budget to retire an additional \$5.06 million in long-term debt. This retirement of debt contributes to the City's positive overall financial health.



- Of the City’s \$477,546,901 in net position, \$31,757,394 or 6.7% was restricted for various purposes, including emergencies, parks and open space, economic development, debt service, capital improvements and urban renewal. Additional information on net position restrictions may be found below under Governmental Fund Balances.

Statement of Activities

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

The following reflect the City’s Net Position:

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2012	2011	2012	2011	2012	2011
<b>Revenues</b>						
Program Revenues-						
Charges for Services	\$ 20,389,807	\$ 20,243,036	\$ 11,077,773	\$ 10,322,713	\$ 31,467,580	\$ 30,565,749
Operating Grants and Contributions	13,124,320	12,563,105	-	-	13,124,320	12,563,105
Capital Grants and Contributions	7,710,450	24,134,258	-	112,321	7,710,450	24,246,579
General Revenues-						
Property Taxes	14,825,086	15,767,447	-	-	14,825,086	15,767,447
Sales and Use Taxes	72,476,177	69,498,098	-	-	72,476,177	69,498,098
Franchise & Other Taxes	9,644,791	10,131,203	-	-	9,644,791	10,131,203
Intergovernmental Revenue	364,123	552,273	-	-	364,123	552,273
Investment Income	819,405	1,233,115	99,831	136,869	919,236	1,369,984
Miscellaneous	94,693	199,804	211,064	34,310	305,757	234,114
<b>Total Revenues</b>	<b>139,448,852</b>	<b>154,322,339</b>	<b>11,388,668</b>	<b>10,606,213</b>	<b>150,837,520</b>	<b>164,928,552</b>
<b>Expenses</b>						
General Government	33,613,178	28,984,951	-	-	33,613,178	28,984,951
Public Safety	49,079,213	49,551,448	-	-	49,079,213	49,551,448
Public Works	14,035,937	17,576,101	-	-	14,035,937	17,576,101
Culture and Recreation	18,124,914	18,470,341	-	-	18,124,914	18,470,341
Urban Development and Housing	12,714,594	13,439,978	-	-	12,714,594	13,439,978
Economic Opportunity	1,893,704	2,000,883	-	-	1,893,704	2,000,883
Interest on Long-term Debt	2,440,277	2,653,845	-	-	2,440,277	2,653,845
Golf Course	-	-	3,743,788	3,698,979	3,743,788	3,698,979
Sewer	-	-	3,534,954	3,644,660	3,534,954	3,644,660
Stormwater	-	-	2,445,596	1,980,805	2,445,596	1,980,805
Water	-	-	959,538	936,057	959,538	936,057
<b>Total Expenses</b>	<b>131,901,817</b>	<b>132,677,547</b>	<b>10,683,876</b>	<b>10,260,501</b>	<b>142,585,693</b>	<b>142,938,048</b>
Increase (Decrease) Before Transfers	7,547,035	21,644,792	704,792	345,712	8,251,827	21,990,504
Transfers	676,545	608,568	(676,545)	(608,568)	-	-
Increase (Decrease) in Net Position	8,223,580	22,253,360	28,247	(262,856)	8,251,827	21,990,504
Net Position, Beginning of Year	440,211,501	417,958,141	29,083,573	29,346,429	469,295,074	447,304,570
Net Position, End of Year	<u>\$448,435,081</u>	<u>\$440,211,501</u>	<u>\$ 29,111,820</u>	<u>\$ 29,083,573</u>	<u>\$477,546,901</u>	<u>\$469,295,074</u>

For the year ending December 31, 2012 the City’s net position increased by \$8,251,827. 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 \$1,923,920 or 2.0% of expenditures and transfers out in 2012. As such the General Fund's fund balance increased from \$31,536,432 to 33,460,352 an increase of 6.1%. As of December 31, 2012, the Fund Balance of the General Fund taken as a percent of 2012 expenditures and transfers out was 34.7%. The City Council has set forth a strategic target for General Fund balance to be 10.0% of expenditures plus transfers out, or greater. Additionally, City Council has adopted a General Fund budget policy that requires revenues to exceed expenditures excluding the use of fund balance. Should special circumstances necessitate the use of General Fund 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 the forecasted years. During these uncertain 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.

Additionally, the City's strong fund balance has provided for transfers out that have funded significant capital projects. Recognizing a one-time opportunity, City Council authorized a \$2,788,000 transfer of General Fund Reserves to the Capital Improvement Fund. This transfer is funding supplemental infrastructure improvements to City properties adjacent the RTD Light Rail stations. Not only will these infrastructure improvements offer better accessibility for pedestrians who ride light rail but it is believed that the improvements will be a catalyst for economic development and redevelopment. An additional \$1,600,000 was transferred in 2012 from the General Fund to the Capital Improvement Fund for Civic Center reconstruction and other yet to be determined capital infrastructure projects.

The Lakewood Reinvestment Authority Fund is a capital projects fund that facilitates the urban renewal and redevelopment initiatives of the Lakewood community. During 2012 the fund balance decreased 57.3% from \$3,125,696 to \$1,790,592 which amounts to an ending fund balance equal to 19.5% of expenditures. Significant capital construction was accomplished during 2012 that accounted for the decrease in fund balance. Two major light rail stations in Lakewood are within the boundaries of the urban renewal areas. Capital



spending includes betterments to the two stations for improved amenities, safety and the potential for nearby economic development.

As mentioned above, the City's General fund has a fund balance that is its highest level in the history of the City. As such, the Council and management transferred \$4.39 million in operating surplus from the General Fund to the Capital Improvement Fund. Some of that transfer in to the Capital Improvement fund was spent during 2012, but the majority of the transfer in will be spent during 2013. As such, the Capital Improvement Fund had an increase in fund balance of \$3.98 million or 32.2% from \$12,354,475 to 16,337,606.

Other major governmental funds and major enterprise funds had changes to fund balance that were not material or extraordinary.

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 an assignment 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
<b>Nonspendable:</b>					
Inventories	\$ 132,870	\$ -	\$ -	\$ 40,676	\$ 173,546
Prepays	-	-	-	4,250	4,250
Loan Receivable	-	-	-	48,000	48,000
<b>Total Nonspendable</b>	<b>132,870</b>	<b>-</b>	<b>-</b>	<b>92,926</b>	<b>225,796</b>
<b>Restricted for:</b>					
Emergencies	2,385,403	-	-	-	2,385,403
Parks and Open Space	-	-	-	4,104,414	4,104,414
Economic Development	-	-	-	3,690,778	3,690,778
Debt Service	372,682	-	249,000	2,824,231	3,445,913
Grants	-	-	-	251,688	251,688
Capital Improvements	-	16,337,606	-	-	16,337,606
Urban Renewal	-	-	1,541,592	-	1,541,592
<b>Total Restricted</b>	<b>2,758,085</b>	<b>16,337,606</b>	<b>1,790,592</b>	<b>10,871,111</b>	<b>31,757,394</b>
<b>Assigned to:</b>					
Cultural Activities	-	-	-	384,836	384,836
Capital Improvements	-	-	-	3,713,615	3,713,615
<b>Total Assigned</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,098,451</b>	<b>4,098,451</b>
Unassigned	30,569,397	-	-	-	30,569,397
<b>Total Fund Balances</b>	<b>\$ 33,460,352</b>	<b>\$ 16,337,606</b>	<b>\$ 1,790,592</b>	<b>\$ 15,062,488</b>	<b>\$ 66,651,038</b>

Revenues

As discussed in the financial highlights, General Fund revenues had an overall increase in 2012 compared to 2011.

- General Fund sales and use tax revenues increased \$2.8 million or 5.0% in 2012. In addition to general growth in the Lakewood economy, the City experienced meaningful economic development. The community welcomed new construction at its Colorado Mills Promenade including some new restaurant and retail outlets that opened in the 4<sup>th</sup> Quarter of 2012. Even with these positive results, the amount of sales taxes has only now exceeded the levels collected prior to the recession.
- During 2012, the Lakewood community saw the final construction and April 2013 opening of the Regional Transportation District's West Corridor Light Rail. The Light Rail opening is expected to serve nearly 20,000 riders per day and is expected to be a major economic development catalyst for the future. It is anticipated that meaningful transit oriented development and redevelopment will occur along the light rail line in the future.
- As an additional sign of an improving economy, the City experienced an 11.6% increase in motor vehicle use tax receipts. Nationally, businesses and households are continuing to replace aging vehicle stocks, and similar vehicle purchases are happening in Lakewood. Revenues from motor vehicle use tax have increased significantly along with the growth in the national automobile business. During 2012, Lakewood experienced record revenues in this category.
- 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 and continued into early 2012. Building material use tax receipts were generally unchanged during 2012.

- Offsetting the increase in sales tax revenues was a significant decrease in property tax receipts. Property taxes are assessed and collected in arrears. The decrease in assessed valuations and receipts was consistent with the decline in commercial property values both in Lakewood and across the country. Property tax revenues decreased 5.2% during 2012 and are anticipated to remain at this lower level during 2013.

### Expenditures

Throughout 2011 and during the first half of 2012, the City's revenues continued to be relatively volatile and uncertain. It was evident that the national recession had not yet fully recovered. As such, management made strategic decisions to decrease anticipated expenditures during 2012. The City Manager set a strategic target for Department Heads to meet service demands, yet spend 95% of budgeted expenditures or less.

- The City continued a strategic hiring process whereby departments sought alternatives to filling vacant positions and was only filling positions upon an evaluation and approval by the City Manager. Due to this constraint, and other favorable spending conditions, the General Fund was under budget in expenditures.
- General Fund expenditures and transfers out increased \$2.2 million or 2.4% over 2011. This was largely due to transfers out for capital spending but also included increasing costs for fuel and employee salaries and medical benefits.
- As mentioned above, management and City Council made strategic decisions to utilize \$4.39 million in General Fund, fund balance, for one-time capital projects. When adjusting expenditures and transfers out for these projects, expenditures decreased \$2.5 million or 2.7% from 2011.

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

### Economic Factors and Next Year's Budget

In preparing both the 2013 revised budget as well as the 2014 budget, the City seeks guidance from many sources for an overall economic outlook. Those sources include the State Governor's Office of Planning & Budgeting and the State Legislative Council's economics staff.

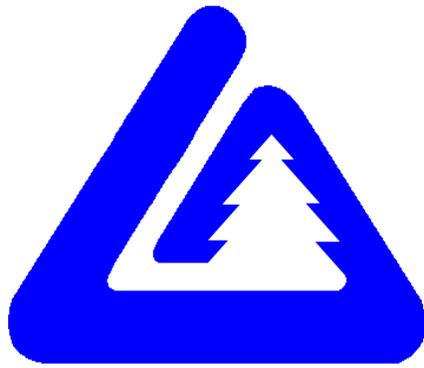


As mentioned above, the country and the world are beginning to recognize an overall economy that is slowly improving. At the same time, there is still strong evidence and sentiment that activity is volatile and uncertain. Correspondingly, city management is continuing to analyze the need to fill any and all personnel vacancies and seeking to reduce spending by way of shared services with neighboring and regional communities. The City's management has experience managing its budget in volatile economic conditions and will make adjustments as warranted.

#### **IV. 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](mailto:finance@lakewood.org).

# **BASIC FINANCIAL STATEMENTS**



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**CITY OF LAKEWOOD, COLORADO**  
**STATEMENT OF NET POSITION**  
**December 31, 2012**

	<b>Primary Government</b>		<b>Total</b>
	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	
<b>Assets</b>			
Cash and Investments	\$ 74,619,355	\$ 7,507,000	\$ 82,126,355
Restricted Cash and Investments	3,857,497	-	3,857,497
Receivables			
Accounts	6,057,182	899,621	6,956,803
Taxes	21,671,112	-	21,671,112
Loan	48,000	-	48,000
Deposits	60,300	-	60,300
Inventories	173,546	116,313	289,859
Prepays	4,250	-	4,250
Net Pension Asset	503,733	-	503,733
Internal Balances	42,885	(42,885)	-
Debt Issuance Costs, Net of Accumulated Amortization	405,836	-	405,836
Capital Assets, Not Being Depreciated	118,831,289	7,920,244	126,751,533
Capital Assets, Net of Accumulated Depreciation	304,532,159	13,368,239	317,900,398
	<u>\$ 530,807,144</u>	<u>\$ 29,768,532</u>	<u>\$ 560,575,676</u>
<b>Liabilities and Net Position</b>			
<b>Liabilities</b>			
Accounts Payable	\$ 4,971,550	\$ 502,058	\$ 5,473,608
Accrued Liabilities	3,305,409	65,573	3,370,982
Accrued Interest Payable	279,464	-	279,464
Refundable Deposits	2,351,909	11,250	2,363,159
Retainage Payable	91,906	10,418	102,324
Deferred Revenues	15,193,723	-	15,193,723
Claims Payable	1,759,219	-	1,759,219
Noncurrent Liabilities			
Due Within One Year	5,061,809	67,413	5,129,222
Due In More Than One Year	49,357,074	-	49,357,074
	<u>82,372,063</u>	<u>656,712</u>	<u>83,028,775</u>
<b>Net Position</b>			
Net Investment in Capital Assets	377,969,428	21,221,070	399,190,498
Restricted for			
Emergencies	2,385,403	-	2,385,403
Parks and Open Space	4,104,414	-	4,104,414
Economic Development	3,690,778	-	3,690,778
Debt Service	3,445,913	-	3,445,913
Grants	251,688	-	251,688
Capital Improvements	16,337,606	-	16,337,606
Urban Renewal	1,541,592	-	1,541,592
Unrestricted	38,708,259	7,890,750	46,599,009
	<u>448,435,081</u>	<u>29,111,820</u>	<u>477,546,901</u>
	<u>\$ 530,807,144</u>	<u>\$ 29,768,532</u>	<u>\$ 560,575,676</u>

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

**CITY OF LAKEWOOD, COLORADO**  
**STATEMENT OF ACTIVITIES**  
**Year Ended December 31, 2012**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>PRIMARY GOVERNMENT</b>				
<b>Governmental Activities</b>				
General Government	\$ 33,613,178	\$ 8,486,130	\$ 415,116	\$ 11,505
Public Safety	49,079,213	4,453,197	2,930,916	975,558
Public Works	14,035,937	522,223	1,423,365	5,227,860
Culture and Recreation	18,124,914	5,078,856	7,149,547	-
Urban Development and Housing	12,714,594	1,019,828	73,140	1,495,527
Economic Opportunity	1,893,704	829,573	1,132,236	-
Interest on Long-Term Debt	2,440,277	-	-	-
Total Governmental Activities	131,901,817	20,389,807	13,124,320	7,710,450
<b>Business-Type Activities</b>				
Golf Course	3,743,788	4,450,040	-	-
Sewer	3,534,954	3,078,441	-	-
Stormwater	2,445,596	2,448,746	-	-
Water	959,538	1,100,546	-	-
Total Business-Type Activities	10,683,876	11,077,773	-	-
Total Primary Government	\$ 142,585,693	\$ 31,467,580	\$ 13,124,320	\$ 7,710,450

**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

Gain on Sale of Capital Assets

Miscellaneous

**Transfers**

Total General Revenues and Transfers

Change in Net Position

**NET POSITION, Beginning of Year**

**NET POSITION, End of Year**

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

**Net (Expense) Revenue and Change in Net Position**

<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
\$ (24,700,427)	\$ -	\$ (24,700,427)
(40,719,542)	-	(40,719,542)
(6,862,489)	-	(6,862,489)
(5,896,511)	-	(5,896,511)
(10,126,099)	-	(10,126,099)
68,105	-	68,105
(2,440,277)	-	(2,440,277)
<u>(90,677,240)</u>	<u>-</u>	<u>(90,677,240)</u>
-	706,252	706,252
-	(456,513)	(456,513)
-	3,150	3,150
-	141,008	141,008
<u>-</u>	<u>393,897</u>	<u>393,897</u>
<u>(90,677,240)</u>	<u>393,897</u>	<u>(90,283,343)</u>
14,825,086	-	14,825,086
64,978,935	-	64,978,935
7,497,242	-	7,497,242
5,705,313	-	5,705,313
3,939,478	-	3,939,478
364,123	-	364,123
819,405	99,831	919,236
94,693	709	95,402
-	210,355	210,355
676,545	(676,545)	-
<u>98,900,820</u>	<u>(365,650)</u>	<u>98,535,170</u>
8,223,580	28,247	8,251,827
<u>440,211,501</u>	<u>29,083,573</u>	<u>469,295,074</u>
<u>\$ 448,435,081</u>	<u>\$ 29,111,820</u>	<u>\$ 477,546,901</u>

**CITY OF LAKEWOOD, COLORADO**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**December 31, 2012**

	General Fund	Capital Improvements Fund	Lakewood Reinvestment Authority Fund	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>					
Cash and Investments	\$ 29,887,824	\$ 18,678,524	\$ 1,608,150	\$ 10,589,803	\$ 60,764,301
Restricted Cash and Investments	372,682	-	653,903	2,830,912	3,857,497
Accounts Receivable	1,946,857	203,278	807,125	3,099,922	6,057,182
Property Taxes Receivable	7,637,092	-	6,836,487	-	14,473,579
Sales Taxes Receivable	5,993,081	1,138,818	65,634	-	7,197,533
Loan Receivable	-	-	-	48,000	48,000
Deposits	60,300	-	-	-	60,300
Interfund Receivables	630,282	-	-	-	630,282
Inventories	132,870	-	-	40,676	173,546
Prepays	-	-	-	4,250	4,250
Total Assets	<u>\$ 46,660,988</u>	<u>\$ 20,020,620</u>	<u>\$ 9,971,299</u>	<u>\$ 16,613,563</u>	<u>\$ 93,266,470</u>
<b>LIABILITIES</b>					
Accounts Payable	\$ 2,154,402	\$ 998,605	\$ 1,341,952	\$ 470,768	\$ 4,965,727
Accrued Liabilities	3,221,896	18,851	2,268	62,394	3,305,409
Refundable Deposits	102,213	2,249,696	-	-	2,351,909
Retainage Payable	-	12,709	-	79,197	91,906
Interfund Payables	-	-	-	587,397	587,397
Deferred Revenues	7,722,125	403,153	6,836,487	351,319	15,313,084
Total Liabilities	<u>13,200,636</u>	<u>3,683,014</u>	<u>8,180,707</u>	<u>1,551,075</u>	<u>26,615,432</u>
<b>FUND BALANCES</b>					
Nonspendable:					
Inventories	132,870	-	-	40,676	173,546
Prepays	-	-	-	4,250	4,250
Loan Receivable	-	-	-	48,000	48,000
Restricted for:					
Emergencies	2,385,403	-	-	-	2,385,403
Parks and Open Space	-	-	-	4,104,414	4,104,414
Economic Development	-	-	-	3,690,778	3,690,778
Debt Service	372,682	-	249,000	2,824,231	3,445,913
Grants	-	-	-	251,688	251,688
Capital Improvements	-	16,337,606	-	-	16,337,606
Urban Renewal	-	-	1,541,592	-	1,541,592
Assigned to:					
Cultural Activities	-	-	-	384,836	384,836
Capital Improvements	-	-	-	3,713,615	3,713,615
Unassigned	30,569,397	-	-	-	30,569,397
Total Fund Balances	<u>33,460,352</u>	<u>16,337,606</u>	<u>1,790,592</u>	<u>15,062,488</u>	<u>66,651,038</u>
Total Liabilities and Fund Balances	<u>\$ 46,660,988</u>	<u>\$ 20,020,620</u>	<u>\$ 9,971,299</u>	<u>\$ 16,613,563</u>	<u>\$ 93,266,470</u>

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

**CITY OF LAKEWOOD, COLORADO**  
**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF NET POSITION**  
**December 31, 2012**

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

Fund Balances - Governmental Funds	\$	66,651,038
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in governmental funds.		423,363,448
Long-term assets are not available to pay current year expenditures and, therefore, are not reported in governmental funds. This amount represents the City's net pension obligation.		503,733
Other long-term assets are not available to pay current year expenditures and, therefore, are deferred in governmental funds.		119,361
Internal service funds are used by management to charge the cost of certain activities, such as insurance, to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.		12,090,012
Long-term liabilities are not due and payable in the current year and, therefore, are not reported in governmental funds. These include long-term debt (\$54,418,883), accrued interest payable (\$279,464) and debt issuance costs \$405,836.		<u>(54,292,511)</u>
Total Net Position of Governmental Activities	\$	<u><u>448,435,081</u></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, 2012**

