

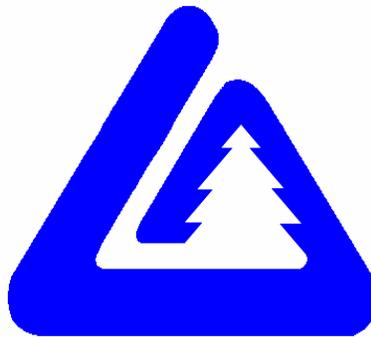


Lakewood
Full of Possibilities

2014 Comprehensive Annual Financial **Report**

2014 Comprehensive Annual Financial Report
City of Lakewood, Colorado
For year ended December 31, 2014

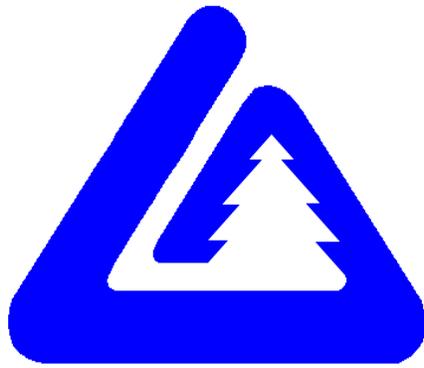
**COMPREHENSIVE
ANNUAL FINANCIAL REPORT
OF
THE CITY OF LAKEWOOD
COLORADO**



**For The Year Ended
December 31, 2014**

**Prepared by:
Department of Finance**

INTRODUCTORY SECTION



THIS PAGE INTENTIONALLY LEFT BLANK

TABLE OF CONTENTS

	PAGE
INTRODUCTORY SECTION	
Table of Contents	i-iii
Letter of Transmittal	v-vii
Certificate of Achievement	ix
Organization Chart	x
City Officials and Administration	xi
 FINANCIAL SECTION	
Independent Auditors' Report	a-b
Management's Discussion and Analysis	c-k
 Basic Financial Statements	
Government-wide Financial Statements	
Statement of Net Position	1
Statement of Activities	2-3
Fund Financial Statements	
Governmental Funds Financial Statements	
Balance Sheet	4
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	5
Statement of Revenues, Expenditures and Changes in Fund Balances	6
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	7
Proprietary Funds Financial Statements	
Statement of Net Position	9
Statement of Revenues, Expenses and Changes in Net Position	10
Statement of Cash Flows	11
Fiduciary Funds Financial Statements	
Statement of Net Position	12
Statement of Changes in Net Position	13
Notes to Financial Statements	17-48
 Required Supplementary Information	
Schedule of Changes in the City's Net Pension Liability and Related Ratios - Retired City Manager Pension Plan	50
Schedule of City Contributions and Investment Returns - Retired City Manager Pension Plan	51
Schedule of Funding Progress - Postemployment Benefits Other Than Pensions	52
Budgetary Comparison Schedule - General Fund	53-56
Budgetary Comparison Schedule - Grants Fund	57-58
Notes to Required Supplementary Information	59-60
 Combining and Individual Fund Financial Statements and Schedules	
Governmental Funds	
Major Capital Projects Funds	
Budgetary Comparison Schedule - Capital Improvements Fund	66-67
Budgetary Comparison Schedule - Lakewood Reinvestment Authority Fund	69

CITY OF LAKEWOOD, COLORADO
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended December 31, 2014

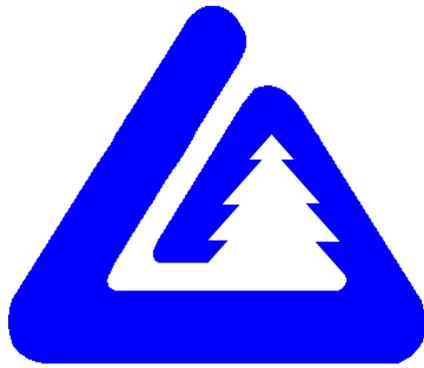
TABLE OF CONTENTS (Continued)

	PAGE	
FINANCIAL SECTION (Continued)		
Combining and Individual Fund Financial Statements and Schedules (Continued)		
Governmental Funds (Continued)		
Nonmajor Governmental Funds		
Combining Balance Sheet	70-71	
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	72-73	
Budgetary Comparison Schedule - Conservation Trust Fund	74	
Budgetary Comparison Schedule - Economic Development Fund	75	
Budgetary Comparison Schedule - Heritage, Culture and Arts Fund	76	
Budgetary Comparison Schedule - Open Space Fund	77	
Budgetary Comparison Schedule - Lakewood Public Building Authority	78	
Budgetary Comparison Schedule - Equipment Replacement Fund	79	
Enterprise Funds		
Budgetary Comparison Schedule - Golf Course Enterprise Fund	82	
Budgetary Comparison Schedule - Sewer Enterprise Fund	83	
Budgetary Comparison Schedule - Stormwater Enterprise Fund	84	
Budgetary Comparison Schedule - Water Enterprise Fund	85	
Internal Service Funds		
Combining Statement of Net Position	88	
Combining Statement of Revenues, Expenses and Changes in Net Position	89	
Combining Statement of Cash Flows	90	
Budgetary Comparison Schedule - Property and Casualty Self-Insurance Fund	91	
Budgetary Comparison Schedule - Workers' Compensation Self-Insurance Fund.....	92	
Budgetary Comparison Schedule - Dental Self-Insurance Fund.....	93	
Budgetary Comparison Schedule - Retirees' Health Program Fund.....	94	
	PAGE	SCHEDULE
STATISTICAL SECTION		
Financial Trends Information		
Net Position by Component	97	1
Changes in Net Position	98-99	2
Fund Balances, Governmental Funds.....	100	3
Changes in Fund Balances, Governmental Funds	101	4
Revenue Capacity Information		
Taxable Sales by Category	102	5
Direct and Overlapping General Sales and Use Tax Rates	103	6
Principal Sales/Use Taxpayers, by Category.....	104	7
Assessed Value and Actual Value of Taxable Property	105	8
Direct and Overlapping Property Tax Rates.....	106	9
Principal Property Taxpayers	107	10
Property Tax Levies and Collections	108	11
Debt Capacity Information		
Ratios of Outstanding Debt by Type	109	12
Ratios of General Bonded Debt Outstanding and Legal Debt Margin	110	13

CITY OF LAKEWOOD, COLORADO
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended December 31, 2014

TABLE OF CONTENTS (Continued)

	PAGE	SCHEDULE
STATISTICAL SECTION (Continued)		
Debt Capacity Information (Continued)		
Direct and Overlapping Governmental Activities Debt	111	14
Pledged Revenue Coverage	112	15
 Demographic and Economic Information		
Demographic and Economic Statistics	113	16
Principal Employers	114	17
 Operating Information		
Full-Time Equivalent City Government Employees by Department	115	18
Operating Indicators by Function/Program	116	19
Capital Asset Statistics by Function/Program	117	20
 COMPLIANCE SECTION		
Single Audit		
Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	121-122	
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	123-124	
Schedule of Findings and Questioned Costs	125	
Schedule of Expenditures of Federal Awards	126	
Notes to Schedule of Expenditures of Federal Awards	127	
 Other Reports		
Local Highway Finance Report	128-129	



THIS PAGE INTENTIONALLY LEFT BLANK



City of Lakewood

City Manager's Office

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

July 21, 2015

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, 2014 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 2014. 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 future years of financial activity.

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

The economy across the country, and in Lakewood, is very strong. Lakewood's primary source of income, sales and use tax, increased 5.3% during 2014. In addition, tax receipts from motor vehicle sales were at a record high for the second consecutive year, during 2014. While the City is experiencing improving core revenues, some other General Fund revenues have not yet recovered to the levels prior to the recession. Real property is assessed every other year, in odd years, and collected in arrears. As such, 2014 receipts for 2013 property values do not yet reflect increasing property values. Property tax receipts in 2014 were less than 2008, but the 2015 reassessment is anticipated to be significantly higher. Fortunately the City continues to enjoy robust economic development. Prior to 2014, the City experienced signature economic development projects that were visible across the region. During 2014, economic development was just as active, yet the size and scale of projects were more diverse, and greater in number. 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 2014, no changes

in financial policies or budget initiatives significantly impacted these financial statements. However, the City has made a significant budget and long-term financial policy decision regarding the provision of medical insurance for employees. This will have an impact on the organization during 2015. The City has decided to self-insure for employees who select the Cigna health plan, beginning in the second quarter of 2015. This change in financial policy may have an effect on the 2015 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, 2013. This is the twenty fifth 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 2015.

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.

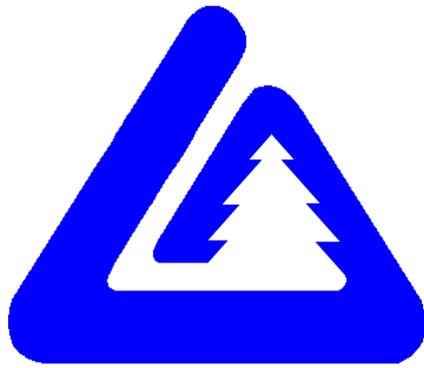
Respectfully submitted,



Kathleen E. Hodgson
City Manager



Larry Dorr, CPA
Finance Director



THIS PAGE INTENTIONALLY LEFT BLANK



Government Finance Officers Association

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

Presented to

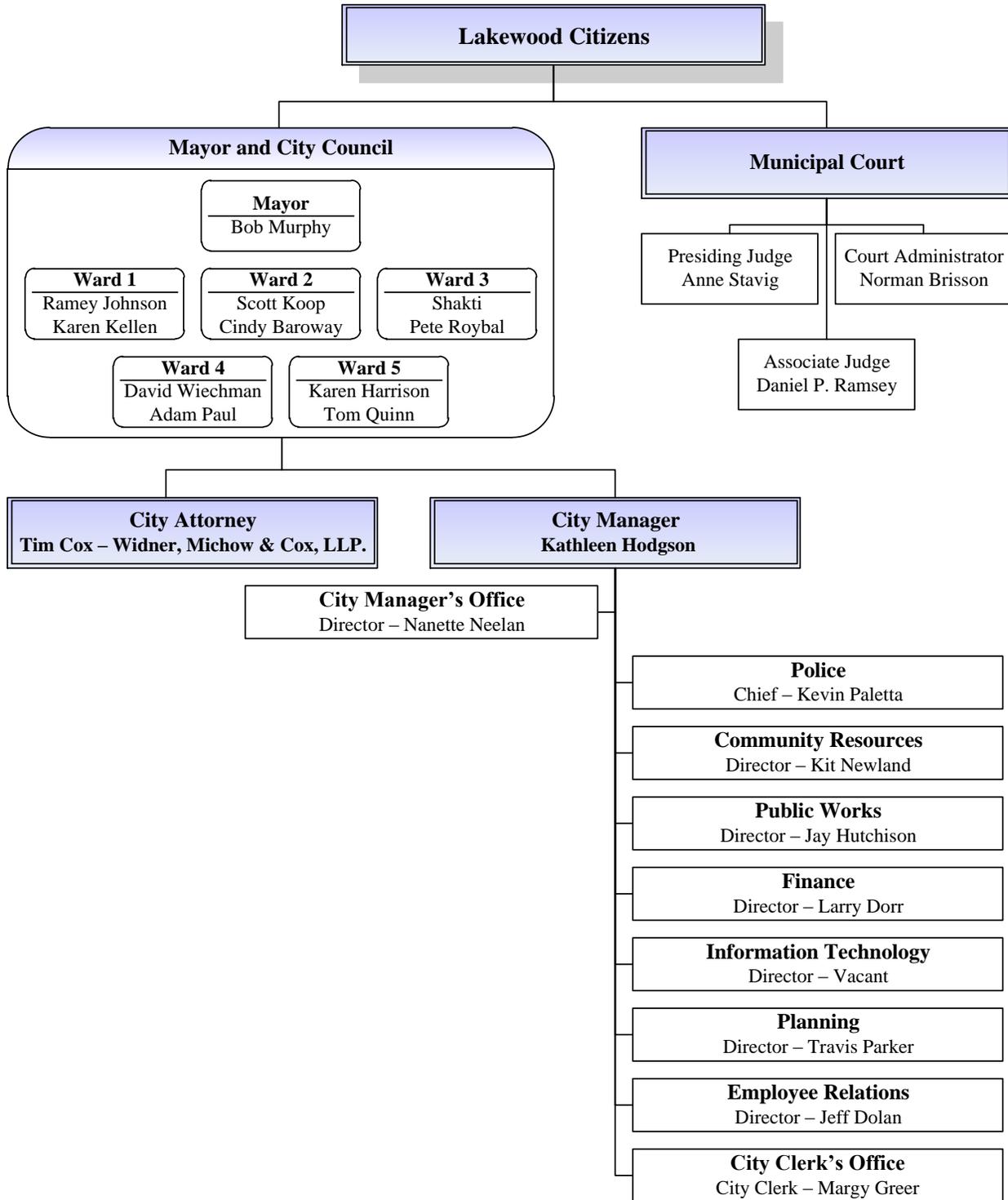
**City of Lakewood
Colorado**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2013

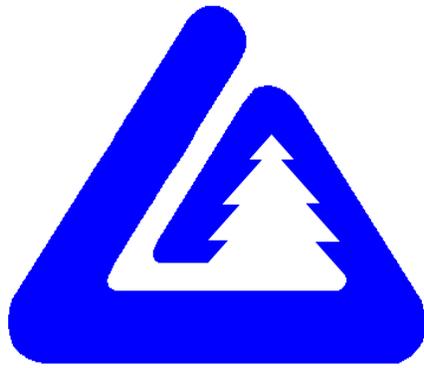
Executive Director/CEO

**CITY OF LAKEWOOD, COLORADO
ORGANIZATION CHART
Year Ended December 31, 2014**



CITY OF LAKEWOOD, COLORADO
CITY OFFICIALS AND ADMINISTRATION
Year Ended December 31, 2014

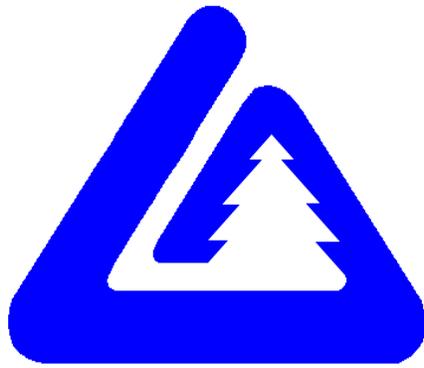
Mayor:	At-Large	Bob Murphy
Members of Council:	Ward I	Ramey Johnson Karen Kellen
	Ward II	Scott Koop Cindy Baroway
	Ward III	Shakti Pete Roybal
	Ward IV	David Wiechman Adam Paul
	Ward V	Karen Harrison Tom Quinn
City Officials:		
City Manager		Kathleen Hodgson
City Attorney		Tim Cox – Widner, Michow & Cox, LLP.
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		Jeff Dolan, Director
Department of Finance		Larry Dorr, Director
Department of Information Technology		Vacant, 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



THIS PAGE INTENTIONALLY LEFT BLANK

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.



THIS PAGE INTENTIONALLY LEFT BLANK



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, 2014, 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' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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, 2014, 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.

Emphasis of Matters

As discussed in Note 12 to the financial statements, in the year ended December 31, 2014, the City of Lakewood adopted new accounting guidance as required by Governmental Accounting Standards Board Statement No. 67, *Financial Reporting for Pension Plans* and Statement No. 68, *Accounting and Financial Reporting for Pensions*. Our opinion is not modified with respect to this matter.

As discussed in Note 12 to the financial statements, the financial statements as of and for the year ended December 31, 2013, have been restated to reflect a change in accounting principle related to refunds required by the Tabor Amendment. Our opinion is not modified with respect to this matter.

Other Matters (Required Supplementary Information)

Accounting principles generally accepted in the United States of America require that 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 financial statements and schedules and the local highway finance report are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling the information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 21, 2015, 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.



July 21, 2015



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, 2014. 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 ongoing stable financial condition of the City. The City's increase in net position and continued investments in infrastructure illustrate our positive overall financial health. While the City has not been immune to the 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 \$6.59 million or 4.6% in 2014. General Fund revenues increased \$4.39 million or 4.3% in 2014. Capital Improvement Fund revenues increased \$1.18 million or 8.3% in 2014.

While some revenues decreased in 2014, the City was able to increase reserves. For 2014, General Fund surplus was \$4,602,610 or 4.5% as a percent of expenditures and transfers out. As a result, the fund balance of the General Fund has increased from \$35,350,713 to \$39,953,323 an increase of 13.0%. The fund balance of the General Fund taken as a percent of 2014 expenditures and transfers out was 39.1% as of December 31, 2014.

General Fund sales and use taxes, which comprised 66.0% of General Fund revenues, increased \$5,446,004 or 8.5%. Sales and use tax revenues collected by the Capital Improvement Fund increased \$1,149,898 or 9.5%. 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 2014, General Fund property taxes increased by \$114,317 or 1.5%.

Total governmental fund expenditures and net transfers increased \$6.66 million or 4.9% in 2014. Total General Fund expenditures and transfers out decreased \$2.65 million or 2.7%.

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 economic downturns. City Management, City Council and its Budget & Audit Committee are continuing to monitor revenues and expenditures each quarter. 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, 2014, the City had total assets of \$586,997,215. As of December 31, 2014, the City’s net position was \$496,490,074.

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2014	2013	2014	2013	2014	2013
Assets						
Current and Other Assets	\$131,298,418	\$122,619,223	\$ 10,766,634	\$ 8,440,573	\$142,065,052	\$131,059,796
Capital Assets	422,575,399	422,491,352	22,356,764	21,462,965	444,932,163	443,954,317
Total Assets	<u>553,873,817</u>	<u>545,110,575</u>	<u>33,123,398</u>	<u>29,903,538</u>	<u>586,997,215</u>	<u>575,014,113</u>
Total Deferred Outflows of Resources	1,038,029	1,211,032	-	-	1,038,029	1,211,032
Liabilities						
Long-term Liabilities	49,409,320	51,169,494	-	-	49,409,320	51,169,494
Other Liabilities	25,392,538	21,900,566	2,056,040	506,670	27,448,578	22,407,236
Total Liabilities	<u>74,801,858</u>	<u>73,070,060</u>	<u>2,056,040</u>	<u>506,670</u>	<u>76,857,898</u>	<u>73,576,730</u>
Total Deferred Inflows of Resources	14,687,272	14,849,641	-	-	14,687,272	14,849,641
Net Position						
Net Investment in Capital Assets	384,728,358	381,609,040	22,356,764	21,462,965	407,085,122	403,072,005
Restricted	41,479,996	37,533,053	-	-	41,479,996	37,533,053
Unrestricted	39,214,362	39,259,813	8,710,594	7,933,903	47,924,956	47,193,716
Total Net Position	<u>\$465,422,716</u>	<u>\$458,401,906</u>	<u>\$ 31,067,358</u>	<u>\$ 29,396,868</u>	<u>\$496,490,074</u>	<u>\$487,798,774</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 2014, the City added to its capital assets. More information on capital asset activity is available in Note 3 – Capital Assets in the Notes to Financial Statements.

