



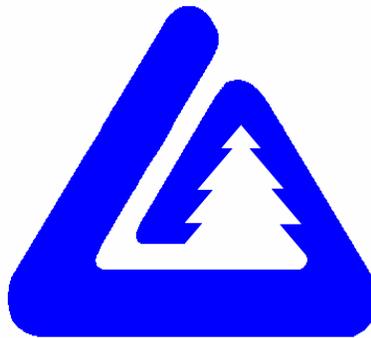
2013
Comprehensive Annual
Financial **Report**



Lakewood
Full of Possibilities

2013 Comprehensive Annual Financial Report
City of Lakewood, Colorado
For year ended December 31, 2013

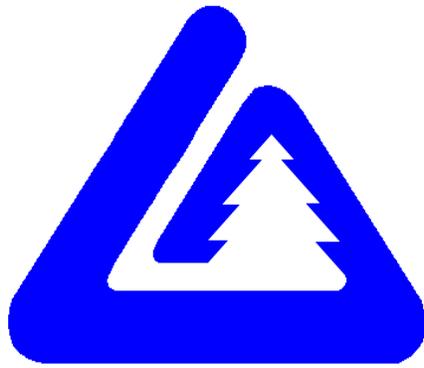
**COMPREHENSIVE
ANNUAL FINANCIAL REPORT
OF
THE CITY OF LAKEWOOD
COLORADO**



**For The Year Ended
December 31, 2013**

**Prepared by:
Department of Finance**

INTRODUCTORY SECTION



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CITY OF LAKEWOOD, COLORADO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
Year Ended December 31, 2013

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 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 Year Ended December 31, 2013**

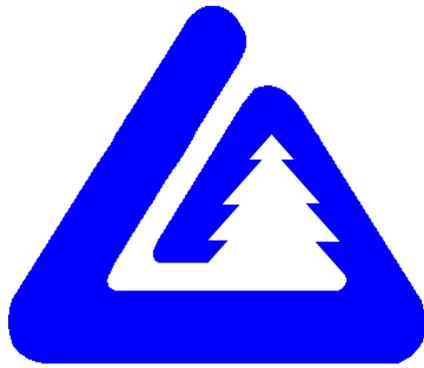
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City of Lakewood

City Manager's Office

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

June 30, 2014

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, 2013 is hereby formally transmitted. Responsibility for both the accuracy of the data presented and the completeness and fairness of the presentation, including all disclosures, resides with the City. We believe that the data, as presented, is accurate in all material respects, that it is reported in a manner designed to present fairly the financial position and the results of operations of the City and that all disclosures necessary to enable the reader to gain an understanding of the City’s financial position have been included.

City Profile

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

The City's Financial Condition

The CAFR includes all financial activities for which the City Council is accountable to the citizens of the City, either by Charter or Statute. All applicable funds, departments and offices are included in these financial statements as part of the Primary Government of the City. In addition, the Lakewood Reinvestment Authority and the Lakewood Public Building Authority, while legally separate entities, have significant financial and operational relationships with the City and are thus included in the CAFR. The City receives some of its funding from the Federal Government and hereby provides a schedule of financial assistance and other reports in the Single Audit section of the CAFR, as required by the United States Office of Management and Budget 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 2013. 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. As such, the City Council's annual Planning Session includes a long-term financial planning process that evaluates and organizes the strategic needs of the community and the related financial impacts and opportunities. The City's Long-Term Strategic Financial Plan is published in the annual budget, which forecasts 5 years of financial activity.

The City's management is responsible for maintaining and assessing effective internal control over financial reporting. The City's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. As with any system of internal controls, the City's control over financial reporting is inherently limited.

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 6.5% during 2013. 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 opening of 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. 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 2013, 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, 2012. This is the twenty fourth 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 2014.

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, 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.

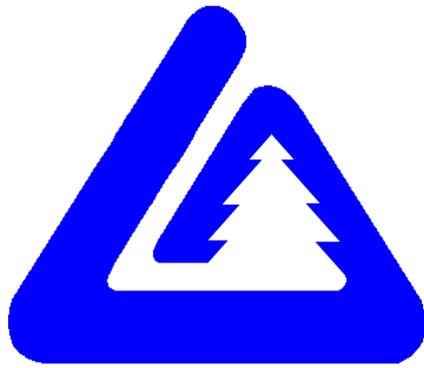
Respectfully submitted,



Kathleen E. Hodgson
City Manager



Larry Dorr, CPA
Finance Director



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Government Finance Officers Association

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

Presented to

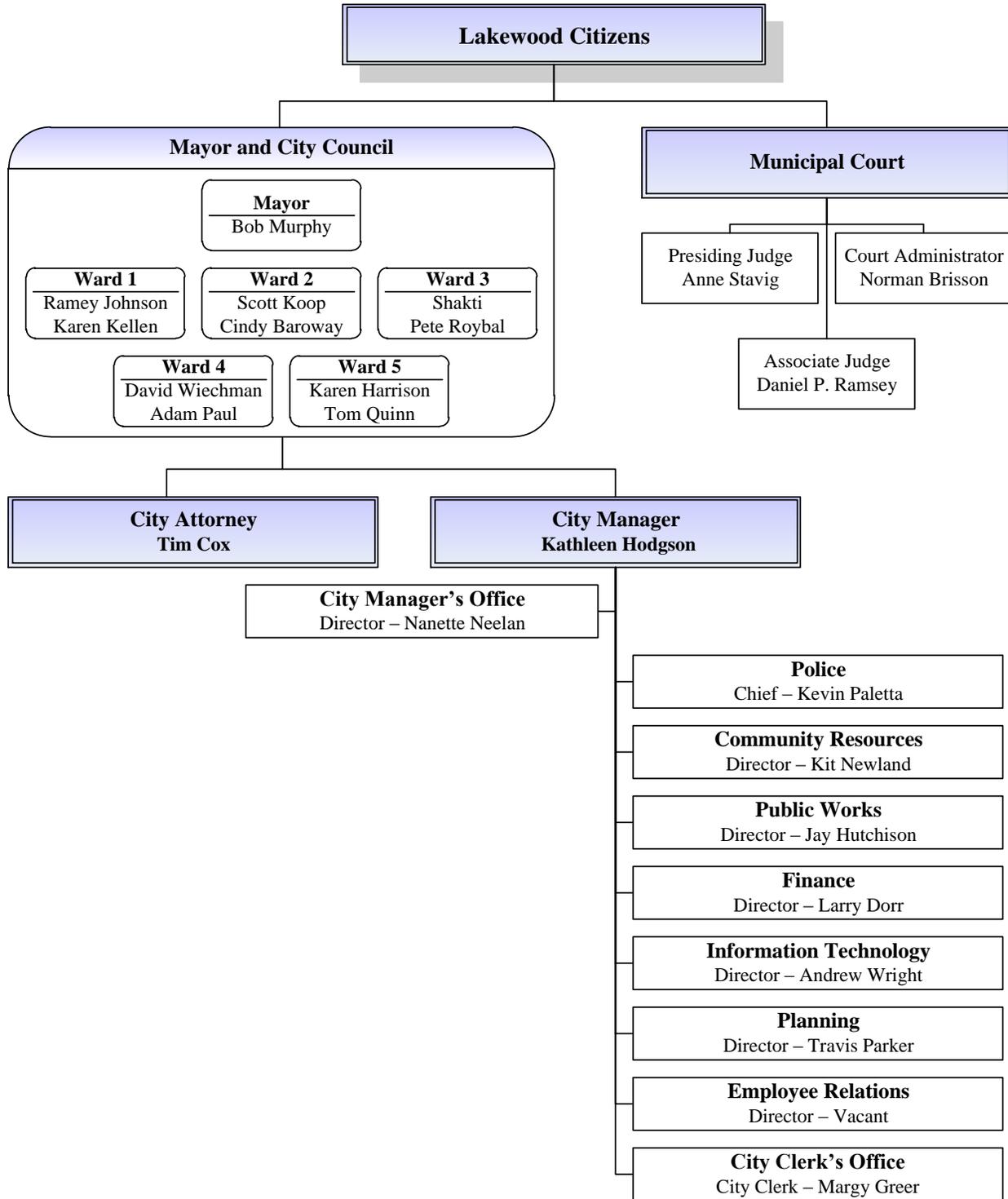
**City of Lakewood
Colorado**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2012

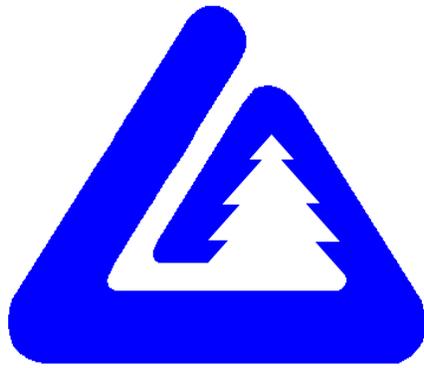
Executive Director/CEO

**CITY OF LAKEWOOD, COLORADO
ORGANIZATION CHART
Year Ended December 31, 2013**



CITY OF LAKEWOOD, COLORADO
CITY OFFICIALS AND ADMINISTRATION
Year Ended December 31, 2013

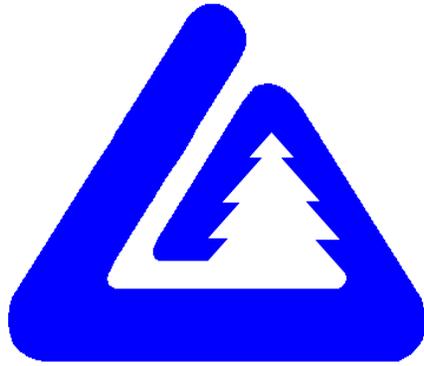
Mayor:	At-Large	Bob Murphy
Members of Council:	Ward I	Ramey Johnson Karen Kellen
	Ward II	Scott Koop Cindy Baroway
	Ward III	Shakti Pete Roybal
	Ward IV	David Wiechman Adam Paul
	Ward V	Karen Harrison Tom Quinn
City Officials:		
City Manager		Kathleen Hodgson
City Attorney		Tim Cox
City Clerk		Margy Greer
Department of Mayor and City Manager's Office		Nanette Neelan, Director
Department of Community Resources		Kit Newland, Director
Department of Employee Relations		Vacant, Director
Department of Finance		Larry Dorr, Director
Department of Information Technology		Andrew Wright, Director
Municipal Court		Anne Stavig, Presiding Judge Norman 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, 2013, 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, 2013, 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 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 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 June 26, 2014, 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

June 26, 2014



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, 2013. 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 position 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 increased \$4.03 million or 2.9% in 2013. General Fund revenues increased \$4.39 million or 4.5% in 2013. Capital Improvement Fund revenues increased \$731,013 or 5.4% in 2013.

While some revenues decreased in 2013, the City was able to increase reserves. For 2013, General Fund surplus was \$3,167,726 or 3.2% as a percent of expenditures and transfers out. As a result, the fund balance of the General Fund has increased from \$33,460,352 to \$36,628,078 an increase of 9.5%. The fund balance of the General Fund taken as a percent of 2013 expenditures and transfers out was 36.8% as of December 31, 2013.

General Fund sales and use taxes, which comprised 62.7% of General Fund revenues, increased \$3,520,331 or 5.8%. Sales and use tax revenues collected by the Capital Improvement Fund increased \$692,494 or 6.0%. 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 2013, General Fund property taxes increased by \$27,447 or 0.4%.

Total governmental fund expenditures increased \$1.52 million or 1.1% in 2013. Total General Fund expenditures and transfers out increased \$3.13 million or 3.3%.

The City of Lakewood, Colorado is responsible for reporting certain business type activities in the operation of its water utility, sewer utility, stormwater management utility, and two golf courses. These businesses are well established and experienced no extraordinary financial highlights during 2013. The City's water and sewer utilities' customer bases are stable and less than the entire population of Lakewood.

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 2013 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, 2013, the City had total assets of \$575,014,113 and deferred outflows of \$1,211,032. As of December 31, 2013, the City's assets and deferred outflows exceeded its liabilities and deferred inflows by \$489,076,139.



	Governmental Activities		Business-Type Activities		Total Primary Government	
	2013	2012	2013	2012	2013	2012
Assets						
Current and Other Assets	\$122,619,223	\$107,443,696	\$ 8,440,573	\$ 8,480,049	\$131,059,796	\$115,923,745
Capital Assets	422,491,352	423,363,448	21,462,965	21,288,483	443,954,317	444,651,931
Total Assets	<u>545,110,575</u>	<u>530,807,144</u>	<u>29,903,538</u>	<u>29,768,532</u>	<u>575,014,113</u>	<u>560,575,676</u>
Total Deferred Outflows of Resources	1,211,032	1,384,035	-	-	1,211,032	1,384,035
Liabilities						
Long-term Liabilities	51,169,494	55,802,918	-	67,413	51,169,494	55,870,331
Other Liabilities	20,623,201	13,557,883	506,670	589,299	21,129,871	14,147,182
Total Liabilities	<u>71,792,695</u>	<u>69,360,801</u>	<u>506,670</u>	<u>656,712</u>	<u>72,299,365</u>	<u>70,017,513</u>
Total Deferred Inflows of Resources	14,849,641	14,395,297	-	-	14,849,641	14,395,297
Net Position						
Net Investment in Capital Assets	381,609,040	377,969,428	21,462,965	21,221,070	403,072,005	399,190,498
Restricted	37,533,053	31,757,394	-	-	37,533,053	31,757,394
Unrestricted	40,537,178	38,708,259	7,933,903	7,890,750	48,471,081	46,599,009
Total Net Position	<u>\$459,679,271</u>	<u>\$448,435,081</u>	<u>\$ 29,396,868</u>	<u>\$ 29,111,820</u>	<u>\$489,076,139</u>	<u>\$477,546,901</u>

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 2013, the City added to its capital assets.

- The largest portion of the City’s assets is Capital Assets that represent \$443,954,317 or 77.2% of Total Assets. Governmental capital assets added in 2013 included various park, street and technology improvements. Most notably during 2013, the City completed and opened its \$1.8 million construction of bicycle paths and bridges connected to the West Rail Line. At Kipling Parkway and Wadsworth Boulevard, bike paths connected to the West Rail line bridges allow cyclists to pass over two busy state highways without stopping. This is a major connection for the City’s bicycle transportation program. Additionally, the City has completed Phase I of the Civic Center reconstruction which included fortifying the vehicle access bridge and thermal snowmelt system at a cost of \$762,000 for 2013.
- The City has continued to invest in its fleet of vehicles during 2013 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 2013. In 2013, the City’s overall long-term debt decreased by \$4,633,424 or 8.3%. The City has appropriated funds in its 2014 budget to retire an additional \$4.03 million in long-term debt. This retirement of debt contributes to the City’s positive overall financial health.
- Of the City’s \$489,076,139 in net position, \$37,533,053 or 7.7% 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.



- For this 2013 Comprehensive Annual Financial Report and future years, the City has implemented the Governmental Accounting Standards Board Statement 65 (“GASB 65”), *Items Previously Reported as Assets and Liabilities*. Under GASB 65, the City reports certain specified items that were previously reported as assets and liabilities as Deferred Outflows of Resources and Deferred Inflows of Resources in the Statements of Net Position.

Statement of Activities

This statement presents information showing how the City’s net position changed during the given fiscal year. For the year ending December 31, 2013, the City’s net position increased by \$11,529,238. The reasons for this overall increase are discussed in the following sections. The following reflects the City’s Net Position:

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2013	2012	2013	2012	2013	2012
Revenues						
Program Revenues-						
Charges for Services	\$ 21,455,605	\$ 20,389,807	\$ 11,490,680	\$ 11,077,773	\$ 32,946,285	\$ 31,467,580
Operating Grants and Contributions	11,210,485	13,124,320	-	-	11,210,485	13,124,320
Capital Grants and Contributions	8,404,044	7,710,450	-	-	8,404,044	7,710,450
General Revenues-						
Property Specific Ownership Taxes	15,516,166	14,825,086	-	-	15,516,166	14,825,086
Sales and Use Taxes	77,387,186	72,476,177	-	-	77,387,186	72,476,177
Franchise & Other Taxes	10,293,898	9,644,791	-	-	10,293,898	9,644,791
Intergovernmental Revenue	357,990	364,123	-	-	357,990	364,123
Investment Income	456,169	819,405	84,841	99,831	541,010	919,236
Miscellaneous	274,809	94,693	93,016	211,064	367,825	305,757
Total Revenues	145,356,352	139,448,852	11,668,537	11,388,668	157,024,889	150,837,520
Expenses						
General Government	30,085,415	33,613,178	-	-	30,085,415	33,613,178
Public Safety	50,635,595	49,079,213	-	-	50,635,595	49,079,213
Public Works	18,528,117	14,035,937	-	-	18,528,117	14,035,937
Culture and Recreation	18,724,863	18,124,914	-	-	18,724,863	18,124,914
Urban Development and Housing	12,811,514	12,714,594	-	-	12,811,514	12,714,594
Economic Opportunity	1,886,174	1,893,704	-	-	1,886,174	1,893,704
Interest on Long-term Debt	2,194,969	2,440,277	-	-	2,194,969	2,440,277
Golf Course	-	-	3,747,277	3,743,788	3,747,277	3,743,788
Sewer	-	-	3,854,381	3,534,954	3,854,381	3,534,954
Stormwater	-	-	2,075,559	2,445,596	2,075,559	2,445,596
Water	-	-	951,787	959,538	951,787	959,538
Total Expenses	134,866,647	131,901,817	10,629,004	10,683,876	145,495,651	142,585,693
Increase (Decrease) Before Transfers	10,489,705	7,547,035	1,039,533	704,792	11,529,238	8,251,827
Transfers	754,485	676,545	(754,485)	(676,545)	-	-
Increase (Decrease) in Net Position	11,244,190	8,223,580	285,048	28,247	11,529,238	8,251,827
Net Position, Beginning of Year	448,435,081	440,211,501	29,111,820	29,083,573	477,546,901	469,295,074
Net Position, End of Year	\$459,679,271	\$448,435,081	\$ 29,396,868	\$ 29,111,820	\$489,076,139	\$477,546,901

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 \$3,167,726 or 3.2% of expenditures and transfers out in 2013. As such the General Fund's fund balance increased from \$33,460,352 to 36,628,078 an increase of 9.5%. As of December 31, 2013, the Fund Balance of the General Fund taken as a percent of 2013 expenditures and transfers out was 36.8%. 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 phased approach, City Council authorized a \$3,000,000 transfer of General Fund Reserves to the Capital Improvement Fund. This transfer is funding infrastructure improvements to the Civic Center that include improved vehicle access, a thermal snowmelt system, a remodel of the plaza space and reconstruction of the subterranean garage. An additional \$1,500,000 was transferred in 2013 from the General Fund to the Capital Improvement Fund for other yet to be determined capital infrastructure projects.

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"), "*Fund Balance Reporting and Governmental Fund Type Definitions*". The objective of GASB 54 reporting is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be applied more consistently across governments. The classifications are designed based on the relative strength of the constraints that control how specific amounts can be spent, or in the case of inventories, the inability to be spent. This reporting does not present any changes in the strategic initiatives of the City, and enhances public disclosure of the City's financial condition.

- *Nonspendable* - generally for inventories and prepaid expenses that are a part of fund balance but are not available for spending.
- *Restricted* - includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation. Under the



Colorado Constitution, the City has restricted fund balance for emergencies and other fund balances for which the funds may only be used for a specific purpose.

- *Assigned* - is for those funds for which the City intends to spend on specific purposes, while maintaining the flexibility to change these intentions without the elements present in the *restricted* classification. The City has made a commitment via its budgetary process to fund the replacement of equipment and cultural programming under these auspices.
- *Unassigned* - is the residual classification for the City’s General Fund only and includes all spendable amounts not contained in other classifications.

	General Fund	Grants Fund	Capital Improvements Fund	Lakewood Reinvestment Authority Fund	Other Governmental Funds	Total Governmental Funds
Nonspendable:						
Inventories	\$ 128,247	\$ -	\$ -	\$ -	\$ 33,475	\$ 161,722
Prepays	-	-	-	-	7,390	7,390
Total Nonspendable	<u>128,247</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>40,865</u>	<u>169,112</u>
Restricted for:						
Emergencies	2,485,101	-	-	-	-	2,485,101
Parks and Open Space	-	-	-	-	5,428,084	5,428,084
Economic Development	-	-	-	-	4,516,946	4,516,946
Debt Service	373,802	-	-	249,000	2,724,093	3,346,895
Capital Improvements	-	-	19,712,106	-	-	19,712,106
Urban Renewal	-	-	-	2,043,921	-	2,043,921
Total Restricted	<u>2,858,903</u>	<u>-</u>	<u>19,712,106</u>	<u>2,292,921</u>	<u>12,669,123</u>	<u>37,533,053</u>
Assigned to:						
Cultural Activities	-	-	-	-	440,459	440,459
Capital Improvements	-	-	-	-	3,793,188	3,793,188
Total Assigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,233,647</u>	<u>4,233,647</u>
Unassigned	<u>33,640,928</u>	<u>(647,381)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>32,993,547</u>
Total Fund Balances	<u>\$ 36,628,078</u>	<u>\$ (647,381)</u>	<u>\$ 19,712,106</u>	<u>\$ 2,292,921</u>	<u>\$ 16,943,635</u>	<u>\$ 74,929,359</u>

Revenues

As discussed in the financial highlights, General Fund revenues had an overall increase in 2013 compared to 2012.