	General Fund	Capital Improvements Fund	Lakewood Reinvestment Authority Fund	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>					
Taxes	\$ 77,497,831	\$ 11,449,287	\$ 6,896,760	\$ 1,102,176	\$ 96,946,054
Licenses and Permits	2,730,120	-	-	-	2,730,120
Charges for Services	10,528,756	-	-	3,402,476	13,931,232
Fines and Forfeitures	1,421,983	-	-	-	1,421,983
Intergovernmental	5,334,514	1,909,623	-	14,336,967	21,581,104
Miscellaneous					
Investment Income	215,455	203,044	8,664	216,730	643,893
Sale of Assets	-	-	-	103,152	103,152
Other	470,953	7,391	953,528	197,337	1,629,209
<b>Total Revenues</b>	<b>98,199,612</b>	<b>13,569,345</b>	<b>7,858,952</b>	<b>19,358,838</b>	<b>138,986,747</b>
<b>EXPENDITURES</b>					
Current					
General Government	24,255,742	1,473,955	-	615,270	26,344,967
Public Safety	44,423,764	384,674	-	2,169,612	46,978,050
Public Works	6,393,895	1,280,373	-	59,930	7,734,198
Culture and Recreation	10,902,916	8,829	-	5,700,081	16,611,826
Urban Development and Housing	278,599	7,612	253,014	1,692,420	2,231,645
Economic Opportunity	698,305	-	-	1,147,651	1,845,956
Capital Outlay					
General Government	303,740	504,804	-	1,767,093	2,575,637
Public Safety	200,507	200,877	-	2,292,840	2,694,224
Public Works	7,036	6,622,953	-	174,993	6,804,982
Culture and Recreation	10,811	-	-	1,458,815	1,469,626
Urban Development and Housing	-	1,770,334	8,661,649	68,551	10,500,534
Economic Opportunity	-	2,900	-	-	2,900
Debt Service					
Principal	82,384	1,360,819	89,067	4,221,434	5,753,704
Interest and Fiscal Charges	99,246	150,154	169,661	2,009,876	2,428,937
<b>Total Expenditures</b>	<b>87,656,945</b>	<b>13,768,284</b>	<b>9,173,391</b>	<b>23,378,566</b>	<b>133,977,186</b>
Excess (Deficiency) of Revenues Over Expenditures	10,542,667	(198,939)	(1,314,439)	(4,019,728)	5,009,561
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In	20,665	4,568,070	-	6,192,372	10,781,107
Transfers Out	(8,639,412)	(386,000)	(20,665)	(1,058,485)	(10,104,562)
<b>Total Other Financing Sources (Uses)</b>	<b>(8,618,747)</b>	<b>4,182,070</b>	<b>(20,665)</b>	<b>5,133,887</b>	<b>676,545</b>
<b>Net Change in Fund Balances</b>	<b>1,923,920</b>	<b>3,983,131</b>	<b>(1,335,104)</b>	<b>1,114,159</b>	<b>5,686,106</b>
<b>FUND BALANCES, Beginning of Year</b>	<b>31,536,432</b>	<b>12,354,475</b>	<b>3,125,696</b>	<b>13,948,329</b>	<b>60,964,932</b>
<b>FUND BALANCES, End of Year</b>	<b>\$ 33,460,352</b>	<b>\$ 16,337,606</b>	<b>\$ 1,790,592</b>	<b>\$ 15,062,488</b>	<b>\$ 66,651,038</b>

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, 2012**

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

Net Change in Fund Balances - Governmental Funds	\$	5,686,106
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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 depreciation expense (\$10,150,676) and capital asset disposals (\$8,459) exceeded capital outlays \$7,036,371 and capital contributions \$647,522 in the current year. (2,475,242)

The issuance of long-term debt provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position and does not affect the statement of activities. Repayment of long-term principal is an expenditure in governmental funds, but the repayment reduces long-term liabilities in the statement of net position. This amount is the net effect of these differences in the treatment of long-term debt and related items: bond and loan principal payments \$5,552,067, principal payments on capital leases \$201,637, amortization of issuance costs (\$49,583), amortization of premium \$130,642, and amortization of loss on refunding (\$173,003). 5,661,760

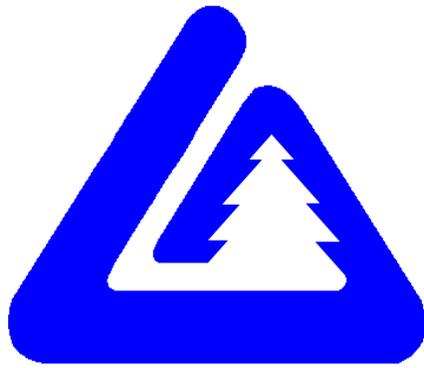
Revenues in the statement of activities that do not provide current financial resources are deferred in governmental funds. (352,470)

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 asset \$51,253, compensated absences \$107,107, accrued interest payable \$31,021 and postemployment benefits (\$49,095). 140,286

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. (436,860)

Change in Net Position of Governmental Activities	\$	8,223,580
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The accompanying notes are an integral part of the financial statements.



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**CITY OF LAKEWOOD, COLORADO**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**December 31, 2012**

	Business-Type Activities - Enterprise Funds					Governmental
					Total	Activities
	Golf Course	Sewer	Stormwater	Nonmajor Water	Enterprise	Internal Service
Fund	Fund	Fund	Fund	Funds	Funds	
<b>ASSETS</b>						
<b>Current Assets</b>						
Cash and Investments	\$ -	\$ 3,599,291	\$ 2,790,446	\$ 1,117,263	\$ 7,507,000	\$ 13,855,054
Accounts Receivable	7,284	525,348	240,991	125,998	899,621	-
Inventories	116,313	-	-	-	116,313	-
Total Current Assets	<u>123,597</u>	<u>4,124,639</u>	<u>3,031,437</u>	<u>1,243,261</u>	<u>8,522,934</u>	<u>13,855,054</u>
<b>Noncurrent Assets</b>						
Land	6,921,465	108,312	303,738	75,459	7,408,974	-
Construction in Progress	-	-	511,270	-	511,270	-
Infrastructure	-	11,549,403	8,537,725	1,459,130	21,546,258	-
Buildings	4,732,305	-	-	-	4,732,305	-
Improvements	3,217,062	419,766	-	20,600	3,657,428	-
Machinery, Furniture and Equipment	2,566,381	451,571	54,775	362	3,073,089	-
Less Accumulated Depreciation	(7,517,053)	(7,956,403)	(2,990,707)	(1,176,678)	(19,640,841)	-
Total Noncurrent Assets	<u>9,920,160</u>	<u>4,572,649</u>	<u>6,416,801</u>	<u>378,873</u>	<u>21,288,483</u>	<u>-</u>
Total Assets	<u>\$ 10,043,757</u>	<u>\$ 8,697,288</u>	<u>\$ 9,448,238</u>	<u>\$ 1,622,134</u>	<u>\$ 29,811,417</u>	<u>\$ 13,855,054</u>
<b>LIABILITIES AND NET POSITION</b>						
<b>Current Liabilities</b>						
Accounts Payable	\$ 122,416	\$ 274,178	\$ 13,827	\$ 91,637	\$ 502,058	\$ 5,823
Accrued Liabilities	30,238	12,499	20,707	2,129	65,573	-
Interfund Payables	42,885	-	-	-	42,885	-
Deposits	11,250	-	-	-	11,250	-
Retainage Payable	-	-	10,418	-	10,418	-
Lease Payable, Current Portion	67,413	-	-	-	67,413	-
Claims Payable	-	-	-	-	-	1,759,219
Total Current Liabilities	<u>274,202</u>	<u>286,677</u>	<u>44,952</u>	<u>93,766</u>	<u>699,597</u>	<u>1,765,042</u>
<b>NET POSITION</b>						
Net Investment in Capital Assets	9,852,747	4,572,649	6,416,801	378,873	21,221,070	-
Unrestricted	(83,192)	3,837,962	2,986,485	1,149,495	7,890,750	12,090,012
Total Net Position	<u>9,769,555</u>	<u>8,410,611</u>	<u>9,403,286</u>	<u>1,528,368</u>	<u>29,111,820</u>	<u>12,090,012</u>
Total Liabilities and Net Position	<u>\$ 10,043,757</u>	<u>\$ 8,697,288</u>	<u>\$ 9,448,238</u>	<u>\$ 1,622,134</u>	<u>\$ 29,811,417</u>	<u>\$ 13,855,054</u>

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

**CITY OF LAKEWOOD, COLORADO**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**PROPRIETARY FUNDS**  
**Year Ended December 31, 2012**

	Business-Type Activities - Enterprise Funds					Governmental
					Activities	
	Golf Course	Sewer	Stormwater	Nonmajor Water	Total	Internal Service Funds
Fund	Fund	Fund	Fund			
<b>OPERATING REVENUES</b>						
Charges for Services	\$ 4,450,040	\$ 3,078,441	\$ 2,448,746	\$ 1,100,546	\$ 11,077,773	\$ 1,698,589
Miscellaneous	709	192,906	17,449	-	211,064	-
Total Operating Revenues	4,450,749	3,271,347	2,466,195	1,100,546	11,288,837	1,698,589
<b>OPERATING EXPENSES</b>						
Cost of Goods Sold	320,498	-	-	-	320,498	-
Personnel Services	2,221,491	570,405	1,031,764	91,368	3,915,028	-
Services and Supplies	851,825	323,861	899,256	41,606	2,116,548	55,791
Sanitation Treatment	-	2,237,784	-	-	2,237,784	-
Water Purchased	-	-	-	779,767	779,767	-
Claims	-	-	-	-	-	1,677,963
Premiums	-	-	-	-	-	577,207
Capital Maintenance	-	-	126,679	-	126,679	-
Depreciation	342,632	402,904	387,897	46,797	1,180,230	-
Total Operating Expenses	3,736,446	3,534,954	2,445,596	959,538	10,676,534	2,310,961
Operating Income (Loss)	714,303	(263,607)	20,599	141,008	612,303	(612,372)
<b>NONOPERATING REVENUES</b>						
<b>(EXPENSES)</b>						
Investment Income	-	47,233	40,434	12,164	99,831	175,512
Interest Expense	(7,342)	-	-	-	(7,342)	-
Total Nonoperating Revenues (Expenses)	(7,342)	47,233	40,434	12,164	92,489	175,512
Income (Loss) Before Capital Contributions and Transfers	706,961	(216,374)	61,033	153,172	704,792	(436,860)
Transfers Out	(676,545)	-	-	-	(676,545)	-
Change in Net Position	30,416	(216,374)	61,033	153,172	28,247	(436,860)
<b>NET POSITION, Beginning of Year</b>	9,739,139	8,626,985	9,342,253	1,375,196	29,083,573	12,526,872
<b>NET POSITION, End of Year</b>	\$ 9,769,555	\$ 8,410,611	\$ 9,403,286	\$ 1,528,368	\$ 29,111,820	\$ 12,090,012

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, 2012**

	Business-Type Activities - Enterprise Funds					Governmental Activities
	Golf Course Fund	Sewer Fund	Stormwater Fund	Nonmajor Water Fund	Total	Internal Service Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
Cash Received from Customers	\$ 4,453,958	\$ 3,354,548	\$ 2,499,332	\$ 1,112,589	\$ 11,420,427	\$ 1,704,084
Cash Paid to Suppliers	(1,118,121)	(2,435,919)	(1,091,123)	(830,443)	(5,475,606)	(2,480,627)
Cash Paid to Employees	(2,216,170)	(567,002)	(1,029,217)	(90,696)	(3,903,085)	-
Net Cash Provided (Used) by Operating Activities	1,119,667	351,627	378,992	191,450	2,041,736	(776,543)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>						
Payments to Other Funds	(953,997)	-	-	-	(953,997)	-
Net Cash Provided (Used) by Noncapital Financing Activities	(953,997)	-	-	-	(953,997)	-
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>						
Purchases of Capital Assets	(106,550)	(260,283)	(381,352)	(1,143)	(749,328)	-
Debt Principal Paid	(51,778)	-	-	-	(51,778)	-
Debt Interest Paid	(7,342)	-	-	-	(7,342)	-
Net Cash (Used) by Capital and Related Financing Activities	(165,670)	(260,283)	(381,352)	(1,143)	(808,448)	-
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
Investment Income	-	47,233	40,434	12,164	99,831	175,512
Net Cash Provided by Investing Activities	-	47,233	40,434	12,164	99,831	175,512
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	-	138,577	38,074	202,471	379,122	(601,031)
<b>CASH AND CASH EQUIVALENTS, Beginning of Year</b>	-	3,460,714	2,752,372	914,792	7,127,878	14,456,085
<b>CASH AND CASH EQUIVALENTS, End of Year</b>	\$ -	\$ 3,599,291	\$ 2,790,446	\$ 1,117,263	\$ 7,507,000	\$ 13,855,054
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>						
Operating Income (Loss)	\$ 714,303	\$ (263,607)	\$ 20,599	\$ 141,008	\$ 612,303	\$ (612,372)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities						
Depreciation	342,632	402,904	387,897	46,797	1,180,230	-
Accounts Receivable	3,209	83,201	33,137	12,043	131,590	5,495
Inventories	10,516	-	-	-	10,516	-
Accounts Payable	43,686	125,726	(65,188)	(9,070)	95,154	(53,508)
Accrued Liabilities	5,321	3,403	2,547	672	11,943	-
Claims Payable	-	-	-	-	-	(116,158)
Net Cash Provided (Used) By Operating Activities	\$ 1,119,667	\$ 351,627	\$ 378,992	\$ 191,450	\$ 2,041,736	\$ (776,543)

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

**CITY OF LAKEWOOD, COLORADO**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**December 31, 2012**

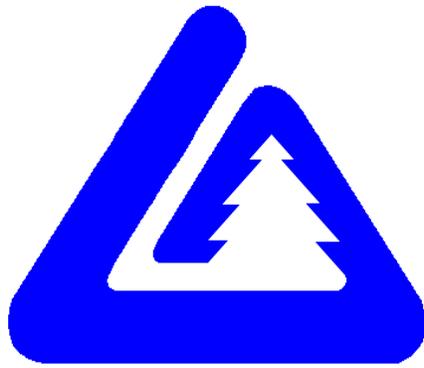
	<b>Pension Trust Funds</b>
<b>ASSETS</b>	
Pooled Cash	\$ 8,203
Certificate of Deposit	365,757
Mutual Funds	1,634,267
Total Assets	\$ 2,008,227
<b>LIABILITIES AND NET POSITION</b>	
<b>LIABILITIES</b>	
Accounts Payable	\$ 1,500
Accrued Liabilities	313
Total Liabilities	1,813
<b>NET POSITION</b>	
Held in Trust for City Manager Benefits	1,640,657
Held in Trust for City Manager Severance	365,757
Total Net Position	2,006,414
Total Liabilities and Net Position	\$ 2,008,227

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

**CITY OF LAKEWOOD, COLORADO**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**Year Ended December 31, 2012**

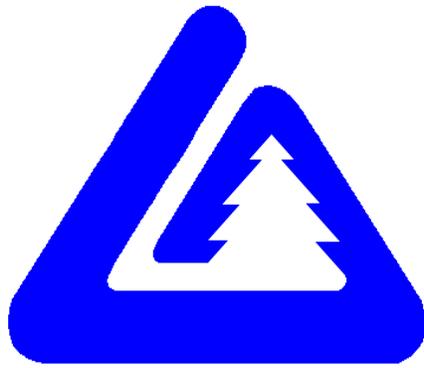
	<b>Pension Trust Funds</b>
<b>ADDITIONS</b>	
Contributions	
Employer	\$ 204,000
Miscellaneous	
Investment Income	92,932
Total Additions	296,932
<b>DEDUCTIONS</b>	
Benefit Payments	181,631
Administrative Expenses	1,898
Total Deductions	183,529
Change in Net Position	113,403
<b>NET POSITION, Beginning of Year</b>	1,893,011
<b>NET POSITION, End of Year</b>	\$ 2,006,414

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, 2012**

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**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 position and the statement of activities) report information on all of the nonfiduciary activities of the City. For the most part, the effect of interfund activity has been removed from these statements. Exceptions to this general rule are charges for interfund services that are reasonably equivalent to the services provided. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

**CITY OF LAKEWOOD, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**Year Ended December 31, 2012**

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**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 statement of net position. The statement of activities presents changes in net position. Under the accrual basis of accounting revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Taxes, intergovernmental revenues, and interest associated with the current year are considered 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, 2012**

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**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, 2012**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**Assets, Liabilities and Net Position/Fund Balances**

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

*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 Fund consist of expendable supplies held for consumption and are valued at average cost. Inventory in the Golf Course and Heritage, Culture, and Arts Funds consist 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, 2012**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

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

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

It is the City's policy to allow the accumulation of sick and vacation leave to a maximum, depending on the employee class and hire date. Accrued vacation is paid to employees upon termination of employment. Payment for unused sick leave ranges from 0 percent to 100 percent depending on the employee class, hire date, and reason for termination.

*Long-Term Debt* - In the government-wide financial statements, and the proprietary funds in the fund financial statements, long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary funds. Debt premiums and discounts, 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 Position/Fund Balances* – In the government-wide financial statements and the proprietary funds in the fund financial statements, net position is restricted when constraints placed on the use of resources is externally imposed. In the fund financial statements, governmental funds report fund balances based on financial reporting standards that establish criteria for classifying fund balances into specifically defined classifications to make the nature and extent of constraints more useful and understandable. The classifications comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Fund balances may be classified as nonspendable, restricted, committed, assigned, or unassigned.

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

**CITY OF LAKEWOOD, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**Year Ended December 31, 2012**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**Assets, Liabilities and Net Positions/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 – 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	\$ 82,126,355
Primary Government Restricted Cash and Investments	3,857,497
Fiduciary Funds Cash and Investments	2,008,227
<b>Total</b>	<b>\$ 87,992,079</b>

At December 31, 2012, cash and investments consisted of the following:

Cash on Hand	\$ 23,165
Deposits	52,109,063
Investments	35,859,851
<b>Total</b>	<b>\$ 87,992,079</b>

**CITY OF LAKEWOOD, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**Year Ended December 31, 2012**

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**NOTE 2 – CASH AND INVESTMENTS** (Continued)

**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, 2012, the City had bank deposits of \$46,656,487 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, 2012**

**NOTE 2 – CASH AND INVESTMENTS** (Continued)

**Investments** (Continued)

At December 31, 2012, the City's investment balances were as follows:

<b>Investment Type</b>	<b>S&amp;P</b>	<b>Investment Maturities (In Years)</b>		<b>Pension Trust</b>	<b>All Other</b>	<b>Fair Value</b>
		<b>Less</b>	<b>1 - 5</b>			
U.S. Treasury Securities	N/A	\$ 401,984	\$ 1,226,894	\$ -	\$ 1,628,878	\$ 1,628,878
U.S. Agency Securities	AA+	12,077,436	15,780,646	-	27,858,082	27,858,082
Corporate Bonds	AAA	-	252,366	-	252,366	252,366
Corporate Bonds	AA+	-	126,334	-	126,334	126,334
Corporate Bonds	AA	-	247,555	-	247,555	247,555
Corporate Bonds	AA-	112,814	248,338	-	361,152	361,152
Commercial Paper	A-1+	3,219,251	-	-	3,219,251	3,219,251
Commercial Paper	A-1	199,764	-	-	199,764	199,764
Money Market Funds	AAAm	177,016	-	-	177,016	177,016
Money Market Funds	N/A	155,186	-	-	155,186	155,186
Mutual Funds	N/A	1,634,267	-	1,634,267	-	1,634,267
<b>Total</b>		<b>\$ 17,977,718</b>	<b>\$ 17,882,133</b>	<b>\$ 1,634,267</b>	<b>\$ 34,225,584</b>	<b>\$ 35,859,851</b>

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

*Credit Risk* – State statutes limit investments in commercial paper to a rating category of A1, P1, F1 or their equivalents, by at least two nationally recognized statistical rating organizations (NRSROs). State statutes limit investments in corporate bonds to a minimum rating category of AA- or Aa3 or their equivalents by at least two NRSROs. State statutes also limit investments in money market funds to those that maintain a constant share price, with a maximum remaining maturity in accordance with the Securities and Exchange Commission's Rule 2a-7, and either have assets of one billion dollars or the highest rating issued by 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, 2012, the City's investment in the Federal Farm Credit Bank, Federal Home Loan Bank, and Federal National Mortgage Association represented 20%, 37%, and 16% respectively, of total investments.