- For this 2014 Comprehensive Annual Financial Report and future years, the City has implemented the Governmental Accounting Standards Board's Statements Nos. 67 and 68, *Accounting and Financial Reporting for Pensions* and *Financial Reporting for Pension Plans*, respectively ("GASBs 67 and 68"). Under GASBs 67 and 68, the City has set forth accounting and financial reporting statements and disclosures related to pension activities. GASBs 67 and 68 are required for governments whose employees are provided benefits or compensation through pension plans that are covered by the scope of these Statements, as well as for employer governments that have a legal obligation to contribute to these plans. As such, the City's 2013 Ending Unrestricted Net Position was restated as required by GASB 68 to reflect the decrease in Net Pension Asset of \$567,897 and the Net Pension Liability increase of \$1,441,440.
- The largest portion of the City's assets is Capital Assets that represent \$444,932,163 or 75.8% of Total Assets. Governmental capital assets added in 2014 included various park, street and utility improvements. Most notably during 2014, the City made substantial progress on its Civic Center reconstruction project. The Civic Center is the hub of governmental activities in Lakewood and is an important public asset. This reconstruction will not only fortify the facility for the next generation but has implemented environmental improvements and functionality for citizens, via a thermal snowmelt system and bus access to the attached Cultural Center. The City has continued to invest in its fleet of vehicles during 2014 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 liabilities and accomplished increases in reserves. The long-term liabilities of the City, as further detailed above, and in Note 4 – Long-Term Debt in the Notes to Financial Statements, were reduced during 2014. In 2014, the City's overall long-term debt decreased by \$3,201,615 or 6.1%. These financial statements reflect the implementation of GASBs 67 and 68, as discussed above. The December 31, 2013 Ending Long-Term Debt was restated on these financial statements to reflect the recording of the Net Pension Liability in the amount of \$1,441,440. At December 31, 2014 the Net Pension Liability was \$1,434,684. The City has appropriated funds in its 2015 budget to retire an additional \$4.29 million in long-term debt.
- Of the City's \$496,490,074 in net position, \$41,479,996 or 8.4% 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.



Statement of Activities

This statement presents information showing how the City’s net position changed during the given fiscal year. For these financial statements, the City is presenting its TABOR Refund under General Revenues. Under the Colorado Constitution, the City’s revenues are limited in growth, from year to year. If limits are exceeded, certain taxpayer refunds are due. This is commonly referred to as the “Taxpayer’s Bill of Rights” or TABOR. The following reflects the City’s Net Position:

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2014	2013	2014	2013	2014	2013
Revenues						
Program Revenues-						
Charges for Services	\$ 22,881,468	\$ 21,455,605	\$ 11,986,859	\$ 11,490,680	\$ 34,868,327	\$ 32,946,285
Operating Grants and Contributions	12,285,903	11,210,485	-	-	12,285,903	11,210,485
Capital Grants and Contributions	7,205,953	8,404,044	1,157,091	-	8,363,044	8,404,044
General Revenues-						
Property Specific Ownership Taxes	15,715,606	15,516,166	-	-	15,715,606	15,516,166
Sales and Use Taxes	83,208,721	77,387,186	-	-	83,208,721	77,387,186
Franchise & Other Taxes	10,749,372	10,293,898	-	-	10,749,372	10,293,898
Intergovernmental Revenue	349,592	357,990	-	-	349,592	357,990
Investment Income	1,114,230	456,169	81,317	84,841	1,195,547	541,010
Miscellaneous	260,786	274,809	19,460	93,016	280,246	367,825
TABOR Refund	(5,200,119)	(1,277,365)	-	-	(5,200,119)	(1,277,365)
Total Revenues	148,571,512	144,078,987	13,244,727	11,668,537	161,816,239	155,747,524
Expenses						
General Government	40,054,077	30,085,415	-	-	40,054,077	30,085,415
Public Safety	52,596,221	50,635,595	-	-	52,596,221	50,635,595
Public Works	12,744,230	18,528,117	-	-	12,744,230	18,528,117
Culture and Recreation	18,829,506	18,724,863	-	-	18,829,506	18,724,863
Urban Development and Housing	11,923,053	12,811,514	-	-	11,923,053	12,811,514
Economic Opportunity	2,066,087	1,886,174	-	-	2,066,087	1,886,174
Interest on Long-term Debt	2,005,119	2,194,969	-	-	2,005,119	2,194,969
Golf Course	-	-	4,036,918	3,747,277	4,036,918	3,747,277
Sewer	-	-	3,622,591	3,854,381	3,622,591	3,854,381
Stormwater	-	-	2,274,398	2,075,559	2,274,398	2,075,559
Water	-	-	963,402	951,787	963,402	951,787
Total Expenses	140,218,293	134,866,647	10,897,309	10,629,004	151,115,602	145,495,651
Increase (Decrease) Before Transfers	8,353,219	9,212,340	2,347,418	1,039,533	10,700,637	10,251,873
Transfers	676,928	754,485	(676,928)	(754,485)	-	-
Increase (Decrease) in Net Position	9,030,147	9,966,825	1,670,490	285,048	10,700,637	10,251,873
Net Position, Beginning of Year	458,401,906	448,435,081	29,396,868	29,111,820	487,798,774	477,546,901
Restate Beginning Net Position for GASB 67 & 68 -						
Net pension Asset	(567,897)	-	-	-	(567,897)	-
Net Pension Liability	(1,441,440)	-	-	-	(1,441,440)	-
Net Position, End of Year	\$465,422,716	\$458,401,906	\$ 31,067,358	\$ 29,396,868	\$496,490,074	\$487,798,774

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 \$4,602,610 or 4.5% of expenditures and transfers out in 2014. As such the General Fund's fund balance increased from \$35,350,713 to \$39,953,323 an increase of 13.0%. As of December 31, 2014, the Fund Balance of the General Fund taken as a percent of 2014 expenditures and transfers out was 39.1%. 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 the flexibility to invest in capital projects on a pay-as-you-go basis, while being prepared for any economic downturns. Presently, the City's General Fund balance is the highest in history.

The City's strong fund balance has provided for transfers out that have funded significant capital projects on a pay-as-you-go basis. Recognizing a phased approach, City Council authorized a \$1,400,000 transfer of General Fund Reserves in 2014, to the Capital Improvement Fund. This transfer funded the final phase of infrastructure improvements to the Civic Center that improved vehicle access, implemented a thermal snowmelt system, a remodel of the plaza space and reconstruction of the subterranean garage. An additional \$1,500,000 was transferred in 2014 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"). The objective of this new GASB 54 reporting is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be applied more consistently across governments. The classifications are designed based on the relative strength of the constraints that control how specific amounts can be spent, or in the case of inventories, the inability to be spent. This reporting does not present any changes in the strategic initiatives of the City, and enhances public disclosure of the City's financial condition.

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



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

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

	General Fund	Grants Fund	Capital Improvements Fund	Lakewood Reinvestment Authority Fund	Other Governmental Funds	Total Governmental Funds
Nonspendable:						
Inventories	\$ 132,354	\$ -	\$ -	\$ -	\$ 31,571	\$ 163,925
Prepays	-	-	-	-	2,965	2,965
Total Nonspendable	132,354	-	-	-	34,536	166,890
Restricted for:						
Emergencies	3,847,290	-	-	-	-	3,847,290
Parks and Open Space	-	-	-	-	6,291,201	6,291,201
Economic Development	-	-	-	-	5,486,293	5,486,293
Debt Service	374,916	-	-	213,000	2,743,281	3,331,197
Capital Improvements	-	-	19,575,057	-	-	19,575,057
Urban Renewal	-	-	-	2,948,958	-	2,948,958
Total Restricted	4,222,206	-	19,575,057	3,161,958	14,520,775	41,479,996
Assigned to:						
Cultural Activities	-	-	-	-	427,622	427,622
Capital Improvements	-	-	-	-	4,100,470	4,100,470
Total Assigned	-	-	-	-	4,528,092	4,528,092
Unassigned	35,598,763	(316,733)	-	-	-	35,282,030
Total Fund Balances	\$ 39,953,323	\$ (316,733)	\$ 19,575,057	\$ 3,161,958	\$ 19,083,403	\$ 81,457,008

Revenues

As discussed in the financial highlights, General Fund revenues had an overall increase in 2014 compared to 2013.

- General Fund sales and use tax revenues increased \$5.4 million or 8.5% in 2014. In addition to improving growth in the Lakewood economy, the City experienced meaningful economic development. The community welcomed substantial new construction at a few meaningful projects. The Terumo BCT Corporation invested in a new North American headquarters facility with an estimated construction investment of over \$40 million. The FirstBank of Colorado, headquartered in Lakewood also invested in its expanded employee office facility in excess of \$30 million. In addition, the City experienced two apartment project ground breakings and a hotel project valued in excess of \$20 million each.
- As an additional sign of our very strong local and national economy, the City experienced a 3.1% 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 very strong. Revenues from motor vehicle use tax have increased significantly along with the growth in the national automobile business. During 2014, Lakewood experienced record revenues in this category for the second consecutive year.

- During 2014, General Fund property tax receipts increased \$114,317 or 1.5%. General Fund property tax receipts were less than collected in 2008, prior to the great recession. Property taxes are reassessed in odd numbered years and collected in arrears. As such, the 2014 receipts reflect the 2013 property assessment values. Properties are being reassessed in 2015. Property tax revenues are expected to increase during 2016 as the City is experiencing very meaningful price increases in the current market for residential and commercial properties.

Expenditures

The City experienced economic strength and growth during 2014, 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. The City does not tax grocery foods, making its sales tax base more volatile to discretionary consumer behavior.

- In view of the potential for volatility, the City continued a strategic hiring process whereby departments sought alternatives to filling vacant positions and was only filling positions upon an evaluation and approval by the City Manager. Due to this constraint, and other favorable spending conditions, the General Fund was under budget in expenditures.
- General Fund expenditures and transfers out increased \$2.65 million or 2.7% over 2014. This was largely due to transfers out for capital spending but also included increasing costs for insurance, 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 2015 revised budget as well as the 2016 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.

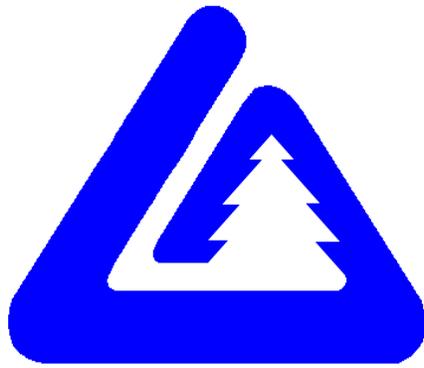


As mentioned above, the country and the world are experiencing an overall economy that is very strong. At the same time, there is still strong evidence and sentiment that activity is volatile and uncertain. Correspondingly, city management is continuing to analyze the need to fill any and all personnel 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.

In addition, City management has made a significant strategic decision to transition to self-insurance for employee medical benefits. Beginning in the second quarter of 2015, the City has become self-insured for employees who choose the City's Cigna medical plan, which is currently the most popular of the two plans provided.

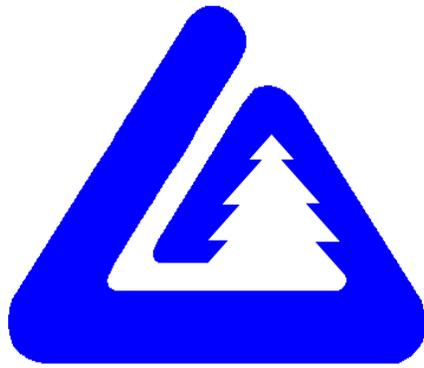
IV. Requests for Information

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.



THIS PAGE INTENTIONALLY LEFT BLANK

BASIC FINANCIAL STATEMENTS



THIS PAGE INTENTIONALLY LEFT BLANK

CITY OF LAKEWOOD, COLORADO
STATEMENT OF NET POSITION
December 31, 2014

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
Assets			
Cash and Investments	\$ 97,282,261	\$ 9,382,938	\$ 106,665,199
Restricted Cash and Investments	3,331,846	-	3,331,846
Receivables			
Accounts	6,862,018	1,259,872	8,121,890
Taxes	23,627,948	-	23,627,948
Loan	27,455	-	27,455
Inventories	163,925	123,824	287,749
Prepays	2,965	-	2,965
Capital Assets, Not Being Depreciated	123,796,451	9,086,727	132,883,178
Capital Assets, Net of Accumulated Depreciation	298,778,948	13,270,037	312,048,985
Total Assets	553,873,817	33,123,398	586,997,215
Deferred Outflows of Resources			
Loss on Debt Refunding, Net of Accumulated Amortization	1,038,029	-	1,038,029
Total Assets and Deferred Outflows of Resources	\$ 554,911,846	\$ 33,123,398	\$ 588,035,244
Liabilities			
Accounts Payable	\$ 7,715,458	\$ 579,447	\$ 8,294,905
Accrued Liabilities	4,997,169	93,592	5,090,761
Accrued Interest Payable	265,399	-	265,399
Refundable Deposits	3,180,778	11,250	3,192,028
Retainage Payable	206,823	-	206,823
Unearned Revenues	1,226,632	94,386	1,321,018
Claims Payable	2,600,160	-	2,600,160
TABOR Refund Payable	5,200,119	1,277,365	6,477,484
Noncurrent Liabilities			
Due Within One Year	4,869,133	-	4,869,133
Due In More Than One Year	44,540,187	-	44,540,187
Total Liabilities	74,801,858	2,056,040	76,857,898
Deferred Inflows of Resources			
Property Taxes	14,687,272	-	14,687,272
Net Position			
Net Investment in Capital Assets	384,728,358	22,356,764	407,085,122
Restricted for			
Emergencies	3,847,290	-	3,847,290
Parks and Open Space	6,291,201	-	6,291,201
Economic Development	5,486,293	-	5,486,293
Debt Service	3,331,197	-	3,331,197
Capital Improvements	19,575,057	-	19,575,057
Urban Renewal	2,948,958	-	2,948,958
Unrestricted	39,214,362	8,710,594	47,924,956
Total Net Position	465,422,716	31,067,358	496,490,074
Total Liabilities, Deferred Inflows of Resources and Net Position	\$ 554,911,846	\$ 33,123,398	\$ 588,035,244

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

CITY OF LAKEWOOD, COLORADO
STATEMENT OF ACTIVITIES
Year Ended December 31, 2014

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
PRIMARY GOVERNMENT				
Governmental Activities				
General Government	\$ 40,054,077	\$ 8,189,453	\$ 31,735	\$ -
Public Safety	52,596,221	6,150,066	2,403,421	897,983
Public Works	12,744,230	527,951	1,147,170	5,424,775
Culture and Recreation	18,829,506	5,529,773	7,292,856	29,355
Urban Development and Housing	11,923,053	1,502,026	317,495	853,840
Economic Opportunity	2,066,087	982,199	1,093,226	-
Interest on Long-Term Debt	2,005,119	-	-	-
Total Governmental Activities	140,218,293	22,881,468	12,285,903	7,205,953
Business-Type Activities				
Golf Course	4,036,918	4,648,585	-	-
Sewer	3,622,591	3,750,838	-	512,638
Stormwater	2,274,398	2,456,281	-	644,453
Water	963,402	1,131,155	-	-
Total Business-Type Activities	10,897,309	11,986,859	-	1,157,091
Total Primary Government	\$ 151,115,602	\$ 34,868,327	\$ 12,285,903	\$ 8,363,044

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

TABOR Refund

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
\$ (31,832,889)	\$ -	\$ (31,832,889)
(43,144,751)	-	(43,144,751)
(5,644,334)	-	(5,644,334)
(5,977,522)	-	(5,977,522)
(9,249,692)	-	(9,249,692)
9,338	-	9,338
(2,005,119)	-	(2,005,119)
<u>(97,844,969)</u>	<u>-</u>	<u>(97,844,969)</u>
-	611,667	611,667
-	640,885	640,885
-	826,336	826,336
-	167,753	167,753
<u>-</u>	<u>2,246,641</u>	<u>2,246,641</u>
<u>(97,844,969)</u>	<u>2,246,641</u>	<u>(95,598,328)</u>
15,715,606	-	15,715,606
72,902,957	-	72,902,957
10,305,764	-	10,305,764
6,597,293	-	6,597,293
4,152,079	-	4,152,079
349,592	-	349,592
1,114,230	81,317	1,195,547
260,786	-	260,786
-	19,460	19,460
(5,200,119)	-	(5,200,119)
676,928	(676,928)	-
<u>106,875,116</u>	<u>(576,151)</u>	<u>106,298,965</u>
9,030,147	1,670,490	10,700,637
<u>456,392,569</u>	<u>29,396,868</u>	<u>485,789,437</u>
<u>\$ 465,422,716</u>	<u>\$ 31,067,358</u>	<u>\$ 496,490,074</u>

CITY OF LAKEWOOD, COLORADO
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2014

	General Fund	Grants Fund	Capital Improvements Fund	Lakewood Reinvestment Authority Fund	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash and Investments	\$ 42,128,475	\$ -	\$ 23,104,980	\$ 4,270,634	\$ 15,754,362	\$ 85,258,451
Restricted Cash and Investments	374,916	-	-	213,649	2,743,281	3,331,846
Accounts Receivable	1,939,089	2,256,817	1,467,408	90,567	1,108,137	6,862,018
Property Taxes Receivable	7,880,398	-	-	6,911,953	-	14,792,351
Sales Taxes Receivable	7,413,627	-	1,376,969	45,001	-	8,835,597
Interfund Receivable	1,414,358	-	-	-	-	1,414,358
Loan Receivable	-	-	-	-	27,455	27,455
Inventories	132,354	-	-	-	31,571	163,925
Prepays	-	-	-	-	2,965	2,965
Total Assets	<u>\$ 61,283,217</u>	<u>\$ 2,256,817</u>	<u>\$ 25,949,357</u>	<u>\$ 11,531,804</u>	<u>\$ 19,667,771</u>	<u>\$ 120,688,966</u>
LIABILITIES						
Accounts Payable	\$ 2,819,583	\$ 401,466	\$ 2,762,409	\$ 1,454,691	\$ 267,856	\$ 7,706,005
Interfund Payable	-	1,414,358	-	-	-	1,414,358
Accrued Liabilities	4,843,477	43,622	20,388	3,202	86,480	4,997,169
Refundable Deposits	315,973	-	2,864,805	-	-	3,180,778
Retainage Payable	-	14,911	159,050	-	32,862	206,823
Unearned Revenues	375,423	86,391	567,648	-	197,170	1,226,632
TABOR Refund Payable	5,200,119	-	-	-	-	5,200,119
Total Liabilities	<u>13,554,575</u>	<u>1,960,748</u>	<u>6,374,300</u>	<u>1,457,893</u>	<u>584,368</u>	<u>23,931,884</u>
DEFERRED INFLOWS OF RESOURCES						
Grants	-	612,802	-	-	-	612,802
Property Taxes	7,775,319	-	-	6,911,953	-	14,687,272
Total Deferred Inflows of Resources	<u>7,775,319</u>	<u>612,802</u>	<u>-</u>	<u>6,911,953</u>	<u>-</u>	<u>15,300,074</u>
FUND BALANCES						
Nonspendable:						
Inventories	132,354	-	-	-	31,571	163,925
Prepays	-	-	-	-	2,965	2,965
Restricted for:						
Emergencies	3,847,290	-	-	-	-	3,847,290
Parks and Open Space	-	-	-	-	6,291,201	6,291,201
Economic Development	-	-	-	-	5,486,293	5,486,293
Debt Service	374,916	-	-	213,000	2,743,281	3,331,197
Capital Improvements	-	-	19,575,057	-	-	19,575,057
Urban Renewal	-	-	-	2,948,958	-	2,948,958
Assigned to:						
Cultural Activities	-	-	-	-	427,622	427,622
Capital Improvements	-	-	-	-	4,100,470	4,100,470
Unassigned	35,598,763	(316,733)	-	-	-	35,282,030
Total Fund Balances	<u>39,953,323</u>	<u>(316,733)</u>	<u>19,575,057</u>	<u>3,161,958</u>	<u>19,083,403</u>	<u>81,457,008</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 61,283,217</u>	<u>\$ 2,256,817</u>	<u>\$ 25,949,357</u>	<u>\$ 11,531,804</u>	<u>\$ 19,667,771</u>	<u>\$ 120,688,966</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, 2014