- General Fund sales and use tax revenues increased \$3.5 million or 5.8% in 2013. In addition to improving growth in the Lakewood economy, the City experienced meaningful economic development. The community welcomed additional construction at its Colorado Mills Promenade including some new restaurant and retail outlets that opened in 2013. In addition, a number of previously vacant or underperforming spaces at Colorado Mills were re-opened with vibrant new retail shops. With these positive results, the amount of sales taxes has exceeded the levels collected prior to the recession. A clear sign of recovery and growth.
- During 2013, the Lakewood community experienced the 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. The City's housing authority, Metro West Housing Solutions, opened its Lamar Crossing apartment project adjacent to the Lamar Street Station, a substantial investment that will catalyze the area around the station.

- As an additional sign of an improving economy, the City experienced a 9.5% increase in General Fund motor vehicle use tax receipts. Nationally, businesses and households are continuing to replace aging vehicle stocks, and similar vehicle purchases are happening in Lakewood. Similarly, the market economy surrounding pre-owned vehicles is strong. Revenues from motor vehicle use tax have increased significantly along with the growth in the national automobile business. During 2013, Lakewood experienced record revenues in this category.
- During 2013, General Fund property tax receipts increased \$27,448 or 0.4%. General Fund property tax receipts were less than collected in 2008, prior to the recession. Property taxes are assessed and collected in arrears. As such, the 2013 receipts reflect the 2012 property assessment values. 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 are expected to increase during 2014 as the City is experiencing growth in the current market for residential properties and commercial vacancies are decreasing.

Expenditures

The City experienced economic recovery and growth during 2013, yet revenues are perceived to be relatively volatile and uncertain. The City is substantially reliant on sales tax revenues driven by consumer purchases which are unpredictable. Early in 2013, it was evident that the national recession had not yet fully recovered. In the face of this, the City has made cautious and thoughtful decisions regarding its spending.

- The City continued a strategic hiring process whereby departments sought alternatives to filling vacant positions and was only filling positions upon an evaluation and approval by the City Manager. Due to this constraint, and other favorable spending conditions, the General Fund was under budget in expenditures.
- General Fund expenditures and transfers out increased \$3.1 million or 3.3% over 2012. This was largely due to transfers out for capital spending but also included increasing costs for fuel and employee salaries and medical benefits.

General Fund Budgetary Highlights

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

- 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.



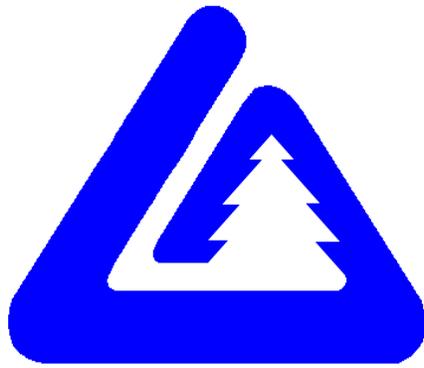
Economic Factors and Next Year's Budget

In preparing both the 2014 revised budget as well as the 2015 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 experiencing an overall economy that is improved. 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.

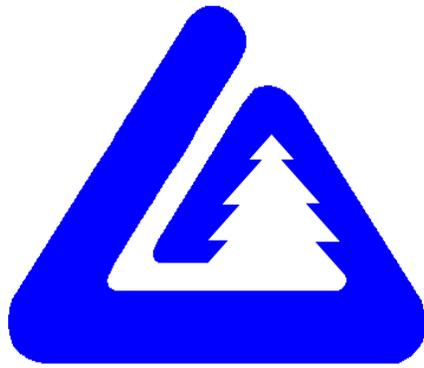
IV. Requests for Information

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.



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BASIC FINANCIAL STATEMENTS



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CITY OF LAKEWOOD, COLORADO
STATEMENT OF NET POSITION
December 31, 2013

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
Assets			
Cash and Investments	\$ 89,454,947	\$ 7,235,514	\$ 96,690,461
Restricted Cash and Investments	3,541,019	-	3,541,019
Receivables			
Accounts	6,129,914	1,088,687	7,218,601
Taxes	22,708,334	-	22,708,334
Loan	48,000	-	48,000
Inventories	161,722	116,372	278,094
Prepays	7,390	-	7,390
Net Pension Asset	567,897	-	567,897
Capital Assets, Not Being Depreciated	122,905,688	8,895,431	131,801,119
Capital Assets, Net of Accumulated Depreciation	299,585,664	12,567,534	312,153,198
Total Assets	<u>545,110,575</u>	<u>29,903,538</u>	<u>575,014,113</u>
Deferred Outflows of Resources			
Loss on Debt Refunding, Net of Accumulated Amortization	1,211,032	-	1,211,032
Total Assets and Deferred Outflows of Resources	<u>\$ 546,321,607</u>	<u>\$ 29,903,538</u>	<u>\$ 576,225,145</u>
Liabilities			
Accounts Payable	\$ 10,372,429	\$ 330,956	\$ 10,703,385
Accrued Liabilities	4,082,093	83,012	4,165,105
Accrued Interest Payable	255,812	-	255,812
Refundable Deposits	2,778,301	11,250	2,789,551
Retainage Payable	95,048	4,063	99,111
Unearned Revenues	1,014,607	77,389	1,091,996
Claims Payable	2,024,911	-	2,024,911
Noncurrent Liabilities			
Due Within One Year	4,504,015	-	4,504,015
Due In More Than One Year	46,665,479	-	46,665,479
Total Liabilities	<u>71,792,695</u>	<u>506,670</u>	<u>72,299,365</u>
Deferred Inflows of Resources			
Property Taxes	14,849,641	-	14,849,641
Total Deferred Inflows of Resources	<u>14,849,641</u>	<u>-</u>	<u>14,849,641</u>
Net Position			
Net Investment in Capital Assets	381,609,040	21,462,965	403,072,005
Restricted for			
Emergencies	2,485,101	-	2,485,101
Parks and Open Space	5,428,084	-	5,428,084
Economic Development	4,516,946	-	4,516,946
Debt Service	3,346,895	-	3,346,895
Capital Improvements	19,712,106	-	19,712,106
Urban Renewal	2,043,921	-	2,043,921
Unrestricted	40,537,178	7,933,903	48,471,081
Total Net Position	<u>459,679,271</u>	<u>29,396,868</u>	<u>489,076,139</u>
Total Liabilities, Deferred Inflows of Resources and Net Position	<u>\$ 546,321,607</u>	<u>\$ 29,903,538</u>	<u>\$ 576,225,145</u>

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

CITY OF LAKEWOOD, COLORADO
STATEMENT OF ACTIVITIES
Year Ended December 31, 2013

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
PRIMARY GOVERNMENT				
Governmental Activities				
General Government	\$ 30,085,415	\$ 8,406,938	\$ 22,916	\$ -
Public Safety	50,635,595	4,867,400	2,082,953	314,321
Public Works	18,528,117	523,838	1,127,191	6,890,477
Culture and Recreation	18,724,863	5,342,330	6,712,431	-
Urban Development and Housing	12,811,514	1,458,204	191,310	1,199,246
Economic Opportunity	1,886,174	856,895	1,073,684	-
Interest on Long-Term Debt	2,194,969	-	-	-
Total Governmental Activities	<u>134,866,647</u>	<u>21,455,605</u>	<u>11,210,485</u>	<u>8,404,044</u>
Business-Type Activities				
Golf Course	3,747,277	4,339,298	-	-
Sewer	3,854,381	3,566,999	-	-
Stormwater	2,075,559	2,481,899	-	-
Water	951,787	1,102,484	-	-
Total Business-Type Activities	<u>10,629,004</u>	<u>11,490,680</u>	<u>-</u>	<u>-</u>
Total Primary Government	<u>\$ 145,495,651</u>	<u>\$ 32,946,285</u>	<u>\$ 11,210,485</u>	<u>\$ 8,404,044</u>

General Revenues

Taxes

Property and Specific Ownership

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

Governmental Activities	Business-Type Activities	Total
\$ (21,655,561)	\$ -	\$ (21,655,561)
(43,370,921)	-	(43,370,921)
(9,986,611)	-	(9,986,611)
(6,670,102)	-	(6,670,102)
(9,962,754)	-	(9,962,754)
44,405	-	44,405
(2,194,969)	-	(2,194,969)
<u>(93,796,513)</u>	<u>-</u>	<u>(93,796,513)</u>
-	592,021	592,021
-	(287,382)	(287,382)
-	406,340	406,340
-	150,697	150,697
<u>-</u>	<u>861,676</u>	<u>861,676</u>
<u>(93,796,513)</u>	<u>861,676</u>	<u>(92,934,837)</u>
15,516,166	-	15,516,166
69,215,098	-	69,215,098
8,172,088	-	8,172,088
6,431,246	-	6,431,246
3,862,652	-	3,862,652
357,990	-	357,990
456,169	84,841	541,010
274,809	32,706	307,515
-	60,310	60,310
754,485	(754,485)	-
<u>105,040,703</u>	<u>(576,628)</u>	<u>104,464,075</u>
11,244,190	285,048	11,529,238
<u>448,435,081</u>	<u>29,111,820</u>	<u>477,546,901</u>
<u>\$ 459,679,271</u>	<u>\$ 29,396,868</u>	<u>\$ 489,076,139</u>

CITY OF LAKEWOOD, COLORADO
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2013

	General Fund	Grants Fund	Capital Improvements Fund	Lakewood Reinvestment Authority Fund	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash and Investments	\$ 34,311,839	\$ 2,027,778	\$ 22,895,221	\$ 3,662,019	\$ 13,525,783	\$ 76,422,640
Restricted Cash and Investments	373,802	-	-	417,260	2,749,957	3,541,019
Accounts Receivable	1,945,596	1,649,854	1,424,430	78,031	1,028,656	6,126,567
Property Taxes Receivable	7,784,761	-	-	7,153,787	-	14,938,548
Sales Taxes Receivable	6,520,202	-	1,223,011	26,573	-	7,769,786
Loan Receivable	-	-	-	-	48,000	48,000
Inventories	128,247	-	-	-	33,475	161,722
Prepays	-	-	-	-	7,390	7,390
Total Assets	<u>\$ 51,064,447</u>	<u>\$ 3,677,632</u>	<u>\$ 25,542,662</u>	<u>\$ 11,337,670</u>	<u>\$ 17,393,261</u>	<u>\$ 109,015,672</u>
LIABILITIES						
Accounts Payable	\$ 2,578,506	\$ 3,202,540	\$ 2,518,415	\$ 1,888,261	\$ 168,203	\$ 10,355,925
Accrued Liabilities	3,912,179	38,718	22,735	2,701	105,760	4,082,093
Refundable Deposits	106,326	-	2,671,975	-	-	2,778,301
Retainage Payable	-	28,046	49,783	-	17,219	95,048
Unearned Revenues	143,504	145,011	567,648	-	158,444	1,014,607
Total Liabilities	<u>6,740,515</u>	<u>3,414,315</u>	<u>5,830,556</u>	<u>1,890,962</u>	<u>449,626</u>	<u>18,325,974</u>
DEFERRED INFLOWS OF RESOURCES						
Grants	-	910,698	-	-	-	910,698
Property Taxes	7,695,854	-	-	7,153,787	-	14,849,641
Total Deferred Inflows of Resources	<u>7,695,854</u>	<u>910,698</u>	<u>-</u>	<u>7,153,787</u>	<u>-</u>	<u>15,760,339</u>
FUND BALANCES						
Nonspendable:						
Inventories	128,247	-	-	-	33,475	161,722
Prepays	-	-	-	-	7,390	7,390
Restricted for:						
Emergencies	2,485,101	-	-	-	-	2,485,101
Parks and Open Space	-	-	-	-	5,428,084	5,428,084
Economic Development	-	-	-	-	4,516,946	4,516,946
Debt Service	373,802	-	-	249,000	2,724,093	3,346,895
Capital Improvements	-	-	19,712,106	-	-	19,712,106
Urban Renewal	-	-	-	2,043,921	-	2,043,921
Assigned to:						
Cultural Activities	-	-	-	-	440,459	440,459
Capital Improvements	-	-	-	-	3,793,188	3,793,188
Unassigned	33,640,928	(647,381)	-	-	-	32,993,547
Total Fund Balances	<u>36,628,078</u>	<u>(647,381)</u>	<u>19,712,106</u>	<u>2,292,921</u>	<u>16,943,635</u>	<u>74,929,359</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 51,064,447</u>	<u>\$ 3,677,632</u>	<u>\$ 25,542,662</u>	<u>\$ 11,337,670</u>	<u>\$ 17,393,261</u>	<u>\$ 109,015,672</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, 2013

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

Fund Balances - Governmental Funds	\$ 74,929,359
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in governmental funds.	422,491,352
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.	567,897
Other long-term assets are not available to pay current year expenditures and, therefore, are deferred in governmental funds.	910,698
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.	10,994,239
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 (\$49,958,462) and accrued interest payable (\$255,812).	<u>(50,214,274)</u>
Total Net Position of Governmental Activities	<u>\$ 459,679,271</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, 2013

	General Fund	Grants Fund	Capital Improvements Fund	Lakewood Reinvestment Authority Fund	Other Governmental Funds	Total Governmental Funds
REVENUES						
Taxes	\$ 81,634,310	\$ -	\$ 12,141,781	\$ 7,420,802	\$ 1,106,365	\$ 102,303,258
Licenses and Permits	2,983,251	-	-	-	-	2,983,251
Charges for Services	11,082,430	-	-	-	3,462,641	14,545,071
Fines and Forfeitures	1,279,097	-	-	-	-	1,279,097
Intergovernmental	5,108,453	4,855,408	1,925,340	-	6,505,099	18,394,300
Miscellaneous						
Investment Income	(83,792)	1,323	225,846	6,084	164,020	313,481
Sale of Assets	-	-	-	-	303,658	303,658
Other	581,798	4,779	7,391	2,160,844	139,497	2,894,309
Total Revenues	<u>102,585,547</u>	<u>4,861,510</u>	<u>14,300,358</u>	<u>9,587,730</u>	<u>11,681,280</u>	<u>143,016,425</u>
EXPENDITURES						
Current						
General Government	25,302,365	54,628	1,650,608	-	206,980	27,214,581
Public Safety	45,852,354	2,011,388	409,789	-	55,360	48,328,891
Public Works	6,993,428	59,496	886,528	-	-	7,939,452
Culture and Recreation	10,884,297	11,107	8,885	-	5,456,035	16,360,324
Urban Development and Housing	566,575	1,037,542	6,600	275,024	450,635	2,336,376
Economic Opportunity	749,632	1,091,798	-	-	-	1,841,430
Capital Outlay						
General Government	55,952	-	1,040,532	-	1,961,700	3,058,184
Public Safety	76,903	527,610	251,428	-	-	855,941
Public Works	21,252	2,975,453	6,551,738	-	-	9,548,443
Culture and Recreation	57,828	63,458	-	-	634,762	756,048
Urban Development and Housing	-	-	1,849,572	8,541,139	132	10,390,843
Debt Service						
Principal	86,083	248,000	66,293	131,747	4,153,693	4,685,816
Interest and Fiscal Charges	95,547	121,818	35,707	124,769	1,798,419	2,176,260
Total Expenditures	<u>90,742,216</u>	<u>8,202,298</u>	<u>12,757,680</u>	<u>9,072,679</u>	<u>14,717,716</u>	<u>135,492,589</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>11,843,331</u>	<u>(3,340,788)</u>	<u>1,542,678</u>	<u>515,051</u>	<u>(3,036,436)</u>	<u>7,523,836</u>
OTHER FINANCING SOURCES (USES)						
Transfers In	12,722	2,441,719	4,645,000	-	6,227,014	13,326,455
Transfers Out	(8,688,327)	-	(2,813,178)	(12,722)	(1,057,743)	(12,571,970)
Total Other Financing Sources (Uses)	<u>(8,675,605)</u>	<u>2,441,719</u>	<u>1,831,822</u>	<u>(12,722)</u>	<u>5,169,271</u>	<u>754,485</u>
Net Change in Fund Balances	3,167,726	(899,069)	3,374,500	502,329	2,132,835	8,278,321
FUND BALANCES, Beginning of Year	<u>33,460,352</u>	<u>251,688</u>	<u>16,337,606</u>	<u>1,790,592</u>	<u>14,810,800</u>	<u>66,651,038</u>
FUND BALANCES, End of Year	<u>\$ 36,628,078</u>	<u>\$ (647,381)</u>	<u>\$ 19,712,106</u>	<u>\$ 2,292,921</u>	<u>\$ 16,943,635</u>	<u>\$ 74,929,359</u>

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, 2013

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

Net Change in Fund Balances - Governmental Funds	\$	8,278,321
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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 (\$10,270,083) and capital asset disposals (\$28,849) exceeded capital outlays \$7,992,085 and capital contributions \$1,434,751 in the current year. (872,096)

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: COP and loan principal payments \$4,469,747, principal payments on capital leases \$216,069, debt issuance costs (\$405,836), amortization of premium \$130,642, and amortization of loss on refunding (\$173,003). 4,237,619

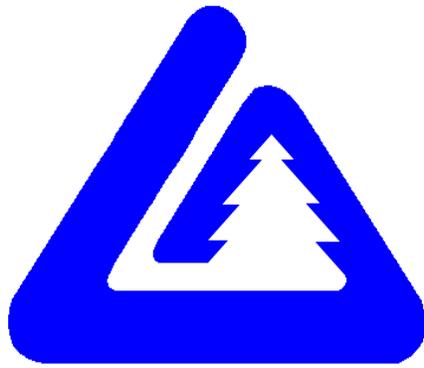
Revenues in the statement of activities that do not provide current financial resources are deferred in governmental funds. 791,337

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 \$64,164, compensated absences (\$135,730), accrued interest payable \$23,652 and postemployment benefits (\$47,304). (95,218)

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. (1,095,773)

Change in Net Position of Governmental Activities	\$	<u><u>11,244,190</u></u>
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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, 2013

	Business-Type Activities - Enterprise Funds					Governmental
						Activities
	Golf Course	Sewer	Stormwater	Nonmajor	Total	Internal
Fund	Fund	Fund	Water	Enterprise	Service	
	Fund	Fund	Fund	Fund	Funds	Funds
ASSETS						
Current Assets						
Cash and Investments	\$ 48,128	\$ 3,458,751	\$ 2,460,092	\$ 1,268,543	\$ 7,235,514	\$ 13,032,307
Accounts Receivable	12,716	657,131	266,948	151,892	1,088,687	3,347
Inventories	116,372	-	-	-	116,372	-
Total Current Assets	<u>177,216</u>	<u>4,115,882</u>	<u>2,727,040</u>	<u>1,420,435</u>	<u>8,440,573</u>	<u>13,035,654</u>
Noncurrent Assets						
Land	6,921,465	108,312	303,738	75,459	7,408,974	-
Construction in Progress	-	-	1,486,457	-	1,486,457	-
Infrastructure	-	11,671,193	8,730,997	1,459,129	21,861,319	-
Buildings	4,732,305	-	-	-	4,732,305	-
Improvements	3,217,062	419,766	-	20,600	3,657,428	-
Machinery, Furniture and Equipment	2,150,534	451,571	54,775	362	2,657,242	-
Less Accumulated Depreciation	(7,386,903)	(8,343,456)	(3,387,035)	(1,223,366)	(20,340,760)	-
Total Noncurrent Assets	<u>9,634,463</u>	<u>4,307,386</u>	<u>7,188,932</u>	<u>332,184</u>	<u>21,462,965</u>	<u>-</u>
Total Assets	<u>\$ 9,811,679</u>	<u>\$ 8,423,268</u>	<u>\$ 9,915,972</u>	<u>\$ 1,752,619</u>	<u>\$29,903,538</u>	<u>\$ 13,035,654</u>
LIABILITIES AND NET POSITION						
Current Liabilities						
Accounts Payable	\$ 41,822	\$ 212,576	\$ 17,931	\$ 58,627	\$ 330,956	\$ 16,504
Accrued Liabilities	41,399	13,757	25,621	2,235	83,012	-
Deposits	11,250	-	-	-	11,250	-
Retainage Payable	-	-	4,063	-	4,063	-
Unearned Revenues	77,389	-	-	-	77,389	-
Claims Payable	-	-	-	-	-	2,024,911
Total Current Liabilities	<u>171,860</u>	<u>226,333</u>	<u>47,615</u>	<u>60,862</u>	<u>506,670</u>	<u>2,041,415</u>
NET POSITION						
Net Investment in Capital Assets	9,634,463	4,307,386	7,188,932	332,184	21,462,965	-
Unrestricted	5,356	3,889,549	2,679,425	1,359,573	7,933,903	10,994,239
Total Net Position	<u>9,639,819</u>	<u>8,196,935</u>	<u>9,868,357</u>	<u>1,691,757</u>	<u>29,396,868</u>	<u>10,994,239</u>
Total Liabilities and Net Position	<u>\$ 9,811,679</u>	<u>\$ 8,423,268</u>	<u>\$ 9,915,972</u>	<u>\$ 1,752,619</u>	<u>\$29,903,538</u>	<u>\$ 13,035,654</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, 2013