**CITY OF LAKEWOOD, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**Year Ended December 31, 2012**

**NOTE 2 – CASH AND INVESTMENTS** (Continued)

**Restricted Cash and Investments**

The General Fund has restricted cash and investments of \$372,682 representing the required Section 108 deposit reserve account (see Note 5). The Lakewood Reinvestment Authority has restricted cash and investments of \$653,903, which represents \$404,903 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 \$2,830,912 restricted for debt service.

**Legal Compliance**

At December 31, 2012, the City had bank deposits with a balance of \$1,224,340 held by banks not registered under the PDPA. This may be a violation of the PDPA. These deposits are in the form of FDIC-insured negotiable certificates of deposit that may be considered legal securities.

**NOTE 3 - 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 interfund receivables and payables. Any residual balances outstanding between governmental and business-type activities are reported in the government-wide financial statements as *internal balances*.

At December 31, 2012, the Grants and Golf Course Funds borrowed from the General Fund to cover temporary cash shortfalls, as follows:

<b>Interfund Receivables</b>	<b>Interfund Payables</b>	<b>Amount</b>
General Fund	Grants Fund	\$ 587,397
General Fund	Golf Course Enterprise Fund	42,885
<b>Total</b>		<b>\$ 630,282</b>

**CITY OF LAKEWOOD, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**Year Ended December 31, 2012**

**NOTE 3 - INTERFUND BALANCES AND TRANSFERS** (Continued)

Transfers between funds during the year ended December 31, 2012, were as follows:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
General Fund	Lakewood Reinvestment Authority Fund	\$ 20,665
Capital Improvements	General Fund	4,568,070
Nonmajor Funds	General Fund	1,233,265
Lakewood Public Building Authority	General Fund	2,838,077
		<u>8,639,412</u>
Lakewood Public Building Authority	Golf Course Enterprise Fund	676,545
Lakewood Public Building Authority	Capital Improvements Fund	386,000
Lakewood Public Building Authority	Nonmajor Funds	1,058,485
		<u>2,121,030</u>
Total		<u>\$ 10,781,107</u>

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 subsidized the operations of the Heritage, Culture and Arts Fund in the amount of \$1,045,296 for the year ended December 31, 2012.

**CITY OF LAKEWOOD, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**Year Ended December 31, 2012**

**NOTE 4 - CAPITAL ASSETS**

The following is a summary of changes in capital assets for the year ended December 31, 2012.

	<b>Balance 12/31/11</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance 12/31/12</b>
<b>Governmental Activities</b>				
Capital Assets, Not Being Depreciated				
Land	\$ 118,547,376	\$ 17,488	\$ -	\$ 118,564,864
Construction in Progress	4,277,799	239,678	4,251,052	266,425
Total Capital Assets, Not Being Depreciated	<u>122,825,175</u>	<u>257,166</u>	<u>4,251,052</u>	<u>118,831,289</u>
Capital Assets, Being Depreciated				
Infrastructure	195,945,976	5,599,582	-	201,545,558
Park Buildings, Facilities & Improvements	100,469,439	2,120,343	-	102,589,782
Buildings	67,804,758	271,843	-	68,076,601
Machinery, Furniture and Equipment	35,168,151	3,686,011	1,086,987	37,767,175
Total Capital Assets, Being Depreciated	<u>399,388,324</u>	<u>11,677,779</u>	<u>1,086,987</u>	<u>409,979,116</u>
Less Accumulated Depreciation for				
Infrastructure	(26,854,733)	(2,738,102)	-	(29,592,835)
Park Buildings, Facilities & Improvements	(26,914,525)	(2,064,445)	-	(28,978,970)
Buildings	(20,503,367)	(1,691,808)	-	(22,195,175)
Machinery and Equipment	(22,102,184)	(3,656,321)	(1,078,528)	(24,679,977)
Total Accumulated Depreciation	<u>(96,374,809)</u>	<u>(10,150,676)</u>	<u>(1,078,528)</u>	<u>(105,446,957)</u>
Capital Assets, Being Depreciated, Net	<u>303,013,515</u>	<u>1,527,103</u>	<u>8,459</u>	<u>304,532,159</u>
Governmental Activities Capital Assets, Net	<u>\$ 425,838,690</u>	<u>\$ 1,784,269</u>	<u>\$ 4,259,511</u>	<u>\$ 423,363,448</u>

**CITY OF LAKEWOOD, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**Year Ended December 31, 2012**

**NOTE 4 - CAPITAL ASSETS** (Continued)

	<b>Balance</b>			<b>Balance</b>
	<b>12/31/11</b>	<b>Additions</b>	<b>Deletions</b>	<b>12/31/12</b>
<b>Business-Type Activities</b>				
Capital Assets, Not Being Depreciated				
Land	\$ 7,362,063	\$ 46,911	\$ -	\$ 7,408,974
Construction in Progress	540,635	29,445	58,810	511,270
Total Capital Assets, Not Being Depreciated	7,902,698	76,356	58,810	7,920,244
Capital Assets, Being Depreciated				
Infrastructure	20,925,682	620,576	-	21,546,258
Buildings	4,732,305	-	-	4,732,305
Improvements	3,657,428	-	-	3,657,428
Machinery, Furniture and Equipment	3,035,268	106,550	68,729	3,073,089
Total Capital Assets, Being Depreciated	32,350,683	727,126	68,729	33,009,080
Less Accumulated Depreciation for				
Infrastructure	(10,358,070)	(818,644)	-	(11,176,714)
Buildings	(1,963,659)	(161,033)	-	(2,124,692)
Improvements	(3,434,117)	(135,444)	-	(3,569,561)
Machinery, Furniture and Equipment	(2,773,494)	(65,109)	(68,729)	(2,769,874)
Total Accumulated Depreciation	(18,529,340)	(1,180,230)	(68,729)	(19,640,841)
Capital Assets, Being Depreciated, Net	13,821,343	(453,104)	-	13,368,239
Business-Type Activities Capital Assets, Net	\$ 21,724,041	\$ (376,748)	\$ 58,810	\$ 21,288,483

**CITY OF LAKEWOOD, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**Year Ended December 31, 2012**

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**NOTE 4 - CAPITAL ASSETS** (Continued)

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

**Governmental Activities**

General Government	\$ 2,243,692
Public Safety	2,238,624
Public Works	3,258,673
Culture and Recreation	2,285,065
Urban Development and Housing	79,774
Economic Opportunity	44,848
	<hr/>
Total Governmental Activities	\$ 10,150,676
	<hr/> <hr/>

**Business-Type Activities**

Golf Course	\$ 342,632
Sewer	402,904
Stormwater	387,897
Water	46,797
	<hr/>
Total Business-Type Activities	\$ 1,180,230
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**CITY OF LAKEWOOD, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**Year Ended December 31, 2012**

**NOTE 5 - LONG-TERM DEBT**

**Governmental Activities**

Following is a summary of long-term debt transactions for the year ended December 31, 2012:

	<u>Balance 12/31/11</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 12/31/12</u>	<u>Due within one year</u>
<b>Governmental Activities</b>					
<b>Bonds Payable</b>					
Sales and Use Tax Revenue Refunding					
Bonds, Series 2009	\$ 1,300,000	\$ -	\$ 1,300,000	\$ -	\$ -
<b>Certificates of Participation</b>					
Certificates of Participation, 2006A	24,700,000	-	1,550,000	23,150,000	1,625,000
2006A COPs Premium	1,175,771	-	130,642	1,045,129	-
2006A COPs Loss on Refunding	(1,040,802)	-	(115,644)	(925,158)	-
Certificates of Participation, 2006B	19,400,000	-	2,375,000	17,025,000	2,465,000
2006B COPs Loss on Refunding	(516,236)	-	(57,359)	(458,877)	-
<b>Capital Leases Payable</b>					
Police Facility Building	2,210,381	-	82,384	2,127,997	86,083
William Frederick Hayden Park Land	897,182	-	119,253	777,929	129,986
<b>Notes Payable</b>					
Section 108 Notes Payable	2,890,000	-	238,000	2,652,000	248,000
LRA Station Betterments Loan	2,582,119	-	89,067	2,493,052	132,740
<b>Compensated Absences</b>					
Sick Leave	2,630,314	1,474,830	1,635,987	2,469,157	175,000
Vacation	3,295,785	3,027,847	2,973,797	3,349,835	200,000
<b>Postemployment Benefits</b>					
Postemployment Benefits	663,724	49,095	-	712,819	-
<b>Total</b>	<u>\$ 60,188,238</u>	<u>\$ 4,551,772</u>	<u>\$ 10,321,127</u>	<u>\$ 54,418,883</u>	<u>\$ 5,061,809</u>

**CITY OF LAKEWOOD, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**Year Ended December 31, 2012**

**NOTE 5 - 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 accrued interest at 2.53%, were payable semi-annually, and matured serially through December, 2012.

The bonds were payable solely from two-thirds of the City's 3% sales and use tax which is deposited into the General and Capital Improvements Funds. During the year ended December 31, 2012, revenues of approximately \$47 million were available to pay annual debt service of \$1,332,890. The bonds were paid in full during the year ended December 31, 2012.

**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>
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	1,955,000	760,375	2,715,375
2018 - 2022	<u>14,230,000</u>	<u>2,118,000</u>	<u>16,348,000</u>
Total	<u>\$ 23,150,000</u>	<u>\$ 6,778,875</u>	<u>\$ 29,928,875</u>

**CITY OF LAKEWOOD, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**Year Ended December 31, 2012**

**NOTE 5 - 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>
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	2,070,000	325,284	2,395,284
2018 - 2020	<u>6,730,000</u>	<u>469,529</u>	<u>7,199,529</u>
Total	<u>\$ 17,025,000</u>	<u>\$ 2,877,320</u>	<u>\$ 19,902,320</u>

**Capital Leases**

*Police Facility Building Lease* - On September 30, 2009, the City entered into a lease purchase agreement for \$2,330,000 to purchase property for public safety use. Land, buildings and equipment recorded in the City's capital assets are \$381,775, \$1,957,650 and \$13,703, respectively, which includes interest income on the lease proceeds. 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, 2012:

2013	\$ 181,630
2014	181,630
2015	181,630
2016	181,630
2017	181,630
2018 - 2022	908,150
2023 - 2027	908,150
2028 - 2029	<u>363,261</u>
Total Minimum Lease Payments	3,087,711
Less: Amount Representing Interest	<u>(959,714)</u>
Present Value of Minimum Lease Payments	<u>\$ 2,127,997</u>

**CITY OF LAKEWOOD, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**Year Ended December 31, 2012**

**NOTE 5 - LONG-TERM DEBT** (Continued)

**Capital Leases** (Continued)

*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, 2012:

2013		\$	200,000
2014			200,000
2015			200,000
2016			200,000
2017			<u>200,000</u>
Total Minimum Lease Payments			1,000,000
Less: Amount Representing Interest			<u>(222,071)</u>
Present Value of Minimum Lease Payments		\$	<u><u>777,929</u></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, 2012, was \$372,682. 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, 2012**

**NOTE 5 - 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>
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	294,000	77,069	371,069
2018 - 2021	<u>1,304,000</u>	<u>164,595</u>	<u>1,468,595</u>
Total	<u>\$ 2,652,000</u>	<u>\$ 666,165</u>	<u>\$ 3,318,165</u>

**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. In July, 2012, the Lakewood Reinvestment Authority and the bank agreed to reduce the interest rate to 5% per annum.

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, 2012, incremental property tax revenues of \$296,813 were available to pay annual debt service of \$258,728. Remaining debt service at December 31, 2012, was as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$ 132,740	\$ 123,776	\$ 256,516
2014	94,382	118,466	212,848
2015	99,227	113,621	212,848
2016	104,013	108,835	212,848
2017	109,661	103,187	212,848
2018 - 2022	638,486	425,754	1,064,240
2023 - 2027	820,166	244,074	1,064,240
2028 - 2030	<u>494,377</u>	<u>38,312</u>	<u>532,689</u>
Total	<u>\$ 2,493,052</u>	<u>\$ 1,276,025</u>	<u>\$ 3,769,077</u>

**CITY OF LAKEWOOD, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**Year Ended December 31, 2012**

**NOTE 5 - 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, 2012:

	Balance 12/31/11	Additions	Deletions	Balance 12/31/12	Due within one year
<b>Business-Type Activities</b>					
<b>Capital Leases Payable</b>					
Golf Carts	\$ 119,191	\$ -	\$ 51,778	\$ 67,413	\$ 67,413

*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 15<sup>th</sup> of each month with a final balloon payment of \$48,000 due on May 13, 2013.

Future minimum lease payments under this capital lease for 2013 are \$67,413.

**NOTE 6 – FUND BALANCE**

Fund balances restricted 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, 2012, totaled \$2,385,403 and is included in the General Fund’s fund balance in the category "Restricted".

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.

**CITY OF LAKEWOOD, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**Year Ended December 31, 2012**

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**NOTE 7 – 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 2012, 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, 2012, the City and employees made all required contributions to the plan, of \$3,466,847 and \$2,770,841 (including voluntary contributions of \$25,510), 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 2012, \$90,243 was used from this account to fund a portion of the City’s contribution, and \$177,686 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 in 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. In June, 2012, the City changed plan administrators from Wells Fargo Bank West, N.A. Institutional Trust Group to the International City/County Management Association – Retirement Corporation (ICMA-RC).

**CITY OF LAKEWOOD, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**Year Ended December 31, 2012**

**NOTE 7 – EMPLOYEE RETIREMENT PLANS** (Continued)

**Police Pension Plan** (Continued)

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, 2012, the City and employees made all required contributions to the plan, of \$1,995,958 and \$1,618,663 (including voluntary contributions of \$21,905), 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 2012, \$13,777 was used from this account to fund a portion of the City’s contribution.

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

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

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 in 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.

**CITY OF LAKEWOOD, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**Year Ended December 31, 2012**

**NOTE 7 – EMPLOYEE RETIREMENT PLANS** (Continued)

**City Manager Pension Plan** (Continued)

*Annual Pension Cost and Annual Required Contributions* - Contributions were determined as part of the January 1, 2013 actuarial valuation. The estimated net pension obligation at December 31, 2012, was (\$503,733) 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 for the City Manager Pension Plan for the year ended December 31, 2012, were as follows:

Annual required contribution (ARC)	\$ 159,746
Interest on net pension obligation	(30,542)
Adjustment to ARC	3,543
Annual pension cost	<u>132,747</u>
Contributions made	<u>(184,000)</u>
Increase (decrease) in net pension obligation	(51,253)
Net pension obligation beginning of year	<u>(452,480)</u>
 Net pension obligation end of year	 <u><u>\$ (503,733)</u></u>

*Trend information of the plan follows:*

Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation (Asset)
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)
12/31/12	\$ 132,747	139%	\$ (503,733)

**CITY OF LAKEWOOD, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**Year Ended December 31, 2012**

**NOTE 7 – EMPLOYEE RETIREMENT PLANS** (Continued)

**City Manager Pension Plan** (Continued)

Date Required	Annual Required Contribution	Annual Contribution	Percentage Contribution
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%
12/31/12	\$ 159,746	\$ 184,000	115%

*Actuarial Methods and Assumptions -*

Actuarial Valuation Date – January 1, 2013

Actuarial Cost Method – Entry Age

Amortization Method – Level Dollar Method over Fixed Period of Years

Remaining Amortization Period – 30 years, Open

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

Inflation Rate – NA

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

Number of Participants Employed – 0

Number of Participants Retired - 1

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, 2013, the most recent actuarial valuation date, the actuarial value of assets was \$1,383,007, the actuarial accrued liability (AAL) was \$3,411,694, of which \$2,028,687 was unfunded, resulting in a funded ratio of 40.5%. 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.

In September, 2012, plan assets held in trust were moved from Wells Fargo Bank West to Innovest Portfolio Solutions. 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.

**CITY OF LAKEWOOD, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**Year Ended December 31, 2012**

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**NOTE 7 – EMPLOYEE RETIREMENT PLANS** (Continued)

**Duty Death and Disability Plan** (Continued)

Disabled officers receive 100% of their salary for the first 90 days of the disability, 60% for the 8 year period following. Benefits to disabled officers cease once they return to employment, recover from the disability or upon death. If an officer is killed in the line of duty, their surviving spouse shall receive 50% of the officer's salary. The surviving spouse shall receive this benefit for 96 months, or until remarriage, whichever occurs first. If there is no surviving spouse or if the surviving spouse should die or remarry, any surviving children of the officer shall receive an equal proportionate share of the benefits. When the surviving child of an officer reaches the age of 18, or 96 months of benefits are paid, whichever occurs first, benefits shall cease.

At January 1, 2013, 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 4.75% and (c) a mortality rate in accordance with the group annuity tables of 1994.

Based on this valuation, the present value of projected benefits (based on employee service to date) totaled \$1,590,016. During the year ended December 31, 2012, benefit payments totaling \$41,611 were paid. At December 31, 2012, assets totaling \$2,494,675 were available for benefits. Under the plan document, there is no provision for benefits to be paid if sufficient assets are not available.

During 2012, the City and employees contributed \$125,297 and \$67,770, respectively, to the Police Duty Death and Disability Plan. Since a third party trustee holds the assets in trust, they are not reflected in the City's financial statements.

**CITY OF LAKEWOOD, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**Year Ended December 31, 2012**

**NOTE 8 – PENSION PLANS**

**Combining Financial Statements**

Combining financial statements for the City’s pension trust funds as of and for the year ended December 31, 2012, were as follows:

	<b>City Manager Pension</b>	<b>City Manager Severance</b>	<b>Total</b>
<b>Assets</b>			
Cash and Investments	\$ 1,642,470	\$ 365,757	\$ 2,008,227
<b>Liabilities and Net Position</b>			
<b>Liabilities</b>			
Accounts Payable	\$ 1,500	\$ -	\$ 1,500
Accrued Liabilities	313	-	313
<b>Total Liabilities</b>	<b>1,813</b>	<b>-</b>	<b>1,813</b>
<b>Net Position</b>			
Held in Trust	1,640,657	365,757	2,006,414
<b>Total Liabilities and Net Position</b>	<b>\$ 1,642,470</b>	<b>\$ 365,757</b>	<b>\$ 2,008,227</b>
<b>Additions</b>			
Employer Contributions	\$ 184,000	\$ 20,000	\$ 204,000
Investment Income	92,581	351	92,932
<b>Total Additions</b>	<b>276,581</b>	<b>20,351</b>	<b>296,932</b>
<b>Deductions</b>			
Benefit Payments	181,631	-	181,631
Administrative Expenses	1,898	-	1,898
<b>Total Deductions</b>	<b>183,529</b>	<b>-</b>	<b>183,529</b>
Change in Net Position	93,052	20,351	113,403
<b>Net Position, Beginning of Year</b>	<b>1,547,605</b>	<b>345,406</b>	<b>1,893,011</b>
<b>Net Position, End of Year</b>	<b>\$ 1,640,657</b>	<b>\$ 365,757</b>	<b>\$ 2,006,414</b>

**CITY OF LAKEWOOD, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**Year Ended December 31, 2012**

**NOTE 9 – 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 76 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 Retirees' 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 ended December 31, 2012, the amount actually contributed to the plan, and changes in the City's net OPEB obligation to the plan.

Annual required contribution	\$ 383,047
Interest on net OPEB obligation	29,868
Adjustment to annual required contributions	<u>(43,820)</u>
Annual OPEB Cost	369,095
Contributions made	<u>(320,000)</u>
Increase in net OPEB obligation	49,095
Net OPEB Obligation, Beginning	<u>663,724</u>
Net OPEB Obligation, Ending	<u><u>\$ 712,819</u></u>

**CITY OF LAKEWOOD, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**Year Ended December 31, 2012**

**NOTE 9 – 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>
12/31/10	\$ 431,562	76.3%	\$ 445,558
12/31/11	\$ 379,194	42.5%	\$ 663,724
12/31/12	\$ 369,095	86.7%	\$ 712,819

*Funded Status and Funding Progress* - At December 31, 2012, the most recent actuarial valuation date, the actuarial accrued liability (AAL) was \$4,004,736, 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 \$54,563,474, and the ratio of the unfunded actuarial accrued liability (UAAL) to the covered payroll was 7.3%.