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

Fund Balances - Governmental Funds	\$ 81,457,008
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in governmental funds.	422,575,399
Other long-term assets are not available to pay current year expenditures and, therefore, are deferred in governmental funds.	612,802
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.	9,414,197
Long-term liabilities and related items are not due and payable in the current year and, therefore, are not reported in governmental funds. These include long-term debt (\$49,409,320), accrued interest payable (\$265,399) and loss on debt refunding \$1,038,029.	<u>(48,636,690)</u>
Total Net Position of Governmental Activities	<u>\$ 465,422,716</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, 2014

	General Fund	Grants Fund	Capital Improvements Fund	Lakewood Reinvestment Authority Fund	Other Governmental Funds	Total Governmental Funds
REVENUES						
Taxes	\$ 87,471,093	\$ -	\$ 13,291,679	\$ 7,498,561	\$ 1,405,336	\$ 109,666,669
Licenses and Permits	3,963,589	-	-	-	-	3,963,589
Charges for Services	11,659,468	-	-	-	3,019,855	14,679,323
Fines and Forfeitures	1,451,120	-	-	-	-	1,451,120
Intergovernmental	5,235,653	6,288,773	1,970,965	-	6,925,696	20,421,087
Miscellaneous						
Investment Income	517,457	1,166	217,489	6,880	247,644	990,636
Sale of Assets	-	-	-	-	260,786	260,786
Other	596,740	3,525	3,500	1,369,437	118,426	2,091,628
TABOR Refund	(5,200,119)	-	-	-	-	(5,200,119)
Total Revenues	<u>105,695,001</u>	<u>6,293,464</u>	<u>15,483,633</u>	<u>8,874,878</u>	<u>11,977,743</u>	<u>148,324,719</u>
EXPENDITURES						
Current						
General Government	26,098,616	63,705	2,121,314	-	301,807	28,585,442
Public Safety	47,811,938	2,203,233	522,929	-	56,396	50,594,496
Public Works	7,027,964	8,920	1,458,944	-	-	8,495,828
Culture and Recreation	11,302,990	12,616	9,032	-	5,863,366	17,188,004
Urban Development and Housing	556,341	800,658	-	325,963	582,857	2,265,819
Economic Opportunity	953,959	1,067,384	-	-	-	2,021,343
Capital Outlay						
General Government	994,485	-	3,548,526	-	2,322,539	6,865,550
Public Safety	33,757	423,267	281,254	-	-	738,278
Public Works	10,215	1,198,020	6,991,741	-	-	8,199,976
Culture and Recreation	59,748	233,186	-	-	1,237,289	1,530,223
Urban Development and Housing	-	-	2,130,810	7,442,129	-	9,572,939
Debt Service						
Principal	89,948	258,000	72,259	107,932	3,614,426	4,142,565
Interest and Fiscal Charges	115,450	111,898	29,741	117,458	1,578,623	1,953,170
Total Expenditures	<u>95,055,411</u>	<u>6,380,887</u>	<u>17,166,550</u>	<u>7,993,482</u>	<u>15,557,303</u>	<u>142,153,633</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>10,639,590</u>	<u>(87,423)</u>	<u>(1,682,917)</u>	<u>881,396</u>	<u>(3,579,560)</u>	<u>6,171,086</u>
OTHER FINANCING SOURCES (USES)						
Capital Lease	957,000	-	-	-	-	957,000
Transfers In	32,359	418,071	3,020,000	-	6,797,071	10,267,501
Transfers Out	(7,026,339)	-	(1,474,132)	(12,359)	(1,077,743)	(9,590,573)
Total Other Financing Sources (Uses)	<u>(6,036,980)</u>	<u>418,071</u>	<u>1,545,868</u>	<u>(12,359)</u>	<u>5,719,328</u>	<u>1,633,928</u>
Net Change in Fund Balances	4,602,610	330,648	(137,049)	869,037	2,139,768	7,805,014
FUND BALANCES, Beginning of Year	<u>35,350,713</u>	<u>(647,381)</u>	<u>19,712,106</u>	<u>2,292,921</u>	<u>16,943,635</u>	<u>73,651,994</u>
FUND BALANCES, End of Year	<u>\$ 39,953,323</u>	<u>\$ (316,733)</u>	<u>\$ 19,575,057</u>	<u>\$ 3,161,958</u>	<u>\$ 19,083,403</u>	<u>\$ 81,457,008</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, 2014

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

Net Change in Fund Balances - Governmental Funds	\$	7,805,014
--	----	-----------

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the costs of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay \$10,093,711 and contributed capital \$421,095 exceeded depreciation expense (\$10,430,759) in the current year.		84,047
--	--	--------

The issuance of long-term debt provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position and does not affect the statement of activities. Repayment of long-term principal is an expenditure in governmental funds, but the repayment reduces long-term liabilities in the statement of net position and does not affect the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items: capital lease (\$957,000), COP and loan principal payments \$3,910,932, principal payments on capital leases \$231,633, amortization of premium \$130,641, and amortization of loss on refunding (\$173,003).		3,143,203
--	--	-----------

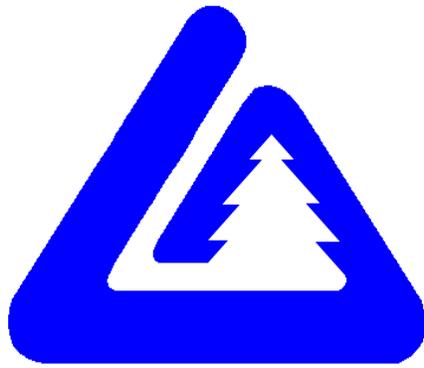
Revenues in the statement of activities that do not provide current financial resources are deferred in governmental funds.		(297,896)
---	--	-----------

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. This includes the change in accrued interest payable (\$9,587), compensated absences (\$63,879), postemployment benefits (\$57,469) and the net pension liability \$6,756.		(124,179)
--	--	-----------

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.		(1,580,042)
--	--	-------------

Change in Net Position of Governmental Activities	\$	9,030,147
---	----	-----------

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



THIS PAGE INTENTIONALLY LEFT BLANK

CITY OF LAKEWOOD, COLORADO
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
December 31, 2014

	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	\$ 116,832	\$ 4,628,321	\$ 3,146,894	\$ 1,490,891	\$ 9,382,938	\$ 12,023,810
Accounts Receivable	15,299	825,105	256,614	162,854	1,259,872	-
Inventories	123,824	-	-	-	123,824	-
Total Current Assets	<u>255,955</u>	<u>5,453,426</u>	<u>3,403,508</u>	<u>1,653,745</u>	<u>10,766,634</u>	<u>12,023,810</u>
Noncurrent Assets						
Land	6,921,465	108,312	303,738	75,459	7,408,974	-
Construction in Progress	-	-	1,677,753	-	1,677,753	-
Infrastructure	-	11,671,193	10,426,444	1,459,129	23,556,766	-
Buildings	4,732,305	-	-	-	4,732,305	-
Improvements	3,217,062	419,766	-	20,600	3,657,428	-
Machinery, Furniture and Equipment	2,212,342	451,571	54,775	362	2,719,050	-
Less Accumulated Depreciation	<u>(7,578,035)</u>	<u>(8,732,532)</u>	<u>(3,814,890)</u>	<u>(1,270,055)</u>	<u>(21,395,512)</u>	<u>-</u>
Total Noncurrent Assets	<u>9,505,139</u>	<u>3,918,310</u>	<u>8,647,820</u>	<u>285,495</u>	<u>22,356,764</u>	<u>-</u>
Total Assets	<u>\$ 9,761,094</u>	<u>\$ 9,371,736</u>	<u>\$12,051,328</u>	<u>\$ 1,939,240</u>	<u>\$33,123,398</u>	<u>\$ 12,023,810</u>
LIABILITIES AND NET POSITION						
Current Liabilities						
Accounts Payable	\$ 36,991	\$ 475,532	\$ 3,780	\$ 63,144	\$ 579,447	\$ 9,453
Accrued Liabilities	42,647	16,707	31,618	2,620	93,592	-
Deposits	11,250	-	-	-	11,250	-
Unearned Revenues	94,386	-	-	-	94,386	-
Claims Payable	-	-	-	-	-	2,600,160
TABOR Refund Payable	-	-	1,277,365	-	1,277,365	-
Total Current Liabilities	<u>185,274</u>	<u>492,239</u>	<u>1,312,763</u>	<u>65,764</u>	<u>2,056,040</u>	<u>2,609,613</u>
NET POSITION						
Net Investment in Capital Assets	9,505,139	3,918,310	8,647,820	285,495	22,356,764	-
Unrestricted	<u>70,681</u>	<u>4,961,187</u>	<u>2,090,745</u>	<u>1,587,981</u>	<u>8,710,594</u>	<u>9,414,197</u>
Total Net Position	<u>9,575,820</u>	<u>8,879,497</u>	<u>10,738,565</u>	<u>1,873,476</u>	<u>31,067,358</u>	<u>9,414,197</u>
Total Liabilities and Net Position	<u>\$ 9,761,094</u>	<u>\$ 9,371,736</u>	<u>\$12,051,328</u>	<u>\$ 1,939,240</u>	<u>\$33,123,398</u>	<u>\$ 12,023,810</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, 2014

	Business-Type Activities - Enterprise Funds					Governmental
					Internal	
	Golf Course Fund	Sewer Fund	Stormwater Fund	Nonmajor Water Fund	Total	Service Funds
OPERATING REVENUES						
Charges for Services	\$ 4,648,585	\$ 3,750,838	\$ 2,456,281	\$ 1,131,155	\$ 11,986,859	\$ 1,722,553
Miscellaneous	-	-	19,460	-	19,460	-
Total Operating Revenues	4,648,585	3,750,838	2,475,741	1,131,155	12,006,319	1,722,553
OPERATING EXPENSES						
Cost of Goods Sold	328,339	-	-	-	328,339	-
Personnel Services	2,395,994	587,568	1,102,553	94,642	4,180,757	-
Services and Supplies	1,081,978	267,826	685,868	42,566	2,078,238	70,108
Sanitation Treatment	-	2,347,371	-	-	2,347,371	-
Water Purchased	-	-	-	779,505	779,505	-
Claims	-	-	-	-	-	2,720,212
Premiums	-	-	-	-	-	635,869
Capital Maintenance	23,460	30,750	58,122	-	112,332	-
Depreciation	207,147	389,076	427,855	46,689	1,070,767	-
Total Operating Expenses	4,036,918	3,622,591	2,274,398	963,402	10,897,309	3,426,189
Operating Income (Loss)	611,667	128,247	201,343	167,753	1,109,010	(1,703,636)
NONOPERATING REVENUES (EXPENSES)						
Investment Income	1,262	41,677	24,412	13,966	81,317	123,594
Income (Loss) Before Transfers	612,929	169,924	225,755	181,719	1,190,327	(1,580,042)
System Investment Fees	-	512,638	-	-	512,638	-
Contributed Infrastructure	-	-	644,453	-	644,453	-
Transfers Out	(676,928)	-	-	-	(676,928)	-
Change in Net Position	(63,999)	682,562	870,208	181,719	1,670,490	(1,580,042)
NET POSITION, Beginning of Year	9,639,819	8,196,935	9,868,357	1,691,757	29,396,868	10,994,239
NET POSITION, End of Year	\$ 9,575,820	\$ 8,879,497	\$ 10,738,565	\$ 1,873,476	\$ 31,067,358	\$ 9,414,197

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, 2014

	Business-Type Activities - Enterprise Funds					Governmental
	Golf Course Fund	Sewer Fund	Stormwater Fund	Nonmajor Water Fund	Total	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES						
Cash Received from Customers	\$ 4,662,999	\$ 3,582,864	\$ 2,486,075	\$ 1,120,193	\$ 11,852,131	\$ 1,725,900
Cash Paid to Suppliers	(1,446,060)	(2,382,991)	(758,141)	(817,554)	(5,404,746)	(2,857,991)
Cash Paid to Employees	(2,394,746)	(584,618)	(1,100,619)	(94,257)	(4,174,240)	-
Net Cash Provided (Used) by Operating Activities	822,193	615,255	627,315	208,382	2,273,145	(1,132,091)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Payments from Other Funds	-	-	1,277,365	-	1,277,365	-
Payments to Other Funds	(676,928)	-	-	-	(676,928)	-
Net Cash (Used) by Noncapital and Financing Activities	(676,928)	-	1,277,365	-	600,437	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Purchases of Capital Assets	(77,823)	-	(1,242,290)	-	(1,320,113)	-
System Investment Fees Received	-	512,638	-	-	512,638	-
Net Cash Provided (Used) by Capital and Related Financing Activities	(77,823)	512,638	(1,242,290)	-	(807,475)	-
CASH FLOWS FROM INVESTING ACTIVITIES						
Investment Income	1,262	41,677	24,412	13,966	81,317	123,594
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	68,704	1,169,570	686,802	222,348	2,147,424	(1,008,497)
CASH AND CASH EQUIVALENTS, Beginning of Year	48,128	3,458,751	2,460,092	1,268,543	7,235,514	13,032,307
CASH AND CASH EQUIVALENTS, End of Year	\$ 116,832	\$ 4,628,321	\$ 3,146,894	\$ 1,490,891	\$ 9,382,938	\$ 12,023,810
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES						
Operating Income (Loss)	\$ 611,667	\$ 128,247	\$ 201,343	\$ 167,753	\$ 1,109,010	\$ (1,703,636)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities						
Depreciation	207,147	389,076	427,855	46,689	1,070,767	-
Accounts Receivable	(2,583)	(167,974)	10,334	(10,962)	(171,185)	3,347
Inventories	(7,452)	-	-	-	(7,452)	-
Accounts Payable	(4,831)	262,956	(14,151)	4,517	248,491	(7,051)
Accrued Liabilities	1,248	2,950	1,934	385	6,517	-
Unearned Revenues	16,997	-	-	-	16,997	-
Claims Payable	-	-	-	-	-	575,249
Net Cash Provided (Used) By Operating Activities	\$ 822,193	\$ 615,255	\$ 627,315	\$ 208,382	\$ 2,273,145	\$ (1,132,091)
NONCASH TRANSACTIONS						
Capital Contributions	\$ -	\$ -	\$ 644,453	\$ -	\$ 644,453	\$ -

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

CITY OF LAKEWOOD, COLORADO
STATEMENT OF NET POSITION
FIDUCIARY FUNDS
December 31, 2014

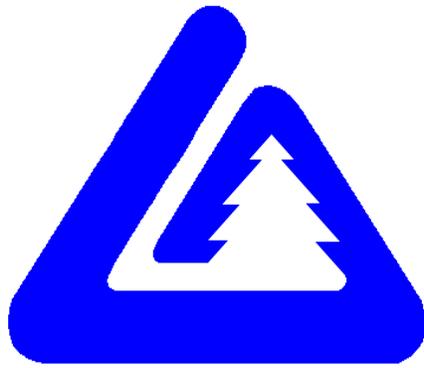
	<u>Pension Trust Funds</u>
ASSETS	
Pooled Cash	\$ 9,977
Mutual Funds	<u>1,836,223</u>
Total Assets	<u>\$ 1,846,200</u>
NET POSITION	
Held in Trust for Retired City Manager Benefits	<u>\$ 1,846,200</u>
Total Net Position	<u>\$ 1,846,200</u>

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, 2014

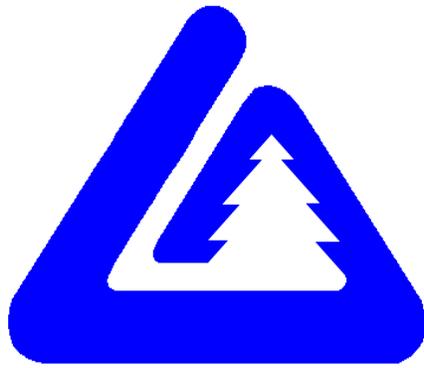
	Pension Trust Funds
ADDITIONS	
Contributions	
Employer	\$ 193,000
Miscellaneous	
Investment Income	104,171
Total Additions	297,171
DEDUCTIONS	
Benefit Payments	192,694
Administrative Expenses	1,903
Liquidation of Trust	366,314
Total Deductions	560,911
Change in Net Position	(263,740)
NET POSITION, Beginning of Year	2,109,940
NET POSITION, End of Year	\$ 1,846,200

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



THIS PAGE INTENTIONALLY LEFT BLANK

**NOTES TO
FINANCIAL STATEMENTS**



THIS PAGE INTENTIONALLY LEFT BLANK

CITY OF LAKEWOOD, COLORADO
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2014

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 has the potential to provide benefits to, or impose financial burdens on, the City.

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

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

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

Government-Wide and Fund Financial Statements

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

CITY OF LAKEWOOD, COLORADO
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2014

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, 2014

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 a specific 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 Retired City Manager Pension Fund as a trust fund.

CITY OF LAKEWOOD, COLORADO
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2014

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
Solar Power Capacity	20 years

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

CITY OF LAKEWOOD, COLORADO
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2014

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 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, 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Net Position/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 General Fund fund balance after amounts are set aside for other classifications. Other funds may report negative balances in this category.

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

NOTE 2 – CASH AND INVESTMENTS

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

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

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

Primary Government Cash and Investments	\$ 106,665,199
Primary Government Restricted Cash and Investments	3,331,846
Fiduciary Fund Cash and Investments	<u>1,846,200</u>
Total	<u>\$ 111,843,245</u>

CITY OF LAKEWOOD, COLORADO
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2014

NOTE 2 – CASH AND INVESTMENTS (Continued)

At December 31, 2014, cash and investments consisted of the following:

Cash on Hand	\$ 24,265
Deposits	48,276,269
Investments	<u>63,542,711</u>
Total	<u>\$ 111,843,245</u>

Deposits

The Colorado Public Deposit Protection Act (PDPA) requires all local government entities to deposit cash in eligible public depositories. Eligibility is determined by State regulations. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. The PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution, or held in trust for all uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. At December 31, 2014, the City had bank deposits of \$44,071,014 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 fund or the investments of the Lakewood Public Building Authority.

CITY OF LAKEWOOD, COLORADO
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2014

NOTE 2 – CASH AND INVESTMENTS (Continued)

Investments (Continued)

At December 31, 2014, 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	\$ 196,493	\$ 2,419,769	\$ -	\$ 2,616,262	\$ 2,616,262	
U.S. Agency Securities	AA+	3,696,703	49,260,854	-	52,957,557	52,957,557	
U.S. Agency Securities	N/A	-	1,996,688	-	1,996,688	1,996,688	
Corporate Bonds	AAA	-	347,169	-	347,169	347,169	
Corporate Bonds	AA+	125,320	124,865	-	250,185	250,185	
Corporate Bonds	AA	241,030	125,265	-	366,295	366,295	
Corporate Bonds	AA-	115,419	-	-	115,419	115,419	
Commercial Paper	A-1+	2,756,700	-	-	2,756,700	2,756,700	
Money Market Funds	AAA	300,213	-	-	300,213	300,213	
Mutual Funds	N/A	1,836,223	-	1,836,223	-	1,836,223	
Total		\$ 9,268,101	\$ 54,274,610	\$ 1,836,223	\$ 61,706,488	\$ 63,542,711	

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, 2014, 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 31%, 24%, 12% and 15% respectively, of total investments.

Restricted Cash and Investments

The General Fund has restricted cash and investments of \$374,916 representing the required HUD Section 108 deposit reserve account (See Note 4). The Lakewood Reinvestment Authority has restricted cash and investments of \$213,649 which represents \$213,000 for the required loan reserve and \$649 in related interest earnings. The Lakewood Public Building Authority has cash and investments of \$2,743,281 restricted for debt service.