	Business-Type Activities - Enterprise Funds					Governmental	
					Activities		
	Golf Course	Sewer	Stormwater	Nonmajor	Internal		
Fund	Fund	Fund	Water	Total	Service		
	Fund	Fund	Fund	Fund	Total	Funds	
OPERATING REVENUES							
Charges for Services	\$ 4,339,298	\$ 3,566,999	\$ 2,481,899	\$ 1,102,484	\$ 11,490,680	\$ 1,702,318	
Miscellaneous	-	33,800	26,510	-	60,310	-	
Total Operating Revenues	4,339,298	3,600,799	2,508,409	1,102,484	11,550,990	1,702,318	
OPERATING EXPENSES							
Cost of Goods Sold	293,895	-	-	-	293,895	-	
Personnel Services	2,255,936	590,206	1,066,471	94,349	4,006,962	-	
Services and Supplies	950,318	350,757	574,413	47,347	1,922,835	37,886	
Sanitation Treatment	-	2,526,366	-	-	2,526,366	-	
Water Purchased	-	-	-	763,402	763,402	-	
Claims	-	-	-	-	-	2,314,132	
Premiums	-	-	-	-	-	588,761	
Capital Maintenance	-	-	38,347	-	38,347	-	
Depreciation	246,113	387,052	396,328	46,689	1,076,182	-	
Total Operating Expenses	3,746,262	3,854,381	2,075,559	951,787	10,627,989	2,940,779	
Operating Income (Loss)	593,036	(253,582)	432,850	150,697	923,001	(1,238,461)	
NONOPERATING REVENUES							
(EXPENSES)							
Investment Income	22	39,906	32,221	12,692	84,841	142,688	
Interest Expense	(1,015)	-	-	-	(1,015)	-	
Gain on Sale of Capital Assets	32,706	-	-	-	32,706	-	
Total Nonoperating Revenues (Expenses)	31,713	39,906	32,221	12,692	116,532	142,688	
Income (Loss) Before Transfers	624,749	(213,676)	465,071	163,389	1,039,533	(1,095,773)	
Transfers Out	(754,485)	-	-	-	(754,485)	-	
Change in Net Position	(129,736)	(213,676)	465,071	163,389	285,048	(1,095,773)	
NET POSITION, Beginning of Year	9,769,555	8,410,611	9,403,286	1,528,368	29,111,820	12,090,012	
NET POSITION, End of Year	\$ 9,639,819	\$ 8,196,935	\$ 9,868,357	\$ 1,691,757	\$ 29,396,868	\$ 10,994,239	

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, 2013

	Business-Type Activities - Enterprise Funds					Governmental Activities
	Golf Course Fund	Sewer Fund	Stormwater Fund	Nonmajor Water Fund	Total	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES						
Cash Received from Customers	\$ 4,411,255	\$ 3,469,016	\$ 2,482,452	\$ 1,076,590	\$ 11,439,313	\$ 1,698,971
Cash Paid to Suppliers	(1,324,866)	(2,938,725)	(608,656)	(843,759)	(5,716,006)	(2,664,406)
Cash Paid to Employees	(2,244,775)	(588,948)	(1,061,557)	(94,243)	(3,989,523)	-
Net Cash Provided (Used) by Operating Activities	841,614	(58,657)	812,239	138,588	1,733,784	(965,435)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Payments to Other Funds	(797,370)	-	-	-	(797,370)	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Purchases of Capital Assets	(65,000)	(121,789)	(1,174,814)	-	(1,361,603)	-
Proceeds from Sale of Capital Assets	83,350	-	-	-	83,350	-
Debt Principal Paid	(13,473)	-	-	-	(13,473)	-
Debt Interest Paid	(1,015)	-	-	-	(1,015)	-
Net Cash (Used) by Capital and Related Financing Activities	3,862	(121,789)	(1,174,814)	-	(1,292,741)	-
CASH FLOWS FROM INVESTING ACTIVITIES						
Investment Income	22	39,906	32,221	12,692	84,841	142,688
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	48,128	(140,540)	(330,354)	151,280	(271,486)	(822,747)
CASH AND CASH EQUIVALENTS, Beginning of Year	-	3,599,291	2,790,446	1,117,263	7,507,000	13,855,054
CASH AND CASH EQUIVALENTS, End of Year	\$ 48,128	\$ 3,458,751	\$ 2,460,092	\$ 1,268,543	\$ 7,235,514	\$ 13,032,307
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES						
Operating Income (Loss)	\$ 593,036	\$ (253,582)	\$ 432,850	\$ 150,697	\$ 923,001	\$ (1,238,461)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities						
Depreciation	246,113	387,052	396,328	46,689	1,076,182	-
Accounts Receivable	(5,432)	(131,783)	(25,957)	(25,894)	(189,066)	(3,347)
Inventories	(59)	-	-	-	(59)	-
Accounts Payable	(80,594)	(61,602)	4,104	(33,010)	(171,102)	10,681
Accrued Liabilities	11,161	1,258	4,914	106	17,439	-
Unearned Revenues	77,389	-	-	-	77,389	-
Claims Payable	-	-	-	-	-	265,692
Net Cash Provided (Used) By Operating Activities	\$ 841,614	\$ (58,657)	\$ 812,239	\$ 138,588	\$ 1,733,784	\$ (965,435)
NONCASH TRANSACTIONS						
Debt Extinguishment	\$ 53,940	\$ -	\$ -	\$ -	\$ 53,940	\$ -

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

CITY OF LAKEWOOD, COLORADO
STATEMENT OF NET POSITION
FIDUCIARY FUNDS
December 31, 2013

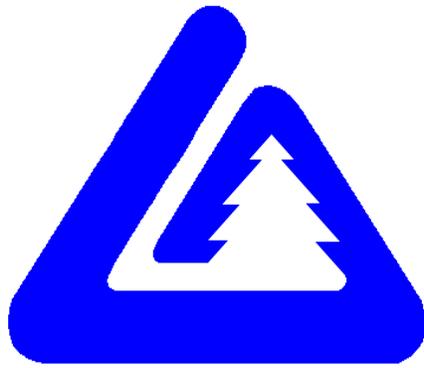
	<u>Pension Trust Funds</u>
ASSETS	
Pooled Cash	\$ 11,527
Certificate of Deposit	366,128
Mutual Funds	<u>1,732,285</u>
Total Assets	<u>\$ 2,109,940</u>
NET POSITION	
Held in Trust for City Manager Benefits	\$ 1,743,812
Held in Trust for City Manager Severance	<u>366,128</u>
Total Net Position	<u>\$ 2,109,940</u>

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

CITY OF LAKEWOOD, COLORADO
STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUNDS
Year Ended December 31, 2013

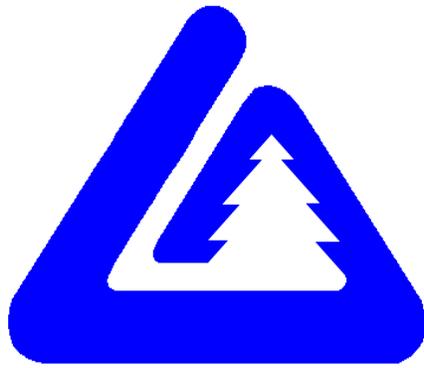
	Pension Trust Funds
ADDITIONS	
Contributions	
Employer	\$ 194,000
Miscellaneous	
Investment Income	98,437
Total Additions	292,437
DEDUCTIONS	
Benefit Payments	187,075
Administrative Expenses	1,836
Total Deductions	188,911
Change in Net Position	103,526
NET POSITION, Beginning of Year	2,006,414
NET POSITION, End of Year	\$ 2,109,940

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, 2013

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, 2013

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.

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

CITY OF LAKEWOOD, COLORADO
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

The 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, 2013

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 inflows of resources 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 expenses.

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

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

CITY OF LAKEWOOD, COLORADO
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Deferred Outflows/Inflows of Resources - Deferred outflows of resources include losses on debt refundings resulting from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. Deferred inflows of resources include property taxes earned but levied for a subsequent year. Revenues not available as current financial resources are deferred inflows in the governmental fund financial statements.

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

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

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

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

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

CITY OF LAKEWOOD, COLORADO
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

- Committed Fund Balance – amounts that can only be used for specific purposes pursuant to constraints imposed by ordinance of the City Council. The committed amounts cannot be used for any other purpose unless the City Council removes or changes the specified use by taking the same action it employed to previously commit those amounts. This classification also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.
- Assigned Fund Balance - amounts that are constrained by the City’s intent to be used for specific purposes, but are neither restricted nor committed. City Council, as the governing board, is authorized to informally assign amounts to a specific purpose and has assigned certain amounts through various policies.
- Unassigned Fund Balance – the remaining 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	\$ 96,690,461
Primary Government Restricted Cash and Investments	3,541,019
Fiduciary Funds Cash and Investments	<u>2,109,940</u>
Total	<u>\$ 102,341,420</u>

CITY OF LAKEWOOD, COLORADO
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2013

NOTE 2 – CASH AND INVESTMENTS (Continued)

At December 31, 2013, cash and investments consisted of the following:

Cash on Hand	\$	24,365
Deposits		58,075,395
Investments		44,241,660
Total	\$	102,341,420

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, 2013, the City had bank deposits of \$53,830,883 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, 2013

NOTE 2 – CASH AND INVESTMENTS (Continued)

Investments (Continued)

At December 31, 2013, the City's investment balances were as follows:

Investment Type	S & P Rating	Investment Maturities (In Years)		Pension Trust	All Other Funds	Fair Value
		Less than 1	1 - 5			
U.S. Treasury Securities	N/A	\$ -	\$ 1,936,887	\$ -	\$ 1,936,887	\$ 1,936,887
U.S. Agency Securities	AA+	6,407,981	29,881,833	-	36,289,814	36,289,814
Corporate Bonds	AAA	243,665	124,035	-	367,700	367,700
Corporate Bonds	AA+	-	124,093	-	124,093	124,093
Corporate Bonds	AA	120,437	372,749	-	493,186	493,186
Corporate Bonds	AA-	125,412	118,805	-	244,217	244,217
Commercial Paper	A-1+	2,756,462	-	-	2,756,462	2,756,462
Money Market Funds	AAAm	245,586	-	-	245,586	245,586
Money Market Funds	N/A	51,430	-	-	51,430	51,430
Mutual Funds	N/A	1,732,285	-	1,732,285	-	1,732,285
Total		\$ 11,683,258	\$ 32,558,402	\$ 1,732,285	\$ 42,509,375	\$ 44,241,660

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

Credit Risk – State statutes limit investments in commercial paper to a rating category of A1, P1, F1 or their equivalents, by at least two nationally recognized statistical rating organizations (NRSROs). State statutes limit investments in corporate bonds to a minimum rating category of AA- or Aa3 or their equivalents by at least two NRSROs. State statutes also limit investments in money market funds to those that maintain a constant share price, with a maximum remaining maturity in accordance with the Securities and Exchange Commission's Rule 2a-7, and either have assets of one billion dollars or the highest rating issued by one or more NRSROs.

Concentration of Credit Risk - The City's investment policy requires that investments in any U.S. dollar denominated corporate or bank debt may comprise up to 30% of the book value of the City's total investments at the time of purchase with no more than 5% concentrated in any single obligor. Any investment in commercial paper may not exceed 50% of the total par value of the City's portfolio with no greater than 7.5% exposure to any single issuer. Furthermore, general obligation and revenue bonds of U.S. local government entities shall not exceed 50% of the total par value of the City's portfolio. At December 31, 2013, the City's investment in the Federal Home Loan Bank, Federal Farm Credit Bank, Federal National Mortgage Association and Federal Home Loan Mortgage Corporation represented 45%, 23%, 8% and 6% respectively, of total investments. In addition, the City's investment in Autobahn Funding commercial paper represented 6% of total investments.

Restricted Cash and Investments

The General Fund has restricted cash and investments of \$373,802 representing the required HUD Section 108 deposit reserve account (See Note 4). The Lakewood Reinvestment Authority has restricted cash and investments of \$417,260, which represents \$168,260 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 \$2,749,957 restricted for debt service.

CITY OF LAKEWOOD, COLORADO
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2013

NOTE 2 – CASH AND INVESTMENTS (Continued)

Legal Compliance

At December 31, 2013, the City had bank deposits with a balance of \$1,706,490 held by banks not registered under the PDPA. This may be a violation of the PDPA. These deposits are in the form of negotiable certificates of deposit that may be considered legal securities under State statutes.

NOTE 3 - CAPITAL ASSETS

The following is a summary of changes in capital assets for the year ended December 31, 2013.

	Balance 12/31/12	Additions	Deletions	Balance 12/31/13
Governmental Activities				
Capital Assets, Not Being Depreciated				
Land	\$ 118,564,864	\$ 563,028	\$ -	\$ 119,127,892
Construction in Progress	266,425	3,683,394	172,023	3,777,796
Total Capital Assets, Not Being Depreciated	118,831,289	4,246,422	172,023	122,905,688
Capital Assets, Being Depreciated				
Infrastructure	201,545,558	2,316,652	-	203,862,210
Park Buildings, Facilities & Improvements	102,589,782	132,847	-	102,722,629
Buildings	68,076,601	240,295	-	68,316,896
Machinery, Furniture and Equipment	37,767,175	2,662,643	1,124,367	39,305,451
Total Capital Assets, Being Depreciated	409,979,116	5,352,437	1,124,367	414,207,186
Less Accumulated Depreciation for				
Infrastructure	(29,592,835)	(2,791,582)	-	(32,384,417)
Park Buildings, Facilities & Improvements	(28,978,970)	(2,081,500)	-	(31,060,470)
Buildings	(22,195,175)	(1,706,521)	-	(23,901,696)
Machinery and Equipment	(24,679,977)	(3,690,480)	(1,095,518)	(27,274,939)
Total Accumulated Depreciation	(105,446,957)	(10,270,083)	(1,095,518)	(114,621,522)
Capital Assets, Being Depreciated, Net	304,532,159	(4,917,646)	28,849	299,585,664
Governmental Activities Capital Assets, Net	\$ 423,363,448	\$ (671,224)	\$ 200,872	\$ 422,491,352

CITY OF LAKEWOOD, COLORADO
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2013

NOTE 3 - CAPITAL ASSETS (Continued)

	Balance 12/31/12	Additions	Deletions	Balance 12/31/13
Business-Type Activities				
Capital Assets, Not Being Depreciated				
Land	\$ 7,408,974	\$ -	\$ -	\$ 7,408,974
Construction in Progress	511,270	979,208	4,021	1,486,457
Total Capital Assets, Not Being Depreciated	7,920,244	979,208	4,021	8,895,431
Capital Assets, Being Depreciated				
Infrastructure	21,546,258	315,061	-	21,861,319
Buildings	4,732,305	-	-	4,732,305
Improvements	3,657,428	-	-	3,657,428
Machinery, Furniture and Equipment	3,073,089	65,000	480,847	2,657,242
Total Capital Assets, Being Depreciated	33,009,080	380,061	480,847	32,908,294
Less Accumulated Depreciation for				
Infrastructure	(11,176,714)	(830,069)	-	(12,006,783)
Buildings	(2,124,692)	(160,624)	-	(2,285,316)
Improvements	(3,569,561)	(37,211)	-	(3,606,772)
Machinery, Furniture and Equipment	(2,769,874)	(48,278)	(376,263)	(2,441,889)
Total Accumulated Depreciation	(19,640,841)	(1,076,182)	(376,263)	(20,340,760)
Capital Assets, Being Depreciated, Net	13,368,239	(696,121)	104,584	12,567,534
Business-Type Activities Capital Assets, Net	\$ 21,288,483	\$ 283,087	\$ 108,605	\$ 21,462,965

CITY OF LAKEWOOD, COLORADO
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2013

NOTE 3 - CAPITAL ASSETS (Continued)

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

Governmental Activities

General Government	\$ 2,424,826
Public Safety	2,182,146
Public Works	3,259,350
Culture and Recreation	2,274,722
Urban Development and Housing	84,295
Economic Opportunity	<u>44,744</u>

Total Governmental Activities	<u><u>\$ 10,270,083</u></u>
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Business-Type Activities

Golf Course	\$ 246,113
Sewer	387,052
Stormwater	396,328
Water	<u>46,689</u>

Total Business-Type Activities	<u><u>\$ 1,076,182</u></u>
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CITY OF LAKEWOOD, COLORADO
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2013

NOTE 4 - LONG-TERM DEBT

Governmental Activities

Following is a summary of long-term debt transactions for the year ended December 31, 2013:

	Balance 12/31/12	Additions	Deletions	Balance 12/31/13	Due within one year
Governmental Activities					
Certificates of Participation					
Certificates of Participation, 2006A	\$ 23,150,000	\$ -	\$ 1,625,000	\$ 21,525,000	\$ 1,700,000
2006A COPs Premium	1,045,129	-	130,642	914,487	-
Certificates of Participation, 2006B	17,025,000	-	2,465,000	14,560,000	1,845,000
Capital Leases Payable					
Police Facility Building	2,127,997	-	86,083	2,041,914	89,948
William Frederick Hayden Park Land	777,929	-	129,986	647,943	141,685
Notes Payable					
HUD Section 108 Notes Payable	2,652,000	-	248,000	2,404,000	258,000
LRA Station Betterments Loan	2,493,052	-	131,747	2,361,305	94,382
			-		
Compensated Absences					
Sick Leave	2,469,157	1,740,764	1,772,529	2,437,392	175,000
Vacation	3,349,835	3,275,432	3,107,937	3,517,330	200,000
Postemployment Benefits					
Postemployment Benefits	712,819	47,304	-	760,123	-
Total	\$ 55,802,918	\$ 5,063,500	\$ 9,696,924	\$ 51,169,494	\$ 4,504,015

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.

CITY OF LAKEWOOD, COLORADO
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2013

NOTE 4 - LONG-TERM DEBT (Continued)

2006A Certificates of Participation (Continued)

Following are the future principal and interest requirements:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	2,060,000	660,000	2,720,000
2019 - 2022	<u>12,170,000</u>	<u>1,458,000</u>	<u>13,628,000</u>
Total	<u>\$ 21,525,000</u>	<u>\$ 5,687,925</u>	<u>\$ 27,212,925</u>

2006B Certificates of Participation

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

Payment of principal and interest is secured by the Lakewood Civic Center property and is also guaranteed under a financial guaranty insurance policy, issued concurrently with the certificates of participation.

Following are the future principal and interest requirements:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	2,160,000	243,154	2,403,154
2019 - 2020	<u>4,570,000</u>	<u>226,375</u>	<u>4,796,375</u>
Total	<u>\$ 14,560,000</u>	<u>\$ 2,233,031</u>	<u>\$ 16,793,031</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.

CITY OF LAKEWOOD, COLORADO
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2013

NOTE 4 - LONG-TERM DEBT (Continued)

Capital Leases (Continued)

Following is a schedule of the future minimum lease payments under this capital lease, and the present value of the net minimum lease payments at December 31, 2013:

2014	\$ 181,630
2015	181,630
2016	181,630
2017	181,630
2018	181,630
2019 - 2023	908,150
2024 - 2028	908,150
2029	<u>181,630</u>
Total Minimum Lease Payments	2,906,080
Less: Amount Representing Interest	<u>(864,166)</u>
Present Value of Minimum Lease Payments	<u>\$ 2,041,914</u>

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, 2013:

2014	\$ 200,000
2015	200,000
2016	200,000
2017	<u>200,000</u>
Total Minimum Lease Payments	800,000
Less: Amount Representing Interest	<u>(152,057)</u>
Present Value of Minimum Lease Payments	<u>\$ 647,943</u>

HUD Section 108 Notes Payable

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

CITY OF LAKEWOOD, COLORADO
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2013

NOTE 4 - LONG-TERM DEBT (Continued)

HUD Section 108 Notes Payable (Continued)

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, 2013, was \$373,802 (See Note 2). 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.

Future debt service requirements are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	305,000	63,663	368,663
2019 - 2021	999,000	100,932	1,099,932
Total	<u>\$ 2,404,000</u>	<u>\$ 544,347</u>	<u>\$ 2,948,347</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 5% is payable semi-annually on the first day of each June and December through December 1, 2030.

The loan is collateralized by a Loan Reserve Account funded with \$249,000 of the loan proceeds (See Note 2). For the year ended December 31, 2013, incremental property tax revenues of \$396,576 were available to pay annual debt service of \$256,516.

CITY OF LAKEWOOD, COLORADO
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2013

NOTE 4 - LONG-TERM DEBT (Continued)

Lakewood Reinvestment Authority Station Betterments Loan (Continued)

Remaining debt service at December 31, 2013, was as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	115,291	97,557	212,848
2019 - 2023	671,264	392,976	1,064,240
2024 - 2028	862,202	202,038	1,064,240
2029 - 2030	305,265	15,566	320,831
Total	\$ 2,361,305	\$ 1,152,246	\$ 3,513,551

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, 2013:

	<u>Balance</u>			<u>Balance</u>	<u>Due within</u>
	<u>12/31/12</u>	<u>Additions</u>	<u>Deletions</u>	<u>12/31/13</u>	<u>one year</u>
Business-Type Activities					
Capital Leases Payable					
Golf Carts	\$ 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 was 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 were due on the 15th of each month with a final balloon payment of \$48,000 due on May 13, 2013. During the year ended December 31, 2013, the City made principal payments totaling \$13,473 before the golf carts were returned and the remaining debt of \$53,940 was cancelled.

CITY OF LAKEWOOD, COLORADO
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2013

NOTE 5 – 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, 2013, totaled \$2,485,101 and is reported as restricted fund balance in the General Fund.