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, 2012
- Actuarial Cost Method – Projected Unit Credit Cost Method
- Amortization Method – Level Dollar, including both principal and interest
- Remaining Amortization Period - 30 years from valuation date, Open – 26 years remaining
- Asset Valuation Method – Fair Value
- Actuarial Valuation Discount Rate – 4.5%
- Inflation Rate – 3%
- 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, 2012**

**NOTE 10 – RISK MANAGEMENT**

The City is exposed to various risks of loss related to torts; thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees; health costs of employees; or natural disasters. For these risks of loss, the City has established self-insurance programs for property and casualty, worker's compensation, 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 for sworn employees and \$350,000 for all other employees. Royal Insurance Company provides excess coverage for individual property claims in excess of \$50,000 and casualty claims in excess of \$350,000. There has been no reduction in insurance coverage from the prior year. Additionally, no settlements have exceeded the City's insurance coverage in each of the past three fiscal years.

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 1<sup>st</sup> through March 31<sup>st</sup>.

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, 2011 to December 31, 2012:

	<b><u>Property and Casualty</u></b>	<b><u>Workers' Compensation</u></b>	<b><u>Dental</u></b>
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	1,321,296	530,823	23,258
Claims and Changes in Provisions	(258,450)	1,186,686	749,727
Claims Payments	<u>(365,383)</u>	<u>(674,479)</u>	<u>(754,259)</u>
Claims Payable December 31, 2012	<u>\$ 697,463</u>	<u>\$ 1,043,030</u>	<u>\$ 18,726</u>

**CITY OF LAKEWOOD, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**Year Ended December 31, 2012**

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**NOTE 11 - 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 10), 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, 2012**

**NOTE 11 – 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 <sup>(1)</sup>	Termination Of Reimbursement Obligation <sup>(2)</sup>	Description Of Sharing Arrangement	2012 Amount Of Tax Shared With Developer	Future Contingent Payments Required By Agreement
Stevinson I <sup>(3)</sup> (Colorado Mills <sup>(4)</sup> & Denver West Village)	Not Limited	9/26/2029	1/4 <sup>th</sup> of 2% Sales Tax	\$1,669,841	N/A
Stevinson II <sup>(3)</sup> (Hotels/Dealerships)	Not Limited	10/09/2026	1/4 <sup>th</sup> of 2% Sales Tax	\$29,628	N/A
Kohl's Retail Center	\$1,287,265	obligation satisfied 4/30/2012	1/2 of 2% Sales Tax	\$126,005	-0-

<sup>(1)</sup> Does not include interest and ancillary hard and soft costs.

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

<sup>(3)</sup> The revenue reimbursements were approved by the voters.

<sup>(4)</sup> 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, 2012**

**NOTE 11 – CONTINGENCIES** (Continued)

**Economic Development Agreements** (Continued)

Lakewood Reinvestment Authority and Economic Development Agreements(Continued)

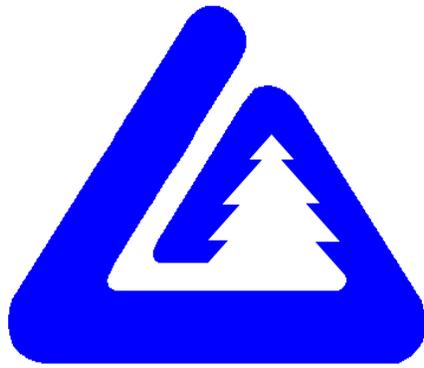
The sales and use tax revenue and expenditure transactions related to the following agreements are reported in the Lakewood Reinvestment Authority Capital Projects Fund:

<b>Project Name</b>	<b>Maximum Amount Committed To Be Reimbursed Or Waived <sup>(1)</sup></b>	<b>Termination Of Reimbursement Obligation <sup>(2)</sup></b>	<b>Description Of Sharing Arrangement</b>	<b>2012 Amount Of Tax Shared With Developer</b>	<b>Future Contingent Payments Required By Agreement</b>
Belmar	\$120,000,000	9/10/2025	2/3 <sup>rds</sup> of 3% Sales Tax Rate Waived	\$ -0-	N/A
Creekside Shopping Center (Wal-Mart)	\$24,320,435 <sup>(3)</sup>	8/09/2024	100% of Sales Tax increment in excess of \$1,000,000	\$1,620,984	\$15,276,629

<sup>(1)</sup> 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.

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

<sup>(3)</sup> Does not include interest and ancillary hard and soft costs.



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# **REQUIRED SUPPLEMENTARY INFORMATION**

**CITY OF LAKEWOOD, COLORADO**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF FUNDING PROGRESS**  
**CITY MANAGER PENSION PLAN**  
**Year Ended December 31, 2012**

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
1/1/13	\$1,383,007	\$3,411,694	\$2,028,687	40.5%	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, 2012**

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%
12/31/12	\$0	\$4,004,736	\$4,004,736	0.0%	\$54,563,474	7.3%

See the accompanying Independent Auditors' Report.

**CITY OF LAKEWOOD, COLORADO**  
**GENERAL FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**Year Ended December 31, 2012**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Favorable (Unfavorable)</b>
<b>REVENUES</b>				
<b>Taxes</b>				
Property Tax	\$ 7,903,919	\$ 7,986,944	\$ 7,573,830	\$ (413,114)
Sales Tax	51,046,737	51,450,985	51,944,025	493,040
General Use Tax	2,513,173	2,753,778	2,624,355	(129,423)
Building Material Use Tax	1,886,783	1,886,783	2,060,070	173,287
Business and Occupational Tax	1,952,926	2,142,379	2,355,526	213,147
Specific Ownership Tax	588,072	557,418	565,590	8,172
Motor Vehicle Use Tax	3,811,904	3,988,185	4,187,345	199,160
Franchise and Other Taxes	7,009,679	6,833,916	6,187,090	(646,826)
Total Taxes	<u>76,713,193</u>	<u>77,600,388</u>	<u>77,497,831</u>	<u>(102,557)</u>
<b>Licenses and Permits</b>				
Business Licenses and Permits	500,380	509,469	490,161	(19,308)
Nonbusiness Licenses and Permits	1,627,173	1,916,020	2,239,959	323,939
Total Licenses and Permits	<u>2,127,553</u>	<u>2,425,489</u>	<u>2,730,120</u>	<u>304,631</u>
<b>Charges for Services</b>				
General Government	1,057,302	1,022,337	1,067,598	45,261
Public Safety	527,631	506,497	474,534	(31,963)
Culture and Recreation	3,477,550	3,605,230	3,938,257	333,027
Other Sales and Services	5,331,700	5,592,518	5,048,367	(544,151)
Total Charges for Services	<u>10,394,183</u>	<u>10,726,582</u>	<u>10,528,756</u>	<u>(197,826)</u>
<b>Fines and Forfeitures</b>				
	<u>1,472,720</u>	<u>1,551,152</u>	<u>1,421,983</u>	<u>(129,169)</u>
<b>Intergovernmental Revenue</b>				
State Government Shared Revenue	3,957,160	3,968,027	3,920,169	(47,858)
Local Government Grants	35,000	40,000	55,364	15,364
Local Government Shared Revenue	1,274,622	1,274,622	1,358,981	84,359
Total Intergovernmental Revenue	<u>5,266,782</u>	<u>5,282,649</u>	<u>5,334,514</u>	<u>51,865</u>
<b>Miscellaneous</b>				
Investment Income	625,968	453,826	215,455	(238,371)
Other	402,688	421,737	470,953	49,216
Total Miscellaneous	<u>1,028,656</u>	<u>875,563</u>	<u>686,408</u>	<u>(189,155)</u>
<b>TOTAL REVENUES</b>	<u>97,003,087</u>	<u>98,461,823</u>	<u>98,199,612</u>	<u>(262,211)</u>

(Continued)

See the accompanying Independent Auditors' Report.

**CITY OF LAKEWOOD, COLORADO**  
**GENERAL FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**Year Ended December 31, 2012**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Favorable (Unfavorable)</b>
<b>EXPENDITURES</b>				
<b>General Government</b>				
<b>Legislative</b>				
Personnel Services	274,752	243,705	254,001	(10,296)
Services and Supplies	225,626	225,626	187,143	38,483
Total Legislative	<u>500,378</u>	<u>469,331</u>	<u>441,144</u>	<u>28,187</u>
<b>Judicial</b>				
Personnel Services	1,978,871	1,962,880	1,955,502	7,378
Services and Supplies	234,052	245,125	162,204	82,921
Total Judicial	<u>2,212,923</u>	<u>2,208,005</u>	<u>2,117,706</u>	<u>90,299</u>
<b>Executive</b>				
Personnel Services	1,417,862	1,388,883	1,343,230	45,653
Services and Supplies	207,422	207,422	171,030	36,392
Total Executive	<u>1,625,284</u>	<u>1,596,305</u>	<u>1,514,260</u>	<u>82,045</u>
<b>Administrative</b>				
Personnel Services	6,787,121	7,000,099	6,309,973	690,126
Services and Supplies	2,279,740	2,325,468	1,769,801	555,667
Capital Outlay	11,440	215,800	202,420	13,380
Total Administrative	<u>9,078,301</u>	<u>9,541,367</u>	<u>8,282,194</u>	<u>1,259,173</u>
<b>Other</b>				
Personnel Services	5,907,498	5,889,983	5,609,782	280,201
Services and Supplies	7,024,084	7,597,440	6,493,076	1,104,364
Debt Service	181,630	181,630	181,630	-
Capital Outlay	750,649	460,696	101,320	359,376
Total Other	<u>13,863,861</u>	<u>14,129,749</u>	<u>12,385,808</u>	<u>1,743,941</u>
Total General Government	<u>27,280,747</u>	<u>27,944,757</u>	<u>24,741,112</u>	<u>3,203,645</u>

(Continued)

See the accompanying Independent Auditors' Report.

**CITY OF LAKEWOOD, COLORADO**  
**GENERAL FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**Year Ended December 31, 2012**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Favorable (Unfavorable)</b>
<b>Public Safety</b>				
<b>Law Enforcement</b>				
Personnel Services	38,514,311	36,665,529	36,569,593	95,936
Services and Supplies	3,016,552	3,121,742	2,876,543	245,199
Capital Outlay	65,000	65,000	166,208	(101,208)
Total Law Enforcement	<u>41,595,863</u>	<u>39,852,271</u>	<u>39,612,344</u>	<u>239,927</u>
<b>Correction</b>				
Personnel Services	590,163	583,417	578,149	5,268
Services and Supplies	17,391	17,431	14,837	2,594
Total Correction	<u>607,554</u>	<u>600,848</u>	<u>592,986</u>	<u>7,862</u>
<b>Protective Inspection</b>				
Personnel Services	1,957,169	2,024,868	2,208,659	(183,791)
Services and Supplies	231,905	239,305	86,350	152,955
Total Protective Inspection	<u>2,189,074</u>	<u>2,264,173</u>	<u>2,295,009</u>	<u>(30,836)</u>
<b>Other Protection</b>				
Personnel Services	1,609,075	1,647,899	1,581,331	66,568
Services and Supplies	522,211	521,757	508,302	13,455
Capital Outlay	56,862	50,362	34,299	16,063
Total Other Protection	<u>2,188,148</u>	<u>2,220,018</u>	<u>2,123,932</u>	<u>96,086</u>
Total Public Safety	<u>46,580,639</u>	<u>44,937,310</u>	<u>44,624,271</u>	<u>313,039</u>
<b>Public Works</b>				
<b>Highways and Streets</b>				
Personnel Services	3,382,420	3,331,497	2,996,208	335,289
Services and Supplies	3,865,598	3,955,531	3,397,687	557,844
Capital Outlay	11,500	11,500	7,036	4,464
Total Highways and Streets	<u>7,259,518</u>	<u>7,298,528</u>	<u>6,400,931</u>	<u>897,597</u>
Total Public Works	<u>7,259,518</u>	<u>7,298,528</u>	<u>6,400,931</u>	<u>897,597</u>

(Continued)

See the accompanying Independent Auditors' Report.

**CITY OF LAKEWOOD, COLORADO**  
**GENERAL FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**Year Ended December 31, 2012**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Favorable (Unfavorable)</b>
<b>Culture and Recreation</b>				
<b>Recreation</b>				
Personnel Services	5,892,754	5,889,959	5,657,932	232,027
Services and Supplies	1,530,583	1,559,970	1,468,545	91,425
Capital Outlay	20,000	25,400	10,811	14,589
Total Recreation	<u>7,443,337</u>	<u>7,475,329</u>	<u>7,137,288</u>	<u>338,041</u>
<b>Parks</b>				
Personnel Services	2,115,206	2,122,233	1,930,222	192,011
Services and Supplies	1,790,981	1,801,969	1,846,217	(44,248)
Capital Outlay	50,000	50,000	-	50,000
Total Parks	<u>3,956,187</u>	<u>3,974,202</u>	<u>3,776,439</u>	<u>197,763</u>
Total Culture and Recreation	<u>11,399,524</u>	<u>11,449,531</u>	<u>10,913,727</u>	<u>535,804</u>
<b>Urban Development and Housing</b>				
Personnel Services	165,945	170,521	175,187	(4,666)
Services and Supplies	210,150	330,150	103,412	226,738
Total Urban Development and Housing	<u>376,095</u>	<u>500,671</u>	<u>278,599</u>	<u>222,072</u>
<b>Economic Opportunity</b>				
Personnel Services	648,453	649,740	578,245	71,495
Services and Supplies	214,259	214,304	120,060	94,244
Total Economic Opportunity	<u>862,712</u>	<u>864,044</u>	<u>698,305</u>	<u>165,739</u>
Total Expenditures	<u>93,759,235</u>	<u>92,994,841</u>	<u>87,656,945</u>	<u>5,337,896</u>
Excess (Deficiency) of Revenues				
Over Expenditures	<u>3,243,852</u>	<u>5,466,982</u>	<u>10,542,667</u>	<u>5,075,685</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	17,620	16,189	20,665	4,476
Transfers Out	<u>(4,881,292)</u>	<u>(7,595,849)</u>	<u>(8,639,412)</u>	<u>(1,043,563)</u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(4,863,672)</u>	<u>(7,579,660)</u>	<u>(8,618,747)</u>	<u>(1,039,087)</u>
Net Change in Fund Balance	(1,619,820)	(2,112,678)	1,923,920	4,036,598
<b>FUND BALANCE, Beginning of Year</b>	<u>26,703,525</u>	<u>31,536,432</u>	<u>31,536,432</u>	<u>-</u>
<b>FUND BALANCE, End of Year</b>	<u>\$ 25,083,705</u>	<u>\$ 29,423,754</u>	<u>\$ 33,460,352</u>	<u>\$ 4,036,598</u>

See the accompanying Independent Auditors' Report.

**CITY OF LAKEWOOD, COLORADO**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**Year Ended December 31, 2012**

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**NOTE 1 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**Budgetary Information**

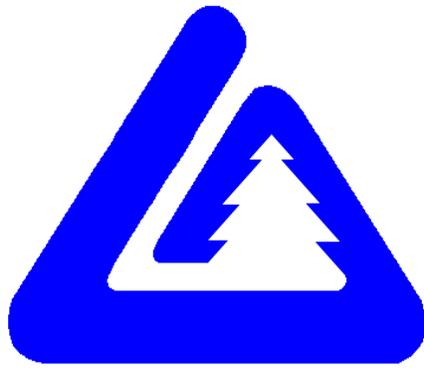
The City follows these procedures in establishing the budgetary data reflected in the financial statements:

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 and certain projects of the Special Revenue Funds, which may be carried over. The City Manager is authorized to transfer budgeted amounts between departments within any fund and to expend amounts within the approved appropriations and the City Code. However, any revisions that alter the total 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, 2012, the Workers' Compensation Fund expenditures exceeded the amounts budgeted by \$303,008. This may be a violation of State statutes.

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



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# **GOVERNMENTAL FUNDS**

## **GENERAL FUND**

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

## **CAPITAL PROJECTS FUNDS**

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

### **MAJOR FUNDS**

#### **CAPITAL IMPROVEMENT FUND**

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

#### **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.

### **NON-MAJOR FUNDS**

#### **EQUIPMENT REPLACEMENT FUND**

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

# **SPECIAL REVENUE FUNDS**

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

## **NON-MAJOR FUNDS**

### **CONSERVATION TRUST FUND**

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

### **ECONOMIC DEVELOPMENT FUND**

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

### **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.

# **DEBT SERVICE FUNDS**

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

## **NON-MAJOR FUNDS**

### **LAKESWOOD PUBLIC BUILDING AUTHORITY DEBT SERVICE FUND**

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

**CITY OF LAKEWOOD, COLORADO**  
**CAPITAL IMPROVEMENTS FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**Year Ended December 31, 2012**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Favorable (Unfavorable)</b>
<b>REVENUES</b>				
Taxes				
Sales Tax	\$ 9,586,559	\$ 9,575,021	\$ 9,674,585	\$ 99,564
General Use Tax	474,362	551,066	524,875	(26,191)
Building Material Use Tax	378,739	378,739	411,987	33,248
Motor Vehicle Use Tax	763,146	816,857	837,840	20,983
Total Taxes	11,202,806	11,321,683	11,449,287	127,604
Intergovernmental				
State Government Shared Revenue	2,068,909	1,952,440	1,909,623	(42,817)
Miscellaneous				
Investment Income	134,415	150,742	203,044	52,302
Other	57,500	57,500	7,391	(50,109)
Total Miscellaneous	191,915	208,242	210,435	2,193
Total Revenues	13,463,630	13,482,365	13,569,345	86,980
<b>EXPENDITURES</b>				
General Government				
Personnel Services	91,195	91,043	117,911	(26,868)
Services and Supplies	1,350,000	1,420,000	1,356,044	63,956
Capital Outlay	625,000	1,992,792	504,804	1,487,988
Total General Government	2,066,195	3,503,835	1,978,759	1,525,076
Public Safety				
Personnel Services	130,200	130,203	131,503	(1,300)
Services and Supplies	240,000	375,000	253,171	121,829
Capital Outlay	405,000	473,030	200,877	272,153
Total Public Safety	775,200	978,233	585,551	392,682
Public Works				
Personnel Services	619,951	594,772	564,882	29,890
Services and Supplies	148,300	3,817,468	715,491	3,101,977
Capital Outlay	7,453,000	8,840,000	6,622,953	2,217,047
Total Public Works	8,221,251	13,252,240	7,903,326	5,348,914

(Continued)

See the accompanying Independent Auditors' Report.

**CITY OF LAKEWOOD, COLORADO**  
**CAPITAL IMPROVEMENTS FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**Year Ended December 31, 2012**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Favorable (Unfavorable)</b>
<b>EXPENDITURES (Continued)</b>				
Culture and Recreation				
Services and Supplies	8,886	8,886	8,829	57
Capital Outlay	4,700	4,700	-	4,700
Debt Service	102,000	102,000	102,000	-
Total Culture and Recreation	115,586	115,586	110,829	4,757
Urban Development and Housing				
Services and Supplies	10,000	10,000	7,612	2,388
Capital Outlay	1,974,966	1,921,257	1,770,334	150,923
Total Urban Development and Housing	1,984,966	1,931,257	1,777,946	153,311
Economic Opportunity				
Capital Outlay	-	-	2,900	(2,900)
Debt Service	-	9,728	75,183	(65,455)
Total Economic Opportunity	-	9,728	78,083	(68,355)
Debt Service				
Principal	1,300,000	1,300,000	1,300,000	-
Interest and Fiscal Charges	32,890	32,890	33,790	(900)
Total Debt Service	1,332,890	1,332,890	1,333,790	(900)
Total Expenditures	14,496,088	21,123,769	13,768,284	7,355,485
Excess (Deficiency) of Revenues Over Expenditures	(1,032,458)	(7,641,404)	(198,939)	7,442,465
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	703,513	3,568,070	4,568,070	1,000,000
Transfers Out	(386,000)	(386,000)	(386,000)	-
Total Other Financing Sources (Uses)	317,513	3,182,070	4,182,070	1,000,000
Net Change in Fund Balance	(714,945)	(4,459,334)	3,983,131	8,442,465
<b>FUND BALANCE, Beginning of Year</b>	5,901,276	12,354,475	12,354,475	-
<b>FUND BALANCE, End of Year</b>	\$ 5,186,331	\$ 7,895,141	\$ 16,337,606	\$ 8,442,465

See the accompanying Independent Auditors' Report.