CITY OF LAKEWOOD, COLORADO
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2014

NOTE 2 – CASH AND INVESTMENTS (Continued)

Legal Compliance

At December 31, 2014, the City owned negotiable certificates of deposit with a balance of \$1,714,964 issued by banks not registered under the PDPA. This may be a violation of the PDPA.

NOTE 3 - CAPITAL ASSETS

The following is a summary of changes in capital assets for the year ended December 31, 2014.

	Balance 12/31/13	Additions	Deletions	Balance 12/31/14
Governmental Activities				
Capital Assets, Not Being Depreciated				
Land	\$ 119,127,892	\$ 329,861	\$ -	\$ 119,457,753
Construction in Progress	3,777,796	3,983,797	3,512,295	4,249,298
Works of Art/Historical Treasures	-	89,400	-	89,400
Total Capital Assets, Not Being Depreciated	122,905,688	4,403,058	3,512,295	123,796,451
Capital Assets, Being Depreciated				
Infrastructure	203,862,210	4,068,545	-	207,930,755
Park Buildings, Facilities & Improvements	102,722,629	905,318	-	103,627,947
Buildings	68,316,896	627,938	-	68,944,834
Machinery and Equipment	39,305,451	3,089,010	1,200,111	41,194,350
Solar Power Capacity	-	933,232	-	933,232
Total Capital Assets, Being Depreciated	414,207,186	9,624,043	1,200,111	422,631,118
Less Accumulated Depreciation for				
Infrastructure	(32,384,417)	(2,848,170)	-	(35,232,587)
Park Buildings, Facilities & Improvements	(31,060,470)	(2,093,181)	-	(33,153,651)
Buildings	(23,901,696)	(1,728,241)	-	(25,629,937)
Machinery and Equipment	(27,274,939)	(3,737,785)	(1,200,111)	(29,812,613)
Solar Power Capacity	-	(23,382)	-	(23,382)
Total Accumulated Depreciation	(114,621,522)	(10,430,759)	(1,200,111)	(123,852,170)
Capital Assets, Being Depreciated, Net	299,585,664	(806,716)	-	298,778,948
Governmental Activities Capital Assets, Net	\$ 422,491,352	\$ 3,596,342	\$ 3,512,295	\$ 422,575,399

CITY OF LAKEWOOD, COLORADO
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2014

NOTE 3 - CAPITAL ASSETS (Continued)

	Balance 12/31/13	Additions	Deletions	Balance 12/31/14
Business-Type Activities				
Capital Assets, Not Being Depreciated				
Land	\$ 7,408,974	\$ -	\$ -	\$ 7,408,974
Construction in Progress	1,486,457	652,753	461,457	1,677,753
Total Capital Assets, Not Being Depreciated	8,895,431	652,753	461,457	9,086,727
Capital Assets, Being Depreciated				
Infrastructure	21,861,319	1,695,447	-	23,556,766
Buildings	4,732,305	-	-	4,732,305
Improvements	3,657,428	-	-	3,657,428
Machinery and Equipment	2,657,242	77,823	16,015	2,719,050
Total Capital Assets, Being Depreciated	32,908,294	1,773,270	16,015	34,665,549
Less Accumulated Depreciation for				
Infrastructure	(12,006,783)	(863,620)	-	(12,870,403)
Buildings	(2,285,316)	(160,624)	-	(2,445,940)
Improvements	(3,606,772)	(8,372)	-	(3,615,144)
Machinery and Equipment	(2,441,889)	(38,151)	(16,015)	(2,464,025)
Total Accumulated Depreciation	(20,340,760)	(1,070,767)	(16,015)	(21,395,512)
Capital Assets, Being Depreciated, Net	12,567,534	702,503	-	13,270,037
Business-Type Activities Capital Assets, Net	<u>\$ 21,462,965</u>	<u>\$ 1,355,256</u>	<u>\$ 461,457</u>	<u>\$ 22,356,764</u>

CITY OF LAKEWOOD, COLORADO
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2014

NOTE 3 - CAPITAL ASSETS (Continued)

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

Governmental Activities

General Government	\$ 2,823,756
Public Safety	1,942,257
Public Works	3,273,936
Culture and Recreation	2,261,771
Urban Development and Housing	84,295
Economic Opportunity	<u>44,744</u>
 Total Governmental Activities	 <u>\$ 10,430,759</u>

Business-Type Activities

Golf Course	\$ 207,147
Sewer	389,076
Stormwater	427,855
Water	<u>46,689</u>
 Total Business-Type Activities	 <u>\$ 1,070,767</u>

CITY OF LAKEWOOD, COLORADO
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2014

NOTE 4 - LONG-TERM DEBT

Governmental Activities

Following is a summary of long-term debt transactions for the year ended December 31, 2014:

	<u>Balance</u> <u>12/31/13</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12/31/14</u>	<u>Due within</u> <u>one year</u>
Governmental Activities					
Certificates of Participation					
Certificates of Participation, 2006A	\$ 21,525,000	\$ -	\$ 1,700,000	\$ 19,825,000	\$ 1,780,000
2006A COPs Premium	914,487	-	130,641	783,846	-
Certificates of Participation, 2006B	14,560,000	-	1,845,000	12,715,000	1,920,000
Capital Leases Payable					
Police Facility Building	2,041,914	-	89,948	1,951,966	93,987
William Frederick Hayden Park Land	647,943	-	141,685	506,258	154,437
Solar Power Capacity Lease	-	957,000	-	957,000	77,482
Notes Payable					
HUD Section 108 Notes Payable	2,404,000	-	258,000	2,146,000	269,000
LRA Station Betterments Loan	2,361,305	-	107,932	2,253,373	99,227
			-		
Compensated Absences					
Sick Leave	2,437,392	1,794,662	1,709,763	2,522,291	225,000
Vacation	3,517,330	3,171,385	3,192,405	3,496,310	250,000
Postemployment Benefits					
Postemployment Benefits	760,123	57,469	-	817,592	-
Net Pension Liability					
Net Pension Liability	1,441,440	-	6,756	1,434,684	-
Total	<u>\$ 52,610,934</u>	<u>\$ 5,980,516</u>	<u>\$ 9,182,130</u>	<u>\$ 49,409,320</u>	<u>\$ 4,869,133</u>

2006A Certificates of Participation

On March 15, 2006, the LPBA issued certificates of participation in the amount of \$26,180,000 to advance refund a portion of the LPBA's outstanding Series 2000 certificates of participation. The Series 2006A certificates of participation bear interest at rates of 3.50% through 5.00%, payable semi-annually, and mature serially through December, 2022. The certificates of participation are not redeemable prior to maturity.

CITY OF LAKEWOOD, COLORADO
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2014

NOTE 4 - LONG-TERM DEBT (Continued)

2006A Certificates of Participation (Continued)

Payment of principal and interest is secured by various pledged properties and is also guaranteed under a financial guaranty insurance policy, issued concurrently with the certificates of participation.

Following are the future principal and interest requirements:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	2,165,000	554,375	2,719,375
2020 - 2022	10,005,000	903,625	10,908,625
Total	\$ 19,825,000	\$ 4,671,975	\$ 24,496,975

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>
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	2,240,000	157,589	2,397,589
2020	2,330,000	68,786	2,398,786
Total	\$ 12,715,000	\$ 1,679,508	\$ 14,394,508

CITY OF LAKEWOOD, COLORADO
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2014

NOTE 4 - LONG-TERM DEBT (Continued)

Capital Leases

Police Facility Building Lease - On September 30, 2009, the City entered into a lease purchase agreement for \$2,330,000 to purchase property for public safety use. Land, buildings and equipment recorded in the City's capital assets are \$381,775, \$1,957,650 and \$13,703, respectively, which includes interest income on the lease proceeds. Annual payments of \$181,630, including principal and interest accruing at 4.49%, are due on December 31, through 2029.

Following is a schedule of the future minimum lease payments under this capital lease, and the present value of the net minimum lease payments at December 31, 2014:

2015	\$ 181,630
2016	181,630
2017	181,630
2018	181,630
2019	181,630
2020 - 2024	908,150
2025 - 2029	<u>908,150</u>
Total Minimum Lease Payments	2,724,450
Less: Amount Representing Interest	<u>(772,484)</u>
Present Value of Minimum Lease Payments	<u>\$ 1,951,966</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, 2014:

2015	\$ 200,000
2016	200,000
2017	<u>200,000</u>
Total Minimum Lease Payments	600,000
Less: Amount Representing Interest	<u>(93,742)</u>
Present Value of Minimum Lease Payments	<u>\$ 506,258</u>

Solar Power Capacity Lease - On March 20, 2014, the City entered into an agreement to purchase electric generating capacity in a solar garden. The purchase agreement was funded on August 1, 2014, with a lease agreement for \$957,000. The solar power capacity is recorded as capital assets in the amount of \$933,232. A portion of the loan proceeds was used to pay issuance costs of \$23,768. Annual payments of \$121,600, including principal and interest accruing at 4.61%, are due on August 1, 2015 to 2024.

CITY OF LAKEWOOD, COLORADO
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2014

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, 2014:

2015	\$ 121,600
2016	121,600
2017	121,600
2018	121,600
2019	121,600
2020 - 2024	<u>608,000</u>
Total Minimum Lease Payments	1,216,000
Less: Amount Representing Interest	<u>(259,000)</u>
 Present Value of Minimum Lease Payments	 <u>\$ 957,000</u>

HUD Section 108 Notes Payable

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

The loan is collateralized by future City grant allocations, program income derived from the original loan proceeds, and all funds or investments in the accounts established for the proceeds. The City is also required to establish and maintain a deposit reserve account in the amount equal to the greatest amount of principal and interest projected to be due on the loan during any year as calculated as of the date of the note. The required deposit reserve account balance at December 31, 2014, was \$374,916 (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>
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	320,000	49,572	369,572
2020 - 2021	<u>679,000</u>	<u>51,360</u>	<u>730,360</u>
 Total	 <u>\$ 2,146,000</u>	 <u>\$ 432,449</u>	 <u>\$ 2,578,449</u>

CITY OF LAKEWOOD, COLORADO
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2014

NOTE 4 - LONG-TERM DEBT (Continued)

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 \$213,000 of the loan proceeds (See Note 2). For the year ended December 31, 2014, incremental property tax revenues of \$398,791 were available to pay annual debt service of \$225,390.

Remaining debt service at December 31, 2014, was as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	121,209	91,639	212,848
2020 - 2024	705,559	358,681	1,064,240
2025 - 2029	906,631	157,609	1,064,240
2030	<u>91,782</u>	<u>2,651</u>	<u>94,433</u>
Total	<u>\$ 2,253,373</u>	<u>\$ 1,033,780</u>	<u>\$ 3,287,153</u>

Compensated Absences and Postemployment Benefits

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

NOTE 5 - FUND BALANCE

The TABOR Amendment (See Note 11) requires local governments to establish emergency reserves to be used for declared emergencies only. Emergencies, as defined by TABOR, exclude economic conditions, revenue shortfalls, or salary or fringe benefit increases. These reserves are required to be 3 percent or more of fiscal year spending (as defined by TABOR). The amount required to be reserved at December 31, 2014, totaled \$3,847,290 and is reported as restricted fund balance in the General Fund.

CITY OF LAKEWOOD, COLORADO
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2014

NOTE 6 - INTERFUND BALANCES AND TRANSFERS

At December 31, 2014, the General Fund had temporarily subsidized the negative cash balance of the Grants Fund in the amount of \$1,414,358. The negative balance will be paid once grant receivables are collected.

Transfers between funds during the year ended December 31, 2014, were as follows:

Transfers In	Transfers Out	Amount
General Fund	Lakewood Reinvestment Authority Fund	\$ 12,359
Capital Improvements	General Fund	3,020,000
Grants Fund	General Fund	126,617
Nonmajor Funds	General Fund	1,023,800
Lakewood Public Building Authority	General Fund	2,855,922
		7,026,339
Grants Fund	Capital Improvements Fund	291,454
Lakewood Public Building Authority	Capital Improvements Fund	386,000
Nonmajor Funds	Capital Improvements Fund	796,678
		1,474,132
Lakewood Public Building Authority	Golf Course Enterprise Fund	676,928
Lakewood Public Building Authority	Nonmajor Funds	1,057,743
General Fund	Nonmajor Funds	20,000
		1,754,671
Total		\$ 10,267,501

The Lakewood Reinvestment Authority Fund transferred excess revenues to the General Fund to return start-up costs financed by the General Fund in past years. 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 Improvements Funds transferred grant matching funds to the Grants Fund.

The Capital Improvements Fund provided \$753,957 to the Equipment Replacement Fund for equipment purchases.

The Equipment Replacement Fund transferred \$20,000 to the General Fund for technology maintenance.

The General Fund subsidized the operations of the Heritage, Culture and Arts Fund in the amount of \$1,023,800 for the year ended December 31, 2014. In addition, the Capital Improvements Fund provided \$42,721 for public works of art.

CITY OF LAKEWOOD, COLORADO
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2014

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.

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 2014, the City contributed the 18% of the City Manager’s contribution, which includes the employer and employee portion. Employee voluntary after-tax contributions to the plan are allowed to the extent allowed by law. Contribution requirements of the City and the participants are established and may be amended by the City Council. During the year ended December 31, 2014, the City and employees made all required contributions to the plan, of \$3,622,468 and \$2,901,961 (including voluntary contributions of \$33,513), respectively.

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

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

The City has a forfeiture account that is funded by the forfeiture of City contributions made on behalf of an employee who terminates employment before becoming fully vested. During 2014, \$86,043 was used from this account to fund a portion of the City’s contribution, and \$52,310 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).

CITY OF LAKEWOOD, COLORADO
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2014

NOTE 7 – EMPLOYEE RETIREMENT PLANS (Continued)

Police Pension Plan (Continued)

The City is the only non-employee contributor and contributes 10% of the participants’ base salary, and the participant is required to contribute 8% of base salary. 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, 2014, the City and employees made all required contributions to the plan, of \$2,108,577 and \$1,709,747 (including voluntary contributions of \$22,876), 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 2014, \$31,979 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.

Retired City Manager Pension Plan

Summary of Significant Accounting Policies

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

Investments – Investments are reported at fair value.

Plan Information

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

CITY OF LAKEWOOD, COLORADO
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2014

NOTE 7 – EMPLOYEE RETIREMENT PLANS (Continued)

Retired City Manager Pension Plan (Continued)

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

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

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

Contributions - The plan was initially funded through a \$767,000 contribution from the City of Lakewood and a \$300,000 contribution from the City Manager. As established by City Council, the City will make all future contributions to the plan. The contributions are based on an actuarially determined amount recommended by an independent actuary. The actuarially determined amount is the estimated amount necessary to finance the costs of benefits earned during the year, with an additional amount to finance any unfunded accrued liability. Contributions were determined as part of the December 31, 2013 actuarial valuation, with additional contributions in excess of the actuarially determined amount approved by the City Council. Total contributions for the year ended December 31, 2014 were \$193,000.

Investments

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

Real property and all interests therein, in bonds, notes, debentures, mortgages, commercial paper, preferred stocks, common stocks, or other securities, rights, obligations or property, real or personal, including shares or certificates of participation issued by regulated investment companies or regulated investment trusts and shares or units of participation in qualified common trust funds or qualified pooled funds. In making investments or reinvestments, the trustee shall not be limited by the proportion which the investments to be made, either alone or with any property of the same or similar character then held or acquired, may bear on the entire amount of the trust fund, and the trustee shall not be bound as to the character of any investment provided by any constitutional provisions, statute, rule of court, or custom governing the investment of trust funds, providing only that the trustee shall exercise the judgment and care, under the circumstances then prevailing, that men of prudence, discretion and intelligence exercise in the management of their own affairs.

Rate of Return – During the year ended December 31, 2014, plan investments consisted solely of mutual funds. The annual money-weighted rate of return on plan investments, net of pension plan investment expense, was 5.87%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

CITY OF LAKEWOOD, COLORADO
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2014

NOTE 7 – EMPLOYEE RETIREMENT PLANS (Continued)

Retired City Manager Pension Plan (Continued)

Net Pension Liability

The net pension liability was measured at December 31, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation at that date.

Actuarial Assumptions – The total pension liability in the actuarial valuation as of December 31, 2014 was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Discount Rate - 6.75%

Inflation - N/A

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

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

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

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

Changes in Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at December 31, 2013	\$ 3,185,252	\$ 1,743,812	\$ 1,441,440
Changes for the year:			
Interest	208,501	-	208,501
Differences between Expected and Actual Experience	79,825	-	79,825
Contributions - Employer	-	193,000	(193,000)
Contributions - Member	-	-	-
Net Investment Income	-	103,985	(103,985)
Benefit Payments	(192,694)	(192,694)	-
Administrative Expense	-	(1,903)	1,903
Net Changes	95,632	102,388	(6,756)
Balances at December 31, 2014	\$ 3,280,884	\$ 1,846,200	\$ 1,434,684

CITY OF LAKEWOOD, COLORADO
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2014

NOTE 7 – EMPLOYEE RETIREMENT PLANS (Continued)

Retired City Manager Pension Plan (Continued)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate - The following table presents the net pension liability of the City at December 31, 2014, calculated using the discount rate of 6.75%, as well as what the City’s net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.75%) or one percentage point higher (7.75%) than the current rate, as follows:

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
Net Pension Liability	\$ 1,823,768	\$ 1,434,684	\$ 1,108,586

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

For the year ended December 31, 2014, the City recognized pension expense of \$186,244. The net difference between projected and actual earnings on plan investments of \$79,825 was recorded in pension expense. Because the difference was not significant, it will not be recognized as pension expense over multiple fiscal years.

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.

CITY OF LAKEWOOD, COLORADO
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2014

NOTE 7 – EMPLOYEE RETIREMENT PLANS (Continued)

Duty Death and Disability Plan (Continued)

At December 31, 2014, 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 \$2,085,465. During the year ended December 31, 2014, benefit payments totaling \$73,271 were paid. At December 31, 2014, assets totaling \$3,015,191 were available for benefits. Under the plan document, there is no provision for benefits to be paid if sufficient assets are not available.

During 2014, the City and employees contributed \$129,746 and \$70,390, 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, 2014

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, 2014, were as follows:

	<u>Retired City Manager Pension</u>	<u>City Manager Severance</u>	<u>Total</u>
Assets			
Cash and Investments	\$ 1,846,200	\$ -	\$ 1,846,200
Net Position			
Held in Trust	\$ 1,846,200	\$ -	\$ 1,846,200
Additions			
Employer Contributions	\$ 193,000	\$ -	\$ 193,000
Investment Income	103,985	186	104,171
Total Additions	296,985	186	297,171
Deductions			
Benefit Payments	192,694	-	192,694
Administrative Expenses	1,903	-	1,903
Liquidation of Trust	-	366,314	366,314
Total Deductions	194,597	366,314	560,911
Change in Net Position	102,388	(366,128)	(263,740)
Net Position, Beginning of Year	<u>1,743,812</u>	<u>366,128</u>	<u>2,109,940</u>
Net Position, End of Year	<u>\$ 1,846,200</u>	<u>\$ -</u>	<u>\$ 1,846,200</u>

City Manager Severance Plan

On December 8, 2014, the City entered into a new employee agreement with the City Manager which superseded and terminated the prior agreement dated September 14, 2009. Under the prior agreement, the City established the City Manager Severance Benefit Trust to provide benefits to the City Manager if employment was terminated by the City without cause, or due to a permanent disability. This Trust was liquidated during the year ended December 31, 2014, because the new agreement does not require severance funds to be held in trust. Under the new agreement, the City will provide a severance payment to the City Manager if employment is terminated without cause, or due to a permanent disability. The severance payment begins at an amount equivalent to two year’s total compensation and increases in yearly increments up to five year’s total compensation. The City Manager becomes vested in the Severance Payment on the 8th anniversary of the agreement and shall be entitled to a life annuity benefit in lieu of any severance payment.