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

NOTE 6 - INTERFUND BALANCES AND TRANSFERS

Transfers between funds during the year ended December 31, 2013, were as follows:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
General Fund	Lakewood Reinvestment Authority Fund	\$ 12,722
Capital Improvements	General Fund	4,645,000
Grants Fund	General Fund	90,833
Nonmajor Funds	General Fund	1,181,903
Lakewood Public Building Authority	General Fund	2,770,591
		<u>8,688,327</u>
Grants Fund	Capital Improvements Fund	2,350,886
Lakewood Public Building Authority	Capital Improvements Fund	386,001
Nonmajor Funds	Capital Improvements Fund	76,291
		<u>2,813,178</u>
Lakewood Public Building Authority	Golf Course Enterprise Fund	754,485
Lakewood Public Building Authority	Nonmajor Funds	1,057,743
		<u>1,812,228</u>
Total		<u>\$ 13,326,455</u>

CITY OF LAKEWOOD, COLORADO
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2013

NOTE 6 - INTERFUND BALANCES AND TRANSFERS (Continued)

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 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 and Capital Improvement Funds transferred grant matching funds to the Grants Fund.

The General and Capital Improvement Funds subsidized the operations of the Heritage, Culture and Arts Fund in the amount of \$1,035,225 for the year ended December 31, 2013.

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 required to participate in the Lakewood Employees' Pension Plan on the first day of employment as a full-time or regular part-time employee.

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

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 employee's base salary, and the employee is required to contribute 8% of base salary. In 2013, the City contributed 18% of the City Manager's contribution, which includes the employer and employee portion. Employee voluntary after-tax contributions to the plan are allowed to the extent allowed by law. Contribution requirements of the City and the participants are established and may be amended by the City Council. During the year ended December 31, 2013, the City and employees made all required contributions to the plan, of \$3,542,795 and \$2,835,967 (including voluntary contributions of \$30,519), respectively.

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

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

CITY OF LAKEWOOD, COLORADO
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2013

NOTE 7 – EMPLOYEE RETIREMENT PLANS (Continued)

Lakewood Employees’ Pension Plan (Continued)

The City has a forfeiture account that is funded by the forfeiture of City contributions made on behalf of an employee who terminates employment before becoming fully vested. During 2013, \$154,348 was used from this account to fund a portion of the City’s contribution, and \$47,244 was available to fund future City contributions.

Since a third party trustee holds the plan assets in trust, the plan is 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 administered by the International City/County Management Association – Retirement Corporation (ICMA-RC).

The City is the only non-employee contributor and contributes 10% of the participants’ base salary, and the participant is required to contribute 8% of base salary. Employee voluntary after-tax contributions to the plan are allowed to the extent allowed by law. Contribution requirements of the City and the participants are established and may be amended by the City Council. During the year ended December 31, 2013, the City and employees made all required contributions to the plan, of \$2,063,063 and \$1,672,531 (including voluntary contributions of \$22,095), respectively.

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

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

The City has a forfeiture account that is funded by the forfeiture of City contributions made on behalf of an employee who terminates employment before becoming fully vested. During 2013, \$17,128 was used from this account to fund a portion of the City’s contribution.

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

CITY OF LAKEWOOD, COLORADO
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2013

NOTE 7 – EMPLOYEE RETIREMENT PLANS (Continued)

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 Retired City Manager Defined Benefit Pension Plan, qualified under the Internal Revenue Code of 1986, as amended, Section 401(a). The plan is a defined benefit pension plan whereby the retired City Manager began receiving a bi-weekly benefit of 60% of his salary upon his retirement at the age of 61. The retired City Manager was fully vested in the plan upon attainment of Normal Retirement Age (age 61) under the Plan, with zero vesting prior to that date. The retired City Manager's surviving spouse is eligible to receive a survivor benefit of two-thirds of the bi-weekly benefit paid to the retired City Manager. The City Manager retired in September 2009 with bi-weekly benefit payments of \$6,444 beginning in October 2009. The benefit payments increase by 3% cost of living adjustment each year. The plan does not publish a separate stand-alone report, and is included in these financial statements as a Pension Trust Fund.

Funding Policy - The plan was initially funded through a \$767,000 contribution from the City of Lakewood and a \$300,000 contribution from the City Manager. As established by City Council, the City will make all future contributions to the plan. The contributions will be actuarially determined.

Annual Pension Cost and Annual Required Contributions - Contributions were determined as part of the January 1, 2014 actuarial valuation. The estimated net pension obligation at December 31, 2013, was (\$567,897) which is reported as an asset in the government-wide financial statements. AXA Equitable holds the plan assets in trust. The City's Director of Employee Relations, Director of Finance, and 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 Retired City Manager Pension Plan for the year ended December 31, 2013, were as follows:

Annual required contribution (ARC)	\$ 159,398
Interest on net pension obligation	(34,002)
Adjustment to ARC	4,440
Annual pension cost	<u>129,836</u>
Contributions made	<u>(194,000)</u>
Increase (decrease) in net pension obligation	(64,164)
Net pension obligation beginning of year	<u>(503,733)</u>
Net pension obligation end of year	<u><u>\$ (567,897)</u></u>

CITY OF LAKEWOOD, COLORADO
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2013

NOTE 7 – EMPLOYEE RETIREMENT PLANS (Continued)

Retired City Manager Pension Plan (Continued)

Trend information of the plan follows:

Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation (Asset)
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)
12/31/13	\$ 129,836	149%	\$ (567,897)

Date Required	Annual Required Contribution	Annual Contribution	Percentage Contribution
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%
12/31/13	\$ 159,398	\$ 194,000	122%

Actuarial Methods and Assumptions -

Actuarial Valuation Date – January 1, 2014

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

CITY OF LAKEWOOD, COLORADO
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2013

NOTE 7 – EMPLOYEE RETIREMENT PLANS (Continued)

Retired City Manager Pension Plan (Continued)

Funded Status and Funding Progress - At January 1, 2014, the most recent actuarial valuation date, the actuarial value of assets was \$1,507,376, the actuarial accrued liability (AAL) was \$3,185,253, of which \$1,677,877 was unfunded, resulting in a funded ratio of 47.3%. 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 be, but is not required to be, supplemented by contributions from the City. All officers employed by the City will make an equal contribution to the Trust; the current contribution is \$10 per pay period.

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

Disabled officers receive 100% of their salary for the first 90 days of the disability, 60% for the 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%, (c) a mortality rate in accordance with the group annuity tables of 1994, and (d) Duty Death and Disability rates based on experience of similar organizations with similar circumstances. To further test the Plan's funded status, Best-Estimate, Optimistic and Pessimistic scenarios were developed for duty-related deaths and disabilities.

Based on this valuation, the Best-Estimate Entry-Age Actuarial Liability totaled \$1,590,016. During the year ended December 31, 2013, benefit payments totaling \$81,986 were paid. At December 31, 2013, assets totaling \$2,807,085 were available for benefits. Under the plan document, there is no provision for benefits to be paid if sufficient assets are not available.

During 2013, the City and employees contributed \$133,352 and \$69,160, respectively, to the Police Duty Death and Disability Plan. Since a third party trustee holds the assets in trust, the plan is not reflected in the City's financial statements.

CITY OF LAKEWOOD, COLORADO
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2013

NOTE 8 – PENSION TRUST FUNDS

Combining Financial Statements

Combining financial statements for the City’s pension trust funds as of and for the year ended December 31, 2013, were as follows:

	<u>Retired City Manager Pension</u>	<u>City Manager Severance</u>	<u>Total</u>
Assets			
Cash and Investments	\$ 1,743,812	\$ 366,128	\$ 2,109,940
Net Position			
Held in Trust	\$ 1,743,812	\$ 366,128	\$ 2,109,940
Additions			
Employer Contributions	\$ 194,000	\$ -	\$ 194,000
Investment Income	98,066	371	98,437
Total Additions	292,066	371	292,437
Deductions			
Benefit Payments	187,075	-	187,075
Administrative Expenses	1,836	-	1,836
Total Deductions	188,911	-	188,911
Change in Net Position	103,155	371	103,526
Net Position, Beginning of Year	<u>1,640,657</u>	<u>365,757</u>	<u>2,006,414</u>
Net Position, End of Year	<u>\$ 1,743,812</u>	<u>\$ 366,128</u>	<u>\$ 2,109,940</u>

City Manager Severance Plan

The City has established the City Manager Severance Benefit Trust under the provisions of an employment agreement to provide benefits to the City Manager if employment is terminated by the City without cause, or due to a permanent disability. The Trust was established by a contribution from the City and requires additional contributions by the City, based on increases in annual compensation and benefits to the City Manager. Trust assets are held by JP Morgan Chase Bank. The City Manager’s Severance Benefit Trust is managed by a board of trustees composed of the City Finance Director, Employee Relations Director, and City Clerk who exercise discretionary authority and control over management of the Trust. The Trust does not publish a separate stand-alone report, and is included in these financial statements as a Pension Trust Fund.

CITY OF LAKEWOOD, COLORADO
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2013

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 70 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 since 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. 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, 2013, the amount actually contributed to the plan, and changes in the City’s net OPEB obligation to the plan.

Annual required contribution	\$	383,303
Interest on net OPEB obligation		32,073
Adjustment to annual required contributions		(48,072)
Annual OPEB Cost		367,304
Contributions made		(320,000)
Increase in net OPEB obligation		47,304
Net OPEB Obligation, Beginning		712,819
Net OPEB Obligation, Ending	\$	760,123

CITY OF LAKEWOOD, COLORADO
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2013

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
12/31/13	\$ 367,304	87.1%	\$ 760,123

Funded Status and Funding Progress - At December 31, 2013, the most recent actuarial valuation date, the actuarial accrued liability (AAL) was \$3,807,932, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was \$55,741,700, and the ratio of the unfunded actuarial accrued liability (UAAL) to the covered payroll was 6.8%.

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, 2013
- Actuarial Cost Method – Unit Credit Method
- Amortization Method – Level Dollar, including both principal and interest
- Remaining Amortization Period – 30 years from valuation date, Open – 25 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 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, 2013

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 1st through March 31st.

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

The following represents the changes in claims payable from January 1, 2012 to December 31, 2013:

	<u>Property and Casualty</u>	<u>Workers' Compensation</u>	<u>Dental</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	697,463	1,043,030	18,726
Claims and Changes in Provisions	625,812	912,355	775,965
Claims Payments	<u>(502,789)</u>	<u>(766,770)</u>	<u>(778,881)</u>
Claims Payable December 31, 2013	<u>\$ 820,486</u>	<u>\$ 1,188,615</u>	<u>\$ 15,810</u>

CITY OF LAKEWOOD, COLORADO
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2013

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.

Operating Lease

On January 18, 2013, the City entered into an operating equipment lease with PNC Equipment Finance, LLC for the rental of golf carts at Homestead Golf Course. The lease agreement requires 48 monthly payments of \$4,829, beginning April 2013 through March 2017. The City may, at its option, purchase the golf carts at the end of the term of the lease at a price equal to fair market value. The lease requires the City to return the golf carts at the end of the lease term, if the City doesn't exercise the option to purchase.

Remaining payments required by the lease are as follows:

<u>Year</u>	<u>Payment</u>
2014	\$ 57,953
2015	57,953
2016	57,953
2017	<u>14,488</u>
Total	<u>\$ 188,347</u>

CITY OF LAKEWOOD, COLORADO
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2013

NOTE 11 – CONTINGENCIES (Continued)

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

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

Project Name	Maximum Amount Committed To Be Reimbursed Or Waived ⁽¹⁾	Termination Of Reimbursement Obligation ⁽²⁾	Description Of Sharing Arrangement	2013 Amount Of Tax Shared With Developer	Future Contingent Payments Required By Agreement
Stevinson I ⁽³⁾ Annexation	Not Limited	9/26/2029	1/4 th of 2% Sales Tax	\$1,749,897	N/A
Stevinson II ⁽³⁾ Annexation	Not Limited	10/09/2026	1/4 th of 2% Sales Tax	\$99,674	N/A

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

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

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

CITY OF LAKEWOOD, COLORADO
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2013

NOTE 11 – CONTINGENCIES (Continued)

Economic Development Agreements (Continued)

Lakewood Reinvestment Authority and Economic Development Agreements

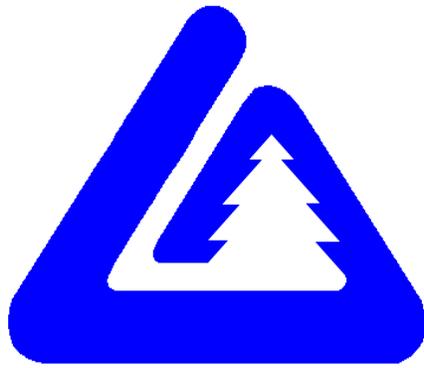
In 1997, Lakewood voters approved the formation of the Lakewood Reinvestment Authority. As required by Colorado statutes, the Lakewood Reinvestment Authority receives revenue from incremental sales and property taxes that are collected from a designated geographical area as defined in an urban renewal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

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

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

Project Name	Maximum Amount Committed To Be Reimbursed Or Waived ⁽¹⁾	Termination Of Reimbursement Obligation ⁽²⁾	Description Of Sharing Arrangement	2013 Amount Of Tax Shared With Developer	Future Contingent Payments Required By Agreement
Belmar	\$120,000,000	9/10/2025	2/3 ^{rds} of 3% Sales Tax Rate Waived	\$ -0-	N/A
Creekside Shopping Center (Wal-Mart)	\$24,320,435 ⁽³⁾	8/09/2024	100% of Sales Tax increment in excess of \$1,000,000	\$1,457,048	\$14,601,805

- ⁽¹⁾ In addition to the sales tax reimbursement or waiver for these projects, a public improvement fee (instituted privately by the developer) contributes to the overall reimbursement amount.
- ⁽²⁾ The reimbursement will be terminated on the termination date, or whenever the reimbursement obligation has been satisfied, whichever occurs first.
- ⁽³⁾ Does not include interest and ancillary hard and soft costs.



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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, 2013

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)
4/1/07	\$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
1/1/14	\$1,507,376	\$3,185,253	\$1,677,877	47.3%	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, 2013

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)
12/31/11	\$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%
12/31/13	\$0	\$3,807,932	\$3,807,932	0.0%	\$55,741,700	6.8%

See the accompanying Independent Auditors' Report.

CITY OF LAKEWOOD, COLORADO
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2013

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Taxes				
Property Tax	\$ 7,986,944	\$ 7,547,241	\$ 7,601,278	\$ 54,037
Sales Tax	52,914,064	53,386,513	54,767,281	1,380,768
General Use Tax	2,753,778	2,753,778	2,759,048	5,270
Building Material Use Tax	1,886,783	2,051,180	2,223,119	171,939
Business and Occupational Tax	2,142,379	2,445,113	2,669,856	224,743
Specific Ownership Tax	573,583	583,800	595,804	12,004
Motor Vehicle Use Tax	3,988,185	4,547,069	4,586,678	39,609
Franchise Taxes	6,622,461	5,876,123	6,431,246	555,123
Total Taxes	<u>78,868,177</u>	<u>79,190,817</u>	<u>81,634,310</u>	<u>2,443,493</u>
Licenses and Permits				
Business Licenses and Permits	518,025	572,987	531,933	(41,054)
Nonbusiness Licenses and Permits	2,020,020	2,298,538	2,451,318	152,780
Total Licenses and Permits	<u>2,538,045</u>	<u>2,871,525</u>	<u>2,983,251</u>	<u>111,726</u>
Charges for Services				
General Government	1,022,337	1,016,337	996,253	(20,084)
Public Safety	514,558	514,558	673,869	159,311
Culture and Recreation	3,612,430	3,735,430	4,150,148	414,718
Other Sales and Services	5,621,380	5,529,329	5,262,160	(267,169)
Total Charges for Services	<u>10,770,705</u>	<u>10,795,654</u>	<u>11,082,430</u>	<u>286,776</u>
Fines and Forfeitures				
	<u>1,551,152</u>	<u>1,260,015</u>	<u>1,279,097</u>	<u>19,082</u>
Intergovernmental Revenue				
State Government Shared Revenue	3,968,027	3,863,712	3,926,525	62,813
Local Government Grants	40,000	40,000	58,690	18,690
Local Government Shared Revenue	1,274,622	1,119,800	1,123,238	3,438
Total Intergovernmental Revenue	<u>5,282,649</u>	<u>5,023,512</u>	<u>5,108,453</u>	<u>84,941</u>
Miscellaneous				
Investment Income	484,200	443,717	(83,792)	(527,509)
Other	1,069,376	930,704	581,798	(348,906)
Total Miscellaneous	<u>1,553,576</u>	<u>1,374,421</u>	<u>498,006</u>	<u>(876,415)</u>
TOTAL REVENUES	<u>100,564,304</u>	<u>100,515,944</u>	<u>102,585,547</u>	<u>2,069,603</u>

(Continued)

See the accompanying Independent Auditors' Report.

CITY OF LAKEWOOD, COLORADO
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
EXPENDITURES				
General Government				
Legislative				
Personnel Services	248,494	250,098	256,061	(5,963)
Services and Supplies	225,626	225,626	192,477	33,149
Total Legislative	<u>474,120</u>	<u>475,724</u>	<u>448,538</u>	<u>27,186</u>
Judicial				
Personnel Services	2,044,435	2,017,493	2,026,640	(9,147)
Services and Supplies	245,275	253,162	161,322	91,840
Total Judicial	<u>2,289,710</u>	<u>2,270,655</u>	<u>2,187,962</u>	<u>82,693</u>
Executive				
Personnel Services	1,495,441	1,505,624	1,495,299	10,325
Services and Supplies	207,422	272,022	214,338	57,684
Capital Outlay	-	3,500	856	2,644
Total Executive	<u>1,702,863</u>	<u>1,781,146</u>	<u>1,710,493</u>	<u>70,653</u>
Administrative				
Personnel Services	7,331,380	7,310,126	6,355,818	954,308
Services and Supplies	2,250,507	2,284,400	2,192,795	91,605
Capital Outlay	425,800	445,800	13,060	432,740
Total Administrative	<u>10,007,687</u>	<u>10,040,326</u>	<u>8,561,673</u>	<u>1,478,653</u>
Other				
Personnel Services	6,159,541	6,127,462	5,684,305	443,157
Services and Supplies	7,551,547	7,533,782	6,723,310	810,472
Debt Service	181,630	181,630	181,630	-
Capital Outlay	57,461	57,461	42,036	15,425
Total Other	<u>13,950,179</u>	<u>13,900,335</u>	<u>12,631,281</u>	<u>1,269,054</u>
Total General Government	<u>28,424,559</u>	<u>28,468,186</u>	<u>25,539,947</u>	<u>2,928,239</u>

(Continued)

See the accompanying Independent Auditors' Report.

CITY OF LAKEWOOD, COLORADO
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2013

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Public Safety				
Law Enforcement				
Personnel Services	38,984,292	38,618,728	37,904,026	714,702
Services and Supplies	3,073,536	3,038,353	2,859,054	179,299
Capital Outlay	65,000	107,531	63,573	43,958
Total Law Enforcement	<u>42,122,828</u>	<u>41,764,612</u>	<u>40,826,653</u>	<u>937,959</u>
Correction				
Personnel Services	608,961	622,689	589,876	32,813
Services and Supplies	17,451	17,134	11,377	5,757
Total Correction	<u>626,412</u>	<u>639,823</u>	<u>601,253</u>	<u>38,570</u>
Protective Inspection				
Personnel Services	2,030,172	2,026,471	2,207,811	(181,340)
Services and Supplies	113,718	116,523	84,874	31,649
Total Protective Inspection	<u>2,143,890</u>	<u>2,142,994</u>	<u>2,292,685</u>	<u>(149,691)</u>
Other Protection				
Personnel Services	1,742,668	1,713,890	1,649,744	64,146
Services and Supplies	522,476	523,901	545,592	(21,691)
Capital Outlay	50,362	50,362	13,330	37,032
Total Other Protection	<u>2,315,506</u>	<u>2,288,153</u>	<u>2,208,666</u>	<u>79,487</u>
Total Public Safety	<u>47,208,636</u>	<u>46,835,582</u>	<u>45,929,257</u>	<u>906,325</u>
Public Works				
Highways and Streets				
Personnel Services	3,431,374	3,414,516	2,936,420	478,096
Services and Supplies	4,013,272	4,562,976	4,057,008	505,968
Capital Outlay	11,500	11,500	21,252	(9,752)
Total Highways and Streets	<u>7,456,146</u>	<u>7,988,992</u>	<u>7,014,680</u>	<u>974,312</u>
Total Public Works	<u>7,456,146</u>	<u>7,988,992</u>	<u>7,014,680</u>	<u>974,312</u>

(Continued)

See the accompanying Independent Auditors' Report.