**CITY OF LAKEWOOD, COLORADO**  
**LAKEWOOD REINVESTMENT AUTHORITY FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**Year Ended December 31, 2012**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>REVENUES</b>				
Taxes				
Property Taxes Increment	\$ 7,546,386	\$ 7,398,514	\$ 6,685,666	\$ (712,848)
General Sales and Use Taxes Increment	275,000	196,523	211,094	14,571
Investment Income	11,700	5,494	8,664	3,170
Miscellaneous	1,020,000	945,983	953,528	7,545
Total Revenues	<u>8,853,086</u>	<u>8,546,514</u>	<u>7,858,952</u>	<u>(687,562)</u>
<b>EXPENDITURES</b>				
Urban Development and Housing				
Personnel Services	109,691	110,495	114,685	(4,190)
Services and Supplies	230,133	154,288	138,329	15,959
Capital Outlay	8,554,093	10,451,105	8,661,649	1,789,456
Debt Service	349,961	249,961	258,728	(8,767)
Total Expenditures	<u>9,243,878</u>	<u>10,965,849</u>	<u>9,173,391</u>	<u>1,792,458</u>
Excess (Deficiency) of Revenues Over Expenditures	(390,792)	(2,419,335)	(1,314,439)	1,104,896
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	(17,620)	(16,189)	(20,665)	(4,476)
Net Change in Fund Balance	(408,412)	(2,435,524)	(1,335,104)	1,100,420
<b>FUND BALANCE, Beginning of Year</b>	<u>1,438,518</u>	<u>3,125,696</u>	<u>3,125,696</u>	<u>-</u>
<b>FUND BALANCE, End of Year</b>	<u>\$ 1,030,106</u>	<u>\$ 690,172</u>	<u>\$ 1,790,592</u>	<u>\$ 1,100,420</u>

See the accompanying Independent Auditors' Report.

**CITY OF LAKEWOOD, COLORADO**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
December 31, 2012

	<b>Special Revenue Funds</b>				
	<b>Conservation Trust Fund</b>	<b>Economic Development Fund</b>	<b>Grants Fund</b>	<b>Heritage, Culture and Arts Fund</b>	<b>Open Space Fund</b>
<b>ASSETS</b>					
Cash and Investments	\$ 966,725	\$ 3,601,039	\$ -	\$ 592,365	\$ 1,728,413
Restricted Cash and Investments	-	-	-	-	-
Accounts Receivable	-	94,073	1,467,988	16,618	1,461,387
Loan Receivable	-	48,000	-	-	-
Inventories	-	-	-	40,676	-
Prepays	-	-	-	4,250	-
Total Assets	<u>\$ 966,725</u>	<u>\$ 3,743,112</u>	<u>\$ 1,467,988</u>	<u>\$ 653,909</u>	<u>\$ 3,189,800</u>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>LIABILITIES</b>					
Accounts Payable	\$ -	\$ 173	\$ 345,938	\$ 61,703	\$ 8,771
Accrued Liabilities	-	4,161	-	23,487	34,746
Retainage Payable	-	-	70,603	-	8,594
Interfund Payables	-	-	587,397	-	-
Deferred Revenues	-	-	212,362	138,957	-
Total Liabilities	<u>-</u>	<u>4,334</u>	<u>1,216,300</u>	<u>224,147</u>	<u>52,111</u>
<b>FUND BALANCES</b>					
Nonspendable:					
Inventories	-	-	-	40,676	-
Prepays	-	-	-	4,250	-
Loan Receivable	-	48,000	-	-	-
Restricted for:					
Parks and Open Space	966,725	-	-	-	3,137,689
Economic Development	-	3,690,778	-	-	-
Debt Service	-	-	-	-	-
Grants	-	-	251,688	-	-
Assigned to:					
Cultural Activities	-	-	-	384,836	-
Capital Improvements	-	-	-	-	-
Total Fund Balance	<u>966,725</u>	<u>3,738,778</u>	<u>251,688</u>	<u>429,762</u>	<u>3,137,689</u>
Total Liabilities and Fund Balances	<u>\$ 966,725</u>	<u>\$ 3,743,112</u>	<u>\$ 1,467,988</u>	<u>\$ 653,909</u>	<u>\$ 3,189,800</u>

See the accompanying Independent Auditors' Report.

<u>Debt Service</u> <u>Lakewood</u> <u>Public Building</u> <u>Authority</u>	<u>Capital Projects</u> <u>Equipment</u> <u>Replacement</u> <u>Fund</u>	<u>Total Nonmajor</u> <u>Governmental</u> <u>Funds</u>
\$ -	\$ 3,701,261	\$ 10,589,803
2,830,912	-	2,830,912
-	59,856	3,099,922
-	-	48,000
-	-	40,676
-	-	4,250
<u>\$ 2,830,912</u>	<u>\$ 3,761,117</u>	<u>\$ 16,613,563</u>

\$ 6,681	\$ 47,502	\$ 470,768
-	-	62,394
-	-	79,197
-	-	587,397
-	-	351,319
<u>6,681</u>	<u>47,502</u>	<u>1,551,075</u>

-	-	40,676
-	-	4,250
-	-	48,000
-	-	4,104,414
-	-	3,690,778
2,824,231	-	2,824,231
-	-	251,688
-	-	384,836
-	3,713,615	3,713,615
<u>2,824,231</u>	<u>3,713,615</u>	<u>15,062,488</u>
<u>\$ 2,830,912</u>	<u>\$ 3,761,117</u>	<u>\$ 16,613,563</u>

**CITY OF LAKEWOOD, COLORADO**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**Year Ended December 31, 2012**

	<b>Special Revenue Funds</b>				
	<b>Conservation Trust Fund</b>	<b>Economic Development Fund</b>	<b>Grants Fund</b>	<b>Heritage, Culture and Arts Fund</b>	<b>Open Space Fund</b>
<b>REVENUES</b>					
Taxes	\$ -	\$ 1,102,176	\$ -	\$ -	\$ -
Charges for Services	-	66,300	-	740,975	6,512
Intergovernmental	1,422,400	-	7,338,374	220,760	5,355,433
Investment Income	10,492	40,756	1,837	-	21,042
Sale of Assets	-	-	-	-	-
Miscellaneous	-	-	-	177,074	50
Total Revenues	<u>1,432,892</u>	<u>1,209,232</u>	<u>7,340,211</u>	<u>1,138,809</u>	<u>5,383,037</u>
<b>EXPENDITURES</b>					
Current					
General Government	-	-	93,766	-	-
Public Safety	-	-	2,118,914	-	-
Public Works	-	-	59,930	-	-
Culture and Recreation	-	-	39,028	2,160,012	3,501,041
Urban Development and Housing	-	379,579	1,312,841	-	-
Economic Opportunity	-	-	1,147,651	-	-
Capital Outlay					
General Government	-	-	17,845	-	-
Public Safety	-	-	1,664,584	-	-
Public Works	-	-	174,993	-	-
Culture and Recreation	175,088	-	-	55,964	1,227,763
Urban Development and Housing	-	558	67,993	-	-
Debt Service					
Principal	58,434	-	238,000	-	-
Interest and Fiscal Charges	39,566	-	55,726	-	-
Total Expenditures	<u>273,088</u>	<u>380,137</u>	<u>6,991,271</u>	<u>2,215,976</u>	<u>4,728,804</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>1,159,804</u>	<u>829,095</u>	<u>348,940</u>	<u>(1,077,167)</u>	<u>654,233</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In	-	-	-	1,045,296	-
Transfers Out	(625,143)	-	-	-	(353,342)
Total Other Financing Sources (Uses)	<u>(625,143)</u>	<u>-</u>	<u>-</u>	<u>1,045,296</u>	<u>(353,342)</u>
Net Change in Fund Balance	534,661	829,095	348,940	(31,871)	300,891
<b>FUND BALANCE, Beginning of Year</b>	<u>432,064</u>	<u>2,909,683</u>	<u>(97,252)</u>	<u>461,633</u>	<u>2,836,798</u>
<b>FUND BALANCE, End of Year</b>	<u>\$ 966,725</u>	<u>\$ 3,738,778</u>	<u>\$ 251,688</u>	<u>\$ 429,762</u>	<u>\$ 3,137,689</u>

See the accompanying Independent Auditors' Report.

<u>Debt Service</u>	<u>Capital Projects</u>	
<u>Lakewood</u>	<u>Equipment</u>	<u>Total Nonmajor</u>
<u>Public Building</u>	<u>Replacement</u>	<u>Governmental</u>
<u>Authority</u>	<u>Fund</u>	<u>Funds</u>
\$ -	\$ -	\$ 1,102,176
713,226	1,875,463	3,402,476
-	-	14,336,967
142,603	-	216,730
-	103,152	103,152
20,213	-	197,337
<u>876,042</u>	<u>1,978,615</u>	<u>19,358,838</u>
5,118	516,386	615,270
-	50,698	2,169,612
-	-	59,930
-	-	5,700,081
-	-	1,692,420
-	-	1,147,651
-	1,749,248	1,767,093
-	628,256	2,292,840
-	-	174,993
-	-	1,458,815
-	-	68,551
3,925,000	-	4,221,434
1,914,584	-	2,009,876
<u>5,844,702</u>	<u>2,944,588</u>	<u>23,378,566</u>
<u>(4,968,660)</u>	<u>(965,973)</u>	<u>(4,019,728)</u>
4,959,107	187,969	6,192,372
-	(80,000)	(1,058,485)
<u>4,959,107</u>	<u>107,969</u>	<u>5,133,887</u>
(9,553)	(858,004)	1,114,159
<u>2,833,784</u>	<u>4,571,619</u>	<u>13,948,329</u>
<u>\$ 2,824,231</u>	<u>\$ 3,713,615</u>	<u>\$ 15,062,488</u>

**CITY OF LAKEWOOD, COLORADO**  
**CONSERVATION TRUST FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**Year Ended December 31, 2012**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Favorable (Unfavorable)</b>
<b>REVENUES</b>				
Intergovernmental				
State Government Shared Revenue	\$ 1,310,282	\$ 1,310,282	\$ 1,422,400	\$ 112,118
Investment Income	7,073	5,331	10,492	5,161
Total Revenues	<u>1,317,355</u>	<u>1,315,613</u>	<u>1,432,892</u>	<u>117,279</u>
<b>EXPENDITURES</b>				
Culture and Recreation				
Capital Outlay	530,475	740,475	175,088	565,387
Debt Service	98,000	98,000	98,000	-
Total Expenditures	<u>628,475</u>	<u>838,475</u>	<u>273,088</u>	<u>565,387</u>
Excess (Deficiency) of Revenues Over Expenditures	688,880	477,138	1,159,804	682,666
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	(625,143)	(625,143)	(625,143)	-
Net Change in Fund Balance	63,737	(148,005)	534,661	682,666
<b>FUND BALANCE, Beginning of Year</b>	<u>254,586</u>	<u>432,064</u>	<u>432,064</u>	<u>-</u>
<b>FUND BALANCE, End of Year</b>	<u><u>\$ 318,323</u></u>	<u><u>\$ 284,059</u></u>	<u><u>\$ 966,725</u></u>	<u><u>\$ 682,666</u></u>

See the accompanying Independent Auditors' Report.

**CITY OF LAKEWOOD, COLORADO**  
**ECONOMIC DEVELOPMENT FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**Year Ended December 31, 2012**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Favorable (Unfavorable)</b>
<b>REVENUES</b>				
Hotel Accommodation Taxes	\$ 850,000	\$ 920,000	\$ 1,102,176	\$ 182,176
Charges for Services	52,000	52,000	66,300	14,300
Investment Income	64,889	40,000	40,756	756
Total Revenues	<u>966,889</u>	<u>1,012,000</u>	<u>1,209,232</u>	<u>197,232</u>
<b>EXPENDITURES</b>				
Urban Development and Housing				
Personnel Services	475,293	340,984	212,010	128,974
Services and Supplies	605,400	685,400	167,569	517,831
Capital Outlay	3,000	3,000	558	2,442
Total Expenditures	<u>1,083,693</u>	<u>1,029,384</u>	<u>380,137</u>	<u>649,247</u>
Net Change in Fund Balance	(116,804)	(17,384)	829,095	846,479
<b>FUND BALANCE, Beginning of Year</b>	<u>2,263,047</u>	<u>2,909,683</u>	<u>2,909,683</u>	<u>-</u>
<b>FUND BALANCE, End of Year</b>	<u><u>\$ 2,146,243</u></u>	<u><u>\$ 2,892,299</u></u>	<u><u>\$ 3,738,778</u></u>	<u><u>\$ 846,479</u></u>

See the accompanying Independent Auditors' Report.

**CITY OF LAKEWOOD, COLORADO**  
**GRANTS FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**Year Ended December 31, 2012**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Favorable (Unfavorable)</b>
<b>REVENUES</b>				
Intergovernmental				
Federal Government Grants	\$ 3,293,813	\$ 8,718,137	\$ 4,436,746	\$ (4,281,391)
State Government Grants	1,344,647	2,100,870	1,332,893	(767,977)
Local Government Grants	803,084	4,409,083	1,568,735	(2,840,348)
Total Intergovernmental	5,441,544	15,228,090	7,338,374	(7,889,716)
Investment Income	1,858	5,000	1,837	(3,163)
Miscellaneous	-	5,000	-	(5,000)
Total Revenues	5,443,402	15,238,090	7,340,211	(7,897,879)
<b>EXPENDITURES</b>				
General Government				
Personnel Services	39,973	52,785	60,496	(7,711)
Services and Supplies	-	57,209	33,270	23,939
Capital Outlay	-	54,243	17,845	36,398
Total General Government	39,973	164,237	111,611	52,626
Public Safety				
Personnel Services	1,077,770	958,755	800,630	158,125
Services and Supplies	1,511,274	2,139,897	1,318,284	821,613
Capital Outlay	318,044	2,398,251	1,664,584	733,667
Total Public Safety	2,907,088	5,496,903	3,783,498	1,713,405
Public Works				
Personnel Services	-	11,253	30,042	(18,789)
Services and Supplies	-	28,974	29,888	(914)
Capital Outlay	25,000	4,663,747	174,993	4,488,754
Total Public Works	25,000	4,703,974	234,923	4,469,051

(Continued)

See the accompanying Independent Auditors' Report.

**CITY OF LAKEWOOD, COLORADO**  
**GRANTS FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**Year Ended December 31, 2012**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Favorable (Unfavorable)</b>
<b>EXPENDITURES (Continued)</b>				
Culture and Recreation				
Personnel Services	-	2,126	14,028	(11,902)
Services and Supplies	-	43,706	25,000	18,706
Total Culture and Recreation	-	45,832	39,028	6,804
Urban Development and Housing				
Personnel Services	266,700	327,321	335,580	(8,259)
Services and Supplies	665,336	2,439,249	977,261	1,461,988
Capital Outlay	-	64,477	67,993	(3,516)
Total Urban Development and Housing	932,036	2,831,047	1,380,834	1,450,213
Economic Opportunity				
Personnel Services	1,064,219	965,189	946,223	18,966
Services and Supplies	209,179	203,454	201,428	2,026
Total Economic Opportunity	1,273,398	1,168,643	1,147,651	20,992
Debt Service				
Principal	238,000	238,000	238,000	-
Interest	130,909	121,181	55,726	65,455
Total Debt Service	368,909	359,181	293,726	65,455
Total Expenditures	5,546,404	14,769,817	6,991,271	7,778,546
Net Change in Fund Balance	(103,002)	468,273	348,940	(119,333)
<b>FUND BALANCE, Beginning of Year</b>	(1,200,397)	(97,252)	(97,252)	-
<b>FUND BALANCE, End of Year</b>	<u>\$ (1,303,399)</u>	<u>\$ 371,021</u>	<u>\$ 251,688</u>	<u>\$ (119,333)</u>

See the accompanying Independent Auditors' Report.

**CITY OF LAKEWOOD, COLORADO**  
**HERITAGE, CULTURE AND ARTS FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**Year Ended December 31, 2012**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Favorable (Unfavorable)</b>
<b>REVENUES</b>				
Charges for Services	\$ 861,226	\$ 842,550	\$ 740,975	\$ (101,575)
Intergovernmental				
State Government Grants	270,000	244,992	207,760	(37,232)
Federal Government Grants	3,000	13,000	13,000	-
Miscellaneous	244,490	213,422	177,074	(36,348)
<b>Total Revenues</b>	<b>1,378,716</b>	<b>1,313,964</b>	<b>1,138,809</b>	<b>(175,155)</b>
<b>EXPENDITURES</b>				
Culture and Recreation				
Personnel Services	1,528,582	1,532,809	1,471,942	60,867
Services and Supplies	824,535	786,196	688,070	98,126
Capital Outlay	180,000	117,000	55,964	61,036
<b>Total Expenditures</b>	<b>2,533,117</b>	<b>2,436,005</b>	<b>2,215,976</b>	<b>220,029</b>
Excess (Deficiency) of Revenues Over Expenditures	(1,154,401)	(1,122,041)	(1,077,167)	44,874
<b>OTHER FINANCING SOURCES</b>				
Transfers In	985,296	985,296	1,045,296	60,000
Net Change in Fund Balance	(169,105)	(136,745)	(31,871)	104,874
<b>FUND BALANCE, Beginning of Year</b>	<b>320,946</b>	<b>461,633</b>	<b>461,633</b>	<b>-</b>
<b>FUND BALANCE, End of Year</b>	<b>\$ 151,841</b>	<b>\$ 324,888</b>	<b>\$ 429,762</b>	<b>\$ 104,874</b>

See the accompanying Independent Auditors' Report.

**CITY OF LAKEWOOD, COLORADO**  
**OPEN SPACE FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**Year Ended December 31, 2012**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Favorable (Unfavorable)</b>
<b>REVENUES</b>				
Charges for Services	\$ -	\$ 777	\$ 6,512	\$ 5,735
Open Space Revenue	4,613,196	4,804,288	4,911,411	107,123
Intergovernmental	750,000	465,000	444,022	(20,978)
Investment Income	32,970	34,105	21,042	(13,063)
Contributions and Donations	10,822	10,822	50	(10,772)
Total Revenues	<u>5,406,988</u>	<u>5,314,992</u>	<u>5,383,037</u>	<u>68,045</u>
<b>EXPENDITURES</b>				
Culture and Recreation				
Parks and Open Space				
Personnel Services	2,636,200	2,622,257	2,469,980	152,277
Services and Supplies	1,409,433	1,243,154	1,031,061	212,093
Capital Outlay	824,391	2,188,364	1,227,763	960,601
Total Expenditures	<u>4,870,024</u>	<u>6,053,775</u>	<u>4,728,804</u>	<u>1,324,971</u>
Excess (Deficiency) of Revenues Over Expenditures	536,964	(738,783)	654,233	1,393,016
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	(353,342)	(353,342)	(353,342)	-
Net Change in Fund Balance	183,622	(1,092,125)	300,891	1,393,016
<b>FUND BALANCE, Beginning of Year</b>	<u>1,261,064</u>	<u>2,836,798</u>	<u>2,836,798</u>	<u>-</u>
<b>FUND BALANCE, End of Year</b>	<u>\$ 1,444,686</u>	<u>\$ 1,744,673</u>	<u>\$ 3,137,689</u>	<u>\$ 1,393,016</u>

See the accompanying Independent Auditors' Report.