CITY OF LAKEWOOD, COLORADO
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2014

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 138 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, 2014, the amount actually contributed to the plan, and changes in the City’s net OPEB obligation to the plan.

Annual required contribution	\$	395,702
Interest on net OPEB obligation		34,206
Adjustment to annual required contributions		(52,439)
Annual OPEB Cost		377,469
Contributions made		(320,000)
Increase in net OPEB obligation		57,469
Net OPEB Obligation, Beginning		760,123
Net OPEB Obligation, Ending	\$	817,592

CITY OF LAKEWOOD, COLORADO
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2014

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
12/31/14	\$ 377,469	84.8%	\$ 817,592

Funded Status and Funding Progress - At December 31, 2014, the most recent actuarial valuation date, the actuarial accrued liability (AAL) was \$4,279,938, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was \$57,677,144, and the ratio of the unfunded actuarial accrued liability (UAAL) to the covered payroll was 7.4%.

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, 2014
- Actuarial Cost Method – Unprojected Unit Credit Method
- Amortization Method – Level Dollar, including both principal and interest
- Remaining Amortization Period – 30 years from valuation date, Open – 24 years remaining
- Asset Valuation Method – Fair Value
- Actuarial Valuation Discount Rate – 4.5%
- Inflation Rate – 2.7%
- 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, 2014

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, 2013 to December 31, 2014:

	<u>Property and Casualty</u>	<u>Workers' Compensation</u>	<u>Dental</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	820,486	1,188,615	15,810
Claims and Changes in Provisions	661,765	1,270,053	788,394
Claims Payments	<u>(509,132)</u>	<u>(852,680)</u>	<u>(783,151)</u>
Claims Payable December 31, 2014	<u>\$ 973,119</u>	<u>\$ 1,605,988</u>	<u>\$ 21,053</u>

CITY OF LAKEWOOD, COLORADO
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2014

NOTE 11 - CONTINGENCIES

TABOR Amendment

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

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

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

For the year ended December 31, 2014, the City collected revenues in excess of the TABOR limitations. As such, \$5,200,119 is reported as a liability in the General Fund at December 31, 2014, and will be refunded through a temporary property tax mill levy rate reduction the during subsequent fiscal year.

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.

Litigation

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

Operating Leases

Golf Equipment Leases - On January 18, 2013, October 28, 2013 and May 19, 2014, the City entered into operating leases with PNC Equipment Finance, LLC, for the rental of golf carts and other equipment at Homestead Golf Course and Fox Hollow Golf Course. The lease agreements require 48 monthly payments of \$4,829, beginning April 2013 through March 2017, \$7,723, beginning January 2014 through December 2017, and \$736, beginning August 2014 through July 2018, respectively. For all leases, the City may, at its option, purchase the equipment at the end of the term of the lease at a price equal to fair market value. The lease agreements require the City to return the equipment at the end of the lease term if the City does not exercise the purchase option.

CITY OF LAKEWOOD, COLORADO
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2014

NOTE 11 – CONTINGENCIES (Continued)

Operating Leases (Continued)

Remaining payments required by the leases are as follows:

Year	Payment
2015	\$ 159,467
2016	159,467
2017	116,002
2018	5,155
Total	\$ 440,091

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.

CITY OF LAKEWOOD, COLORADO
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2014

NOTE 11 – CONTINGENCIES (Continued)

Economic Development Agreements (Continued)

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

Project Name	Maximum Amount Committed To Be Reimbursed Or Waived ⁽¹⁾	Termination Of Reimbursement Obligation ⁽²⁾	Description Of Sharing Arrangement	2014 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	\$1,971,010	N/A
Stevinson II ⁽³⁾ Annexation	Not Limited	10/09/2026	1/4 th of 2% Sales Tax	\$159,800	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.

Lakewood Reinvestment Authority and Economic Development Agreements

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

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

CITY OF LAKEWOOD, COLORADO
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2014

NOTE 11 – CONTINGENCIES (Continued)

Economic Development Agreements (Continued)

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

Project Name	Maximum Amount Committed To Be Reimbursed Or Waived ⁽¹⁾	Termination Of Reimbursement Obligation ⁽²⁾	Description Of Sharing Arrangement	2014 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	\$1,474,952	\$13,970,002

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

CITY OF LAKEWOOD, COLORADO
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2014

NOTE 12 - RESTATEMENTS

For the year ended December 31, 2014, the City adopted the standards of Governmental Accounting Standards Board Statement No. 67, *Financial Reporting for Pension Plans*, and Statement No. 68, *Accounting and Financial Reporting for Pensions*. As a result, net position of the governmental activities at December 31, 2013, was restated to remove the Net Pension Asset associated with the Retired City Manager Pension Plan and include the Net Pension Liability determined through actuarial valuation.

Additionally, during 2013, the City collected revenues in excess of the limitations allowed by the TABOR Amendment (See Note 11). The City changed its accounting policy regarding the recognition of the related liability and, as a result, net position and fund balance at December 31, 2013, was restated to include a liability for the excess revenues collected during that fiscal year, which will be refunded to citizens.

	Governmental Activities	General Fund
Net Position/Fund Balance, December 31, 2013, as Originally Stated	\$ 459,679,271	\$ 36,628,078
Net Pension Asset	(567,897)	-
Net Pension Liability	(1,441,440)	-
TABOR Refund Payable 2013	(1,277,365)	(1,277,365)
Net Position/Fund Balance, December 31, 2013, as Restated	\$ 456,392,569	\$ 35,350,713

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF LAKEWOOD, COLORADO
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
RETIRED CITY MANAGER PENSION PLAN
Year Ended December 31, 2014

	2014
Total Pension Liability	
Interest	\$ 208,501
Differences between Expected and Actual Experience	79,825
Benefits and Expenses Paid	(192,694)
Net Change in Pension Liability	95,632
Total Pension Liability - Beginning	3,185,252
Total Pension Liability - Ending	3,280,884
Plan Fiduciary Net Position	
Contributions - Employer	193,000
Contributions - Member	-
Net Investment Income	103,985
Benefit Payments	(192,694)
Administrative Expenses	(1,903)
Net Change in Plan Fiduciary Net Position	102,388
Plan Fiduciary Net Position - Beginning	1,743,812
Plan Fiduciary Net Position - Ending	1,846,200
Net Pension Liability - Ending	\$ 1,434,684
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	56.27%
Covered-Employee Payroll	No Active Employees
City's Net Pension Liability as a Percentage of Covered-Employee Payroll	NA

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

See the accompanying Independent Auditors' Report.

CITY OF LAKEWOOD, COLORADO
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CITY CONTRIBUTIONS AND INVESTMENT RETURNS
RETIRED CITY MANAGER PENSION PLAN
Year Ended December 31, 2014

	2014
City Contributions	
Actuarially Determined Contribution	\$ 113,257
Contribution in Relation to the Actuarially Determined Contribution	193,000
Contribution Deficiency (Excess)	\$ (79,743)
Covered-Employee Payroll	No Active Employees
Contributions as a Percentage of Covered-Employee Payroll	NA
Investment Returns	
Annual Money-Weighted Rate of Return, Net of Investment Expense	5.87%

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

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, 2014

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)
12/31/12	\$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%
12/31/14	\$0	\$4,279,938	\$4,279,938	100.0%	\$57,677,144	7.4%

See the accompanying Independent Auditors' Report.

CITY OF LAKEWOOD, COLORADO
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2014

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Taxes				
Property Tax	\$ 7,547,241	\$ 7,656,589	\$ 7,715,595	\$ 59,006
Sales Tax	54,591,403	56,718,300	58,307,226	1,588,926
General Use Tax	2,817,115	2,817,115	2,877,290	60,175
Building Material Use Tax	2,098,357	2,223,119	3,870,374	1,647,255
Business and Occupational Tax	2,501,351	2,669,856	2,739,713	69,857
Specific Ownership Tax	597,227	597,227	636,362	39,135
Motor Vehicle Use Tax	4,547,069	4,547,069	4,727,240	180,171
Franchise Tax	5,876,123	5,876,123	6,597,293	721,170
Total Taxes	<u>80,575,886</u>	<u>83,105,398</u>	<u>87,471,093</u>	<u>4,365,695</u>
Licenses and Permits				
Business Licenses and Permits	584,435	517,987	559,422	41,435
Nonbusiness Licenses and Permits	2,349,089	2,487,521	3,404,167	916,646
Total Licenses and Permits	<u>2,933,524</u>	<u>3,005,508</u>	<u>3,963,589</u>	<u>958,081</u>
Charges for Services				
General Government	1,018,337	951,982	1,068,744	116,762
Public Safety	514,558	878,200	848,848	(29,352)
Culture and Recreation	3,735,430	3,836,625	4,282,592	445,967
Other Sales and Services	5,556,690	5,576,755	5,459,284	(117,471)
Total Charges for Services	<u>10,825,015</u>	<u>11,243,562</u>	<u>11,659,468</u>	<u>415,906</u>
Fines and Forfeitures				
	<u>1,280,015</u>	<u>1,280,015</u>	<u>1,451,120</u>	<u>171,105</u>
Intergovernmental Revenue				
State Government Shared Revenue	3,863,712	3,830,903	3,983,328	152,425
Local Government Grants	40,000	75,000	111,021	36,021
Local Government Shared Revenue	1,119,800	1,119,800	1,141,304	21,504
Total Intergovernmental Revenue	<u>5,023,512</u>	<u>5,025,703</u>	<u>5,235,653</u>	<u>209,950</u>
Miscellaneous				
Investment Income	501,245	416,363	517,457	101,094
Other	940,358	1,004,360	596,740	(407,620)
Total Miscellaneous	<u>1,441,603</u>	<u>1,420,723</u>	<u>1,114,197</u>	<u>(306,526)</u>
TABOR Refunds				
	-	-	(5,200,119)	(5,200,119)
Total Revenues	<u>102,079,555</u>	<u>105,080,909</u>	<u>105,695,001</u>	<u>614,092</u>

(Continued)

See the accompanying Independent Auditors' Report.

CITY OF LAKEWOOD, COLORADO
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
EXPENDITURES				
General Government				
Legislative				
Personnel Services	256,431	275,720	275,525	195
Services and Supplies	225,626	231,926	189,725	42,201
Total Legislative	<u>482,057</u>	<u>507,646</u>	<u>465,250</u>	<u>42,396</u>
Judicial				
Personnel Services	2,093,952	2,072,327	2,089,865	(17,538)
Services and Supplies	253,324	253,324	172,546	80,778
Total Judicial	<u>2,347,276</u>	<u>2,325,651</u>	<u>2,262,411</u>	<u>63,240</u>
Executive				
Personnel Services	1,702,144	1,733,898	1,543,343	190,555
Services and Supplies	335,022	398,803	317,048	81,755
Capital Outlay	3,500	3,500	331	3,169
Total Executive	<u>2,040,666</u>	<u>2,136,201</u>	<u>1,860,722</u>	<u>275,479</u>
Administrative				
Personnel Services	7,546,161	7,394,939	6,246,916	1,148,023
Services and Supplies	2,259,471	3,070,558	2,455,876	614,682
Capital Outlay	445,800	20,800	32,748	(11,948)
Total Administrative	<u>10,251,432</u>	<u>10,486,297</u>	<u>8,735,540</u>	<u>1,750,757</u>
Other				
Personnel Services	6,488,432	6,469,706	6,109,317	360,389
Services and Supplies	7,539,938	7,785,852	6,698,455	1,087,397
Debt Service	181,630	205,398	205,398	-
Capital Outlay	57,461	984,693	961,406	23,287
Total Other	<u>14,267,461</u>	<u>15,445,649</u>	<u>13,974,576</u>	<u>1,471,073</u>
Total General Government	<u>29,388,892</u>	<u>30,901,444</u>	<u>27,298,499</u>	<u>3,602,945</u>

(Continued)

See the accompanying Independent Auditors' Report.

CITY OF LAKEWOOD, COLORADO
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2014

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
EXPENDITURES (Continued)				
Public Safety				
Law Enforcement				
Personnel Services	40,519,642	39,906,074	39,419,841	486,233
Services and Supplies	3,068,969	3,453,452	3,106,917	346,535
Capital Outlay	55,000	81,354	28,426	52,928
Total Law Enforcement	<u>43,643,611</u>	<u>43,440,880</u>	<u>42,555,184</u>	<u>885,696</u>
Correction				
Personnel Services	641,733	645,343	617,119	28,224
Services and Supplies	18,853	18,853	9,557	9,296
Total Correction	<u>660,586</u>	<u>664,196</u>	<u>626,676</u>	<u>37,520</u>
Protective Inspection				
Personnel Services	2,167,252	2,160,471	2,270,839	(110,368)
Services and Supplies	116,832	116,832	86,014	30,818
Total Protective Inspection	<u>2,284,084</u>	<u>2,277,303</u>	<u>2,356,853</u>	<u>(79,550)</u>
Other Protection				
Personnel Services	1,783,687	1,774,625	1,730,149	44,476
Services and Supplies	524,682	537,213	571,502	(34,289)
Capital Outlay	50,362	50,362	5,331	45,031
Total Other Protection	<u>2,358,731</u>	<u>2,362,200</u>	<u>2,306,982</u>	<u>55,218</u>
Total Public Safety	<u>48,947,012</u>	<u>48,744,579</u>	<u>47,845,695</u>	<u>898,884</u>
Public Works				
Highways and Streets				
Personnel Services	3,516,829	3,499,139	2,950,033	549,106
Services and Supplies	4,297,782	4,659,513	4,077,931	581,582
Capital Outlay	11,500	11,500	10,215	1,285
Total Highways and Streets	<u>7,826,111</u>	<u>8,170,152</u>	<u>7,038,179</u>	<u>1,131,973</u>
Total Public Works	<u>7,826,111</u>	<u>8,170,152</u>	<u>7,038,179</u>	<u>1,131,973</u>

(Continued)

See the accompanying Independent Auditors' Report.

CITY OF LAKEWOOD, COLORADO
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
EXPENDITURES (Continued)				
Culture and Recreation				
Recreation				
Personnel Services	6,327,033	6,354,408	5,946,484	407,924
Services and Supplies	1,522,893	1,573,546	1,564,906	8,640
Capital Outlay	34,248	17,713	43,159	(25,446)
Total Recreation	<u>7,884,174</u>	<u>7,945,667</u>	<u>7,554,549</u>	<u>391,118</u>
Parks				
Personnel Services	2,048,327	2,101,050	1,867,347	233,703
Services and Supplies	1,844,738	1,912,636	1,924,253	(11,617)
Capital Outlay	33,000	33,000	16,589	16,411
Total Parks	<u>3,926,065</u>	<u>4,046,686</u>	<u>3,808,189</u>	<u>238,497</u>
Total Culture and Recreation	<u>11,810,239</u>	<u>11,992,353</u>	<u>11,362,738</u>	<u>629,615</u>
Urban Development and Housing				
Personnel Services	513,564	537,285	530,232	7,053
Services and Supplies	345,150	345,150	26,109	319,041
Total Urban Development and Housing	<u>858,714</u>	<u>882,435</u>	<u>556,341</u>	<u>326,094</u>
Economic Opportunity				
Personnel Services	686,730	817,885	728,897	88,988
Services and Supplies	187,389	148,789	165,077	(16,288)
Capital Outlay	-	39,100	59,985	(20,885)
Total Economic Opportunity	<u>874,119</u>	<u>1,005,774</u>	<u>953,959</u>	<u>51,815</u>
Total Expenditures	<u>99,705,087</u>	<u>101,696,737</u>	<u>95,055,411</u>	<u>6,641,326</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>2,374,468</u>	<u>3,384,172</u>	<u>10,639,590</u>	<u>7,255,418</u>
OTHER FINANCING SOURCES (USES)				
Capital Lease	-	957,000	957,000	-
Transfers In	20,665	20,000	32,359	12,359
Transfers Out	<u>(5,566,667)</u>	<u>(6,656,111)</u>	<u>(7,026,339)</u>	<u>(370,228)</u>
Total Other Financing Sources (Uses)	<u>(5,546,002)</u>	<u>(5,679,111)</u>	<u>(6,036,980)</u>	<u>(357,869)</u>
Net Change in Fund Balance	(3,171,534)	(2,294,939)	4,602,610	6,897,549
FUND BALANCE, Beginning of Year	<u>30,364,300</u>	<u>36,628,078</u>	<u>35,350,713</u>	<u>(1,277,365)</u>
FUND BALANCE, End of Year	<u>\$ 27,192,766</u>	<u>\$ 34,333,139</u>	<u>\$ 39,953,323</u>	<u>\$ 5,620,184</u>

See the accompanying Independent Auditors' Report.

CITY OF LAKEWOOD, COLORADO
GRANTS FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2014

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Intergovernmental				
Federal Government Grants	\$ 7,264,753	\$ 7,675,678	\$ 3,386,045	\$ (4,289,633)
State Government Grants	1,269,500	2,176,341	1,907,476	(268,865)
Local Government Grants	738,228	691,732	995,252	303,520
Total Intergovernmental	9,272,481	10,543,751	6,288,773	(4,254,978)
Investment Income	-	1,500	1,166	(334)
Miscellaneous	-	30,000	3,525	(26,475)
Total Revenues	9,272,481	10,575,251	6,293,464	(4,281,787)
EXPENDITURES				
General Government				
Personnel Services	37,645	38,139	37,705	434
Services and Supplies	-	6,400	26,000	(19,600)
Capital Outlay	-	86,102	-	86,102
Total General Government	37,645	130,641	63,705	66,936
Public Safety				
Personnel Services	937,765	883,912	651,892	232,020
Services and Supplies	1,496,563	1,959,414	1,551,341	408,073
Capital Outlay	5,776,000	3,566,186	423,267	3,142,919
Total Public Safety	8,210,328	6,409,512	2,626,500	3,783,012
Public Works				
Personnel Services	-	-	8,920	(8,920)
Capital Outlay	-	1,525,000	1,198,020	326,980
Total Public Works	-	1,525,000	1,206,940	318,060

(Continued)

See the accompanying Independent Auditors' Report.

CITY OF LAKEWOOD, COLORADO
GRANTS FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2014

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
EXPENDITURES (Continued)				
Culture and Recreation				
Personnel Services	17,500	12,000	12,616	(616)
Capital Outlay	104,000	346,118	233,186	112,932
Total Culture and Recreation	121,500	358,118	245,802	112,316
Urban Development and Housing				
Personnel Services	220,377	176,368	198,072	(21,704)
Services and Supplies	273,833	822,777	602,586	220,191
Capital Outlay	60,000	110,000	-	110,000
Total Urban Development and Housing	554,210	1,109,145	800,658	308,487
Economic Opportunity				
Personnel Services	960,000	901,577	858,301	43,276
Services and Supplies	212,103	241,851	209,083	32,768
Total Economic Opportunity	1,172,103	1,143,428	1,067,384	76,044
Debt Service				
Principal	258,000	258,000	258,000	-
Interest	111,898	111,898	111,898	-
Total Debt Service	369,898	369,898	369,898	-
Total Expenditures	10,465,684	11,045,742	6,380,887	4,664,855
Excess (Deficiency) of Revenues Over Expenditures	(1,193,203)	(470,491)	(87,423)	383,068
OTHER FINANCING SOURCES				
Transfers In	1,064,450	1,149,008	418,071	(730,937)
Net Change in Fund Balance	(128,753)	678,517	330,648	(347,869)
FUND BALANCE, Beginning of Year	215,625	(647,381)	(647,381)	-
FUND BALANCE, End of Year	\$ 86,872	\$ 31,136	\$ (316,733)	\$ (347,869)

See the accompanying Independent Auditors' Report.