CITY OF LAKEWOOD, COLORADO
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2013

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Culture and Recreation				
Recreation				
Personnel Services	6,278,115	6,104,664	5,870,022	234,642
Services and Supplies	1,567,818	1,521,977	1,498,698	23,279
Capital Outlay	18,500	34,248	19,828	14,420
Total Recreation	<u>7,864,433</u>	<u>7,660,889</u>	<u>7,388,548</u>	<u>272,341</u>
Parks				
Personnel Services	2,210,841	1,973,859	1,827,539	146,320
Services and Supplies	1,804,637	1,841,417	1,688,038	153,379
Capital Outlay	50,000	33,000	38,000	(5,000)
Total Parks	<u>4,065,478</u>	<u>3,848,276</u>	<u>3,553,577</u>	<u>294,699</u>
Total Culture and Recreation	<u>11,929,911</u>	<u>11,509,165</u>	<u>10,942,125</u>	<u>567,040</u>
Urban Development and Housing				
Personnel Services	177,450	496,160	495,017	1,143
Services and Supplies	330,150	345,150	71,558	273,592
Total Urban Development and Housing	<u>507,600</u>	<u>841,310</u>	<u>566,575</u>	<u>274,735</u>
Economic Opportunity				
Personnel Services	675,072	645,053	599,353	45,700
Services and Supplies	214,326	187,364	150,279	37,085
Total Economic Opportunity	<u>889,398</u>	<u>832,417</u>	<u>749,632</u>	<u>82,785</u>
Total Expenditures	<u>96,416,250</u>	<u>96,475,652</u>	<u>90,742,216</u>	<u>5,733,436</u>
Excess (Deficiency) of Revenues				
Over Expenditures	<u>4,148,054</u>	<u>4,040,292</u>	<u>11,843,331</u>	<u>7,803,039</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	16,189	20,665	12,722	(7,943)
Transfers Out	<u>(7,203,077)</u>	<u>(7,157,009)</u>	<u>(8,688,327)</u>	<u>(1,531,318)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(7,186,888)</u>	<u>(7,136,344)</u>	<u>(8,675,605)</u>	<u>(1,539,261)</u>
Net Change in Fund Balance	(3,038,834)	(3,096,052)	3,167,726	6,263,778
FUND BALANCE, Beginning of Year	<u>29,423,754</u>	<u>33,460,352</u>	<u>33,460,352</u>	<u>-</u>
FUND BALANCE, End of Year	<u>\$ 26,384,920</u>	<u>\$ 30,364,300</u>	<u>\$ 36,628,078</u>	<u>\$ 6,263,778</u>

See the accompanying Independent Auditors' Report.

CITY OF LAKEWOOD, COLORADO
GRANTS FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2013

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Intergovernmental				
Federal Government Grants	\$ 3,860,726	\$ 6,528,507	\$ 3,231,925	\$ (3,296,582)
State Government Grants	1,203,366	1,717,914	1,068,197	(649,717)
Local Government Grants	468,058	951,594	555,286	(396,308)
Total Intergovernmental	5,532,150	9,198,015	4,855,408	(4,342,607)
Investment Income	-	-	1,323	1,323
Miscellaneous	-	-	4,779	4,779
Total Revenues	5,532,150	9,198,015	4,861,510	(4,336,505)
EXPENDITURES				
General Government				
Personnel Services	52,687	36,063	36,802	(739)
Services and Supplies	14,360	48,315	17,826	30,489
Capital Outlay	-	25,000	-	25,000
Total General Government	67,047	109,378	54,628	54,750
Public Safety				
Personnel Services	802,958	928,452	711,641	216,811
Services and Supplies	1,504,804	1,503,443	1,299,747	203,696
Capital Outlay	815,200	1,365,706	527,610	838,096
Total Public Safety	3,122,962	3,797,601	2,538,998	1,258,603
Public Works				
Personnel Services	-	-	54,703	(54,703)
Services and Supplies	-	-	4,793	(4,793)
Capital Outlay	10,000	4,435,000	2,975,453	1,459,547
Total Public Works	10,000	4,435,000	3,034,949	1,400,051

(Continued)

See the accompanying Independent Auditors' Report.

CITY OF LAKEWOOD, COLORADO
GRANTS FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2013

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
EXPENDITURES (Continued)				
Culture and Recreation				
Personnel Services	-	1,725	11,107	(9,382)
Capital Outlay	-	-	63,458	(63,458)
Total Culture and Recreation	-	1,725	74,565	(72,840)
Urban Development and Housing				
Personnel Services	264,449	243,062	245,809	(2,747)
Services and Supplies	615,051	1,579,764	791,733	788,031
Capital Outlay	-	35,000	-	35,000
Total Urban Development and Housing	879,500	1,857,826	1,037,542	820,284
Economic Opportunity				
Personnel Services	997,697	1,397,632	902,794	494,838
Services and Supplies	210,620	242,223	189,004	53,219
Total Economic Opportunity	1,208,317	1,639,855	1,091,798	548,057
Debt Service				
Principal	248,000	248,000	248,000	-
Interest	121,818	121,818	121,818	-
Total Debt Service	369,818	369,818	369,818	-
Total Expenditures	5,657,644	12,211,203	8,202,298	4,008,905
Excess (Deficiency) of Revenues Over Expenditures	(125,494)	(3,013,188)	(3,340,788)	(327,600)
OTHER FINANCING SOURCES				
Transfers In	89,000	2,977,125	2,441,719	(535,406)
Net Change in Fund Balance	(36,494)	(36,063)	(899,069)	(863,006)
FUND BALANCE, Beginning of Year	371,021	251,688	251,688	-
FUND BALANCE, End of Year	<u>\$ 334,527</u>	<u>\$ 215,625</u>	<u>\$ (647,381)</u>	<u>\$ (863,006)</u>

See the accompanying Independent Auditors' Report.

CITY OF LAKEWOOD, COLORADO
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
Year Ended December 31, 2013

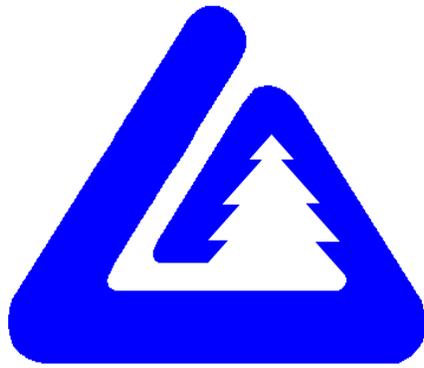
NOTE 1 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

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 shall submit to the Mayor and City Council a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them. Budgets for the Lakewood Public Building Authority and the Lakewood Reinvestment Authority are adopted by their governing boards.
2. Two public hearings are conducted at regular City Council meetings to obtain public comment.
3. Prior to November 1, the budget is legally enacted through passage of an ordinance.
4. Expenditures may not legally exceed budgeted appropriations at the fund level, and all annual appropriations lapse at year-end, except for those of the Capital Improvements Fund and certain projects of the Special Revenue Funds, which may be carried over. The City Manager is authorized to transfer budgeted amounts between departments within any fund and to expend amounts within the approved appropriations and the City Code. However, any revisions that alter the total 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, Capital Projects, Internal Service, and Enterprise Funds.
6. Budgets for the General, Special Revenue, Capital Projects, and Internal Service Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). The budgets for the Enterprise Funds are adopted on a basis consistent with GAAP except that bond proceeds are treated as revenues, capital outlay and debt service principal are treated as expenditures, and capital contributions are not budgeted.

**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.

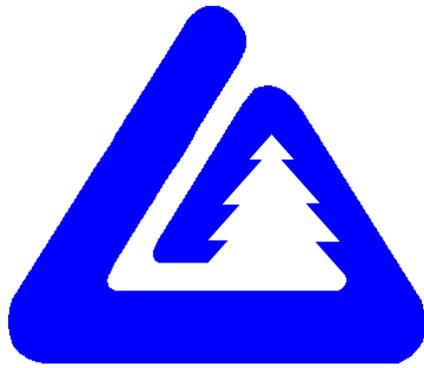
LAKWOOD REINVESTMENT AUTHORITY CAPITAL PROJECT FUND

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.



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SPECIAL REVENUE FUNDS

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

MAJOR FUNDS

GRANTS FUND

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

NON-MAJOR FUNDS

CONSERVATION TRUST FUND

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

ECONOMIC DEVELOPMENT FUND

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

HERITAGE, CULTURE & ARTS FUND

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

OPEN SPACE FUND

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

DEBT SERVICE FUNDS

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

NON-MAJOR FUNDS

LAKESWOOD PUBLIC BUILDING AUTHORITY DEBT SERVICE FUND

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

CITY OF LAKEWOOD, COLORADO
CAPITAL IMPROVEMENTS FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2013

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Taxes				
Sales Tax	\$ 9,739,427	\$ 9,964,823	\$ 10,258,033	\$ 293,210
General Use Tax	551,066	550,888	521,457	(29,431)
Building Material Use Tax	378,773	410,334	444,628	34,294
Motor Vehicle Use Tax	816,857	909,632	917,663	8,031
Total Taxes	11,486,123	11,835,677	12,141,781	306,104
Intergovernmental				
State Government Shared Revenue	2,062,817	1,914,432	1,925,340	10,908
Miscellaneous				
Investment Income	115,699	180,711	225,846	45,135
Other	57,500	200,000	7,391	(192,609)
Total Miscellaneous	173,199	380,711	233,237	(147,474)
Total Revenues	13,722,139	14,130,820	14,300,358	169,538
EXPENDITURES				
General Government				
Personnel Services	94,581	181,438	225,267	(43,829)
Services and Supplies	1,350,000	1,441,000	1,425,341	15,659
Capital Outlay	3,625,000	2,583,463	1,040,532	1,542,931
Total General Government	5,069,581	4,205,901	2,691,140	1,514,761
Public Safety				
Personnel Services	135,406	132,993	129,795	3,198
Services and Supplies	475,000	476,165	279,994	196,171
Capital Outlay	435,000	305,000	251,428	53,572
Total Public Safety	1,045,406	914,158	661,217	252,941
Public Works				
Personnel Services	636,543	620,764	585,825	34,939
Services and Supplies	1,211,300	1,743,300	300,703	1,442,597
Capital Outlay	8,909,669	10,434,669	6,551,738	3,882,931
Total Public Works	10,757,512	12,798,733	7,438,266	5,360,467

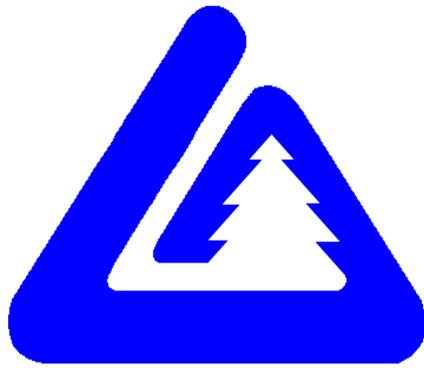
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See the accompanying Independent Auditors' Report.

CITY OF LAKEWOOD, COLORADO
CAPITAL IMPROVEMENTS FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2013

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
EXPENDITURES (Continued)				
Culture and Recreation				
Services and Supplies	9,143	9,143	8,885	258
Capital Outlay	4,700	4,700	-	4,700
Debt Service	102,000	102,000	102,000	-
Total Culture and Recreation	<u>115,843</u>	<u>115,843</u>	<u>110,885</u>	<u>4,958</u>
Urban Development and Housing				
Services and Supplies	10,000	10,000	6,600	3,400
Capital Outlay	1,959,682	1,823,444	1,849,572	(26,128)
Total Urban Development and Housing	<u>1,969,682</u>	<u>1,833,444</u>	<u>1,856,172</u>	<u>(22,728)</u>
Total Expenditures	<u>18,958,024</u>	<u>19,868,079</u>	<u>12,757,680</u>	<u>7,110,399</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(5,235,885)</u>	<u>(5,737,259)</u>	<u>1,542,678</u>	<u>7,279,937</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	3,180,000	3,145,000	4,645,000	1,500,000
Transfers Out	(396,000)	(3,391,416)	(2,813,178)	578,238
Total Other Financing Sources (Uses)	<u>2,784,000</u>	<u>(246,416)</u>	<u>1,831,822</u>	<u>2,078,238</u>
Net Change in Fund Balance	<u>(2,451,885)</u>	<u>(5,983,675)</u>	<u>3,374,500</u>	<u>9,358,175</u>
FUND BALANCE, Beginning of Year	<u>7,895,141</u>	<u>16,337,606</u>	<u>16,337,606</u>	<u>-</u>
FUND BALANCE, End of Year	<u>\$ 5,443,256</u>	<u>\$ 10,353,931</u>	<u>\$ 19,712,106</u>	<u>\$ 9,358,175</u>

See the accompanying Independent Auditors' Report.



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CITY OF LAKEWOOD, COLORADO
LAKEWOOD REINVESTMENT AUTHORITY FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2013

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Taxes				
Property Taxes Increment	\$ 7,398,514	\$ 7,235,230	\$ 7,319,084	\$ 83,854
General Sales Taxes Increment	196,523	211,094	101,718	(109,376)
Investment Income	5,494	8,663	6,084	(2,579)
Miscellaneous	945,983	953,528	2,160,844	1,207,316
Total Revenues	8,546,514	8,408,515	9,587,730	1,179,215
EXPENDITURES				
Urban Development and Housing				
Personnel Services	114,884	120,445	120,474	(29)
Services and Supplies	144,288	185,788	154,550	31,238
Capital Outlay	8,431,264	8,621,278	8,541,139	80,139
Debt Service	249,961	306,516	256,516	50,000
Total Expenditures	8,940,397	9,234,027	9,072,679	161,348
Excess (Deficiency) of Revenues Over Expenditures	(393,883)	(825,512)	515,051	1,340,563
OTHER FINANCING SOURCES (USES)				
Transfers Out	(16,189)	(20,665)	(12,722)	7,943
Net Change in Fund Balance	(410,072)	(846,177)	502,329	1,348,506
FUND BALANCE, Beginning of Year	1,438,518	1,790,592	1,790,592	-
FUND BALANCE, End of Year	\$ 1,028,446	\$ 944,415	\$ 2,292,921	\$ 1,348,506

See the accompanying Independent Auditors' Report.

CITY OF LAKEWOOD, COLORADO
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2013

	Special Revenue Funds			
	Conservation Trust Fund	Economic Development Fund	Heritage, Culture and Arts Fund	Open Space Fund
ASSETS				
Cash and Investments	\$ 1,401,675	\$ 4,407,055	\$ 677,699	\$ 3,336,498
Restricted Cash and Investments	-	-	-	-
Accounts Receivable	-	65,852	8,357	851,075
Loan Receivable	-	48,000	-	-
Inventories	-	-	33,475	-
Prepays	-	-	7,390	-
Total Assets	<u>\$ 1,401,675</u>	<u>\$ 4,520,907</u>	<u>\$ 726,921</u>	<u>\$ 4,187,573</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ -	\$ 93	\$ 52,930	\$ 102,140
Accrued Liabilities	-	3,868	33,905	42,123
Retainage Payable	-	-	318	16,901
Unearned Revenues	-	-	158,444	-
Total Liabilities	<u>-</u>	<u>3,961</u>	<u>245,597</u>	<u>161,164</u>
FUND BALANCES				
Nonspendable:				
Inventories	-	-	33,475	-
Prepays	-	-	7,390	-
Restricted for:				
Parks and Open Space	1,401,675	-	-	4,026,409
Economic Development	-	4,516,946	-	-
Debt Service	-	-	-	-
Assigned to:				
Cultural Activities	-	-	440,459	-
Capital Improvements	-	-	-	-
Total Fund Balances	<u>1,401,675</u>	<u>4,516,946</u>	<u>481,324</u>	<u>4,026,409</u>
Total Liabilities and Fund Balances	<u>\$ 1,401,675</u>	<u>\$ 4,520,907</u>	<u>\$ 726,921</u>	<u>\$ 4,187,573</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>
\$ -	\$ 3,702,856	\$ 13,525,783
2,749,957	-	2,749,957
-	103,372	1,028,656
-	-	48,000
-	-	33,475
-	-	7,390
<u>\$ 2,749,957</u>	<u>\$ 3,806,228</u>	<u>\$ 17,393,261</u>

\$ -	\$ 13,040	\$ 168,203
25,864	-	105,760
-	-	17,219
-	-	158,444
<u>25,864</u>	<u>13,040</u>	<u>449,626</u>

-	-	33,475
-	-	7,390
-	-	5,428,084
-	-	4,516,946
2,724,093	-	2,724,093
-	-	440,459
-	3,793,188	3,793,188
<u>2,724,093</u>	<u>3,793,188</u>	<u>16,943,635</u>
<u>\$ 2,749,957</u>	<u>\$ 3,806,228</u>	<u>\$ 17,393,261</u>

CITY OF LAKEWOOD, COLORADO
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
Year Ended December 31, 2013

	Special Revenue Funds			
	Conservation Trust Fund	Economic Development Fund	Heritage, Culture and Arts Fund	Open Space Fund
REVENUES				
Taxes	\$ -	\$ 1,106,365	\$ -	\$ -
Charges for Services	-	75,922	805,481	14,618
Intergovernmental	1,550,074	-	265,367	4,689,658
Investment Income	13,252	43,294	-	31,954
Sale of Assets	-	-	-	-
Miscellaneous	-	3,354	132,677	3,466
Total Revenues	1,563,326	1,228,935	1,203,525	4,739,696
EXPENDITURES				
Current				
General Government	-	-	-	-
Public Safety	-	-	-	-
Culture and Recreation	-	-	2,178,707	3,277,328
Urban Development and Housing	-	450,635	-	-
Capital Outlay				
General Government	-	-	-	-
Culture and Recreation	405,707	-	8,481	220,574
Urban Development and Housing	-	132	-	-
Debt Service				
Principal	63,693	-	-	-
Interest and Fiscal Charges	34,307	-	-	-
Total Expenditures	503,707	450,767	2,187,188	3,497,902
Excess (Deficiency) of Revenues Over Expenditures	1,059,619	778,168	(983,663)	1,241,794
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	1,035,225	-
Transfers Out	(624,669)	-	-	(353,074)
Total Other Financing Sources (Uses)	(624,669)	-	1,035,225	(353,074)
Net Change in Fund Balances	434,950	778,168	51,562	888,720
FUND BALANCES, Beginning of Year	966,725	3,738,778	429,762	3,137,689
FUND BALANCES, End of Year	\$ 1,401,675	\$ 4,516,946	\$ 481,324	\$ 4,026,409

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>
\$ -	\$ -	\$ 1,106,365
715,606	1,851,014	3,462,641
-	-	6,505,099
75,520	-	164,020
-	303,658	303,658
-	-	139,497
<u>791,126</u>	<u>2,154,672</u>	<u>11,681,280</u>
5,972	201,008	206,980
-	55,360	55,360
-	-	5,456,035
-	-	450,635
-	1,961,700	1,961,700
-	-	634,762
-	-	132
4,090,000	-	4,153,693
<u>1,764,112</u>	<u>-</u>	<u>1,798,419</u>
<u>5,860,084</u>	<u>2,218,068</u>	<u>14,717,716</u>
<u>(5,068,958)</u>	<u>(63,396)</u>	<u>(3,036,436)</u>
4,968,820	222,969	6,227,014
-	(80,000)	(1,057,743)
<u>4,968,820</u>	<u>142,969</u>	<u>5,169,271</u>
(100,138)	79,573	2,132,835
<u>2,824,231</u>	<u>3,713,615</u>	<u>14,810,800</u>
<u>\$ 2,724,093</u>	<u>\$ 3,793,188</u>	<u>\$ 16,943,635</u>

CITY OF LAKEWOOD, COLORADO
CONSERVATION TRUST FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES				
Intergovernmental				
State Government Shared Revenue	\$ 1,295,000	\$ 1,300,000	\$ 1,550,074	\$ 250,074
Investment Income	4,510	10,981	13,252	2,271
Total Revenues	<u>1,299,510</u>	<u>1,310,981</u>	<u>1,563,326</u>	<u>252,345</u>
EXPENDITURES				
Culture and Recreation				
Capital Outlay	625,000	989,000	405,707	583,293
Debt Service	98,000	98,000	98,000	-
Total Expenditures	<u>723,000</u>	<u>1,087,000</u>	<u>503,707</u>	<u>583,293</u>
Excess (Deficiency) of Revenues Over Expenditures	576,510	223,981	1,059,619	835,638
OTHER FINANCING SOURCES (USES)				
Transfers Out	(624,669)	(624,669)	(624,669)	-
Net Change in Fund Balance	(48,159)	(400,688)	434,950	835,638
FUND BALANCE, Beginning of Year	<u>284,059</u>	<u>966,725</u>	<u>966,725</u>	<u>-</u>
FUND BALANCE, End of Year	<u>\$ 235,900</u>	<u>\$ 566,037</u>	<u>\$ 1,401,675</u>	<u>\$ 835,638</u>

See the accompanying Independent Auditors' Report.

CITY OF LAKEWOOD, COLORADO
ECONOMIC DEVELOPMENT FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2013

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Hotel Accommodation Taxes	\$ 920,000	\$ 1,000,000	\$ 1,106,365	\$ 106,365
Charges for Services	52,000	52,000	75,922	23,922
Investment Income	40,000	52,663	43,294	(9,369)
Miscellaneous	-	-	3,354	3,354
Total Revenues	<u>1,012,000</u>	<u>1,104,663</u>	<u>1,228,935</u>	<u>124,272</u>
EXPENDITURES				
Urban Development and Housing				
Personnel Services	362,409	351,909	213,734	138,175
Services and Supplies	650,400	650,400	236,901	413,499
Capital Outlay	3,000	3,000	132	2,868
Total Expenditures	<u>1,015,809</u>	<u>1,005,309</u>	<u>450,767</u>	<u>554,542</u>
Net Change in Fund Balance	(3,809)	99,354	778,168	678,814
FUND BALANCE, Beginning of Year	<u>2,892,299</u>	<u>3,738,778</u>	<u>3,738,778</u>	<u>-</u>
FUND BALANCE, End of Year	<u><u>\$ 2,888,490</u></u>	<u><u>\$ 3,838,132</u></u>	<u><u>\$ 4,516,946</u></u>	<u><u>\$ 678,814</u></u>

See the accompanying Independent Auditors' Report.