**CITY OF LAKEWOOD, COLORADO**  
**LAKEWOOD PUBLIC BUILDING AUTHORITY**  
**BUDGETARY COMPARISON SCHEDULE**  
**Year Ended December 31, 2012**

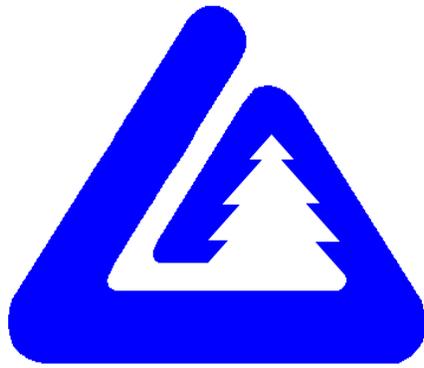
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Favorable (Unfavorable)</b>
<b>REVENUES</b>				
Charges for Services	\$ 717,541	\$ 617,001	\$ 713,226	\$ 96,225
Investment Income	160,200	135,824	142,603	6,779
Miscellaneous	-	-	20,213	20,213
<b>Total Revenues</b>	<b>877,741</b>	<b>752,825</b>	<b>876,042</b>	<b>123,217</b>
<b>EXPENDITURES</b>				
General Government				
Services and Supplies	45,445	39,445	5,118	34,327
<b>Total General Government</b>	<b>45,445</b>	<b>39,445</b>	<b>5,118</b>	<b>34,327</b>
Debt Service				
Principal	3,925,000	3,925,000	3,925,000	-
Interest and Fiscal Charges	1,912,728	1,912,728	1,914,584	(1,856)
<b>Total Debt Service</b>	<b>5,837,728</b>	<b>5,837,728</b>	<b>5,839,584</b>	<b>(1,856)</b>
<b>Total Expenditures</b>	<b>5,883,173</b>	<b>5,877,173</b>	<b>5,844,702</b>	<b>32,471</b>
Excess (Deficiency) of Revenues Over Expenditures	(5,005,432)	(5,124,348)	(4,968,660)	155,688
<b>OTHER FINANCING SOURCES</b>				
Transfers In	5,114,402	5,114,402	4,959,107	(155,295)
<b>Net Change in Fund Balance</b>	<b>108,970</b>	<b>(9,946)</b>	<b>(9,553)</b>	<b>393</b>
<b>FUND BALANCE, Beginning of Year</b>	<b>2,952,172</b>	<b>2,833,784</b>	<b>2,833,784</b>	<b>-</b>
<b>FUND BALANCE, End of Year</b>	<b>\$ 3,061,142</b>	<b>\$ 2,823,838</b>	<b>\$ 2,824,231</b>	<b>\$ 393</b>

See the accompanying Independent Auditors' Report.

**CITY OF LAKEWOOD, COLORADO**  
**EQUIPMENT REPLACEMENT FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**Year Ended December 31, 2012**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Favorable (Unfavorable)</b>
<b>REVENUES</b>				
Charges for Services	\$ 1,993,658	\$ 1,840,000	\$ 1,875,463	\$ 35,463
Sale of Assets	150,000	150,000	103,152	(46,848)
Total Revenues	<u>2,143,658</u>	<u>1,990,000</u>	<u>1,978,615</u>	<u>(11,385)</u>
<b>EXPENDITURES</b>				
General Government				
Personnel Services	-	-	19,908	(19,908)
Services and Supplies	279,000	435,000	496,478	(61,478)
Capital Outlay	2,130,000	2,290,000	1,749,248	540,752
Total General Government	<u>2,409,000</u>	<u>2,725,000</u>	<u>2,265,634</u>	<u>459,366</u>
Public Safety				
Services and Supplies	100,000	100,000	50,698	49,302
Capital Outlay	100,000	636,900	628,256	8,644
Total Public Safety	<u>200,000</u>	<u>736,900</u>	<u>678,954</u>	<u>57,946</u>
Total Expenditures	<u>2,609,000</u>	<u>3,461,900</u>	<u>2,944,588</u>	<u>517,312</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(465,342)</u>	<u>(1,471,900)</u>	<u>(965,973)</u>	<u>505,927</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	337,969	187,969	187,969	-
Transfers Out	(80,000)	(80,000)	(80,000)	-
Total Other Financing Sources (Uses)	<u>257,969</u>	<u>107,969</u>	<u>107,969</u>	<u>-</u>
Net Change in Fund Balance	<u>(207,373)</u>	<u>(1,363,931)</u>	<u>(858,004)</u>	<u>505,927</u>
<b>FUND BALANCE, Beginning of Year</b>	<u>4,032,068</u>	<u>4,571,619</u>	<u>4,571,619</u>	<u>-</u>
<b>FUND BALANCE, End of Year</b>	<u><u>\$ 3,824,695</u></u>	<u><u>\$ 3,207,688</u></u>	<u><u>\$ 3,713,615</u></u>	<u><u>\$ 505,927</u></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.

## **MAJOR FUNDS**

### **GOLF COURSE ENTERPRISE FUND**

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

### **SEWER ENTERPRISE FUND**

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

### **STORMWATER ENTERPRISE FUND**

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

## **NON-MAJOR FUNDS**

### **WATER ENTERPRISE FUND**

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

**CITY OF LAKEWOOD, COLORADO**  
**GOLF COURSE ENTERPRISE FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**Year Ended December 31, 2012**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Favorable (Unfavorable)</b>
<b>REVENUES</b>				
Charges for Services	\$ 4,395,852	\$ 4,625,431	\$ 4,450,040	\$ (175,391)
Miscellaneous	-	-	709	709
Total Revenues	<u>4,395,852</u>	<u>4,625,431</u>	<u>4,450,749</u>	<u>(174,682)</u>
<b>EXPENDITURES</b>				
Cost of Goods Sold	286,151	286,151	320,498	(34,347)
Personnel Services	2,356,381	2,238,798	2,221,491	17,307
Services and Supplies	736,762	734,362	851,825	(117,463)
Capital Outlay	70,000	130,000	106,550	23,450
Debt Principal	51,778	51,778	51,778	-
Interest Expense	14,618	7,923	7,342	581
Depreciation	392,253	383,099	342,632	40,467
Transfers Out	815,403	815,403	676,545	138,858
Total Expenditures	<u>4,723,346</u>	<u>4,647,514</u>	<u>4,578,661</u>	<u>68,853</u>
Change in Net Position, Budgetary Basis	<u>\$ (327,494)</u>	<u>\$ (22,083)</u>	(127,912)	<u>\$ (105,829)</u>
<b>ADJUSTMENTS TO GAAP BASIS</b>				
Capital Outlay			106,550	
Debt Principal Payments			<u>51,778</u>	
<b>CHANGE IN NET POSITION, GAAP BASIS</b>			<u>\$ 30,416</u>	

See the accompanying Independent Auditors' Report.

**CITY OF LAKEWOOD, COLORADO**  
**SEWER ENTERPRISE FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**Year Ended December 31, 2012**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Favorable (Unfavorable)</b>
<b>REVENUES</b>				
Charges for Services	\$ 2,586,000	\$ 2,957,900	\$ 3,078,441	\$ 120,541
Investment Income	60,993	54,167	47,233	(6,934)
Miscellaneous	10,000	10,000	192,906	182,906
Total Revenues	<u>2,656,993</u>	<u>3,022,067</u>	<u>3,318,580</u>	<u>296,513</u>
<b>EXPENDITURES</b>				
Personnel Services	599,448	596,031	570,405	25,626
Services and Supplies	421,035	411,968	323,861	88,107
Sanitation Treatment	2,240,000	2,240,024	2,237,784	2,240
Capital Outlay	350,000	300,000	249,773	50,227
Depreciation	400,331	408,896	402,904	5,992
Total Expenditures	<u>4,010,814</u>	<u>3,956,919</u>	<u>3,784,727</u>	<u>172,192</u>
Change in Net Position, Budgetary Basis	<u>\$ (1,353,821)</u>	<u>\$ (934,852)</u>	(466,147)	<u>\$ 468,705</u>
<b>ADJUSTMENTS TO GAAP BASIS</b>				
Capital Outlay			<u>249,773</u>	
<b>CHANGE IN NET POSITION, GAAP BASIS</b>			<u>\$ (216,374)</u>	

See the accompanying Independent Auditors' Report.

**CITY OF LAKEWOOD, COLORADO**  
**STORMWATER ENTERPRISE FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**Year Ended December 31, 2012**

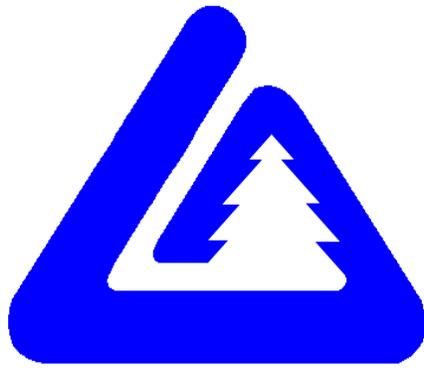
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>REVENUES</b>				
Charges for Services	\$ 2,460,000	\$ 2,460,000	\$ 2,448,746	\$ (11,254)
Investment Income	31,151	33,476	40,434	6,958
Miscellaneous	20,000	20,000	17,449	(2,551)
Total Revenues	<u>2,511,151</u>	<u>2,513,476</u>	<u>2,506,629</u>	<u>(6,847)</u>
<b>EXPENDITURES</b>				
Personnel Services	1,021,087	1,025,422	1,031,764	(6,342)
Services and Supplies	873,137	932,931	899,256	33,675
Capital Outlay	625,000	1,910,000	515,028	1,394,972
Depreciation	355,882	379,562	387,897	(8,335)
Total Expenditures	<u>2,875,106</u>	<u>4,247,915</u>	<u>2,833,945</u>	<u>1,413,970</u>
Change in Net Position, Budgetary Basis	<u>\$ (363,955)</u>	<u>\$ (1,734,439)</u>	(327,316)	<u>\$ 1,407,123</u>
<b>ADJUSTMENTS TO GAAP BASIS</b>				
Capital Outlay			<u>388,349</u>	
<b>CHANGE IN NET POSITION, GAAP BASIS</b>			<u>\$ 61,033</u>	

See the accompanying Independent Auditors' Report.

**CITY OF LAKEWOOD, COLORADO**  
**WATER ENTERPRISE FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**Year Ended December 31, 2012**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Favorable (Unfavorable)</b>
<b>REVENUES</b>				
Charges for Services	\$ 1,060,200	\$ 1,100,200	\$ 1,100,546	\$ 346
Miscellaneous	2,400	2,400	-	(2,400)
Investment Income	23,536	15,354	12,164	(3,190)
<b>Total Revenues</b>	<b>1,086,136</b>	<b>1,117,954</b>	<b>1,112,710</b>	<b>(5,244)</b>
<b>EXPENDITURES</b>				
Personnel Services	98,637	97,718	91,368	6,350
Services and Supplies	54,571	52,956	41,606	11,350
Water Purchased	740,000	775,000	779,767	(4,767)
Capital Outlay	28,800	28,800	-	28,800
Depreciation	48,732	48,732	46,797	1,935
<b>Total Expenditures</b>	<b>970,740</b>	<b>1,003,206</b>	<b>959,538</b>	<b>43,668</b>
<b>CHANGE IN NET POSITION, GAAP BASIS</b>	<b>\$ 115,396</b>	<b>\$ 114,748</b>	<b>\$ 153,172</b>	<b>\$ 38,424</b>

See the accompanying Independent Auditors' Report.



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# **INTERNAL SERVICE FUNDS**

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

## **PROPERTY AND CASUALTY SELF-INSURANCE FUND**

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

## **WORKERS' COMPENSATION SELF-INSURANCE FUND**

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

## **RETIREES' HEALTH PROGRAM FUND**

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

**CITY OF LAKEWOOD, COLORADO**  
**COMBINING STATEMENT OF NET POSITION**  
**INTERNAL SERVICE FUNDS**  
**December 31, 2012**

	<b>Property and Casualty</b>	<b>Workers' Compensation</b>	<b>Dental</b>	<b>Retirees' Health</b>	<b>Total</b>
<b>ASSETS</b>					
Cash and Investments	\$ 4,288,566	\$ 5,594,540	\$ 1,701,729	\$ 2,270,219	\$ 13,855,054
Total Assets	<u>\$ 4,288,566</u>	<u>\$ 5,594,540</u>	<u>\$ 1,701,729</u>	<u>\$ 2,270,219</u>	<u>\$ 13,855,054</u>
<b>LIABILITIES AND NET POSITION</b>					
<b>LIABILITIES</b>					
Accounts Payable	\$ 94	\$ 5,729	\$ -	\$ -	\$ 5,823
Claims Payable	697,463	1,043,030	18,726	-	1,759,219
Total Liabilities	<u>697,557</u>	<u>1,048,759</u>	<u>18,726</u>	<u>-</u>	<u>1,765,042</u>
<b>NET POSITION</b>					
Unrestricted	<u>3,591,009</u>	<u>4,545,781</u>	<u>1,683,003</u>	<u>2,270,219</u>	<u>12,090,012</u>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<u>\$ 4,288,566</u>	<u>\$ 5,594,540</u>	<u>\$ 1,701,729</u>	<u>\$ 2,270,219</u>	<u>\$ 13,855,054</u>

See the accompanying Independent Auditors' Report.

**CITY OF LAKEWOOD, COLORADO**  
**COMBINING STATEMENT OF REVENUES, EXPENSES AND**  
**CHANGES IN NET POSITION**  
**INTERNAL SERVICE FUNDS**  
**Year Ended December 31, 2012**

	<b>Property and Casualty</b>	<b>Workers' Compensation</b>	<b>Dental</b>	<b>Retirees' Health</b>	<b>Total</b>
<b>OPERATING REVENUES</b>					
Charges for Services	\$ 335,000	\$ 165,000	\$ 878,589	\$ 320,000	\$ 1,698,589
Total Revenues	335,000	165,000	878,589	320,000	1,698,589
<b>OPERATING EXPENSES</b>					
Other Expenses	40,928	14,863	-	-	55,791
Claims	(258,450)	1,186,686	749,727	-	1,677,963
Premiums	387,075	99,685	-	90,447	577,207
Total Expenses	169,553	1,301,234	749,727	90,447	2,310,961
Operating Income (Loss)	165,447	(1,136,234)	128,862	229,553	(612,372)
<b>NONOPERATING REVENUES</b>					
Investment Income	53,939	74,245	20,809	26,519	175,512
Total Nonoperating Revenues	53,939	74,245	20,809	26,519	175,512
Change in Net Position	219,386	(1,061,989)	149,671	256,072	(436,860)
<b>NET POSITION, Beginning of Year</b>	<b>3,371,623</b>	<b>5,607,770</b>	<b>1,533,332</b>	<b>2,014,147</b>	<b>12,526,872</b>
<b>NET POSITION, End of Year</b>	<b>\$ 3,591,009</b>	<b>\$ 4,545,781</b>	<b>\$ 1,683,003</b>	<b>\$ 2,270,219</b>	<b>\$ 12,090,012</b>

See the accompanying Independent Auditors' Report.

**CITY OF LAKEWOOD, COLORADO**  
**COMBINING STATEMENT OF CASH FLOWS**  
**INTERNAL SERVICE FUNDS**  
**Year Ended December 31, 2012**

	<b>Property and Casualty</b>	<b>Workers' Compensation</b>	<b>Dental</b>	<b>Retirees' Health</b>	<b>Total</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Cash Received from Customers	\$ 339,993	\$ 165,502	\$ 878,589	\$ 320,000	\$ 1,704,084
Cash Paid to Suppliers	(841,808)	(794,113)	(754,259)	(90,447)	(2,480,627)
Net Cash Provided (Used) by Operating Activities	(501,815)	(628,611)	124,330	229,553	(776,543)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Investment Income	53,939	74,245	20,809	26,519	175,512
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(447,876)	(554,366)	145,139	256,072	(601,031)
<b>CASH AND CASH EQUIVALENTS, Beginning of Year</b>	<b>4,736,442</b>	<b>6,148,906</b>	<b>1,556,590</b>	<b>2,014,147</b>	<b>14,456,085</b>
<b>CASH AND CASH EQUIVALENTS, End of Year</b>	<b>\$ 4,288,566</b>	<b>\$ 5,594,540</b>	<b>\$ 1,701,729</b>	<b>\$ 2,270,219</b>	<b>\$ 13,855,054</b>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>					
Operating Income (Loss)	\$ 165,447	\$(1,136,234)	\$ 128,862	\$ 229,553	\$ (612,372)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities					
Accounts Receivable	4,993	502	-	-	5,495
Accounts Payable	(48,422)	(5,086)	-	-	(53,508)
Claims Payable	(623,833)	512,207	(4,532)	-	(116,158)
Net Cash Provided (Used) by Operating Activities	<b>\$ (501,815)</b>	<b>\$ (628,611)</b>	<b>\$ 124,330</b>	<b>\$ 229,553</b>	<b>\$ (776,543)</b>

See the accompanying Independent Auditors' Report.

**CITY OF LAKEWOOD, COLORADO**  
**PROPERTY AND CASUALTY SELF-INSURANCE FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**Year Ended December 31, 2012**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Favorable (Unfavorable)</b>
<b>REVENUES</b>				
Charges for Services	\$ 335,000	\$ 335,000	\$ 335,000	\$ -
Investment Income	73,635	42,970	53,939	10,969
Total Revenues	<u>408,635</u>	<u>377,970</u>	<u>388,939</u>	<u>10,969</u>
<b>EXPENDITURES</b>				
Other Expenses	97,500	97,500	40,928	56,572
Claims	856,761	852,968	(258,450)	1,111,418
Premiums	490,353	398,424	387,075	11,349
Total Expenditures	<u>1,444,614</u>	<u>1,348,892</u>	<u>169,553</u>	<u>1,179,339</u>
Change in Net Position	(1,035,979)	(970,922)	219,386	1,190,308
<b>NET POSITION, Beginning of Year</b>	<u>2,580,692</u>	<u>3,371,623</u>	<u>3,371,623</u>	<u>-</u>
<b>NET POSITION, End of Year</b>	<u><u>\$ 1,544,713</u></u>	<u><u>\$ 2,400,701</u></u>	<u><u>\$ 3,591,009</u></u>	<u><u>\$ 1,190,308</u></u>

See the accompanying Independent Auditors' Report.

**CITY OF LAKEWOOD, COLORADO**  
**WORKERS' COMPENSATION SELF-INSURANCE FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**Year Ended December 31, 2012**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Favorable (Unfavorable)</b>
<b>REVENUES</b>				
Charges for Services	\$ 165,000	\$ 165,000	\$ 165,000	\$ -
Investment Income	113,514	77,882	74,245	(3,637)
Total Revenues	<u>278,514</u>	<u>242,882</u>	<u>239,245</u>	<u>(3,637)</u>
<b>EXPENDITURES</b>				
Other Expenses	94,500	94,500	14,863	79,637
Claims	807,051	801,310	1,186,686	(385,376)
Premiums	189,626	97,416	99,685	(2,269)
Capital Outlay	5,000	5,000	-	5,000
Total Expenditures	<u>1,096,177</u>	<u>998,226</u>	<u>1,301,234</u>	<u>(303,008)</u>
Change in Net Position	(817,663)	(755,344)	(1,061,989)	(306,645)
<b>NET POSITION, Beginning of Year</b>	<u>4,575,665</u>	<u>5,607,770</u>	<u>5,607,770</u>	<u>-</u>
<b>NET POSITION, End of Year</b>	<u><u>\$ 3,758,002</u></u>	<u><u>\$ 4,852,426</u></u>	<u><u>\$ 4,545,781</u></u>	<u><u>\$ (306,645)</u></u>

See the accompanying Independent Auditors' Report.

**CITY OF LAKEWOOD, COLORADO**  
**DENTAL SELF-INSURANCE FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**Year Ended December 31, 2012**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Favorable (Unfavorable)</b>
<b>REVENUES</b>				
Charges for Services	\$ 1,193,557	\$ 1,193,557	\$ 878,589	\$ (314,968)
Investment Income	35,501	23,203	20,809	(2,394)
Total Revenues	<u>1,229,058</u>	<u>1,216,760</u>	<u>899,398</u>	<u>(317,362)</u>
<b>EXPENDITURES</b>				
Claims	<u>1,166,431</u>	<u>1,166,431</u>	<u>749,727</u>	<u>416,704</u>
Total Expenditures	<u>1,166,431</u>	<u>1,166,431</u>	<u>749,727</u>	<u>416,704</u>
Change in Net Position	62,627	50,329	149,671	99,342
<b>NET POSITION, Beginning of Year</b>	<u>1,406,485</u>	<u>1,533,332</u>	<u>1,533,332</u>	<u>-</u>
<b>NET POSITION, End of Year</b>	<u><u>\$ 1,469,112</u></u>	<u><u>\$ 1,583,661</u></u>	<u><u>\$ 1,683,003</u></u>	<u><u>\$ 99,342</u></u>

See the accompanying Independent Auditors' Report.