CITY OF LAKEWOOD, COLORADO
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
Year Ended December 31, 2014

NOTE 1 – SCHEDULE OF CITY CONTRIBUTIONS

Actuarial Assumptions

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

Valuation Date	Actuarially determined contribution rates are calculated as of December 31, 2013, one year prior to the fiscal year in which the contributions are reported.
Actuarial Cost Method	Entry Age
Amortization Method	Level Dollar Method over Fixed Period of Years
Remaining Amortization Period	30 Years, Open
Asset Valuation Method	Fair Value
Inflation	N/A
Benefits Expected Fixed	
COLA Increases	3% Per Annum Compounded Annually
Investment Rate of Return	6.75% Per Annum Compounded Annually, Net of Expenses
Number of Participants Employed	0
Number of Participants Retired	1
Retirement Date	September 19, 2009
Mortality Rates	Modified 1994 Group Annuity Mortality Table Uni-Sex Rates

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

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

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

CITY OF LAKEWOOD, COLORADO
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
Year Ended December 31, 2014

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

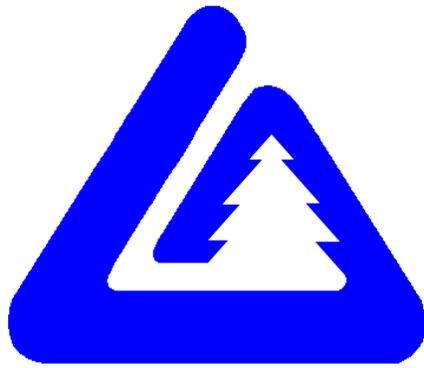
Budgetary Information (Continued)

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

Legal Compliance

For the year ended December 31, 2014, the Workers' Compensation Self-Insurance Fund expenditures exceeded the amounts budgeted by \$14,654. This may be a violation of State statutes.

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



THIS PAGE INTENTIONALLY LEFT BLANK

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.

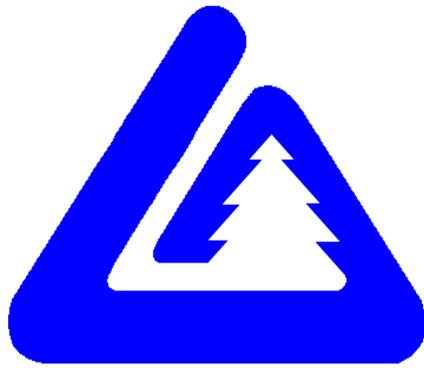
LAKWOOD REINVESTMENT AUTHORITY CAPITAL PROJECT FUND

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.



THIS PAGE INTENTIONALLY LEFT BLANK

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, 2014

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Taxes				
Sales Tax	\$ 10,194,014	\$ 10,545,259	\$ 11,005,198	\$ 459,939
General Use Tax	563,558	563,423	578,331	14,908
Building Material Use Tax	419,772	444,624	762,351	317,727
Motor Vehicle Use Tax	909,632	909,414	945,799	36,385
Total Taxes	12,086,976	12,462,720	13,291,679	828,959
Intergovernmental				
State Government Shared Revenue	1,914,432	1,931,984	1,970,965	38,981
Miscellaneous				
Investment Income	137,904	225,846	217,489	(8,357)
Other	50,000	-	3,500	3,500
Total Miscellaneous	187,904	225,846	220,989	(4,857)
Total Revenues	14,189,312	14,620,550	15,483,633	863,083
EXPENDITURES				
General Government				
Personnel Services	188,098	231,665	227,290	4,375
Services and Supplies	1,500,000	1,510,000	1,894,024	(384,024)
Capital Outlay	4,470,201	5,746,529	3,548,526	2,198,003
Total General Government	6,158,299	7,488,194	5,669,840	1,818,354
Public Safety				
Personnel Services	137,973	133,504	136,863	(3,359)
Services and Supplies	376,165	500,219	386,066	114,153
Capital Outlay	305,000	459,859	281,254	178,605
Total Public Safety	819,138	1,093,582	804,183	289,399
Public Works				
Personnel Services	640,972	642,716	552,115	90,601
Services and Supplies	123,300	2,539,300	906,829	1,632,471
Capital Outlay	7,766,096	11,235,140	6,991,741	4,243,399
Total Public Works	8,530,368	14,417,156	8,450,685	5,966,471

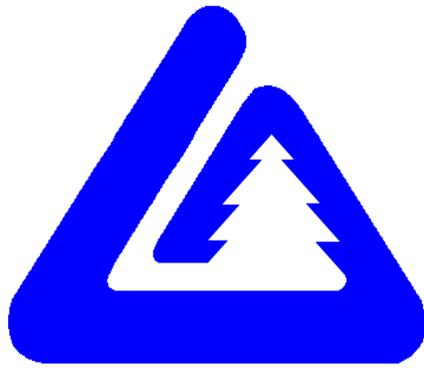
(Continued)

See the accompanying Independent Auditors' Report.

CITY OF LAKEWOOD, COLORADO
CAPITAL IMPROVEMENTS FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2014

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
EXPENDITURES (Continued)				
Culture and Recreation				
Services and Supplies	9,143	9,143	9,032	111
Capital Outlay	4,700	10,700	-	10,700
Debt Service	102,000	102,000	102,000	-
Total Culture and Recreation	115,843	121,843	111,032	10,811
Urban Development and Housing				
Services and Supplies	10,000	10,000	-	10,000
Capital Outlay	1,865,383	1,901,359	2,130,810	(229,451)
Total Urban Development and Housing	1,875,383	1,911,359	2,130,810	(219,451)
Total Expenditures	17,499,031	25,032,134	17,166,550	7,865,584
Excess (Deficiency) of Revenues Over Expenditures	(3,309,719)	(10,411,584)	(1,682,917)	8,728,667
OTHER FINANCING SOURCES (USES)				
Transfers In	1,520,000	1,520,000	3,020,000	1,500,000
Transfers Out	(2,170,407)	(1,964,308)	(1,474,132)	490,176
Total Other Financing Sources (Uses)	(650,407)	(444,308)	1,545,868	1,990,176
Net Change in Fund Balance	(3,960,126)	(10,855,892)	(137,049)	10,718,843
FUND BALANCE, Beginning of Year	10,353,931	19,712,106	19,712,106	-
FUND BALANCE, End of Year	\$ 6,393,805	\$ 8,856,214	\$ 19,575,057	\$ 10,718,843

See the accompanying Independent Auditors' Report.



THIS PAGE INTENTIONALLY LEFT BLANK

CITY OF LAKEWOOD, COLORADO
LAKEWOOD REINVESTMENT AUTHORITY FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES				
Taxes				
Property Taxes Increment	\$ 7,235,230	\$ 7,327,230	\$ 7,363,649	\$ 36,419
General Sales Taxes Increment	211,094	211,094	134,912	(76,182)
Investment Income	3,906	5,815	6,880	1,065
Miscellaneous	953,528	953,528	1,369,437	415,909
Total Revenues	<u>8,403,758</u>	<u>8,497,667</u>	<u>8,874,878</u>	<u>377,211</u>
EXPENDITURES				
Urban Development and Housing				
Personnel Services	124,981	124,286	124,487	(201)
Services and Supplies	182,288	198,606	201,476	(2,870)
Capital Outlay	8,298,642	8,532,095	7,442,129	1,089,966
Debt Service	262,848	262,848	225,390	37,458
Total Expenditures	<u>8,868,759</u>	<u>9,117,835</u>	<u>7,993,482</u>	<u>1,124,353</u>
Excess (Deficiency) of Revenues Over Expenditures	(465,001)	(620,168)	881,396	1,501,564
OTHER FINANCING SOURCES (USES)				
Transfers Out	(20,665)	(20,665)	(12,359)	8,306
Net Change in Fund Balance	(485,666)	(640,833)	869,037	1,509,870
FUND BALANCE, Beginning of Year	<u>944,415</u>	<u>2,292,921</u>	<u>2,292,921</u>	<u>-</u>
FUND BALANCE, End of Year	<u>\$ 458,749</u>	<u>\$ 1,652,088</u>	<u>\$ 3,161,958</u>	<u>\$ 1,509,870</u>

See the accompanying Independent Auditors' Report.

CITY OF LAKEWOOD, COLORADO
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2014

	Special Revenue Funds			
	Conservation Trust Fund	Economic Development Fund	Heritage, Culture and Arts Fund	Open Space Fund
ASSETS				
Cash and Investments	\$ 1,375,918	\$ 5,425,414	\$ 674,433	\$ 4,262,443
Restricted Cash and Investments	-	-	-	-
Accounts Receivable	-	79,713	5,267	883,359
Loan Receivable	-	27,455	-	-
Inventories	-	-	31,571	-
Prepays	-	-	2,965	-
Total Assets	<u>\$ 1,375,918</u>	<u>\$ 5,532,582</u>	<u>\$ 714,236</u>	<u>\$ 5,145,802</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ -	\$ 42,252	\$ 17,460	\$ 152,662
Accrued Liabilities	-	4,037	37,448	44,995
Retainage Payable	-	-	-	32,862
Unearned Revenues	-	-	197,170	-
Total Liabilities	<u>-</u>	<u>46,289</u>	<u>252,078</u>	<u>230,519</u>
FUND BALANCES				
Nonspendable:				
Inventories	-	-	31,571	-
Prepays	-	-	2,965	-
Restricted for:				
Parks and Open Space	1,375,918	-	-	4,915,283
Economic Development	-	5,486,293	-	-
Debt Service	-	-	-	-
Assigned to:				
Cultural Activities	-	-	427,622	-
Capital Improvements	-	-	-	-
Total Fund Balances	<u>1,375,918</u>	<u>5,486,293</u>	<u>462,158</u>	<u>4,915,283</u>
Total Liabilities and Fund Balances	<u>\$ 1,375,918</u>	<u>\$ 5,532,582</u>	<u>\$ 714,236</u>	<u>\$ 5,145,802</u>

See the accompanying Independent Auditors' Report.

<u>Debt Service</u>	<u>Capital Projects</u>	
<u>Lakewood</u>	<u>Equipment</u>	<u>Total Nonmajor</u>
<u>Public Building</u>	<u>Replacement</u>	<u>Governmental</u>
<u>Authority</u>	<u>Fund</u>	<u>Funds</u>
\$ -	\$ 4,016,154	\$ 15,754,362
2,743,281	-	2,743,281
-	139,798	1,108,137
-	-	27,455
-	-	31,571
-	-	2,965
<u>\$ 2,743,281</u>	<u>\$ 4,155,952</u>	<u>\$ 19,667,771</u>
\$ -	\$ 55,482	\$ 267,856
-	-	86,480
-	-	32,862
-	-	197,170
<u>-</u>	<u>55,482</u>	<u>584,368</u>
-	-	31,571
-	-	2,965
-	-	6,291,201
-	-	5,486,293
2,743,281	-	2,743,281
-	-	427,622
<u>-</u>	<u>4,100,470</u>	<u>4,100,470</u>
<u>2,743,281</u>	<u>4,100,470</u>	<u>19,083,403</u>
<u>\$ 2,743,281</u>	<u>\$ 4,155,952</u>	<u>\$ 19,667,771</u>

CITY OF LAKEWOOD, COLORADO
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
Year Ended December 31, 2014

	Special Revenue Funds			
	Conservation Trust Fund	Economic Development Fund	Heritage, Culture and Arts Fund	Open Space Fund
REVENUES				
Taxes	\$ -	\$ 1,405,336	\$ -	\$ -
Charges for Services	-	90,768	853,356	16,688
Intergovernmental	1,401,040	-	274,995	5,236,523
Investment Income	16,688	56,100	-	36,112
Sale of Assets	-	-	-	-
Miscellaneous	-	-	118,426	-
Total Revenues	<u>1,417,728</u>	<u>1,552,204</u>	<u>1,246,777</u>	<u>5,289,323</u>
EXPENDITURES				
Current				
General Government	-	-	-	-
Public Safety	-	-	-	-
Culture and Recreation	-	-	2,307,457	3,555,909
Urban Development and Housing	-	582,857	-	-
Capital Outlay				
General Government	-	-	-	-
Culture and Recreation	720,816	-	25,007	491,466
Debt Service				
Principal	69,426	-	-	-
Interest and Fiscal Charges	28,574	-	-	-
Total Expenditures	<u>818,816</u>	<u>582,857</u>	<u>2,332,464</u>	<u>4,047,375</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>598,912</u>	<u>969,347</u>	<u>(1,085,687)</u>	<u>1,241,948</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	1,066,521	-
Transfers Out	(624,669)	-	-	(353,074)
Total Other Financing Sources (Uses)	<u>(624,669)</u>	<u>-</u>	<u>1,066,521</u>	<u>(353,074)</u>
Net Change in Fund Balances	(25,757)	969,347	(19,166)	888,874
FUND BALANCES, Beginning of Year	<u>1,401,675</u>	<u>4,516,946</u>	<u>481,324</u>	<u>4,026,409</u>
FUND BALANCES, End of Year	<u>\$ 1,375,918</u>	<u>\$ 5,486,293</u>	<u>\$ 462,158</u>	<u>\$ 4,915,283</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>
\$ -	\$ -	\$ 1,405,336
-	2,059,043	3,019,855
-	13,138	6,925,696
138,744	-	247,644
-	260,786	260,786
-	-	118,426
<u>138,744</u>	<u>2,332,967</u>	<u>11,977,743</u>
1,100	300,707	301,807
-	56,396	56,396
-	-	5,863,366
-	-	582,857
-	2,322,539	2,322,539
-	-	1,237,289
3,545,000	-	3,614,426
1,550,049	-	1,578,623
<u>5,096,149</u>	<u>2,679,642</u>	<u>15,557,303</u>
<u>(4,957,405)</u>	<u>(346,675)</u>	<u>(3,579,560)</u>
4,976,593	753,957	6,797,071
-	(100,000)	(1,077,743)
<u>4,976,593</u>	<u>653,957</u>	<u>5,719,328</u>
19,188	307,282	2,139,768
<u>2,724,093</u>	<u>3,793,188</u>	<u>16,943,635</u>
<u>\$ 2,743,281</u>	<u>\$ 4,100,470</u>	<u>\$ 19,083,403</u>

CITY OF LAKEWOOD, COLORADO
CONSERVATION TRUST FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES				
Intergovernmental				
State Government Shared Revenue	\$ 1,300,000	\$ 1,350,000	\$ 1,401,040	\$ 51,040
Investment Income	8,824	22,443	16,688	(5,755)
Total Revenues	<u>1,308,824</u>	<u>1,372,443</u>	<u>1,417,728</u>	<u>45,285</u>
EXPENDITURES				
Culture and Recreation				
Capital Outlay	795,000	1,045,000	720,816	324,184
Debt Service	98,000	98,000	98,000	-
Total Expenditures	<u>893,000</u>	<u>1,143,000</u>	<u>818,816</u>	<u>324,184</u>
Excess (Deficiency) of Revenues Over Expenditures	415,824	229,443	598,912	369,469
OTHER FINANCING SOURCES (USES)				
Transfers Out	(624,669)	(624,669)	(624,669)	-
Net Change in Fund Balance	(208,845)	(395,226)	(25,757)	369,469
FUND BALANCE, Beginning of Year	<u>566,037</u>	<u>1,401,675</u>	<u>1,401,675</u>	<u>-</u>
FUND BALANCE, End of Year	<u>\$ 357,192</u>	<u>\$ 1,006,449</u>	<u>\$ 1,375,918</u>	<u>\$ 369,469</u>

See the accompanying Independent Auditors' Report.

CITY OF LAKEWOOD, COLORADO
ECONOMIC DEVELOPMENT FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2014

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Hotel Accommodation Taxes	\$ 1,000,000	\$ 1,000,000	\$ 1,405,336	\$ 405,336
Charges for Services	52,000	65,000	90,768	25,768
Investment Income	53,676	43,000	56,100	13,100
Total Revenues	<u>1,105,676</u>	<u>1,108,000</u>	<u>1,552,204</u>	<u>444,204</u>
EXPENDITURES				
Urban Development and Housing				
Personnel Services	324,652	360,997	165,928	195,069
Services and Supplies	650,400	1,136,300	416,929	719,371
Capital Outlay	3,000	3,000	-	3,000
Total Expenditures	<u>978,052</u>	<u>1,500,297</u>	<u>582,857</u>	<u>917,440</u>
Net Change in Fund Balance	127,624	(392,297)	969,347	1,361,644
FUND BALANCE, Beginning of Year	<u>3,838,132</u>	<u>4,516,946</u>	<u>4,516,946</u>	<u>-</u>
FUND BALANCE, End of Year	<u><u>\$ 3,965,756</u></u>	<u><u>\$ 4,124,649</u></u>	<u><u>\$ 5,486,293</u></u>	<u><u>\$ 1,361,644</u></u>

See the accompanying Independent Auditors' Report.

CITY OF LAKEWOOD, COLORADO
HERITAGE, CULTURE AND ARTS FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2014

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Charges for Services	\$ 948,246	\$ 947,156	\$ 853,356	\$ (93,800)
Intergovernmental				
State Government Grants	230,000	260,000	274,995	14,995
Miscellaneous	181,750	174,556	118,426	(56,130)
Total Revenues	<u>1,359,996</u>	<u>1,381,712</u>	<u>1,246,777</u>	<u>(134,935)</u>
EXPENDITURES				
Culture and Recreation				
Personnel Services	1,658,874	1,606,482	1,642,362	(35,880)
Services and Supplies	753,443	816,998	665,095	151,903
Capital Outlay	171,816	148,481	25,007	123,474
Total Expenditures	<u>2,584,133</u>	<u>2,571,961</u>	<u>2,332,464</u>	<u>239,497</u>
Excess (Deficiency) of Revenues Over Expenditures	(1,224,137)	(1,190,249)	(1,085,687)	104,562
OTHER FINANCING SOURCES				
Transfers In	1,068,752	1,066,521	1,066,521	-
Net Change in Fund Balance	(155,385)	(123,728)	(19,166)	104,562
FUND BALANCE, Beginning of Year	<u>419,251</u>	<u>481,324</u>	<u>481,324</u>	<u>-</u>
FUND BALANCE, End of Year	<u>\$ 263,866</u>	<u>\$ 357,596</u>	<u>\$ 462,158</u>	<u>\$ 104,562</u>

See the accompanying Independent Auditors' Report.

CITY OF LAKEWOOD, COLORADO
OPEN SPACE FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2014

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Charges for Services	\$ -	\$ 500	\$ 16,688	\$ 16,188
County Open Space Shared Revenues	4,176,065	4,476,806	5,199,023	722,217
Intergovernmental	237,500	675,540	37,500	(638,040)
Investment Income	38,623	45,000	36,112	(8,888)
Contributions and Donations	10,822	10,822	-	(10,822)
Total Revenues	<u>4,463,010</u>	<u>5,208,668</u>	<u>5,289,323</u>	<u>80,655</u>
EXPENDITURES				
Culture and Recreation				
Parks and Open Space				
Personnel Services	2,632,709	2,600,523	2,343,900	256,623
Services and Supplies	1,281,690	1,354,190	1,212,009	142,181
Capital Outlay	20,171	1,004,687	491,466	513,221
Total Expenditures	<u>3,934,570</u>	<u>4,959,400</u>	<u>4,047,375</u>	<u>912,025</u>
Excess (Deficiency) of Revenues Over Expenditures	528,440	249,268	1,241,948	992,680
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	175,366	(103,806)	888,874	992,680
FUND BALANCE, Beginning of Year	<u>2,213,668</u>	<u>4,026,409</u>	<u>4,026,409</u>	<u>-</u>
FUND BALANCE, End of Year	<u>\$ 2,389,034</u>	<u>\$ 3,922,603</u>	<u>\$ 4,915,283</u>	<u>\$ 992,680</u>

See the accompanying Independent Auditors' Report.