CITY OF LAKEWOOD, COLORADO
HERITAGE, CULTURE AND ARTS FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2013

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Charges for Services	\$ 881,746	\$ 906,746	\$ 805,481	\$ (101,265)
Intergovernmental				
State Government Grants	265,000	265,000	265,367	367
Miscellaneous	215,400	183,517	132,677	(50,840)
Total Revenues	<u>1,362,146</u>	<u>1,355,263</u>	<u>1,203,525</u>	<u>(151,738)</u>
EXPENDITURES				
Culture and Recreation				
Personnel Services	1,601,402	1,595,281	1,459,785	135,496
Services and Supplies	756,549	795,718	718,922	76,796
Capital Outlay	95,000	10,000	8,481	1,519
Total Expenditures	<u>2,452,951</u>	<u>2,400,999</u>	<u>2,187,188</u>	<u>213,811</u>
Excess (Deficiency) of Revenues Over Expenditures	(1,090,805)	(1,045,736)	(983,663)	62,073
OTHER FINANCING SOURCES				
Transfers In	1,005,002	1,035,225	1,035,225	-
Net Change in Fund Balance	(85,803)	(10,511)	51,562	62,073
FUND BALANCE, Beginning of Year	<u>324,888</u>	<u>429,762</u>	<u>429,762</u>	<u>-</u>
FUND BALANCE, End of Year	<u>\$ 239,085</u>	<u>\$ 419,251</u>	<u>\$ 481,324</u>	<u>\$ 62,073</u>

See the accompanying Independent Auditors' Report.

CITY OF LAKEWOOD, COLORADO
OPEN SPACE FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2013

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Charges for Services	\$ -	\$ -	\$ 14,618	\$ 14,618
County Open Space Shared Revenues	4,047,886	4,274,900	4,644,408	369,508
Intergovernmental	20,500	45,250	45,250	-
Investment Income	26,798	37,199	31,954	(5,245)
Contributions and Donations	10,822	10,822	3,466	(7,356)
Total Revenues	<u>4,106,006</u>	<u>4,368,171</u>	<u>4,739,696</u>	<u>371,525</u>
EXPENDITURES				
Culture and Recreation				
Parks and Open Space				
Personnel Services	2,725,855	2,560,482	2,319,123	241,359
Services and Supplies	1,216,802	1,270,699	958,205	312,494
Capital Outlay	290,171	1,107,937	220,574	887,363
Total Expenditures	<u>4,232,828</u>	<u>4,939,118</u>	<u>3,497,902</u>	<u>1,441,216</u>
Excess (Deficiency) of Revenues Over Expenditures	(126,822)	(570,947)	1,241,794	1,812,741
OTHER FINANCING SOURCES (USES)				
Transfers Out	<u>(353,074)</u>	<u>(353,074)</u>	<u>(353,074)</u>	<u>-</u>
Net Change in Fund Balance	(479,896)	(924,021)	888,720	1,812,741
FUND BALANCE, Beginning of Year	<u>1,744,673</u>	<u>3,137,689</u>	<u>3,137,689</u>	<u>-</u>
FUND BALANCE, End of Year	<u>\$ 1,264,777</u>	<u>\$ 2,213,668</u>	<u>\$ 4,026,409</u>	<u>\$ 1,812,741</u>

See the accompanying Independent Auditors' Report.

CITY OF LAKEWOOD, COLORADO
LAKEWOOD PUBLIC BUILDING AUTHORITY
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2013

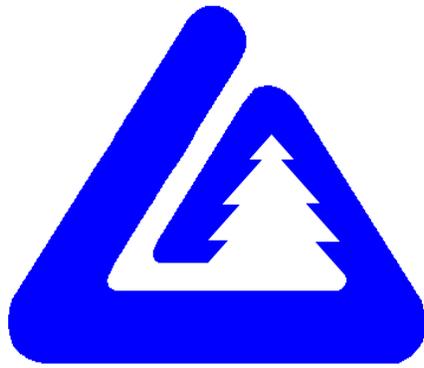
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Charges for Services	\$ 715,606	\$ 715,606	\$ 715,606	\$ -
Investment Income	135,824	135,824	75,520	(60,304)
Total Revenues	<u>851,430</u>	<u>851,430</u>	<u>791,126</u>	<u>(60,304)</u>
EXPENDITURES				
General Government				
Services and Supplies	39,445	39,445	5,972	33,473
Total General Government	<u>39,445</u>	<u>39,445</u>	<u>5,972</u>	<u>33,473</u>
Debt Service				
Principal	4,090,000	4,090,000	4,090,000	-
Interest and Fiscal Charges	1,741,564	1,741,564	1,764,112	(22,548)
Total Debt Service	<u>5,831,564</u>	<u>5,831,564</u>	<u>5,854,112</u>	<u>(22,548)</u>
Total Expenditures	<u>5,871,009</u>	<u>5,871,009</u>	<u>5,860,084</u>	<u>10,925</u>
Excess (Deficiency) of Revenues Over Expenditures	(5,019,579)	(5,019,579)	(5,068,958)	(49,379)
OTHER FINANCING SOURCES				
Transfers In	5,009,633	5,009,633	4,968,820	(40,813)
Net Change in Fund Balance	(9,946)	(9,946)	(100,138)	(90,192)
FUND BALANCE, Beginning of Year	<u>2,823,838</u>	<u>2,824,231</u>	<u>2,824,231</u>	<u>-</u>
FUND BALANCE, End of Year	<u>\$ 2,813,892</u>	<u>\$ 2,814,285</u>	<u>\$ 2,724,093</u>	<u>\$ (90,192)</u>

See the accompanying Independent Auditors' Report.

CITY OF LAKEWOOD, COLORADO
EQUIPMENT REPLACEMENT FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2013

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Charges for Services	\$ 1,840,000	\$ 1,886,288	\$ 1,851,014	\$ (35,274)
Sale of Assets	150,000	297,000	303,658	6,658
Total Revenues	<u>1,990,000</u>	<u>2,183,288</u>	<u>2,154,672</u>	<u>(28,616)</u>
EXPENDITURES				
General Government				
Services and Supplies	295,000	456,000	201,008	254,992
Capital Outlay	2,605,000	2,856,000	1,961,700	894,300
Total General Government	<u>2,900,000</u>	<u>3,312,000</u>	<u>2,162,708</u>	<u>1,149,292</u>
Public Safety				
Services and Supplies	100,000	100,000	55,360	44,640
Capital Outlay	100,000	-	-	-
Total Public Safety	<u>200,000</u>	<u>100,000</u>	<u>55,360</u>	<u>44,640</u>
Total Expenditures	<u>3,100,000</u>	<u>3,412,000</u>	<u>2,218,068</u>	<u>1,193,932</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(1,110,000)</u>	<u>(1,228,712)</u>	<u>(63,396)</u>	<u>1,165,316</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	187,969	222,969	222,969	-
Transfers Out	(80,000)	(80,000)	(80,000)	-
Total Other Financing Sources (Uses)	<u>107,969</u>	<u>142,969</u>	<u>142,969</u>	<u>-</u>
Net Change in Fund Balance	<u>(1,002,031)</u>	<u>(1,085,743)</u>	<u>79,573</u>	<u>1,165,316</u>
FUND BALANCE, Beginning of Year	<u>3,207,688</u>	<u>3,713,615</u>	<u>3,713,615</u>	<u>-</u>
FUND BALANCE, End of Year	<u><u>\$ 2,205,657</u></u>	<u><u>\$ 2,627,872</u></u>	<u><u>\$ 3,793,188</u></u>	<u><u>\$ 1,165,316</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, 2013

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Charges for Services	\$ 4,625,431	\$ 4,625,431	\$ 4,339,298	\$ (286,133)
Investment Income	2,585	2,792	22	(2,770)
Total Revenues	<u>4,628,016</u>	<u>4,628,223</u>	<u>4,339,320</u>	<u>(288,903)</u>
EXPENDITURES				
Cost of Goods Sold	286,151	286,151	293,895	(7,744)
Personnel Services	2,313,627	2,299,913	2,255,936	43,977
Services and Supplies	737,362	808,042	950,318	(142,276)
Capital Outlay	130,000	164,000	65,000	99,000
Debt Principal	67,318	13,473	13,473	-
Interest Expense	-	1,015	1,015	-
Depreciation	383,099	342,632	246,113	96,519
Transfers Out	914,784	844,197	754,485	89,712
Total Expenditures	<u>4,832,341</u>	<u>4,759,423</u>	<u>4,580,235</u>	<u>179,188</u>
Change in Net Position, Budgetary Basis	<u>\$ (204,325)</u>	<u>\$ (131,200)</u>	(240,915)	<u>\$ (109,715)</u>
ADJUSTMENTS TO GAAP BASIS				
Capital Outlay			65,000	
Debt Principal Payments			13,473	
Gain on Sale of Capital Assets			<u>32,706</u>	
CHANGE IN NET POSITION, GAAP BASIS			<u>\$ (129,736)</u>	

See the accompanying Independent Auditors' Report.

CITY OF LAKEWOOD, COLORADO
SEWER ENTERPRISE FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2013

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Charges for Services	\$ 2,957,900	\$ 3,261,776	\$ 3,566,999	\$ 305,223
Investment Income	50,971	41,459	39,906	(1,553)
Miscellaneous	10,000	10,000	33,800	23,800
Total Revenues	<u>3,018,871</u>	<u>3,313,235</u>	<u>3,640,705</u>	<u>327,470</u>
EXPENDITURES				
Personnel Services	625,932	617,990	590,206	27,784
Services and Supplies	415,955	441,631	350,757	90,874
Sanitation Treatment	2,526,215	2,528,244	2,526,366	1,878
Capital Outlay	325,000	325,000	121,789	203,211
Depreciation	408,896	408,896	387,052	21,844
Total Expenditures	<u>4,301,998</u>	<u>4,321,761</u>	<u>3,976,170</u>	<u>345,591</u>
Change in Net Position, Budgetary Basis	<u>\$ (1,283,127)</u>	<u>\$ (1,008,526)</u>	(335,465)	<u>\$ 673,061</u>
ADJUSTMENTS TO GAAP BASIS				
Capital Outlay			<u>121,789</u>	
CHANGE IN NET POSITION, GAAP BASIS			<u>\$ (213,676)</u>	

See the accompanying Independent Auditors' Report.

CITY OF LAKEWOOD, COLORADO
STORMWATER ENTERPRISE FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2013

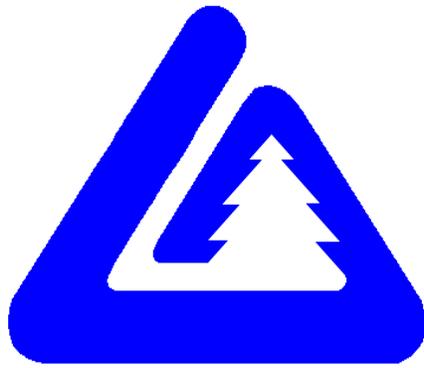
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Charges for Services	\$ 2,460,000	\$ 2,460,000	\$ 2,481,899	\$ 21,899
Investment Income	21,976	36,533	32,221	(4,312)
Miscellaneous	20,000	20,000	26,510	6,510
Total Revenues	<u>2,501,976</u>	<u>2,516,533</u>	<u>2,540,630</u>	<u>24,097</u>
EXPENDITURES				
Personnel Services	1,063,113	1,051,040	1,066,471	(15,431)
Services and Supplies	797,365	827,519	574,413	253,106
Capital Outlay	1,250,000	2,132,150	1,206,806	925,344
Depreciation	379,562	379,562	396,328	(16,766)
Total Expenditures	<u>3,490,040</u>	<u>4,390,271</u>	<u>3,244,018</u>	<u>1,146,253</u>
Change in Net Position, Budgetary Basis	<u>\$ (988,064)</u>	<u>\$ (1,873,738)</u>	(703,388)	<u>\$ 1,170,350</u>
ADJUSTMENTS TO GAAP BASIS				
Capital Outlay			<u>1,168,459</u>	
CHANGE IN NET POSITION, GAAP BASIS			<u>\$ 465,071</u>	

See the accompanying Independent Auditors' Report.

CITY OF LAKEWOOD, COLORADO
WATER ENTERPRISE FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2013

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Charges for Services	\$ 1,100,200	\$ 1,127,700	\$ 1,102,484	\$ (25,216)
Investment Income	16,269	14,473	12,692	(1,781)
Miscellaneous	2,400	2,400	-	(2,400)
Total Revenues	<u>1,118,869</u>	<u>1,144,573</u>	<u>1,115,176</u>	<u>(29,397)</u>
EXPENDITURES				
Personnel Services	103,071	101,585	94,349	7,236
Services and Supplies	57,029	61,173	47,347	13,826
Water Purchased	775,000	820,000	763,402	56,598
Capital Outlay	378,800	378,800	-	378,800
Depreciation	48,732	48,732	46,689	2,043
Total Expenditures	<u>1,362,632</u>	<u>1,410,290</u>	<u>951,787</u>	<u>458,503</u>
CHANGE IN NET POSITION, GAAP BASIS	<u>\$ (243,763)</u>	<u>\$ (265,717)</u>	<u>\$ 163,389</u>	<u>\$ 429,106</u>

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, 2013

	Property and Casualty	Workers' Compensation	Dental	Retirees' Health	Total
ASSETS					
Cash and Investments	\$ 3,759,496	\$ 4,924,625	\$ 1,824,508	\$ 2,523,678	\$ 13,032,307
Accounts Receivable	3,347	-	-	-	3,347
Total Assets	<u>\$ 3,762,843</u>	<u>\$ 4,924,625</u>	<u>\$ 1,824,508</u>	<u>\$ 2,523,678</u>	<u>\$ 13,035,654</u>
LIABILITIES AND NET POSITION					
LIABILITIES					
Accounts Payable	\$ 3,704	\$ 11,130	\$ -	\$ 1,670	\$ 16,504
Claims Payable	820,486	1,188,615	15,810	-	2,024,911
Total Liabilities	<u>824,190</u>	<u>1,199,745</u>	<u>15,810</u>	<u>1,670</u>	<u>2,041,415</u>
NET POSITION					
Unrestricted	<u>2,938,653</u>	<u>3,724,880</u>	<u>1,808,698</u>	<u>2,522,008</u>	<u>10,994,239</u>
TOTAL LIABILITIES AND NET POSITION	<u><u>\$ 3,762,843</u></u>	<u><u>\$ 4,924,625</u></u>	<u><u>\$ 1,824,508</u></u>	<u><u>\$ 2,523,678</u></u>	<u><u>\$ 13,035,654</u></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, 2013

	Property and Casualty	Workers' Compensation	Dental	Retirees' Health	Total
OPERATING REVENUES					
Charges for Services	\$ 335,000	\$ 165,000	\$ 882,318	\$ 320,000	\$ 1,702,318
Total Revenues	335,000	165,000	882,318	320,000	1,702,318
OPERATING EXPENSES					
Other Expenses	22,071	15,815	-	-	37,886
Claims	625,812	912,355	775,965	-	2,314,132
Premiums	380,676	114,528	-	93,557	588,761
Total Expenses	1,028,559	1,042,698	775,965	93,557	2,940,779
Operating Income (Loss)	(693,559)	(877,698)	106,353	226,443	(1,238,461)
NONOPERATING REVENUES					
Investment Income	41,203	56,797	19,342	25,346	142,688
Total Nonoperating Revenues	41,203	56,797	19,342	25,346	142,688
Change in Net Position	(652,356)	(820,901)	125,695	251,789	(1,095,773)
NET POSITION, Beginning of Year	3,591,009	4,545,781	1,683,003	2,270,219	12,090,012
NET POSITION, End of Year	\$ 2,938,653	\$ 3,724,880	\$ 1,808,698	\$ 2,522,008	\$ 10,994,239

See the accompanying Independent Auditors' Report.

CITY OF LAKEWOOD, COLORADO
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
Year Ended December 31, 2013

	Property and Casualty	Workers' Compensation	Dental	Retirees' Health	Total
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash Received from Customers	\$ 331,653	\$ 165,000	\$ 882,318	\$ 320,000	\$ 1,698,971
Cash Paid to Suppliers	(901,926)	(891,712)	(778,881)	(91,887)	(2,664,406)
Net Cash Provided (Used) by Operating Activities	(570,273)	(726,712)	103,437	228,113	(965,435)
CASH FLOWS FROM INVESTING ACTIVITIES					
Investment Income	41,203	56,797	19,342	25,346	142,688
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(529,070)	(669,915)	122,779	253,459	(822,747)
CASH AND CASH EQUIVALENTS, Beginning of Year	4,288,566	5,594,540	1,701,729	2,270,219	13,855,054
CASH AND CASH EQUIVALENTS, End of Year	\$ 3,759,496	\$ 4,924,625	\$ 1,824,508	\$ 2,523,678	\$ 13,032,307
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES					
Operating Income (Loss)	\$ (693,559)	\$ (877,698)	\$ 106,353	\$ 226,443	\$ (1,238,461)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities					
Accounts Receivable	(3,347)	-	-	-	(3,347)
Accounts Payable	3,610	5,401	-	1,670	10,681
Claims Payable	123,023	145,585	(2,916)	-	265,692
Net Cash Provided (Used) by Operating Activities	\$ (570,273)	\$ (726,712)	\$ 103,437	\$ 228,113	\$ (965,435)

See the accompanying Independent Auditors' Report.

CITY OF LAKEWOOD, COLORADO
PROPERTY AND CASUALTY SELF-INSURANCE FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2013

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Charges for Services	\$ 335,000	\$ 335,000	\$ 335,000	\$ -
Investment Income	33,048	44,793	41,203	(3,590)
Total Revenues	<u>368,048</u>	<u>379,793</u>	<u>376,203</u>	<u>(3,590)</u>
EXPENDITURES				
Other Expenses	97,500	97,500	22,071	75,429
Claims	851,655	530,143	625,812	(95,669)
Premiums	410,377	490,353	380,676	109,677
Total Expenditures	<u>1,359,532</u>	<u>1,117,996</u>	<u>1,028,559</u>	<u>89,437</u>
Change in Net Position	(991,484)	(738,203)	(652,356)	85,847
NET POSITION, Beginning of Year	<u>2,400,701</u>	<u>3,591,009</u>	<u>3,591,009</u>	<u>-</u>
NET POSITION, End of Year	<u><u>\$ 1,409,217</u></u>	<u><u>\$ 2,852,806</u></u>	<u><u>\$ 2,938,653</u></u>	<u><u>\$ 85,847</u></u>

See the accompanying Independent Auditors' Report.

CITY OF LAKEWOOD, COLORADO
WORKERS' COMPENSATION SELF-INSURANCE FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2013

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Charges for Services	\$ 165,000	\$ 165,000	\$ 165,000	\$ -
Investment Income	77,370	55,996	56,797	801
Total Revenues	<u>242,370</u>	<u>220,996</u>	<u>221,797</u>	<u>801</u>
EXPENDITURES				
Other Expenses	94,500	94,500	15,815	78,685
Claims	827,735	975,000	912,355	62,645
Premiums	102,287	189,626	114,528	75,098
Capital Outlay	5,000	-	-	-
Total Expenditures	<u>1,029,522</u>	<u>1,259,126</u>	<u>1,042,698</u>	<u>216,428</u>
Change in Net Position	(787,152)	(1,038,130)	(820,901)	217,229
NET POSITION, Beginning of Year	<u>4,852,426</u>	<u>4,545,781</u>	<u>4,545,781</u>	<u>-</u>
NET POSITION, End of Year	<u><u>\$ 4,065,274</u></u>	<u><u>\$ 3,507,651</u></u>	<u><u>\$ 3,724,880</u></u>	<u><u>\$ 217,229</u></u>

See the accompanying Independent Auditors' Report.

CITY OF LAKEWOOD, COLORADO
DENTAL SELF-INSURANCE FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2013

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Charges for Services	\$ 1,193,557	\$ 1,193,557	\$ 882,318	\$ (311,239)
Investment Income	25,947	23,752	19,342	(4,410)
Total Revenues	<u>1,219,504</u>	<u>1,217,309</u>	<u>901,660</u>	<u>(315,649)</u>
EXPENDITURES				
Claims	<u>1,166,431</u>	<u>1,166,431</u>	<u>775,965</u>	<u>390,466</u>
Total Expenditures	<u>1,166,431</u>	<u>1,166,431</u>	<u>775,965</u>	<u>390,466</u>
Change in Net Position	53,073	50,878	125,695	74,817
NET POSITION, Beginning of Year	<u>1,583,661</u>	<u>1,683,003</u>	<u>1,683,003</u>	<u>-</u>
NET POSITION, End of Year	<u>\$ 1,636,734</u>	<u>\$ 1,733,881</u>	<u>\$ 1,808,698</u>	<u>\$ 74,817</u>

See the accompanying Independent Auditors' Report.