**CITY OF LAKEWOOD, COLORADO  
RETIREES' HEALTH PROGRAM FUND  
BUDGETARY COMPARISON SCHEDULE  
Year Ended December 31, 2012**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<b>Variance Favorable (Unfavorable)</b>
<b>REVENUES</b>				
Charges for Services	\$ 320,000	\$ 320,000	\$ 320,000	\$ -
Investment Income	47,217	31,300	26,519	(4,781)
Total Revenues	<u>367,217</u>	<u>351,300</u>	<u>346,519</u>	<u>(4,781)</u>
<b>EXPENDITURES</b>				
Premiums	175,000	175,000	90,447	84,553
Total Expenditures	<u>175,000</u>	<u>175,000</u>	<u>90,447</u>	<u>84,553</u>
Change in Net Position	192,217	176,300	256,072	79,772
<b>NET POSITION, Beginning of Year</b>	<u>1,816,162</u>	<u>2,014,147</u>	<u>2,014,147</u>	<u>-</u>
<b>NET POSITION, End of Year</b>	<u><u>\$ 2,008,379</u></u>	<u><u>\$ 2,190,447</u></u>	<u><u>\$ 2,270,219</u></u>	<u><u>\$ 79,772</u></u>

See the accompanying Independent Auditors' Report.

# STATISTICAL SECTION

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

## **FINANCIAL TRENDS**

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

## **REVENUE CAPACITY**

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

## **DEBT CAPACITY**

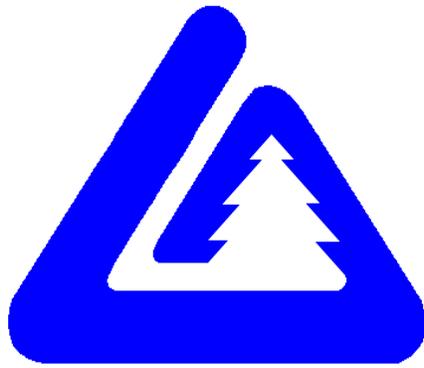
These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

## **DEMOGRAPHIC AND ECONOMIC INFORMATION**

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

## **OPERATING INFORMATION**

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.



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**CITY OF LAKEWOOD, COLORADO**  
**NET POSITION BY COMPONENT**  
**LAST TEN FISCAL YEARS<sup>(1)</sup>**  
*(Accrual basis of accounting)*

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Governmental activities</b>										
Net investment in capital assets	\$ 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	\$ 377,969,428
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	31,757,394
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	38,708,259
<b>Total governmental activities net assets</b>	<b>\$ 180,689,785</b>	<b>\$ 183,304,120</b>	<b>\$ 188,420,586</b>	<b>\$ 204,482,921</b>	<b>\$ 375,328,506</b>	<b>\$ 390,709,365</b>	<b>\$ 401,388,376</b>	<b>\$ 417,958,141</b>	<b>\$ 440,211,501</b>	<b>\$ 448,435,081</b>
<b>Business-type activities</b>										
Net investment in capital assets	\$ 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	\$ 21,221,070
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	7,890,750
<b>Total business-type activities</b>	<b>\$ 27,444,755</b>	<b>\$ 29,037,175</b>	<b>\$ 29,945,027</b>	<b>\$ 30,648,944</b>	<b>\$ 30,878,499</b>	<b>\$ 30,864,960</b>	<b>\$ 29,549,826</b>	<b>\$ 29,346,429</b>	<b>\$ 29,083,573</b>	<b>\$ 29,111,820</b>
<b>Primary government</b>										
Net investment in capital assets	\$ 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	\$ 399,190,498
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	31,757,394
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	46,599,009
<b>Total primary government</b>	<b>\$ 208,134,540</b>	<b>\$ 212,341,295</b>	<b>\$ 218,365,613</b>	<b>\$ 235,131,865</b>	<b>\$ 406,207,005</b>	<b>\$ 421,574,325</b>	<b>\$ 430,938,202</b>	<b>\$ 447,304,570</b>	<b>\$ 469,295,074</b>	<b>\$ 477,546,901</b>

(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 POSITION**  
**LAST TEN FISCAL YEARS**  
*(Accrual basis of accounting)*

	Fiscal Year			
	2003	2004	2005	2006
<b>Expenses</b>				
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	<u>95,352,933</u>	<u>94,108,454</u>	<u>93,272,991</u>	<u>100,738,130</u>
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	<u>7,715,778</u>	<u>7,786,066</u>	<u>8,646,103</u>	<u>9,658,174</u>
Total primary government expenses	<u>\$ 103,068,711</u>	<u>\$ 101,894,520</u>	<u>\$ 101,919,094</u>	<u>\$ 110,396,304</u>
<b>Program Revenues</b>				
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	<u>31,921,453</u>	<u>33,438,065</u>	<u>34,502,300</u>	<u>32,659,545</u>
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	<u>9,328,105</u>	<u>9,175,453</u>	<u>9,204,319</u>	<u>10,057,408</u>
Total primary government program revenues	<u>\$ 41,249,558</u>	<u>\$ 42,613,518</u>	<u>\$ 43,706,619</u>	<u>\$ 42,716,953</u>
<b>Net (Expense)/Revenue</b>				
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	<u>\$ (61,819,153)</u>	<u>\$ (59,281,002)</u>	<u>\$ (58,212,475)</u>	<u>\$ (67,679,351)</u>
<b>General Revenues and Other Changes in Net Position</b>				
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	<u>67,745,589</u>	<u>63,284,724</u>	<u>63,887,157</u>	<u>84,042,728</u>
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	<u>(3,694,897)</u>	<u>192,596</u>	<u>418,923</u>	<u>304,683</u>
Total primary government	<u>\$ 64,050,692</u>	<u>\$ 63,477,320</u>	<u>\$ 64,306,080</u>	<u>\$ 84,347,411</u>
<b>Change in Net Position</b>				
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	<u>\$ 2,231,539</u>	<u>\$ 4,196,318</u>	<u>\$ 6,093,605</u>	<u>\$ 16,668,060</u>

		Fiscal Year									
		2007	2008	2009	2010	2011	2012				
\$	30,586,932	\$	33,219,490	\$	26,271,208	\$	27,521,624	\$	28,984,951	\$	33,613,178
	44,782,919		43,292,095		47,399,393		48,255,341		49,551,448		49,079,213
	13,974,839		12,564,574		16,469,884		17,757,345		17,576,101		14,035,937
	17,147,447		17,075,010		18,568,035		18,956,880		18,470,341		18,124,914
	9,373,994		14,062,779		12,222,887		12,132,169		13,439,978		12,714,594
	1,974,192		1,788,320		2,030,004		1,618,911		2,000,883		1,893,704
	--		--		--		--		--		--
	3,186,882		3,263,809		3,148,917		3,293,702		2,653,845		2,440,277
	<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>		<u>131,901,817</u>
	3,783,458		3,949,318		3,876,949		3,767,166		3,698,979		3,743,788
	2,981,580		3,184,497		3,484,607		3,586,602		3,644,660		3,534,954
	1,776,798		1,865,588		1,934,566		1,996,190		1,980,805		2,445,596
	774,530		822,456		802,559		858,582		936,057		959,538
	9,316,366		9,821,859		10,098,681		10,208,540		10,260,501		10,683,876
\$	<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>	\$	<u>142,585,693</u>
\$	7,402,054	\$	9,829,152	\$	8,421,072	\$	8,511,221	\$	8,899,658	\$	8,486,130
	3,965,180		4,266,880		3,950,696		4,341,434		4,059,494		4,453,197
	540,101		1,482,726		526,284		516,036		519,188		522,223
	4,548,295		4,445,338		4,504,693		4,641,418		4,871,635		5,078,856
	--		--		--		1,043,989		1,012,283		1,019,828
	2,154,543		2,590,270		1,910,102		1,003,175		880,778		829,573
	12,976,886		9,841,298		12,764,092		13,590,239		12,563,105		13,124,320
	6,934,522		7,361,818		8,848,584		16,801,801		24,134,258		7,710,450
	<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>		<u>41,224,577</u>
	4,580,751		4,726,715		4,245,555		4,247,555		4,112,309		4,450,040
	2,243,071		2,261,692		2,193,322		2,452,125		2,772,278		3,078,441
	2,349,510		2,487,637		2,284,152		2,464,436		2,411,079		2,448,746
	780,218		853,999		850,730		971,854		1,027,047		1,100,546
	--		--		--		660,205		112,321		--
	9,953,550		10,330,043		9,573,759		10,796,175		10,435,034		11,077,773
\$	<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>	\$	<u>52,302,350</u>
\$	(82,505,624)	\$	(85,448,595)	\$	(85,184,805)	\$	(79,086,659)	\$	(75,737,148)	\$	(90,677,240)
	637,184		508,184		(524,922)		587,635		174,533		393,897
\$	<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>	\$	<u>(90,283,343)</u>
\$	13,889,739	\$	15,246,760	\$	16,126,726	\$	16,254,126	\$	15,767,447	\$	14,825,086
	68,066,620		70,814,487		65,994,458		66,963,692		69,498,098		72,476,177
	9,106,031		9,741,759		9,217,521		9,498,254		10,131,203		9,644,791
	--		--		--		373,052		552,273		364,123
	2,608,891		2,993,259		1,801,742		1,321,255		1,233,115		819,405
	1,129,371		103,468		1,645,640		179,566		199,804		94,693
	799,353		894,157		1,077,729		1,066,479		608,568		676,545
	<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>		<u>98,900,820</u>
	370,521		366,394		278,307		214,837		136,869		99,831
	21,203		6,040		9,210		60,610		34,310		211,064
	(799,353)		(894,157)		(1,077,729)		(1,066,479)		(608,568)		(676,545)
	(407,629)		(521,723)		(790,212)		(791,032)		(437,389)		(365,650)
\$	<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>	\$	<u>98,535,170</u>
\$	13,094,381	\$	14,345,295	\$	10,679,011	\$	16,569,765	\$	22,253,360	\$	8,223,580
	229,555		(13,539)		(1,315,134)		(203,397)		(262,856)		28,247
\$	<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>	\$	<u>8,251,827</u>

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

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General Fund										
Nonspendable										
Restricted <sup>(1)</sup>	\$ 2,537,491	\$ 2,465,311	\$ 2,450,514	\$ 2,548,668	\$ 2,500,552	\$ 2,613,670	\$ 2,438,682	\$ 2,909,251	\$ 2,947,096	\$ 2,758,085
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned <sup>(2)</sup>	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	30,569,397
Total General Fund	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	33,460,352
All Other Governmental Funds										
Nonspendable										
Restricted <sup>(1)</sup>	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	28,999,309
Assigned	-	-	-	-	-	-	-	5,421,171	4,990,085	4,098,451
Unassigned <sup>(2)</sup>	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	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	33,190,686
Total all governmental funds	\$ 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	\$ 66,651,038

(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									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Revenues</b>										
Taxes and special assessments	\$ 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	\$ 96,946,054
Licenses and permits	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	2,730,120
Intergovernmental	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	21,581,104
Charges for services	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	13,931,232
Fines and forfeitures	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	1,421,983
Investment earnings	718,086	564,895	546,455	1,443,422	2,302,875	2,601,205	1,392,534	980,571	1,183,228	643,893
Other revenues	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	1,732,361
<b>Total revenues</b>	<b>95,394,919</b>	<b>96,596,619</b>	<b>99,195,088</b>	<b>116,131,154</b>	<b>132,114,633</b>	<b>138,330,014</b>	<b>133,066,119</b>	<b>137,541,862</b>	<b>140,571,986</b>	<b>138,986,747</b>
<b>Expenditures</b>										
General government	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	26,344,967
Public safety	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	46,978,050
Public works	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	7,734,198
Culture and recreation	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	16,611,826
Urban development and housing	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	4,077,601
Miscellaneous	2,610,755	12,393	20,167	--	--	--	--	--	--	--
Capital outlay	1,333,686	216,602	43,913	434,743	9,315,956	33,982,648	25,443,092	26,170,866	27,421,343	24,047,903
Debt service:										
Principal	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	5,753,704
Interest	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	2,428,937
Other	--	--	--	743,753	--	--	27,500	--	--	--
<b>Total expenditures</b>	<b>106,758,555</b>	<b>96,944,914</b>	<b>96,480,581</b>	<b>106,231,438</b>	<b>125,294,372</b>	<b>139,322,098</b>	<b>132,819,067</b>	<b>135,168,699</b>	<b>137,909,142</b>	<b>133,977,186</b>
Excess of revenues over (under) expenditures	(11,363,636)	(348,295)	2,714,507	9,899,716	6,820,261	(992,084)	247,052	2,373,163	2,662,844	5,009,561
<b>Other Financing Sources (Uses)</b>										
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	(53,880,056)	--	--	(3,770,000)	--	--	--
Payments to escrow agent	--	--	--	15,458,636	15,742,284	14,469,326	10,928,554	8,472,578	8,574,090	10,781,107
Operating transfers in	10,905,378	8,028,106	8,226,713	(15,949,412)	(14,942,931)	(13,575,169)	(9,850,825)	(7,406,099)	(7,965,522)	(10,104,562)
Operating transfers out	(6,916,920)	(7,898,362)	(8,307,818)	--	--	--	--	--	--	--
<b>Total other financing sources (uses)</b>	<b>3,988,458</b>	<b>929,744</b>	<b>595,895</b>	<b>278,791</b>	<b>4,541,353</b>	<b>3,869,157</b>	<b>3,437,729</b>	<b>1,066,479</b>	<b>608,568</b>	<b>676,545</b>
<b>Net change in fund balances</b>	<b>\$ (7,375,178)</b>	<b>\$ 581,449</b>	<b>\$ 3,310,402</b>	<b>\$ 10,178,507</b>	<b>\$ 11,361,614</b>	<b>\$ 2,877,073</b>	<b>\$ 3,684,781</b>	<b>\$ 3,439,642</b>	<b>\$ 3,271,412</b>	<b>\$ 5,686,106</b>
Debt service as a percentage of noncapital expenditures	7.8%	7.9%	8.0%	8.1%	6.1%	6.4%	6.6%	6.7%	6.5%	6.4%

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

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Accommodation & Food Services	\$ 261,889,013	\$ 279,463,942	\$ 298,790,765	\$ 316,208,421	\$ 343,056,204	\$ 345,100,265	\$ 320,289,448	\$ 323,762,289	\$ 340,463,306	\$ 364,439,074
Ag. Forestry, Fishing, Hunting	14,449	12,478	26,465	43,527	43,555	23,839	117,048	62,337	74,539	46,562
Art, Entertainment, Recreation	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	25,898,217
Construction	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	9,314,144
Educational Services	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	1,181,081
Finance and Insurance	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	4,035,689
Health Care, Social Assistance	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	4,081,882
Information	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	173,416,615
Manufacturing	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	25,453,139
Mgmt of Companies, Enterprises	856,761	833,629	810,034	587,272	660,767	2,070	22,001	38,922	122,769	1,970
Mining	183,969	205,529	311,194	248,613	314,864	510,219	316,181	383,415	320,482	258,177
Miscellaneous/Random Filers	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	1,845,694
Other Services	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	53,935,536
Prof. Scientific, Tech Svcs	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	10,586,606
Public Administration	207,185	228,308	207,383	158,118	146,049	155,475	153,217	161,980	185,719	148,100
Real Estate, Rental, Leasing	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	38,661,926
Retail Trade	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	1,221,944,170
Transportation & Warehousing	276,956	335,390	376,835	673,859	753,317	700,737	589,948	533,707	520,013	543,240
Utilities	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	140,996,599
Waste Mgmt & Remediation Svcs	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	7,918,685
Wholesale Trade	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	45,747,674
Not Coded									87	--
Total all categories	\$ 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	\$ 2,130,454,780
City direct sales tax rate	2.0%	2.0%	2.0%	3.0% (1)	3.0%	3.0%	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									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
City direct rate <sup>(1) (2)</sup>	2.00%	2.00%	2.00%	3.00%	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 <sup>(3)</sup>	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%	0.00%
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%	1.00%	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 <sup>(1)</sup>	2012			2003		
	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	\$ 4,405,312	1	6.14%	\$ 2,161,809	1	4.51%
Clothing, gifts, jewelry	1,694,995	2	2.36%	-		
Utility	1,636,285	3	2.28%	-		
Clothing, gifts, jewelry	1,163,457	4	1.62%	-		
Clothing, gifts, jewelry	1,134,244	5	1.58%	947,669	3	1.98%
Computers and software	920,453	6	1.28%	549,671	8	1.15%
Building materials	854,957	7	1.19%	656,540	5	1.37%
Computers and software	842,790	8	1.18%	-		
Utility	774,211	9	1.08%	853,947	4	1.78%
Cellular/wireless	718,556	10	1.00%	-		
Clothing, gifts, jewelry	-			1,127,507	2	2.35%
Computers and software	-			636,744	6	1.33%
Grocery store	-			624,924	7	1.31%
Building materials	-			566,801	9	1.18%
Grocery store	-			567,979	10	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 <sup>(1) (2)</sup>						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 <sup>(3)</sup>		Residential	All Other <sup>(4)</sup>		
				Land	Property <sup>(5)</sup>						
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%
2012	900,361,551	662,238,324	40,399,818	34,173,828	67,396,234	1,701,819,508	4.711	7.96%	29.00%	14,084,206,499	12.08%

**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									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>CITY DIRECT RATE:</b>										
Property Tax Operating Mill Levy	4.711	4.711	4.711	4.711	4.711	4.711	4.711	4.711	4.711	4.711
<b>OVERLAPPING RATES:<sup>(1)</sup></b>										
Jefferson County	23.539	23.867	24.346	24.346	24.346	24.346	24.346	24.346	24.346	24.346
School District R-1	45.387	43.848	51.098	49.053	49.028	48.118	48.284	48.145	48.210	50.616
Alameda Corridor Business Improvement Dist	0.000	0.000	0.000	5.720	5.720	5.720	5.720	5.720	5.720	5.720
Alameda Water & Sanitation District	7.000	7.000	7.000	7.000	7.000	7.000	7.000	7.000	7.000	7.000
Bancroft-Clover Water & Sanitation District	1.709	1.672	1.703	1.662	1.746	1.746	1.746	1.746	1.746	1.746
Bear Creek Water & Sanitation District	4.796	4.795	4.727	4.542	4.600	4.509	4.471	4.535	4.416	4.425
Bennett Bear Creek Farms Water & San. Dist.	2.745	2.731	2.779	2.647	2.647	2.504	2.504	2.468	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	42.000
Daniels Sanitation District	0.575	0.548	0.542	0.542	0.531	0.495	0.495	0.468	0.465	0.465
Denver West Metro District	35.000	35.000	35.000	35.000	35.000	35.000	35.000	36.000	35.000	35.000
Denver West Metro District Ex. 04	0.000	0.000	0.000	13.922	13.094	13.233	12.844	13.129	9.512	20.142
Denver West Metro District Ex. 98	23.281	22.422	14.790	13.922	13.094	13.233	12.844	13.129	9.512	7.562
East Jefferson County Sanitation District	1.380	1.282	1.282	1.223	1.223	1.167	1.167	1.167	1.141	1.141
East Lakewood Sanitation District	5.199	4.591	4.591	4.450	4.570	4.840	4.833	4.813	4.840	4.840
Foothills Parks and Recreation District Sub A	8.248	8.120	8.047	7.912	7.878	7.650	7.636	7.579	7.464	7.527
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	30.000	30.000	30.000	30.000	30.000
Fossil Ridge Metro District No. 3	0.000	0.000	0.000	0.000	0.000	30.000	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	0.268	0.249	0.229	0.227	0.213	0.210	0.210	0.198	0.189	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	7.678	7.678	7.678	7.678	7.678	7.678	7.678	7.678
Lochmoor Water & Sanitation District	13.379	13.236	13.379	13.193	13.193	13.193	13.193	13.193	13.193	13.193
Mt. Carbon Metro District	37.000	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	20.000	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	20.000	20.000	20.000	20.000
Northwest Lakewood Sanitation District	7.187	7.451	7.696	7.696	7.696	7.738	7.802	7.525	7.747	7.571
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	18.000	25.000	25.000	25.000	25.000	25.000	25.000	25.000	25.000	25.000
Plaza Metro District No. 3	20.000	20.000	20.000	20.000	20.000	20.000	20.000	20.000	20.000	20.000
Pleasant View Metro District	3.847	3.227	4.984	4.516	4.984	4.984	7.000	7.000	7.000	7.000
Pleasant View Water & Sanitation District	0.552	0.552	0.552	0.552	0.552	0.552	0.552	0.552	0.552	0.552
Prospect Recreation & Park District	0.000	0.000	0.000	3.000	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	29.000	29.000	27.000	26.720	26.720	23.717	23.476	21.043	21.460	23.290
Section 14 Metro District Ex. 04	0.000	0.000	0.000	11.232	10.246	9.709	9.684	17.564	17.666	16.798
South Sheridan Water & Sanitation District	7.781	7.506	7.506	7.896	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	0.531	0.533	0.538	0.597	0.542	0.507	0.528	0.508	0.523	0.599
Urban Drainage & Flood Control South Platte	0.071	0.065	0.066	0.065	0.066	0.061	0.063	0.061	0.053	0.058
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	11.480	11.484	11.498	11.458	13.588	13.702	13.737	13.662	13.784	13.739
Wheat Ridge Fire District	4.400	4.400	4.400	4.400	4.400	4.400	4.400	4.257	7.500	7.500
Wheat Ridge Sanitation District	0.650	0.616	0.618	0.583	0.583	0.560	0.550	0.546	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	2012			2003		
	Taxable	Rank	Percentage of	Taxable	Rank	Percentage of
	Assessed		Total City	Assessed		Total City
	Value		Assessed	Value		Assessed
Colorado Mills Mall Limited Partnership	\$ 31,323,451	1	1.84%	\$ 41,392,060	1	2.75%
Public Service Co of Colorado	27,558,935	2	1.62%	24,838,550	4	1.65%
Qwest Corp.	23,125,500	3	1.36%	27,704,300	3	1.84%
Belmar Mainstreet Holdings I LLC	22,379,996	4	1.32%	-		
Lakewood City Commons LP	11,818,370	5	0.69%	10,182,650	6	0.68%
Denver West Village LP	10,243,467	6	0.60%	-		
The Section 14 Development Company	9,836,365	7	0.58%	7,449,520	8	0.49%
Solterra LLC	8,180,586	8	0.48%	-		
Gov Lakewood Properties Trust	7,608,063	9	0.45%	-		
Centro Westland LLC	6,850,699	10	0.40%	-		
Denver West Office Bldg Venture LLP	-			33,916,490	2	2.25%
HUB Properties Trust	-			12,297,620	5	0.82%
Gambro Inc.	-			9,697,480	7	0.64%
DW Village, LLC	-			7,007,620	9	0.47%
Riata Assoc LLC	-			6,404,100	10	0.43%