CITY OF LAKEWOOD, COLORADO
LAKEWOOD PUBLIC BUILDING AUTHORITY
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2014

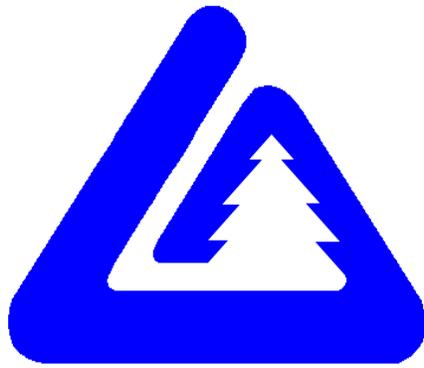
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Investment Income	\$ 135,824	\$ 135,824	\$ 138,744	\$ 2,920
Total Revenues	135,824	135,824	138,744	2,920
EXPENDITURES				
General Government				
Services and Supplies	39,445	5,000	1,100	3,900
Total General Government	39,445	5,000	1,100	3,900
Debt Service				
Principal	3,545,000	3,545,000	3,545,000	-
Interest and Fiscal Charges	1,575,798	1,575,798	1,550,049	25,749
Total Debt Service	5,120,798	5,120,798	5,095,049	25,749
Total Expenditures	5,160,243	5,125,798	5,096,149	29,649
Excess (Deficiency) of Revenues Over Expenditures	(5,024,419)	(4,989,974)	(4,957,405)	32,569
OTHER FINANCING SOURCES				
Transfers In	5,014,473	5,014,473	4,976,593	(37,880)
Net Change in Fund Balance	(9,946)	24,499	19,188	(5,311)
FUND BALANCE, Beginning of Year	2,814,285	2,724,093	2,724,093	-
FUND BALANCE, End of Year	<u>\$ 2,804,339</u>	<u>\$ 2,748,592</u>	<u>\$ 2,743,281</u>	<u>\$ (5,311)</u>

See the accompanying Independent Auditors' Report.

CITY OF LAKEWOOD, COLORADO
EQUIPMENT REPLACEMENT FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2014

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Charges for Services	\$ 2,063,603	\$ 2,041,288	\$ 2,059,043	\$ 17,755
Local Government Grants	-	-	13,138	13,138
Sale of Assets	150,000	150,000	260,786	110,786
Total Revenues	<u>2,213,603</u>	<u>2,191,288</u>	<u>2,332,967</u>	<u>141,679</u>
EXPENDITURES				
General Government				
Services and Supplies	484,757	341,757	300,707	41,050
Capital Outlay	2,920,200	2,961,933	2,322,539	639,394
Total General Government	<u>3,404,957</u>	<u>3,303,690</u>	<u>2,623,246</u>	<u>680,444</u>
Public Safety				
Services and Supplies	100,000	60,000	56,396	3,604
Total Expenditures	<u>3,504,957</u>	<u>3,363,690</u>	<u>2,679,642</u>	<u>684,048</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(1,291,354)</u>	<u>(1,172,402)</u>	<u>(346,675)</u>	<u>825,727</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	941,926	753,957	753,957	-
Transfers Out	(80,000)	(100,000)	(100,000)	-
Total Other Financing Sources (Uses)	<u>861,926</u>	<u>653,957</u>	<u>653,957</u>	<u>-</u>
Net Change in Fund Balance	(429,428)	(518,445)	307,282	825,727
FUND BALANCE, Beginning of Year	<u>2,627,872</u>	<u>3,793,188</u>	<u>3,793,188</u>	<u>-</u>
FUND BALANCE, End of Year	<u><u>\$ 2,198,444</u></u>	<u><u>\$ 3,274,743</u></u>	<u><u>\$ 4,100,470</u></u>	<u><u>\$ 825,727</u></u>

See the accompanying Independent Auditors' Report.



THIS PAGE INTENTIONALLY LEFT BLANK

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, 2014

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Charges for Services	\$ 4,869,366	\$ 4,869,366	\$ 4,648,585	\$ (220,781)
Investment Income	6,130	-	1,262	1,262
Total Revenues	4,875,496	4,869,366	4,649,847	(219,519)
EXPENDITURES				
Cost of Goods Sold	286,151	286,151	328,339	(42,188)
Personnel Services	2,426,556	2,426,469	2,395,994	30,475
Services and Supplies	886,164	908,714	1,081,978	(173,264)
Capital Outlay	164,000	125,000	101,283	23,717
Depreciation	342,632	342,632	207,147	135,485
Transfers Out	914,784	914,784	676,928	237,856
Total Expenditures	5,020,287	5,003,750	4,791,669	212,081
Change in Net Position, Budgetary Basis	\$ (144,791)	\$ (134,384)	(141,822)	\$ (7,438)
ADJUSTMENTS TO GAAP BASIS				
Capital Outlay			77,823	
CHANGE IN NET POSITION, GAAP BASIS			\$ (63,999)	

See the accompanying Independent Auditors' Report.

CITY OF LAKEWOOD, COLORADO
SEWER ENTERPRISE FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2014

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Charges for Services	\$ 3,261,776	\$ 3,628,000	\$ 3,750,838	\$ 122,838
Investment Income	41,462	41,462	41,677	215
Miscellaneous	10,000	500,000	512,638	12,638
Total Revenues	<u>3,313,238</u>	<u>4,169,462</u>	<u>4,305,153</u>	<u>135,691</u>
EXPENDITURES				
Personnel Services	641,838	626,020	587,568	38,452
Services and Supplies	451,524	447,119	267,826	179,293
Sanitation Treatment	2,654,476	2,349,388	2,347,371	2,017
Capital Outlay	150,000	225,000	30,750	194,250
Depreciation	408,896	408,896	389,076	19,820
Total Expenditures	<u>4,306,734</u>	<u>4,056,423</u>	<u>3,622,591</u>	<u>433,832</u>
CHANGE IN NET POSITION, GAAP BASIS	<u>\$ (993,496)</u>	<u>\$ 113,039</u>	<u>\$ 682,562</u>	<u>\$ 569,523</u>

See the accompanying Independent Auditors' Report.

CITY OF LAKEWOOD, COLORADO
STORMWATER ENTERPRISE FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2014

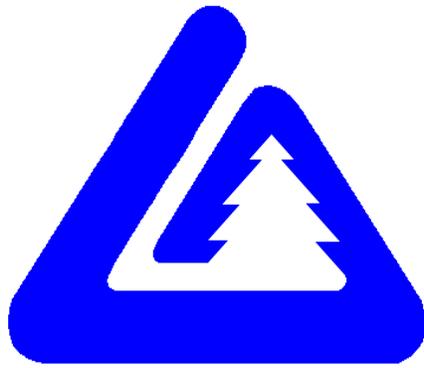
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Charges for Services	\$ 2,460,000	\$ 2,460,000	\$ 2,456,281	\$ (3,719)
Investment Income	29,480	29,480	24,412	(5,068)
Miscellaneous	20,000	20,000	19,460	(540)
Transfers In	-	1,277,365	-	(1,277,365)
Total Revenues	<u>2,509,480</u>	<u>3,786,845</u>	<u>2,500,153</u>	<u>(1,286,692)</u>
EXPENDITURES				
Personnel Services	1,090,109	1,077,485	1,102,553	(25,068)
Services and Supplies	882,167	839,847	685,868	153,979
Capital Outlay	900,000	1,893,630	1,300,412	593,218
Depreciation	379,562	379,562	427,855	(48,293)
Total Expenditures	<u>3,251,838</u>	<u>4,190,524</u>	<u>3,516,688</u>	<u>673,836</u>
Change in Net Position, Budgetary Basis	<u>\$ (742,358)</u>	<u>\$ (403,679)</u>	(1,016,535)	<u>\$ (612,856)</u>
ADJUSTMENTS TO GAAP BASIS				
Contributed Infrastructure			644,453	
Capital Outlay			<u>1,242,290</u>	
CHANGE IN NET POSITION, GAAP BASIS			<u>\$ 870,208</u>	

See the accompanying Independent Auditors' Report.

CITY OF LAKEWOOD, COLORADO
WATER ENTERPRISE FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2014

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Charges for Services	\$ 1,127,700	\$ 1,125,200	\$ 1,131,155	\$ 5,955
Investment Income	16,536	16,536	13,966	(2,570)
Miscellaneous	2,400	20,000	-	(20,000)
Total Revenues	1,146,636	1,161,736	1,145,121	(16,615)
EXPENDITURES				
Personnel Services	105,505	102,196	94,642	7,554
Services and Supplies	61,025	62,775	42,566	20,209
Water Purchased	860,000	795,000	779,505	15,495
Capital Outlay	78,800	378,800	-	378,800
Depreciation	48,732	48,732	46,689	2,043
Total Expenditures	1,154,062	1,387,503	963,402	424,101
CHANGE IN NET POSITION, GAAP BASIS	\$ (7,426)	\$ (225,767)	\$ 181,719	\$ 407,486

See the accompanying Independent Auditors' Report.



THIS PAGE INTENTIONALLY LEFT BLANK

INTERNAL SERVICE FUNDS

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

PROPERTY AND CASUALTY SELF-INSURANCE FUND

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

WORKERS' COMPENSATION SELF-INSURANCE FUND

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

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, 2014

	Property and Casualty	Workers' Compensation	Dental	Retirees' Health	Total
ASSETS					
Cash and Investments	\$ 3,152,908	\$ 4,135,542	\$ 1,963,098	\$ 2,772,262	\$ 12,023,810
Total Assets	<u>\$ 3,152,908</u>	<u>\$ 4,135,542</u>	<u>\$ 1,963,098</u>	<u>\$ 2,772,262</u>	<u>\$ 12,023,810</u>
LIABILITIES AND NET POSITION					
LIABILITIES					
Accounts Payable	\$ 1,121	\$ 8,332	\$ -	\$ -	\$ 9,453
Claims Payable	973,119	1,605,988	21,053	-	2,600,160
Total Liabilities	<u>974,240</u>	<u>1,614,320</u>	<u>21,053</u>	<u>-</u>	<u>2,609,613</u>
NET POSITION					
Unrestricted	<u>2,178,668</u>	<u>2,521,222</u>	<u>1,942,045</u>	<u>2,772,262</u>	<u>9,414,197</u>
Total Liabilities and Net Position	<u>\$ 3,152,908</u>	<u>\$ 4,135,542</u>	<u>\$ 1,963,098</u>	<u>\$ 2,772,262</u>	<u>\$ 12,023,810</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, 2014

	Property and Casualty	Workers' Compensation	Dental	Retirees' Health	Total
OPERATING REVENUES					
Charges for Services	\$ 335,000	\$ 165,000	\$ 902,553	\$ 320,000	\$ 1,722,553
Total Revenues	335,000	165,000	902,553	320,000	1,722,553
OPERATING EXPENSES					
Other Expenses	33,667	36,441	-	-	70,108
Claims	661,765	1,270,053	788,394	-	2,720,212
Premiums	432,402	107,660	-	95,807	635,869
Total Expenses	1,127,834	1,414,154	788,394	95,807	3,426,189
Operating Income (Loss)	(792,834)	(1,249,154)	114,159	224,193	(1,703,636)
NONOPERATING REVENUES					
Investment Income	32,849	45,496	19,188	26,061	123,594
Total Nonoperating Revenues	32,849	45,496	19,188	26,061	123,594
Change in Net Position	(759,985)	(1,203,658)	133,347	250,254	(1,580,042)
NET POSITION, Beginning of Year	2,938,653	3,724,880	1,808,698	2,522,008	10,994,239
NET POSITION, End of Year	\$ 2,178,668	\$ 2,521,222	\$ 1,942,045	\$ 2,772,262	\$ 9,414,197

See the accompanying Independent Auditors' Report.

CITY OF LAKEWOOD, COLORADO
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
Year Ended December 31, 2014

	Property and Casualty	Workers' Compensation	Dental	Retirees' Health	Total
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash Received from Customers	\$ 338,347	\$ 165,000	\$ 902,553	\$ 320,000	\$ 1,725,900
Cash Paid to Suppliers	(977,784)	(999,579)	(783,151)	(97,477)	(2,857,991)
Net Cash Provided (Used) by Operating Activities	(639,437)	(834,579)	119,402	222,523	(1,132,091)
CASH FLOWS FROM INVESTING ACTIVITIES					
Investment Income	32,849	45,496	19,188	26,061	123,594
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(606,588)	(789,083)	138,590	248,584	(1,008,497)
CASH AND CASH EQUIVALENTS, Beginning of Year	3,759,496	4,924,625	1,824,508	2,523,678	13,032,307
CASH AND CASH EQUIVALENTS, End of Year	\$ 3,152,908	\$ 4,135,542	\$ 1,963,098	\$ 2,772,262	\$ 12,023,810
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES					
Operating Income (Loss)	\$ (792,834)	\$(1,249,154)	\$ 114,159	\$ 224,193	\$ (1,703,636)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities					
Accounts Receivable	3,347	-	-	-	3,347
Accounts Payable	(2,583)	(2,798)	-	(1,670)	(7,051)
Claims Payable	152,633	417,373	5,243	-	575,249
Net Cash Provided (Used) by Operating Activities	\$ (639,437)	\$ (834,579)	\$ 119,402	\$ 222,523	\$ (1,132,091)

See the accompanying Independent Auditors' Report.

CITY OF LAKEWOOD, COLORADO
PROPERTY AND CASUALTY SELF-INSURANCE FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2014

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Charges for Services	\$ 335,000	\$ 335,000	\$ 335,000	\$ -
Investment Income	42,718	42,700	32,849	(9,851)
Total Revenues	<u>377,718</u>	<u>377,700</u>	<u>367,849</u>	<u>(9,851)</u>
EXPENDITURES				
Other Expenses	97,500	97,500	33,667	63,833
Claims	556,009	800,000	661,765	138,235
Premiums	505,064	600,000	432,402	167,598
Total Expenditures	<u>1,158,573</u>	<u>1,497,500</u>	<u>1,127,834</u>	<u>369,666</u>
Change in Net Position	(780,855)	(1,119,800)	(759,985)	359,815
NET POSITION, Beginning of Year	<u>2,852,806</u>	<u>2,938,653</u>	<u>2,938,653</u>	<u>-</u>
NET POSITION, End of Year	<u><u>\$ 2,071,951</u></u>	<u><u>\$ 1,818,853</u></u>	<u><u>\$ 2,178,668</u></u>	<u><u>\$ 359,815</u></u>

See the accompanying Independent Auditors' Report.

CITY OF LAKEWOOD, COLORADO
WORKERS' COMPENSATION SELF-INSURANCE FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2014

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Charges for Services	\$ 165,000	\$ 165,000	\$ 165,000	\$ -
Investment Income	51,233	65,000	45,496	(19,504)
Total Revenues	<u>216,233</u>	<u>230,000</u>	<u>210,496</u>	<u>(19,504)</u>
EXPENDITURES				
Other Expenses	94,500	94,500	36,441	58,059
Claims	1,033,500	1,100,000	1,270,053	(170,053)
Premiums	199,107	200,000	107,660	92,340
Capital Outlay	-	5,000	-	5,000
Total Expenditures	<u>1,327,107</u>	<u>1,399,500</u>	<u>1,414,154</u>	<u>(14,654)</u>
Change in Net Position	(1,110,874)	(1,169,500)	(1,203,658)	(34,158)
NET POSITION, Beginning of Year	<u>3,507,651</u>	<u>3,724,880</u>	<u>3,724,880</u>	<u>-</u>
NET POSITION, End of Year	<u><u>\$ 2,396,777</u></u>	<u><u>\$ 2,555,380</u></u>	<u><u>\$ 2,521,222</u></u>	<u><u>\$ (34,158)</u></u>

See the accompanying Independent Auditors' Report.

CITY OF LAKEWOOD, COLORADO
DENTAL SELF-INSURANCE FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2014

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Charges for Services	\$ 1,193,557	\$ 895,000	\$ 902,553	\$ 7,553
Investment Income	30,580	20,000	19,188	(812)
Total Revenues	<u>1,224,137</u>	<u>915,000</u>	<u>921,741</u>	<u>6,741</u>
EXPENDITURES				
Claims	<u>1,166,431</u>	<u>800,000</u>	<u>788,394</u>	<u>11,606</u>
Total Expenditures	<u>1,166,431</u>	<u>800,000</u>	<u>788,394</u>	<u>11,606</u>
Change in Net Position	57,706	115,000	133,347	18,347
NET POSITION, Beginning of Year	<u>1,733,881</u>	<u>1,808,698</u>	<u>1,808,698</u>	<u>-</u>
NET POSITION, End of Year	<u><u>\$ 1,791,587</u></u>	<u><u>\$ 1,923,698</u></u>	<u><u>\$ 1,942,045</u></u>	<u><u>\$ 18,347</u></u>

See the accompanying Independent Auditors' Report.

**CITY OF LAKEWOOD, COLORADO
RETIREES' HEALTH PROGRAM FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2014**

	<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	44,109	25,000	26,061	1,061
 Total Revenues	 364,109	 345,000	 346,061	 1,061
EXPENDITURES				
Premiums	175,000	175,000	95,807	79,193
 Total Expenditures	 175,000	 175,000	 95,807	 79,193
 Change in Net Position	 189,109	 170,000	 250,254	 80,254
 NET POSITION, Beginning of Year	 2,448,017	 2,522,008	 2,522,008	 -
 NET POSITION, End of Year	 \$ 2,637,126	 \$ 2,692,008	 \$ 2,772,262	 \$ 80,254

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

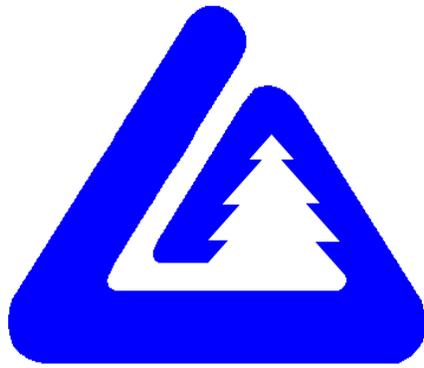
These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

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.