CITY OF LAKEWOOD, COLORADO
RETIREES' HEALTH PROGRAM FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES				
Charges for Services	\$ 320,000	\$ 320,000	\$ 320,000	\$ -
Investment Income	36,415	32,798	25,346	(7,452)
Total Revenues	<u>356,415</u>	<u>352,798</u>	<u>345,346</u>	<u>(7,452)</u>
EXPENDITURES				
Premiums	175,000	175,000	93,557	81,443
Total Expenditures	<u>175,000</u>	<u>175,000</u>	<u>93,557</u>	<u>81,443</u>
Change in Net Position	181,415	177,798	251,789	73,991
NET POSITION, Beginning of Year	<u>2,190,447</u>	<u>2,270,219</u>	<u>2,270,219</u>	<u>-</u>
NET POSITION, End of Year	<u>\$ 2,371,862</u>	<u>\$ 2,448,017</u>	<u>\$ 2,522,008</u>	<u>\$ 73,991</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

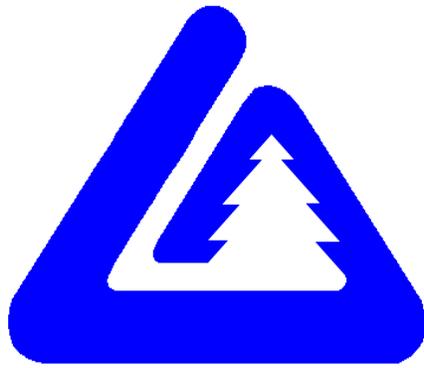
These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

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⁽¹⁾
(Accrual basis of accounting)

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Governmental activities										
Net investment in capital assets	\$ 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	\$ 381,609,040
Restricted	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	37,533,053
Unrestricted	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	40,537,178
Total governmental activities net assets	\$ 183,304,120	\$ 188,420,586	\$ 204,482,921	\$ 375,328,506	\$ 390,709,365	\$ 401,388,376	\$ 417,958,141	\$ 440,211,501	\$ 448,435,081	\$ 459,679,271
Business-type activities										
Net investment in capital assets	\$ 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	\$ 21,462,965
Unrestricted	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	7,933,903
Total business-type activities	\$ 29,037,175	\$ 29,945,027	\$ 30,648,944	\$ 30,878,499	\$ 30,864,960	\$ 29,549,826	\$ 29,346,429	\$ 29,083,573	\$ 29,111,820	\$ 29,396,868
Primary government										
Net investment in capital assets	\$ 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	\$ 403,072,005
Restricted	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	37,533,053
Unrestricted	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	48,471,081
Total primary government	\$ 212,341,295	\$ 218,365,613	\$ 235,131,865	\$ 406,207,005	\$ 421,574,325	\$ 430,938,202	\$ 447,304,570	\$ 469,295,074	\$ 477,546,901	\$ 489,076,139

(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)

Expenses	Fiscal Year			
	2004	2005	2006	2007
Governmental activities:				
General government	\$ 24,021,063	\$ 22,119,793	\$ 23,318,455	\$ 30,586,932
Public safety	36,041,655	36,183,348	39,260,678	44,782,919
Public works	9,764,151	9,702,056	15,763,085	13,974,839
Culture and recreation	14,735,519	15,646,471	14,972,489	17,147,447
Urban development and housing	5,671,867	4,050,877	2,718,091	9,373,994
Economic opportunity	--	1,857,209	1,952,093	1,974,192
Miscellaneous	12,393	20,167	--	--
Interest on long-term debt	3,861,806	3,693,070	2,753,239	3,186,882
Total governmental activities expenses	<u>94,108,454</u>	<u>93,272,991</u>	<u>100,738,130</u>	<u>121,027,205</u>
Business-type activities:				
Golf course	3,629,350	3,805,695	4,138,661	3,783,458
Sewer	2,453,538	3,003,328	2,980,535	2,981,580
Stormwater	1,703,178	1,837,080	1,762,925	1,776,798
Water	659,983	719,655	776,053	774,530
Total business-type activities	<u>7,786,066</u>	<u>8,646,103</u>	<u>9,658,174</u>	<u>9,316,366</u>
Total primary government expenses	<u>\$ 101,894,520</u>	<u>\$ 101,919,094</u>	<u>\$ 110,396,304</u>	<u>\$ 130,343,571</u>
Program Revenues				
Governmental activities:				
Charges for services:				
General government	\$ 8,591,376	\$ 6,739,296	\$ 5,962,221	\$ 7,402,054
Public safety	4,464,136	4,508,817	4,255,872	3,965,180
Public works	553,645	538,956	532,783	540,101
Culture and recreation	3,761,194	3,668,872	4,268,856	4,548,295
Urban development and housing	--	--	--	--
Economic opportunity	--	761,224	700,412	2,154,543
Operating grants and contributions	9,832,169	10,711,088	10,603,690	12,976,886
Capital grants and contributions	6,235,545	7,574,047	6,335,711	6,934,522
Total governmental activities program revenues	<u>33,438,065</u>	<u>34,502,300</u>	<u>32,659,545</u>	<u>38,521,581</u>
Business-type activities:				
Charges for services:				
Golf course	4,340,822	4,413,495	4,551,743	4,580,751
Sewer	2,398,505	2,376,025	2,281,430	2,243,071
Stormwater	2,436,126	2,414,799	2,493,070	2,349,510
Water	670,420	650,368	731,165	780,218
Operating grants and contributions	--	--	--	--
Total business-type activities program revenues	<u>9,175,453</u>	<u>9,204,319</u>	<u>10,057,408</u>	<u>9,953,550</u>
Total primary government program revenues	<u>\$ 42,613,518</u>	<u>\$ 43,706,619</u>	<u>\$ 42,716,953</u>	<u>\$ 48,475,131</u>
Net (Expense)/Revenue				
Governmental activities	\$ (60,670,389)	\$ (58,770,691)	\$ (68,078,585)	\$ (82,505,624)
Business-type activities	1,389,387	558,216	399,234	637,184
Total primary government net expense	<u>\$ (59,281,002)</u>	<u>\$ (58,212,475)</u>	<u>\$ (67,679,351)</u>	<u>\$ (81,868,440)</u>
General Revenues and Other Changes in Net Position				
Governmental activities:				
Taxes:				
Property	\$ 8,252,961	\$ 8,068,791	\$ 8,513,624	\$ 13,889,739
Sales and use	46,143,121	45,298,314	63,851,451	68,066,620
Franchise & other	7,956,491	8,088,384	8,890,830	9,106,031
Grants and contributions not restricted to specific programs	--	--	--	--
Investment earnings	644,278	653,776	1,607,617	2,608,891
Miscellaneous	158,129	1,858,997	1,169,982	1,129,371
Transfers	129,744	(81,105)	9,224	799,353
Total governmental activities	<u>63,284,724</u>	<u>63,887,157</u>	<u>84,042,728</u>	<u>95,600,005</u>
Business-type activities:				
Investment earnings	210,777	257,378	273,282	370,521
Miscellaneous	111,563	80,440	40,625	21,203
Transfers	(129,744)	81,105	(9,224)	(799,353)
Total business-type activities	<u>192,596</u>	<u>418,923</u>	<u>304,683</u>	<u>(407,629)</u>
Total primary government	<u>\$ 63,477,320</u>	<u>\$ 64,306,080</u>	<u>\$ 84,347,411</u>	<u>\$ 95,192,376</u>
Change in Net Position				
Governmental activities	\$ 2,614,335	\$ 5,116,466	\$ 15,964,143	\$ 13,094,381
Business-type activities	1,581,983	977,139	703,917	229,555
Total primary government	<u>\$ 4,196,318</u>	<u>\$ 6,093,605</u>	<u>\$ 16,668,060</u>	<u>\$ 13,323,936</u>

		Fiscal Year					
		2008	2009	2010	2011	2012	2013
\$	33,219,490	\$ 26,271,208	\$ 27,521,624	\$ 28,984,951	\$ 33,613,178	\$ 30,085,415	
	43,292,095	47,399,393	48,255,341	49,551,448	49,079,213	50,635,595	
	12,564,574	16,469,884	17,757,345	17,576,101	14,035,937	18,528,117	
	17,075,010	18,568,035	18,956,880	18,470,341	18,124,914	18,724,863	
	14,062,779	12,222,887	12,132,169	13,439,978	12,714,594	12,811,514	
	1,788,320	2,030,004	1,618,911	2,000,883	1,893,704	1,886,174	
	--	--	--	--	--	--	
	3,263,809	3,148,917	3,293,702	2,653,845	2,440,277	2,194,969	
	<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>	<u>134,866,647</u>	
	3,949,318	3,876,949	3,767,166	3,698,979	3,743,788	3,747,277	
	3,184,497	3,484,607	3,586,602	3,644,660	3,534,954	3,854,381	
	1,865,588	1,934,566	1,996,190	1,980,805	2,445,596	2,075,559	
	822,456	802,559	858,582	936,057	959,538	951,787	
	9,821,859	10,098,681	10,208,540	10,260,501	10,683,876	10,629,004	
\$	<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>	<u>\$ 145,495,651</u>	
\$	9,829,152	\$ 8,421,072	\$ 8,511,221	\$ 8,899,658	\$ 8,486,130	\$ 8,406,938	
	4,266,880	3,950,696	4,341,434	4,059,494	4,453,197	4,867,400	
	1,482,726	526,284	516,036	519,188	522,223	523,838	
	4,445,338	4,504,693	4,641,418	4,871,635	5,078,856	5,342,330	
	--	--	1,043,989	1,012,283	1,019,828	1,458,204	
	2,590,270	1,910,102	1,003,175	880,778	829,573	856,895	
	9,841,298	12,764,092	13,590,239	12,563,105	13,124,320	11,210,485	
	7,361,818	8,848,584	16,801,801	24,134,258	7,710,450	8,404,044	
	<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>	<u>41,070,134</u>	
	4,726,715	4,245,555	4,247,555	4,112,309	4,450,040	4,339,298	
	2,261,692	2,193,322	2,452,125	2,772,278	3,078,441	3,566,999	
	2,487,637	2,284,152	2,464,436	2,411,079	2,448,746	2,481,899	
	853,999	850,730	971,854	1,027,047	1,100,546	1,102,484	
	--	--	660,205	112,321	--	--	
	<u>10,330,043</u>	<u>9,573,759</u>	<u>10,796,175</u>	<u>10,435,034</u>	<u>11,077,773</u>	<u>11,490,680</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>	<u>\$ 52,560,814</u>	
\$	(85,448,595)	\$ (85,184,805)	\$ (79,086,659)	\$ (75,737,148)	\$ (90,677,240)	\$ (93,796,513)	
	508,184	(524,922)	587,635	174,533	393,897	861,676	
\$	<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>	<u>\$ (92,934,837)</u>	
\$	15,246,760	\$ 16,126,726	\$ 16,254,126	\$ 15,767,447	\$ 14,825,086	\$ 15,516,166	
	70,814,487	65,994,458	66,963,692	69,498,098	72,476,177	77,387,186	
	9,741,759	9,217,521	9,498,254	10,131,203	9,644,791	10,293,898	
	--	--	373,052	552,273	364,123	357,990	
	2,993,259	1,801,742	1,321,255	1,233,115	819,405	456,169	
	103,468	1,645,640	179,566	199,804	94,693	274,809	
	894,157	1,077,729	1,066,479	608,568	676,545	754,485	
	<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>	<u>105,040,703</u>	
	366,394	278,307	214,837	136,869	99,831	84,841	
	6,040	9,210	60,610	34,310	211,064	93,016	
	(894,157)	(1,077,729)	(1,066,479)	(608,568)	(676,545)	(754,485)	
	(521,723)	(790,212)	(791,032)	(437,389)	(365,650)	(576,628)	
\$	<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>	<u>\$ 104,464,075</u>	
\$	14,345,295	\$ 10,679,011	\$ 16,569,765	\$ 22,253,360	\$ 8,223,580	\$ 11,244,190	
	(13,539)	(1,315,134)	(203,397)	(262,856)	28,247	285,048	
\$	<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>	<u>\$ 11,529,238</u>	

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

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General Fund										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 130,771	\$ 131,934	\$ 132,870	\$ 128,247
Restricted ⁽¹⁾	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	2,858,903
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned ⁽²⁾	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	33,640,928
Total General Fund	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	36,628,078
All Other Governmental Funds										
Nonspendable	-	-	-	-	-	-	37,930	43,167	92,926	40,865
Restricted ⁽¹⁾	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	34,674,150
Assigned	-	-	-	-	-	-	5,421,171	4,990,085	4,098,451	4,233,647
Unassigned ⁽²⁾	8,405,762	9,907,538	12,036,364	17,423,836	21,208,235	24,455,813	(1,222,802)	(97,252)	---	(647,381)
Total all other governmental funds	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	38,301,281
Total all governmental funds	\$ 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	\$ 74,929,359

(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									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Revenues										
Taxes	\$ 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	\$ 102,303,258
Licenses and permits	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	2,983,251
Intergovernmental	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	18,394,300
Charges for services	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	14,545,071
Fines and forfeitures	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	1,279,097
Investment income	564,895	546,455	1,443,422	2,302,875	2,601,205	1,392,534	980,571	1,183,228	643,893	313,481
Other revenues	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	3,197,967
Total revenues	96,596,619	99,195,088	116,131,154	132,114,633	138,330,014	133,066,119	137,541,862	140,571,986	138,986,747	143,016,425
Expenditures										
General government	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	27,214,581
Public safety	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	48,328,891
Public works	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	7,939,452
Culture and recreation	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	16,360,324
Urban development and housing	4,705,330	2,993,923	1,501,979	9,808,700	2,644,392	2,504,282	1,807,275	1,693,439	2,231,645	2,336,376
Economic opportunity	--	1,932,261	1,952,093	1,974,192	1,788,320	2,030,664	1,940,597	1,954,508	1,845,956	1,841,430
Miscellaneous	12,393	20,167	--	--	--	--	--	--	--	--
Capital outlay	216,602	43,913	434,743	9,315,956	33,982,648	25,443,092	26,170,866	27,421,343	24,047,903	24,609,459
Debt service:										
Principal	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	4,685,816
Interest	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	2,176,260
Other	--	--	743,753	--	--	27,500	--	--	--	--
Total expenditures	96,944,914	96,480,581	106,231,438	125,294,372	139,322,098	132,819,067	135,168,699	137,909,142	133,977,186	135,492,589
Excess of revenues over (under) expenditures	(348,295)	2,714,507	9,899,716	6,820,261	(992,084)	247,052	2,373,163	2,662,844	5,009,561	7,523,836
Other Financing Sources (Uses)										
Proceeds from borrowing	--	--	--	3,742,000	2,975,000	6,130,000	--	--	--	--
Proceeds from refunding	--	--	54,649,623	--	--	--	--	--	--	--
Proceeds from capital lease	800,000	677,000	--	--	--	--	--	--	--	--
Payments to escrow agent	--	--	(53,880,056)	--	--	(3,770,000)	--	--	--	--
Operating transfers in	8,028,106	8,226,713	15,458,636	15,742,284	14,469,326	10,928,554	8,472,578	8,574,090	10,781,107	13,326,455
Operating transfers out	(7,898,362)	(8,307,818)	(15,949,412)	(14,942,931)	(13,575,169)	(9,850,825)	(7,406,099)	(7,965,522)	(10,104,562)	(12,571,970)
Total other financing sources (uses)	929,744	595,895	278,791	4,541,353	3,869,157	3,437,729	1,066,479	608,568	676,545	754,485
Net change in fund balances	\$ 581,449	\$ 3,310,402	\$ 10,178,507	\$ 11,361,614	\$ 2,877,073	\$ 3,684,781	\$ 3,439,642	\$ 3,271,412	\$ 5,686,106	\$ 8,278,321
Debt service as a percentage of noncapital expenditures	7.9%	8.0%	8.1%	6.1%	6.4%	6.6%	6.7%	6.5%	6.4%	5.4%

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

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Accommodation & Food Services	\$ 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	\$ 381,037,346
Ag. Forestry, Fishing, Hunting	12,478	26,465	43,527	43,555	23,839	117,048	62,337	74,539	46,562	93,382
Art, Entertainment, Recreation	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	27,101,908
Construction	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	11,315,064
Educational Services	2,019,552	1,784,184	1,549,550	1,613,269	1,815,890	1,547,490	1,387,456	1,296,433	1,181,081	985,425
Finance and Insurance	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	7,014,801
Health Care, Social Assistance	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	3,123,409
Information	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	180,179,637
Manufacturing	25,783,858	25,430,835	21,247,599	22,798,003	22,806,330	21,350,766	24,391,638	24,118,142	25,453,139	27,018,793
Mgmt of Companies, Enterprises	833,629	810,034	587,272	660,767	2,070	22,001	38,922	122,769	1,970	585
Mining	205,529	311,194	248,613	314,864	510,219	316,181	383,415	320,482	258,177	205,050
Miscellaneous/Random Fiers	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	1,156,862
Other Services	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	62,713,986
Prof. Scientific, Tech Svcs	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	11,243,515
Public Administration	228,308	207,383	158,118	146,049	155,475	153,217	161,980	185,719	148,100	112,297
Real Estate, Rental, Leasing	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	41,004,757
Retail Trade	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	1,286,882,574
Transportation & Warehousing	335,390	376,835	673,859	753,317	700,737	589,948	533,707	520,013	543,240	1,116,069
Utilities	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	152,930,446
Waste Mgmt & Remediation Svcs	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	8,269,879
Wholesale Trade	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	51,071,736
Not Coded	-	-	-	-	-	-	-	87	-	-
Total all categories	\$ 1,989,603,799	\$ 2,079,650,140	\$ 2,156,729,487	\$ 2,268,187,879	\$ 2,236,740,973	\$ 1,899,365,638	\$ 1,948,948,333	\$ 2,029,488,994	\$ 2,130,454,780	\$ 2,254,577,521
City direct sales tax rate	2.0%	2.0%	3.0% ⁽¹⁾	3.0%	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									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
City direct rate ^{(1) (2)}	2.00%	2.00%	3.00%	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 ⁽³⁾	0.43%	0.43%	0.43%	0.43%	0.43%	0.43%	0.43%	0.43%	0.43%	0.43%
Football Stadium District	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.00%	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%	1.00%	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. Effective January 1, 2006, the sales tax rate was increased by 1% direct rate for specific areas within the City. From 2006 to present, excludes the Belmar area (1%). From 2006 through 2008, excluded areas of Colorado Mills (2%) and Creekside (2%). Effective January 1, 2009, Colorado Mills and Creekside were changed to 3%.

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

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

Category of Taxpayer ⁽¹⁾	2013			2004		
	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	\$ 4,736,094	1	6.84%	\$ 2,419,620	2	5.02%
Clothing, gifts, jewelry	\$ 2,660,301	2	3.84%	\$ 1,153,629	5	2.39%
Building materials	\$ 1,927,383	3	2.78%	\$ 686,394	10	1.42%
Computers and software	\$ 1,636,606	4	2.36%	\$ 1,322,702	4	2.75%
Utility	\$ 1,539,806	5	2.22%			
Clothing, gifts, jewelry	\$ 1,361,908	6	1.97%	\$ 1,410,788	3	2.93%
Grocery store	\$ 1,302,705	7	1.88%	\$ 2,505,829	1	5.20%
Building materials	\$ 1,117,547	8	1.61%	\$ 744,285	8	1.54%
Cellular/wireless	\$ 689,949	9	1.00%			
Cellular/wireless	\$ 615,756	10	0.89%			
Cellular/wireless				\$ 705,118	9	1.46%
Clothing, gifts, jewelry				\$ 870,138	6	1.81%
Grocery store				\$ 830,634	7	1.72%

(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 ^{(1) (2)}					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			Residential	Other ⁽⁴⁾		
				Other Property ⁽³⁾	Land					
2004	875,720,400	583,970,780	38,843,300	34,371,790	71,391,650	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	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	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	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	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	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	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	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	4.711	7.96%	29.00%	14,084,206,499	12.08%
2013	924,221,737	668,484,522	38,940,473	34,295,409	64,481,737	4.711	7.96%	29.00%	14,390,833,224	12.02%