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
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%
2012	7,713,072	7,573,830	98.19%

**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			Business Activities		Total Primary Government	Percentage of Personal Income <sup>(1)</sup>	Per Capita <sup>(1)</sup>
	Sales and Use Tax Revenue	Governmental Activities Certificates of Participation	Capital Leases	Grant/Program Revenue	Notes			
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	213,271	65,353,571	1.66%	453
2010	2,565,000	47,860,000	3,418,711	5,836,030	167,744	59,847,485	1.48%	419
2011	1,300,000	44,100,000	3,107,563	5,472,119	119,191	54,098,873	1.29%	375
2012	-	40,175,000	2,905,926	5,145,052	67,413	48,293,391	1.14%	332

**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**

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General bonded debt outstanding:										
General obligation bonds <sup>(1)</sup>	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Percentage of estimated actual property value <sup>(2)</sup>	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Per capita <sup>(3)</sup>	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Legal debt limit <sup>(4)</sup>	\$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	\$422,526,195
Legal debt margin <sup>(5)</sup>	\$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	\$422,526,195
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, 2012**

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Debt repaid with property taxes:			
Bowles Metropolitan District	\$ 22,270,000	40.28%	\$ 8,970,356
Denver West Metropolitan District	57,045,000	74.04%	42,236,118
Foothills Park & Recreation District	14,178,400	1.52%	215,512
Fossil Ridge Metro Districts 1, 2, and 3	8,350,000	100.00%	8,350,000
Jefferson County R-1 School District	500,785,000	23.85%	119,437,223
Mount Carbon Metropolitan District	16,887,556	100.00%	16,887,556
Section 14 Metropolitan District	5,800,000	30.70%	1,780,600
West Metro Fire Protection District	35,385,000	66.75%	23,619,488
Other debt:			
Foothills Park & Recreation District	22,174,342	1.52%	337,050
Fossil Ridge Metropolitan Districts 1, 2, and 3	42,859,731	100.00%	42,859,731
Jefferson County School District R-1	30,915,000	23.85%	7,373,228
Plaza Metropolitan Districts 1, 2, and 3	83,290,000	100.00%	83,290,000
Pleasant View Metropolitan District	217,144	54.35%	118,018
Pleasant View Water & Sanitation District	1,490,000	52.37%	780,313
Regional Transportation District	2,323,712,000	27.29%	634,141,005
Subtotal, overlapping debt	3,165,359,173		990,396,198
City direct debt	48,293,391	100.00%	48,293,391
Total direct and overlapping debt	<u>\$ 3,213,652,564</u>		<u>\$ 1,038,689,589</u>

Sources: Outstanding debt provided by each governmental unit.

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

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

Sales and Use Tax Revenue Bonds				
Fiscal Year	Sales and Use Tax Revenues	Debt Service		Coverage
		Principal	Interest	
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
2012	47,288,765	1,300,000	32,890	35.48

Lakewood Reinvestment Authority (LRA) LRA Station Betterments Loan				
Fiscal Year	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 <sup>(1)</sup>	177,805	1.63
2011	298,136	85,911 <sup>(2)</sup>	164,050	1.19
2012	296,813	89,067	169,661	1.15

(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 <sup>(1)</sup>	Personal Income <sup>(2)</sup>	Per Capita Personal Income <sup>(2)</sup>	Median Age <sup>(3)</sup>	Education Level in Years of Schooling <sup>(4)</sup>	K-12 School Enrollment <sup>(5)</sup>	Unemployment Rate (%) <sup>(6)</sup>
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
2012	145,596	\$ 4,227,379,860	\$ 29,035	39	14.0	20,812	7.9

- (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	2012			2003		
	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%
St. Anthony Medical Campus	2,024	3	2.75%	-		
Terumo BCT (formerly Gambro)	1,624	4	2.21%	1,300	3	1.74%
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%
State of Colorado (various departments)	700	8	0.95%			
MoneyGram International	650	9	0.88%			
The Integer Group	629	10	0.86%	-		
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 EIGHT FISCAL YEARS**

Department	December 31, 2005	December 31, 2006	December 31, 2007	December 31, 2008	December 31, 2009	December 31, 2010	December 31, 2011	December 31, 2012
Mayor and City Council	--	--	0.05	1.00	1.00	0.54	--	--
City Manager's Office <sup>(1)</sup>	16.28	14.63	18.07	17.80	16.64	15.85	16.37	15.65
City Attorney's Office	8.16	11.48	11.18	10.87	10.80	10.56	10.70	10.75
City Clerk's Office	5.77	6.58	7.56	7.73	7.74	7.68	8.73	7.78
Lakewood Reinvestment Authority	1.64	0.99	0.77	1.25	1.28	0.94	1.07	1.13
Community Resources <sup>(1)</sup>	162.94	164.00	175.68	179.06	180.58	175.36	174.48	170.99
Employee Relations	10.97	11.95	12.59	12.76	13.74	13.49	13.67	13.71
Finance	29.24	29.03	30.53	32.74	34.00	32.73	29.57	27.87
Information Technology	18.42	18.29	19.14	25.82	27.04	27.17	26.60	26.09
Municipal Court	26.59	27.48	28.49	27.56	27.91	26.98	26.38	29.81
Planning	11.50	14.79	16.20	13.00	13.00	12.67	14.15	14.79
Police <sup>(1)</sup>	369.99	379.70	402.88	428.45	420.25	412.59	411.11	390.93
Public Works	113.43	115.03	115.87	117.33	115.12	112.34	112.24	113.87
<b>Total</b>	<b>774.93</b>	<b>793.95</b>	<b>839.01</b>	<b>875.37</b>	<b>869.10</b>	<b>848.90</b>	<b>845.07</b>	<b>823.37</b>

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

**CITY OF LAKEWOOD, COLORADO**  
**OPERATING INDICATORS BY FUNCTION/PROGRAM**  
**LAST EIGHT 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	December 31, 2012
Building Department								
Permits issued:								
Building	1,601	1,360	1,253	1,178	1,155	1,447	1,434	1,610
Other (electrical, plumbing, mechanical, sign, miscellaneous)	8,381	6,669	6,032	5,907	17,270 <sup>(1)</sup>	10,687	10,914	7,943
Municipal Court								
Cases received	20,863	19,910	20,554	20,902	19,159	19,336	20,780	17,849
Public Safety								
Physical arrests	6,711	6,798	7,092	6,782	5,979	5,738	5,557	5,129
Parking violations	2,460	2,817	3,033	2,077	2,295	2,297	1,952	1,916
Traffic violations	22,881	21,068	22,364	23,301	19,163	18,288	19,797	15,805
Public Works								
Highways and Streets								
Street resurfacing (miles)	67.00	68.75	27.82	24.43	30.70	43.00	47.00	46.00
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	800-1,000
Water								
New connections	1	8	3	0	0	0	1	0
Average daily consumption (gallons)	672,693	683,419	664,030	635,474	578,203	610,989	585,800	586,795
Sewer								
New connections	29	13	9	2	2	6	4	5
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	2,496,685
Culture and Recreation								
Rounds of golf (two courses)	109,878	110,369	107,654	104,256	96,971	96,533	93,157	102,126
Cultural admissions (paid and unpaid)	99,186	110,805	129,551	124,860	124,752	127,888	138,587	130,716

**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.

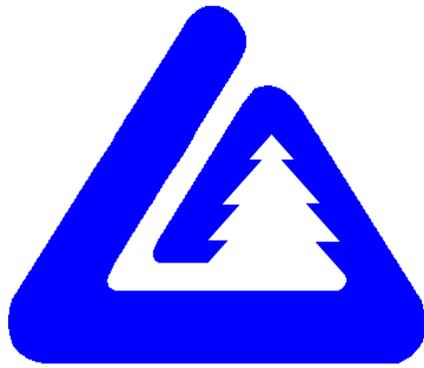
Source: City of Lakewood Public Works Department, Municipal Court, Police Department, and Community Resources Department

**CITY OF LAKEWOOD, COLORADO**  
**CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM**  
**LAST EIGHT 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	December 31, 2012
General Government								
Area (square miles)	44.933	44.933	44.022	44.022	44.022	44.022	44.022	44.022
Public Safety								
Number of police stations	2	2	2	2	2	2	2	2
Public Works								
Highways and Streets								
Streets (miles)	485	533	546	546	547	547	540	542
Streetlights	7,686	7,861	7,859	7,865	7,901	7,899	7,869	7,827
Traffic signals	193	193	193	195	196	199	199	200
Water								
Number of taps	721	725	728	728	730	730	731	731
Water mains (miles)	14	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	6,873
Sewer mains (miles)	106	106	106	106	106	106	106	106
Stormwater								
Stormwater mains (miles)	120	226	227	228	228	228	228	228
Culture and Recreation								
Number of parks	98	99	98	99	99	99	98	99
Park acreage	7,126	7,136	7,127	7,146	7,146	7,162	7,152	7,163
Playgrounds	44	46	46	46	46	53	53	57
Athletic fields*	55	56	56	56	57	57	57	57
Tennis courts	40	39	39	39	39	37	36	36
Basketball courts (outdoor)	17	17	17	17	18	17	21	21
Recreation centers	4	4	4	4	4	4	4	4
Outdoor swimming pools	4	4	3	3	3	3	3	3
Cultural centers	3	3	3	3	3	3	3	3
Golf courses	2	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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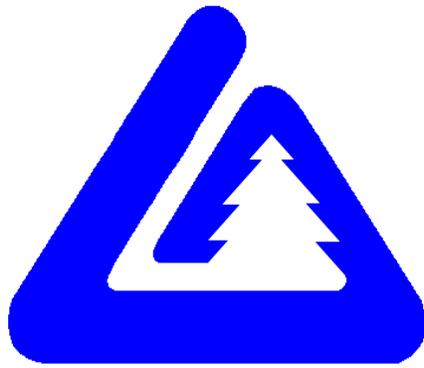
# COMPLIANCE SECTION

## **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, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, 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, 2012, and the related notes to the financial statements, which collectively comprise the basic financial statements of the City of Lakewood, and have issued our report thereon dated July 26, 2013.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the City of Lakewood's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Lakewood's internal control. 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. A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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 material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Compliance and Other Matters**

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

**Purpose of this Report**

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



July 26, 2013



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

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR  
EACH MAJOR PROGRAM, INTERNAL CONTROL OVER COMPLIANCE,  
AND THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
REQUIRED BY OMB CIRCULAR A-133**

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

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 the City of Lakewood's major federal programs for the year ended December 31, 2012. 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.

***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to its federal programs.

***Auditors' Responsibility***

Our responsibility is to express an opinion on compliance for each of the City of Lakewood's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and 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 on compliance for each major federal program. However, our audit does not provide a legal determination of the City of Lakewood's compliance.

***Opinion on Each Major Federal Program***

In our opinion, the City of Lakewood complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2012.

## **Report on Internal Control Over Compliance**

Management of the City of Lakewood is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City of Lakewood's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with 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. A significant deficiency in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of 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 material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

## **Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133**

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, 2012, and the related notes to the financial statements, which collectively comprise the basic financial statements of the City of Lakewood. We issued our report thereon dated July 26, 2013, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Lakewood's basic financial statements. 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 basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling the information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

*Swanburn & Company, LLC*

July 26, 2013



**CITY OF LAKEWOOD, COLORADO**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**Year Ended December 31, 2012**

<b>Federal Grantor/Pass-through Grantor/Program Title</b>	<b>Federal CFDA Number</b>	<b>Federal Expenditures</b>
<b>U.S. Department of Housing and Urban Development</b>		
Community Development Block Grant	14.218	\$ 815,983
Home Investment Partnerships Program	14.239	685,332
Total U.S. Department of Housing and Urban Development		1,501,315
<b>U.S. Department of Energy</b>		
ARRA - Electricity Delivery and Energy Reliability, Research, Development and Analysis	81.122	85,602
ARRA - Energy Efficiency and Conservation Block Grant	81.128	191,598
Total U.S. Department of Energy		277,200
<b>U.S. Department of Justice</b>		
Edward Byrne Memorial Justice Assistance Grant	16.738	169,482
Congressionally Recommended Awards	16.753	30,300
Passed through Colorado Department of Public Safety, Division of Criminal Justice		
Edward Byrne Memorial Justice Assistance Grant	16.738	64,931
ARRA - Edward Byrne Memorial Justice Assistance Grant	16.803	5,595
Passed through Colorado Department of Revenue		
Enforcing Underage Drinking Laws	16.727	22,543
Total U.S. Department of Justice		292,851
<b>U.S. Department of Health and Human Services</b>		
Head Start	93.600	973,052
ARRA - Head Start	93.708	55,972
Total U.S. Department of Health and Human Services		1,029,024
<b>U.S. Department of Agriculture</b>		
Passed through Colorado Department of Public Health and Environment		
Child and Adult Care Food Program	10.558	82,862
<b>Institute of Museum and Library Services</b>		
Museums for America	45.301	20,000
Conservation Project Support	45.303	2,209
Total Institute of Museum and Library Services		22,209
<b>U.S. Department of Transportation</b>		
Passed through Colorado Department of Transportation		
Highway Planning and Construction	20.205	523,400
State and Community Highway Safety	20.600	11,434
Alcohol Impaired Driving Countermeasures Incentive Grants	20.601	70,087
Total U.S. Department of Transportation		604,921
<b>U.S. Department of Homeland Security</b>		
Passed through Colorado Department of Local Affairs		
Emergency Management Performance Grants	97.042	41,273
<b>U.S. Environmental Protection Agency</b>		
Brownfields Assessment and Cleanup and Cooperative Agreements	66.818	3,455
<b>Executive Office of the President</b>		
High Intensity Drug Trafficking Areas Program (HIDTA)	95.001	234,511
<b>Total Expenditures of Federal Awards</b>		\$ 4,089,621

See the accompanying Independent Auditors' Report.

**CITY OF LAKEWOOD, COLORADO**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**Year Ended December 31, 2012**

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**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.

<b>LOCAL HIGHWAY FINANCE REPORT</b>		City or County: <b>CITY OF LAKEWOOD, COLORADO</b>
		YEAR ENDING : December 2012
This Information From The Records Of (example - City of _ or County of ) <b>CITY OF LAKEWOOD, COLORADO</b>	Prepared By: Phone:	Cathy Barum 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
<b>A. Receipts from local sources:</b>		<b>A. Local highway disbursements:</b>	
1. Local highway-user taxes		1. Capital outlay (from page 2)	7,787,749
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	1,442,333
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	2,219,890
2. General fund appropriations	2,127,750	b. Snow and ice removal	836,149
3. Other local imposts (from page 2)	11,789,060	c. Other	2,782,823
4. Miscellaneous local receipts (from page 2)	1,552,712	d. Total (a. through c.)	5,838,862
5. Transfers from toll facilities		4. General administration & miscellaneous	589,246
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	6,166,657
a. Bonds - Original Issues		6. Total (1 through 5)	21,824,847
b. Bonds - Refunding Issues		<b>B. Debt service on local obligations:</b>	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	
7. Total (1 through 6)	15,469,522	b. Redemption	
<b>B. Private Contributions</b>		c. Total (a. + b.)	0
<b>C. Receipts from State government</b> (from page 2)	5,600,876	2. Notes:	
<b>D. Receipts from Federal Government</b> (from page 2)	754,449	a. Interest	
<b>E. Total receipts (A.7 + B + C + D)</b>	21,824,847	b. Redemption	
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	0
		<b>C. Payments to State for highways</b>	
		<b>D. Payments to toll facilities</b>	
		<b>E. Total disbursements (A.6 + B.3 + C + D)</b>	21,824,847

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

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

**V. LOCAL ROAD AND STREET FUND BALANCE**

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
		21,824,847	21,824,847		0

**Notes and Comments:**

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

<b>LOCAL HIGHWAY FINANCE REPORT</b>		City or County: <b>CITY OF LAKEWOOD, COLORADO</b>
		YEAR ENDING : December 2012
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1. Local highway-user taxes		1. Capital outlay (from page 2)	7,787,749
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	1,442,333
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	2,219,890
2. General fund appropriations	2,127,750	b. Snow and ice removal	836,149
3. Other local imposts (from page 2)	11,789,060	c. Other	2,782,823
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5. Transfers from toll facilities		4. General administration & miscellaneous	589,246
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	6,166,657
a. Bonds - Original Issues		6. Total (1 through 5)	21,824,847
b. Bonds - Refunding Issues		<b>B. Debt service on local obligations:</b>	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	
7. Total (1 through 6)	15,469,522	b. Redemption	
<b>B. Private Contributions</b>		c. Total (a. + b.)	0
<b>C. Receipts from State government</b> (from page 2)	5,600,876	2. Notes:	
<b>D. Receipts from Federal Government</b> (from page 2)	754,449	a. Interest	
<b>E. Total receipts (A.7 + B + C + D)</b>	21,824,847	b. Redemption	
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	0
		<b>C. Payments to State for highways</b>	
		<b>D. Payments to toll facilities</b>	
		<b>E. Total disbursements (A.6 + B.3 + C + D)</b>	21,824,847

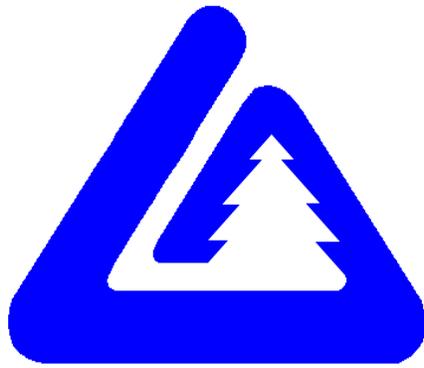
**IV. LOCAL HIGHWAY DEBT STATUS**  
(Show all entries at par)

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

**V. LOCAL ROAD AND STREET FUND BALANCE**

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
		21,824,847	21,824,847		0

**Notes and Comments:**



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