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									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
CITY DIRECT RATE:										
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
OVERLAPPING RATES:⁽¹⁾										
Jefferson County	23.867	24.346	24.346	24.346	24.346	24.346	24.346	24.346	24.346	25.846
School District R-1	43.848	51.098	49.053	49.028	48.118	48.284	48.145	48.210	50.616	50.369
Alameda Corridor Business Improvement Dist	0.000	0.000	5.720	5.720	5.720	5.720	5.720	5.720	5.720	5.720
Alameda Water & Sanitation District	7.000	7.000	7.000	7.000	7.000	7.000	7.000	7.000	7.000	7.000
Bancroft-Clover Water & Sanitation District	1.672	1.703	1.662	1.746	1.746	1.746	1.746	1.746	1.746	1.746
Bear Creek Water & Sanitation District	4.795	4.727	4.542	4.600	4.509	4.471	4.535	4.416	4.425	4.420
Bennett Bear Creek Farms Water & San. Dist.	2.731	2.779	2.647	2.647	2.504	2.504	2.468	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	42.000	42.000
Daniels Sanitation District	0.548	0.542	0.542	0.531	0.495	0.495	0.468	0.465	0.465	0.462
Denver West Metro District	35.000	35.000	35.000	35.000	35.000	35.000	36.000	35.000	35.000	35.000
Denver West Metro District Ex. 04	0.000	0.000	13.922	13.094	13.233	12.844	13.129	9.512	20.142	23.945
Denver West Metro District Ex. 98	22.422	14.790	13.922	13.094	13.233	12.844	13.129	9.512	7.562	12.091
East Jefferson County Sanitation District	1.282	1.282	1.223	1.223	1.167	1.167	1.167	1.141	1.141	1.115
East Lakewood Sanitation District	4.591	4.591	4.450	4.570	4.840	4.833	4.813	4.840	4.840	4.840
Foothills Rec & Park Sub A	8.120	8.047	7.912	7.878	7.650	7.636	7.579	7.464	7.527	7.559
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	30.000	30.000	30.000	30.000	30.000	30.000
Fossil Ridge Metro District No. 3	0.000	0.000	0.000	0.000	30.000	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	0.249	0.229	0.227	0.213	0.210	0.210	0.198	0.189	0.189	0.183
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	7.678	7.678	7.678	7.678	7.678	7.678	7.678	7.678	7.678
Lochmoor Water & Sanitation District	13.236	13.379	13.193	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	20.000	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	20.000	20.000	20.000	20.000	20.000
Northwest Lakewood Sanitation District	7.451	7.696	7.696	7.696	7.738	7.802	7.525	7.747	7.571	7.285
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	25.000	25.000	25.000	25.000	25.000	25.000	25.000	25.000	25.000	25.000
Plaza Metro District No. 3	20.000	20.000	20.000	20.000	20.000	20.000	20.000	20.000	20.000	20.000
Pleasant View Metro District	3.227	4.984	4.516	4.984	4.984	7.000	7.000	7.000	7.000	7.000
Pleasant View Water & Sanitation District	0.552	0.552	0.552	0.552	0.552	0.552	0.552	0.552	0.552	0.552
Prospect Recreation & Park District	0.000	0.000	3.000	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	27.000	26.720	26.720	23.717	23.476	21.043	21.460	23.290	23.356
Section 14 Metro District Ex. 04	0.000	0.000	11.232	10.246	9.709	9.684	17.564	17.666	16.798	18.961
South Sheridan W & S	7.506	7.506	7.896	7.896	7.896	7.896	7.896	7.896	7.896	7.896
SW Sub Denver W & S	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Urban Drainage & Flood	0.533	0.538	0.597	0.542	0.507	0.528	0.508	0.523	0.599	0.608
Urban Drainage & Flood Control South Platte	0.065	0.066	0.065	0.066	0.061	0.063	0.061	0.053	0.058	0.064
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	11.484	11.498	11.458	13.588	13.702	13.737	13.662	13.784	13.739	13.632
Wheat Ridge Fire District	4.400	4.400	4.400	4.400	4.400	4.400	4.257	7.500	7.500	7.500
Wheat Ridge Sanitation District	0.616	0.618	0.583	0.583	0.560	0.550	0.546	0.546	0.546	0.537

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	2013			2004		
	Taxable Assessed	Rank	Percentage of Total City Assessed	Taxable Assessed	Rank	Percentage of Total City Assessed
	Value		Value	Value		Value
Colorado Mills Mall Limited Partnership	\$ 31,320,000	1	1.81%	\$ 44,254,710	1	2.76%
Public Service Co of Colorado	27,558,935	2	1.59%	23,645,080	4	1.47%
Qwest Corp.	23,125,500	3	1.34%	26,156,660	3	1.63%
Belmar Mainstreet Holdings I LLC	19,571,984	4	1.13%	-		
Lakewood City Commons LP	11,503,720	5	0.66%	10,182,650	6	0.63%
Gov Lakewood Properties Trust	7,607,860	6	0.44%	-		
Denver West Village LP	7,573,611	7	0.44%	-		
Terumo BCT Inc	6,311,555	8	0.36%	-		
The Section 14 Development Company	6,272,439	9	0.36%	6,813,440	9	0.42%
Centro Westland LLC	6,146,840	10	0.36%	-		
Denver West Office Bldg Venture LLP	-			32,916,490	2	2.05%
HUB Properties Trust	-			12,297,620	5	0.77%
Gambro Inc.	-			9,662,000	7	0.60%
DW Village, LLC	-			7,007,620	8	0.44%
Riata Assoc LLC	-			6,404,100	10	0.40%

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
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%
2013	7,852,912	7,601,278	96.80%

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

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

Fiscal Year	Governmental Activities				Business Activities		Total Primary Government	Percentage of Personal Income ⁽¹⁾	Per Capita ⁽¹⁾
	Sales and Use Tax Revenue	Certificates of Participation	Capital Leases	Grant/Program Revenue Notes	Total	Capital Leases			
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	62,278,981	2,196,029	-	71,530,010		1.91%	506	
2007	6,005,000	59,583,339	1,800,276	3,742,000	71,130,615		1.82%	501	
2008	4,910,000	56,332,697	1,555,244	6,519,000	69,316,941		1.71%	485	
2009	3,800,000	52,822,055	3,678,543	6,276,757	66,577,355	213,271	1.70%	463	
2010	2,565,000	49,166,413	3,418,711	5,836,030	60,986,154	167,744	1.52%	428	
2011	1,300,000	45,275,771	3,107,563	5,472,119	55,155,453	119,191	1.32%	383	
2012	-	41,220,129	2,905,926	5,145,052	49,271,107	67,413	1.17%	339	
2013	-	36,999,487	2,689,857	4,765,305	44,454,649	-	0.99%	303	

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**

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General bonded debt outstanding:										
General obligation bonds ⁽¹⁾	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Percentage of estimated actual property value ⁽²⁾	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Per capita ⁽³⁾	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Legal debt limit ⁽⁴⁾	\$ 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	\$ 431,724,997
Legal debt margin ⁽⁵⁾	\$ 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	\$ 431,724,997
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, 2013

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Debt repaid with property taxes:			
Bowles Metropolitan District	\$ 21,810,000	41.96%	\$ 9,151,476
Denver West Metropolitan District	56,455,000	74.22%	41,900,901
Foothills Park & Recreation District	12,576,000	1.57%	197,443
Jefferson County R-1 School District	473,965,000	24.54%	116,311,011
Mount Carbon Metropolitan District	16,574,716	88.93%	14,739,895
Section 14 Metropolitan District	5,180,000	29.15%	1,509,970
West Metro Fire Protection District	36,590,000	64.03%	23,428,577
Other debt:			
Foothills Park & Recreation District	20,710,000	1.57%	325,147
Fossil Ridge Metropolitan Districts 1, 2, and 3	27,397,988	100.00%	27,397,988
Indiana Valley Metro Dist	43,175,000	93.97%	40,571,548
Jefferson County School District R-1	29,385,000	24.54%	7,211,079
Plaza Metropolitan Districts 1, 2, and 3	95,381,638	100.00%	95,381,638
Pleasant View Metropolitan District	176,812	56.48%	99,863
Pleasant View Water & Sanitation District	1,240,000	52.61%	652,364
Subtotal, overlapping debt	840,617,154		378,878,900
City direct debt	44,454,649	100.00%	44,454,649
Total direct and overlapping debt	<u>\$ 885,071,803</u>		<u>\$ 423,333,549</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

Lakewood Reinvestment Authority (LRA)					
LRA Station Betterments Loan					
Fiscal Year	LRA		Debt Service		Coverage
	Property Tax Revenues	Principal	Interest		
2009	421,933	34,243	180,979		1.96
2010	408,069	72,156 ⁽¹⁾	177,805		1.63
2011	298,136	85,911 ⁽²⁾	164,050		1.19
2012	296,813	89,067	169,661		1.15
2013	396,576	131,747	124,769		1.55

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

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

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

Fiscal Year	Population ⁽¹⁾	Personal Income ⁽²⁾	Per Capita Personal Income ⁽²⁾	Median Age ⁽³⁾	Education Level in Years of Schooling ⁽⁴⁾	K-12 School Enrollment ⁽⁵⁾	Unemployment Rate (%) ⁽⁶⁾
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
2013	146,863	\$ 4,511,631,360	\$ 30,720	39	14.0	21,266	6.7

(1) Source: Colorado Department of Local Government, State Demography Office

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

(3) Source: U.S. Census Bureau, American Fact Finder

(4) Source: Lakewood Finance Department estimate using data from the U.S. Census Bureau

(5) Source: Colorado Department of Education

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

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

Employer	2013			2004		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Denver Federal Center	7,000	1	9.52%	6,240	2	8.33%
St. Anthony Medical Campus	2,800	2	3.81%			
Jefferson County R-1 School District	2,300	3	3.13%	8,232	1	10.99%
Terumo BCT (formerly Gambro)	1,771	4	2.41%	1,321	3	1.76%
City of Lakewood	884	5	1.20%	948	4	1.27%
Home Advisor	789	6	1.07%			
FirstBank	782	7	1.06%	642	8	0.86%
State of Colorado (various departments)	700	8	0.95%			
The Integer Group	632	9	0.86%	450	10	0.60%
Developmentally Disabled Resource Center	550	10	0.75%			
AON Innovative Solutions	-			850	5	1.14%
Qwest	-			700	6	0.93%
Colorado Christian University	-			664	7	0.89%
Kinder Morgan, Inc.	-			473	9	0.63%

Source: City of Lakewood Economic Development Division

CITY OF LAKEWOOD, COLORADO
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY DEPARTMENT
LAST NINE 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	December 31, 2013
Mayor and City Council	--	--	0.05	1.00	1.00	0.54	--	--	--
City Manager's Office ⁽¹⁾	16.28	14.63	18.07	17.80	16.64	15.85	16.37	15.65	19.12
City Attorney's Office	8.16	11.48	11.18	10.87	10.80	10.56	10.70	10.75	10.80
City Clerk's Office	5.77	6.58	7.56	7.73	7.74	7.68	8.73	7.78	8.91
Lakewood Reinvestment Authority	1.64	0.99	0.77	1.25	1.28	0.94	1.07	1.13	1.13
Community Resources ⁽¹⁾	162.94	164.00	175.68	179.06	180.58	175.36	174.48	170.99	167.44
Employee Relations	10.97	11.95	12.59	12.76	13.74	13.49	13.67	13.71	13.29
Finance	29.24	29.03	30.53	32.74	34.00	32.73	29.57	27.87	28.74
Information Technology	18.42	18.29	19.14	25.82	27.04	27.17	26.60	26.09	25.52
Municipal Court	26.59	27.48	28.49	27.56	27.91	26.98	26.38	29.81	30.00
Planning	11.50	14.79	16.20	13.00	13.00	12.67	14.15	14.79	15.44
Police ⁽¹⁾	369.99	379.70	402.88	428.45	420.25	412.59	411.11	390.93	403.87
Public Works	113.43	115.03	115.87	117.33	115.12	112.34	112.24	113.87	110.96
Total	774.93	793.95	839.01	875.37	869.10	848.90	845.07	823.37	835.22

(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, 2006	December 31, 2007	December 31, 2008	December 31, 2009	December 31, 2010	December 31, 2011	December 31, 2012	December 31, 2013
Building Department								
Permits issued:								
Building	1,360	1,253	1,178	1,155	1,447	1,434	1,610	1,915
Other (electrical, plumbing, mechanical, sign, miscellaneous)	6,669	6,032	5,907	17,270 ⁽¹⁾	10,687	10,914	7,943	7,141
Municipal Court								
Cases received	19,910	20,554	20,902	19,159	19,336	20,780	17,849	18,228
Public Safety								
Physical arrests	6,798	7,092	6,782	5,979	5,738	5,557	5,129	5,262
Parking violations	2,817	3,033	2,077	2,295	2,297	1,952	1,916	2,260
Traffic violations	21,068	22,364	23,301	19,163	18,288	19,797	15,805	16,446
Public Works								
Highways and Streets								
Street resurfacing (miles)	68.75	27.82	24.43	30.70	43.00	47.00	46.00	54.60
Potholes repaired	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	800-1,000
Water								
New connections	8	3	0	0	0	1	0	8
Average daily consumption (gallons)	683,419	664,030	635,474	578,203	610,989	585,800	586,795	547,351
Sewer								
New connections	13	9	2	2	6	4	5	12
Average daily treatment (gallons)	2,898,082	3,410,904	3,097,479	3,466,110	3,188,329	2,827,589	2,496,685	2,536,493
Culture and Recreation								
Rounds of golf (two courses)	110,369	107,654	104,256	96,971	96,533	93,157	102,126	98,205
Cultural admissions (paid and unpaid)	110,805	129,551	124,860	124,752	127,888	138,587	130,716	139,655

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 through 2011 was due to a large number of re-roofing and re-siding permits after a major hailstorms in 2009 and 2010.

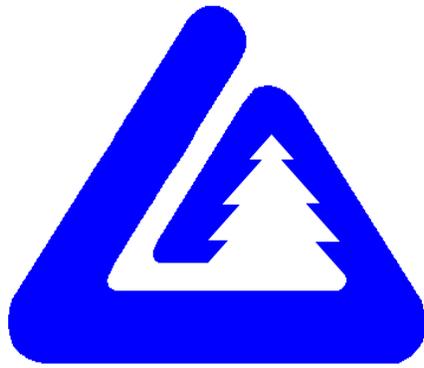
Source: City of Lakewood Public Works Department, Municipal Court, Police Department, and Community Resources Department

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

Function/Program	December 31, 2006	December 31, 2007	December 31, 2008	December 31, 2009	December 31, 2010	December 31, 2011	December 31, 2012	December 31, 2013
General Government								
Area (square miles)	44.933	44.022	44.022	44.022	44.022	44.022	44.022	44.210
Public Safety								
Number of police stations	2	2	2	2	2	2	2	2
Public Works								
Highways and Streets								
Streets (miles)	533	546	546	547	547	540	542	543
Streetlights	7,861	7,859	7,865	7,901	7,899	7,869	7,827	7,823
Traffic signals	193	193	195	196	199	199	200	200
Water								
Number of taps	725	728	728	730	730	731	731	739
Water mains (miles)	14	14	14	14	14	14	14	14
Sewer								
Number of taps	6,702	6,711	6,713	6,850	6,864	6,868	6,873	6,870
Sewer mains (miles)	106	106	106	106	106	106	106	106
Stormwater								
Stormwater mains (miles)	226	227	228	228	228	228	228	228
Culture and Recreation								
Number of parks	99	98	99	99	99	98	99	99
Park acreage	7,136	7,127	7,146	7,146	7,162	7,152	7,163	7,163
Playgrounds	46	46	46	46	53	53	57	58
Athletic fields*	56	56	56	57	57	57	57	56
Tennis courts	39	39	39	39	37	36	36	34
Basketball courts (outdoor)	17	17	17	18	17	21	21	21
Recreation centers	4	4	4	4	4	4	4	4
Outdoor swimming pools	4	3	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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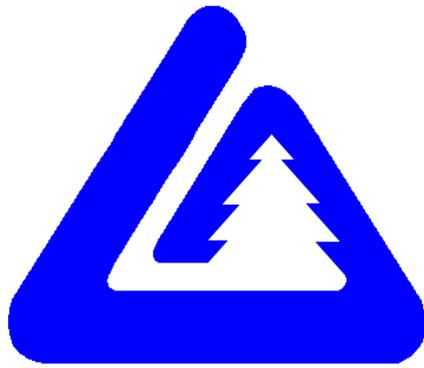
COMPLIANCE SECTION

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, 2013, 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 June 26, 2014.

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.



June 26, 2014



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

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH
MAJOR FEDERAL 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, 2013. 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, 2013.

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, 2013, 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 June 26, 2014, 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.

Swanlund Company, LLC

June 26, 2014

CITY OF LAKEWOOD, COLORADO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended December 31, 2013

Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: unmodified

Internal control over financial reporting:

- Material weaknesses identified? yes no

- Significant deficiencies identified that are not considered to be material weaknesses? yes none reported

Noncompliance material to financial statements noted?

yes no

Federal Awards

Internal control over major programs:

- Material weaknesses identified? yes no

- Significant deficiencies identified that are not considered to be material weaknesses? yes none reported

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

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

yes no

Identification of major programs:

14.218 Community Development Block Grant
20.205 Highway Planning and Construction

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

Auditee qualified as low-risk auditee? yes no

Financial Statement Findings

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

Federal Awards Findings and Questioned Costs

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

CITY OF LAKEWOOD, COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended December 31, 2013

Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Federal Expenditures
U.S. Department of Housing and Urban Development		
Community Development Block Grant	14.218	\$ 702,465
Home Investment Partnerships Program	14.239	546,323
Total U.S. Department of Housing and Urban Development		<u>1,248,788</u>
U.S. Department of Justice		
Edward Byrne Memorial Justice Assistance Grant	16.738	59,891
Congressionally Recommended Awards	16.753	3,385
Passed through Colorado Department of Public Safety, Division of Criminal Justice		
Edward Byrne Memorial Justice Assistance Grant	16.738	50,139
Passed through Colorado Department of Revenue		
Enforcing Underage Drinking Laws	16.727	7,632
Total U.S. Department of Justice		<u>121,047</u>
U.S. Department of Health and Human Services		
Head Start	93.600	<u>993,408</u>
U.S. Department of Agriculture		
Passed through Colorado Department of Public Health and Environment		
Child and Adult Care Food Program	10.558	<u>73,226</u>
U.S. Department of Transportation		
Passed through Colorado Department of Transportation		
Highway Planning and Construction	20.205	344,555
State and Community Highway Safety	20.600	12,999
Alcohol Impaired Driving Countermeasures Incentive Grants	20.601	67,514
Total U.S. Department of Transportation		<u>425,068</u>
U.S. Department of Homeland Security		
Passed through Colorado Department of Local Affairs		
Emergency Management Performance Grants	97.042	31,833
Passed through Arapahoe County		
Interoperable Emergency Communications	97.055	2,923
Total U.S. Department of Homeland Security		<u>34,756</u>
U.S. Environmental Protection Agency		
Brownfields Assessment and Cleanup Cooperative Agreements	66.818	<u>27,625</u>
Executive Office of the President		
High Intensity Drug Trafficking Areas Program (HIDTA)	95.001	<u>238,666</u>
Total Expenditures of Federal Awards		<u>\$ 3,162,584</u>

See the accompanying Independent Auditors' Report.

CITY OF LAKEWOOD, COLORADO
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended December 31, 2013

NOTE 1 – BASIS OF PRESENTATION

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

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

LOCAL HIGHWAY FINANCE REPORT		City or County: CITY OF LAKEWOOD, COLORADO
		YEAR ENDING : December 31, 2013
This Information From The Records Of (example - City of _ or County of) CITY OF LAKEWOOD, COLORADO	Prepared By: Phone:	Richianne Sullivan 303-987-7612

I. DISPOSITION OF HIGHWAY-USER REVENUES AVAILABLE FOR LOCAL GOVERNMENT EXPENDITURE

ITEM	A. Local Motor-Fuel Taxes	B. Local Motor-Vehicle Taxes	C. Receipts from State Highway-User Taxes	D. Receipts from Federal Highway Administration
1. Total receipts available				
2. Minus amount used for collection expenses				
3. Minus amount used for nonhighway purposes				
4. Minus amount used for mass transit				
5. Remainder used for highway purposes				

II. RECEIPTS FOR ROAD AND STREET PURPOSES		III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES	
ITEM	AMOUNT	ITEM	AMOUNT
A. Receipts from local sources:		A. Local highway disbursements:	
1. Local highway-user taxes		1. Capital outlay (from page 2)	10,558,163
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	1,545,273
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	2,313,912
2. General fund appropriations	5,560,006	b. Snow and ice removal	1,039,380
3. Other local imposts (from page 2)	12,256,670	c. Other	3,194,988
4. Miscellaneous local receipts (from page 2)	1,414,484	d. Total (a. through c.)	6,548,280
5. Transfers from toll facilities		4. General administration & miscellaneous	550,767
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	6,051,468
a. Bonds - Original Issues		6. Total (1 through 5)	25,253,951
b. Bonds - Refunding Issues		B. Debt service on local obligations:	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	
7. Total (1 through 6)	19,231,160	b. Redemption	
B. Private Contributions		c. Total (a. + b.)	0
C. Receipts from State government (from page 2)	5,570,887	2. Notes:	
D. Receipts from Federal Government (from page 2)	451,904	a. Interest	
E. Total receipts (A.7 + B + C + D)	25,253,951	b. Redemption	
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	0
		C. Payments to State for highways	
		D. Payments to toll facilities	
		E. Total disbursements (A.6 + B.3 + C + D)	25,253,951

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

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

V. LOCAL ROAD AND STREET FUND BALANCE

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
		25,253,951	25,253,951		0

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT		City or County: CITY OF LAKEWOOD, COLORADO	
		YEAR ENDING (mm/yy): December 31, 2013	
II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL			
ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assessments		a. Interest on investments	225,846
b. Other local imposts:		b. Traffic Fines & Penalties	980,919
1. Sales Taxes	10,292,211	c. Parking Garage Fees	
2. Infrastructure & Impact Fees		d. Parking Meter Fees	397
3. Liens		e. Sale of Surplus Property	
4. Licenses	245,417	f. Charges for Services	
5. Specific Ownership &/or Other	1,719,042	g. Other Misc. Receipts	207,322
6. Total (1. through 5.)	12,256,670	h. Other	
c. Total (a. + b.)	12,256,670	i. Total (a. through h.)	1,414,484
	(Carry forward to page 1)		(Carry forward to page 1)
ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes	3,727,936	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	502,583	d. Federal Transit Admin	
d. Other (Specify) - Grants	77,012	e. U.S. Corps of Engineers	
e. Other (Specify) - FASTER/Sig Ma	1,263,356	f. Other Federal	451,904
f. Total (a. through e.)	1,842,951	g. Total (a. through f.)	451,904
4. Total (1. + 2. + 3.f)	5,570,887	3. Total (1. + 2.g)	
			(Carry forward to page 1)
III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL			
	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs			0
b. Engineering Costs		229,269	229,269
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements		1,116,454	1,116,454
(3). System Preservation		6,421,739	6,421,739
(4). System Enhancement & Operation		2,790,701	2,790,701
(5). Total Construction (1) + (2) + (3) + (4)	0	10,328,894	10,328,894
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	10,558,163	10,558,163
			(Carry forward to page 1)
Notes and Comments:			