THIS PAGE INTENTIONALLY LEFT BLANK

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

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Governmental activities										
Net investment in capital assets	\$ 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	\$ 384,728,358
Restricted	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	41,479,996
Unrestricted	16,814,934	28,477,880	38,581,052	47,539,872	50,470,895	34,969,687	37,949,511	38,708,259	39,259,813	39,214,362
Total governmental activities net position	\$ 188,420,586	\$ 204,482,921	\$ 375,328,506	\$ 390,709,365	\$ 401,388,376	\$ 417,958,141	\$ 440,211,501	\$ 448,435,081	\$ 458,401,906	\$ 465,422,716
Business-type activities										
Net investment in capital assets	\$ 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	\$ 22,356,764
Unrestricted	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	8,710,594
Total business-type activities net position	\$ 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	\$ 31,067,358
Primary government										
Net investment in capital assets	\$ 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	\$ 407,085,122
Restricted	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	41,479,996
Unrestricted	23,139,701	36,137,357	47,514,414	55,480,897	57,731,199	42,108,560	45,428,234	46,599,009	47,193,716	47,924,956
Total primary government net position	\$ 218,365,613	\$ 235,131,865	\$ 406,207,005	\$ 421,574,325	\$ 430,938,202	\$ 447,304,570	\$ 469,295,074	\$ 477,546,901	\$ 487,798,774	\$ 496,490,074

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

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

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

Expenses	Fiscal Year			
	2005	2006	2007	2008
Governmental activities:				
General government	\$ 22,119,793	\$ 23,318,455	\$ 30,586,932	\$ 33,219,490
Public safety	36,183,348	39,260,678	44,782,919	43,292,095
Public works	9,702,056	15,763,085	13,974,839	12,564,574
Culture and recreation	15,646,471	14,972,489	17,147,447	17,075,010
Urban development and housing	4,050,877	2,718,091	9,373,994	14,062,779
Economic opportunity	1,857,209	1,952,093	1,974,192	1,788,320
Miscellaneous	20,167	--	--	--
Interest on long-term debt	3,693,070	2,753,239	3,186,882	3,263,809
Total governmental activities expenses	93,272,991	100,738,130	121,027,205	125,266,077
Business-type activities:				
Golf course	3,805,695	4,138,661	3,783,458	3,949,318
Sewer	3,003,328	2,980,535	2,981,580	3,184,497
Stormwater	1,837,080	1,762,925	1,776,798	1,865,588
Water	719,655	776,053	774,530	822,456
Total business-type activities	8,646,103	9,658,174	9,316,366	9,821,859
Total primary government expenses	\$ 101,919,094	\$ 110,396,304	\$ 130,343,571	\$ 135,087,936
Program Revenues				
Governmental activities:				
Charges for services:				
General government	\$ 6,739,296	\$ 5,962,221	\$ 7,402,054	\$ 9,829,152
Public safety	4,508,817	4,255,872	3,965,180	4,266,880
Public works	538,956	532,783	540,101	1,482,726
Culture and recreation	3,668,872	4,268,856	4,548,295	4,445,338
Urban development and housing	--	--	--	--
Economic opportunity	761,224	700,412	2,154,543	2,590,270
Operating grants and contributions	10,711,088	10,603,690	12,976,886	9,841,298
Capital grants and contributions	7,574,047	6,335,711	6,934,522	7,361,818
Total governmental activities program revenues	34,502,300	32,659,545	38,521,581	39,817,482
Business-type activities:				
Charges for services:				
Golf course	4,413,495	4,551,743	4,580,751	4,726,715
Sewer	2,376,025	2,281,430	2,243,071	2,261,692
Stormwater	2,414,799	2,493,070	2,349,510	2,487,637
Water	650,368	731,165	780,218	853,999
Operating grants and contributions	--	--	--	--
Capital grants and contributions	--	--	--	--
Total business-type activities program revenues	9,204,319	10,057,408	9,953,550	10,330,043
Total primary government program revenues	\$ 43,706,619	\$ 42,716,953	\$ 48,475,131	\$ 50,147,525
Net (Expense)/Revenue				
Governmental activities	\$ (58,770,691)	\$ (68,078,585)	\$ (82,505,624)	\$ (85,448,595)
Business-type activities	558,216	399,234	637,184	508,184
Total primary government net expense	\$ (58,212,475)	\$ (67,679,351)	\$ (81,868,440)	\$ (84,940,411)
General Revenues and Other Changes in Net Position				
Governmental activities:				
Taxes:				
Property	\$ 8,068,791	\$ 8,513,624	\$ 13,889,739	\$ 15,246,760
Sales and use	45,298,314	63,851,451	68,066,620	70,814,487
Franchise & other	8,088,384	8,890,830	9,106,031	9,741,759
Grants and contributions not restricted to specific programs	--	--	--	--
Investment earnings	653,776	1,607,617	2,608,891	2,993,259
Miscellaneous	1,858,997	1,169,982	1,129,371	103,468
Transfers	(81,105)	9,224	799,353	894,157
TABOR Refund	--	--	--	--
Total governmental activities	63,887,157	84,042,728	95,600,005	99,793,890
Business-type activities:				
Investment earnings	257,378	273,282	370,521	366,394
Miscellaneous	80,440	40,625	21,203	6,040
Transfers	81,105	(9,224)	(799,353)	(894,157)
Total business-type activities	418,923	304,683	(407,629)	(521,723)
Total primary government	\$ 64,306,080	\$ 84,347,411	\$ 95,192,376	\$ 99,272,167
Change in Net Position				
Governmental activities	\$ 5,116,466	\$ 15,964,143	\$ 13,094,381	\$ 14,345,295
Business-type activities	977,139	703,917	229,555	(13,539)
Total primary government	\$ 6,093,605	\$ 16,668,060	\$ 13,323,936	\$ 14,331,756

Fiscal Year					
2009	2010	2011	2012	2013	2014
\$ 26,271,208	\$ 27,521,624	\$ 28,984,951	\$ 33,613,178	\$ 30,085,415	\$ 40,054,077
47,399,393	48,255,341	49,551,448	49,079,213	50,635,595	52,596,221
16,469,884	17,757,345	17,576,101	14,035,937	18,528,117	12,744,230
18,568,035	18,956,880	18,470,341	18,124,914	18,724,863	18,829,506
12,222,887	12,132,169	13,439,978	12,714,594	12,811,514	11,923,053
2,030,004	1,618,911	2,000,883	1,893,704	1,886,174	2,066,087
--	--	--	--	--	--
3,148,917	3,293,702	2,653,845	2,440,277	2,194,969	2,005,119
<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>	<u>140,218,293</u>
3,876,949	3,767,166	3,698,979	3,743,788	3,747,277	4,036,918
3,484,607	3,586,602	3,644,660	3,534,954	3,854,381	3,622,591
1,934,566	1,996,190	1,980,805	2,445,596	2,075,559	2,274,398
802,559	858,582	936,057	959,538	951,787	963,402
<u>10,098,681</u>	<u>10,208,540</u>	<u>10,260,501</u>	<u>10,683,876</u>	<u>10,629,004</u>	<u>10,897,309</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>	<u>\$ 151,115,602</u>
\$ 8,421,072	\$ 8,511,221	\$ 8,899,658	\$ 8,486,130	\$ 8,406,938	\$ 8,189,453
3,950,696	4,341,434	4,059,494	4,453,197	4,867,400	6,150,066
526,284	516,036	519,188	522,223	523,838	527,951
4,504,693	4,641,418	4,871,635	5,078,856	5,342,330	5,529,773
--	1,043,989	1,012,283	1,019,828	1,458,204	1,502,026
1,910,102	1,003,175	880,778	829,573	856,895	982,199
12,764,092	13,590,239	12,563,105	13,124,320	11,210,485	12,285,903
8,848,584	16,801,801	24,134,258	7,710,450	8,404,044	7,205,953
<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>	<u>42,373,324</u>
4,245,555	4,247,555	4,112,309	4,450,040	4,339,298	4,648,585
2,193,322	2,452,125	2,772,278	3,078,441	3,566,999	3,750,838
2,284,152	2,464,436	2,411,079	2,448,746	2,481,899	2,456,281
850,730	971,854	1,027,047	1,100,546	1,102,484	1,131,155
--	660,205	112,321	--	--	--
--	--	--	--	--	1,157,091
<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>13,143,950</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>	<u>\$ 55,517,274</u>
\$ (85,184,805)	\$ (79,086,659)	\$ (75,737,148)	\$ (90,677,240)	\$ (93,796,513)	\$ (97,844,969)
(524,922)	587,635	174,533	393,897	861,676	2,246,641
<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>	<u>\$ (95,598,328)</u>
\$ 16,126,726	\$ 16,254,126	\$ 15,767,447	\$ 14,825,086	\$ 15,516,166	\$ 15,715,606
65,994,458	66,963,692	69,498,098	72,476,177	77,387,186	83,208,721
9,217,521	9,498,254	10,131,203	9,644,791	10,293,898	10,749,372
--	373,052	552,273	364,123	357,990	349,592
1,801,742	1,321,255	1,233,115	819,405	456,169	1,114,230
1,645,640	179,566	199,804	94,693	274,809	260,786
1,077,729	1,066,479	608,568	676,545	754,485	676,928
--	--	--	--	(1,277,365)	(5,200,119)
<u>95,863,816</u>	<u>95,656,424</u>	<u>97,990,508</u>	<u>98,900,820</u>	<u>103,763,338</u>	<u>106,875,116</u>
278,307	214,837	136,869	99,831	84,841	81,317
9,210	60,610	34,310	211,064	93,016	19,460
(1,077,729)	(1,066,479)	(608,568)	(676,545)	(754,485)	(676,928)
(790,212)	(791,032)	(437,389)	(365,650)	(576,628)	(576,151)
<u>\$ 95,073,604</u>	<u>\$ 94,865,392</u>	<u>\$ 97,553,119</u>	<u>\$ 98,535,170</u>	<u>\$ 103,186,710</u>	<u>\$ 106,298,965</u>
\$ 10,679,011	\$ 16,569,765	\$ 22,253,360	\$ 8,223,580	\$ 9,966,825	\$ 9,030,147
(1,315,134)	(203,397)	(262,856)	28,247	285,048	1,670,490
<u>\$ 9,363,877</u>	<u>\$ 16,366,368</u>	<u>\$ 21,990,504</u>	<u>\$ 8,251,827</u>	<u>\$ 10,251,873</u>	<u>\$ 10,700,637</u>

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

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Fund										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 130,771	\$ 131,934	\$ 132,870	\$ 128,247	\$ 132,354
Restricted ⁽¹⁾	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	4,222,206
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned ⁽²⁾	8,003,196	15,819,913	19,084,119	21,685,744	22,258,568	25,708,340	28,457,402	30,569,397	32,363,563	35,598,763
Total General Fund	10,453,710	18,368,581	21,584,671	24,299,414	24,697,250	28,748,362	31,536,432	33,460,352	35,350,713	39,953,323
All Other Governmental Funds										
Nonspendable	-	-	-	-	-	37,930	43,167	92,926	40,865	34,536
Restricted ⁽¹⁾	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	37,257,790
Assigned	-	-	-	-	-	5,421,171	4,990,085	4,098,451	4,233,647	4,528,092
Unassigned ⁽²⁾	9,907,538	12,036,364	17,423,836	21,208,235	24,455,813	(1,222,802)	(97,252)	--	(647,381)	(316,733)
Total all other governmental funds	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	41,503,685
Total all governmental funds	\$ 26,151,903	\$ 36,330,410	\$ 47,692,024	\$ 50,569,097	\$ 54,253,878	\$ 57,693,520	\$ 60,964,932	\$ 66,651,038	\$ 73,651,994	\$ 81,457,008

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

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

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

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Revenues										
Taxes	\$ 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	\$ 109,666,669
Licenses and permits	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	3,963,589
Intergovernmental	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	20,421,087
Charges for services	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	14,679,323
Fines and forfeitures	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	1,451,120
Investment income	546,455	1,443,422	2,302,875	2,601,205	1,392,534	980,571	1,183,228	643,893	313,481	990,636
Other revenues	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	2,352,414
TABOR Refund	--	--	--	--	--	--	--	--	(1,277,365)	(5,200,119)
Total revenues	99,195,088	116,131,154	132,114,633	138,330,014	133,066,119	137,541,862	140,571,986	138,986,747	141,739,060	148,324,719
Expenditures										
General government	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	28,585,442
Public safety	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	50,594,496
Public works	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	8,495,828
Culture and recreation	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	17,188,004
Urban development and housing	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	2,265,819
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	2,021,343
Miscellaneous	20,167	--	--	--	--	--	--	--	--	--
Capital outlay	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	26,906,966
Debt service:										
Principal	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	4,142,565
Interest	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	1,953,170
Other	--	743,753	--	--	27,500	--	--	--	--	--
Total expenditures	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	142,153,633
Excess of revenues over (under) expenditures	2,714,507	9,899,716	6,820,261	(992,084)	247,052	2,373,163	2,662,844	5,009,561	6,246,471	6,171,086
Other Financing Sources (Uses)										
Proceeds from borrowing	--	--	3,742,000	2,975,000	6,130,000	--	--	--	--	--
Proceeds from refunding	--	54,649,623	--	--	--	--	--	--	--	957,000
Proceeds from capital lease	677,000	--	--	--	--	--	--	--	--	--
Payments to escrow agent	--	(53,880,056)	--	--	(3,770,000)	--	--	--	--	--
Operating transfers in	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	10,267,501
Operating transfers out	(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)	(9,590,573)
Total other financing sources (uses)	595,895	278,791	4,541,353	3,869,157	3,437,729	1,066,479	608,568	676,545	754,485	1,633,928
Net change in fund balances	\$ 3,310,402	\$ 10,178,507	\$ 11,361,614	\$ 2,877,073	\$ 3,684,781	\$ 3,439,642	\$ 3,271,412	\$ 5,686,106	\$ 7,000,956	\$ 7,805,014
Debt service as a percentage of noncapital expenditures	8.0%	8.1%	6.1%	6.4%	6.6%	6.7%	6.5%	6.4%	5.4%	4.6%

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

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Accommodation & Food Services	\$ 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	\$ 408,245,016
Ag. Forestry, Fishing, Hunting	26,465	43,527	43,555	23,839	117,048	62,337	74,539	46,562	93,382	366,409
Art, Entertainment, Recreation	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	24,825,731
Construction	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	16,011,073
Educational Services	1,784,184	1,549,550	1,613,269	1,815,890	1,547,490	1,387,456	1,296,435	1,181,081	985,425	1,011,783
Finance and Insurance	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	8,493,511
Health Care, Social Assistance	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	4,950,405
Information	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	191,725,253
Manufacturing	25,430,835	24,759,990	22,798,003	22,806,330	21,350,766	24,391,638	24,118,142	25,453,139	27,018,793	33,858,565
Mgmt of Companies, Enterprises	810,034	587,272	660,767	2,070	22,001	38,922	122,769	1,970	585	550,531
Mining	311,194	248,613	314,864	510,219	316,181	383,415	320,482	258,177	205,050	236,226
Miscellaneous/Random Filers	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	16,765
Other Services	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	79,363,921
Prof. Scientific, Tech Svcs	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	17,033,686
Public Administration	207,383	158,118	146,049	155,475	153,217	161,980	185,719	148,100	112,297	101,359
Real Estate, Rental, Leasing	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	39,806,823
Retail Trade	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	1,339,502,528
Transportation & Warehousing	376,835	673,859	753,317	700,737	589,948	533,707	520,013	543,240	1,116,069	5,542,408
Utilities	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	154,914,127
Waste Mgmt & Remediation Svcs	7,740,284	8,634,378	9,374,884	9,280,213	8,489,981	8,042,171	9,344,269	7,918,685	8,269,879	9,186,620
Wholesale Trade	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	65,041,856
Not Coded							87			
Total all categories	\$ 2,079,650,140	\$ 2,156,729,487	\$ 2,268,187,879	\$ 2,236,740,973	\$ 1,899,365,628	\$ 1,948,948,333	\$ 2,029,488,994	\$ 2,130,454,780	\$ 2,254,577,521	\$ 2,400,784,596
City direct sales tax rate	2.0%	3.0%	3.0%	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									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
City direct rate ^{(1) (2)}	2.00%	3.00%	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%	0.00%	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	1.00%	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⁾	2014			2005		
	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	\$ 4,737,348	1	6.55%	\$ 2,671,642	1	6.64%
Clothing, gifts, jewelry	2,693,520	2	3.73%	1,602,913	2	3.98%
Building materials	1,871,353	3	2.59%	761,496	6	1.89%
Computers and software	1,863,483	4	2.58%	820,566	4	2.04%
Utility	1,578,136	5	2.18%	809,271	5	2.01%
Clothing, gifts, jewelry	1,492,909	6	2.06%	1,188,585	3	2.95%
Grocery store	1,257,771	7	1.74%	687,209	8	1.71%
Building materials	1,191,213	8	1.65%	613,285	9	1.52%
Cellular/wireless	773,541	9	1.07%			
Cellular/wireless	721,766	10	1.00%			
Computers and software				695,810	7	1.73%
Building materials						
Grocery store	-		0.00%	586,640	10	1.46%
Cellular/wireless						
Clothing, gifts, jewelry						
Grocery store						

(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		Other Property ⁽³⁾		Residential	All Other ⁽⁴⁾		
				Land	Property ⁽³⁾						
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%	
2014	932,635,730	665,338,880	54,799,706	26,784,847	65,785,239	4.711	7.96%	29.00%	14,518,972,968	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									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
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	24.346	24.346	24.346	24.346	24.346	24.346	24.346	24.346	25.846	25.846
School District R-1	51.098	49.053	49.028	48.118	48.284	48.145	48.210	50.616	50.369	50.165
Alameda Corridor Business Improvement Dist.	0.000	5.720	5.720	5.720	5.720	5.720	5.720	5.720	5.720	5.720
Alameda Water & Sanitation District	7.000	7.000	7.000	7.000	7.000	7.000	7.000	7.000	7.000	7.000
Bancroft-Clover Water & Sanitation District	1.703	1.662	1.746	1.746	1.746	1.746	1.746	1.746	1.746	1.746
Bear Creek Water & Sanitation District	4.727	4.542	4.600	4.509	4.471	4.535	4.416	4.425	4.420	4.425
Bennett Bear Creek Farms Water & San. Dist.	2.779	2.647	2.647	2.504	2.504	2.468	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	42.000	42.000	42.000
Daniels Sanitation District	0.542	0.542	0.531	0.495	0.495	0.468	0.465	0.465	0.462	0.390
Denver West Metro District	35.000	35.000	35.000	35.000	35.000	36.000	35.000	35.000	35.000	35.000
Denver West Metro District Ex. 04	0.000	13.922	13.094	13.233	12.844	13.129	9.512	20.142	23.945	26.395
Denver West Metro District Ex. 98	14.790	13.922	13.094	13.233	12.844	13.129	9.512	7.562	12.091	14.620
East Jefferson County Sanitation District	1.282	1.223	1.223	1.167	1.167	1.167	1.141	1.141	1.115	1.115
East Lakewood Sanitation District	4.591	4.450	4.570	4.840	4.833	4.813	4.840	4.840	4.840	4.840
Foothills Rec & Park Sub A	8.047	7.912	7.878	7.650	7.636	7.579	7.464	7.527	7.559	7.551
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	30.000	30.000	30.000	30.000	30.000	30.000	38.500
Fossil Ridge Metro District No. 3	0.000	0.000	0.000	30.000	30.000	30.000	30.000	30.000	30.000	40.000
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	0.229	0.227	0.213	0.210	0.210	0.198	0.189	0.189	0.183	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	7.678	7.678	7.678	7.678	7.678	7.678	7.678	7.678	7.678	7.678
Lochmoor Water & Sanitation District	13.379	13.193	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	20.000	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	20.000	20.000	20.000	20.000	20.000	20.000
Northwest Lakewood Sanitation District	7.696	7.696	7.696	7.738	7.802	7.525	7.747	7.571	7.285	7.703
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	22.990
Pleasant View Metro District	4.984	4.516	4.984	4.984	7.000	7.000	7.000	7.000	7.000	7.000
Pleasant View Water & Sanitation District	0.552	0.552	0.552	0.552	0.552	0.552	0.552	0.552	0.552	0.552
Prospect Recreation & Park District	0.000	3.000	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	27.000	26.720	26.720	23.717	23.476	21.043	21.460	23.290	23.356	23.422
Section 14 Metro District Ex. 04	0.000	11.232	10.246	9.709	9.684	17.564	17.666	16.798	18.961	19.088
South Sheridan W & S	7.506	7.896	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	0.538	0.597	0.542	0.507	0.528	0.508	0.523	0.599	0.608	0.632
Urban Drainage & Flood Control South Platte	0.066	0.065	0.066	0.061	0.063	0.061	0.053	0.058	0.064	0.068
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	11.498	11.458	13.588	13.702	13.737	13.662	13.784	13.739	13.632	13.595
Wheat Ridge Fire District	4.400	4.400	4.400	4.400	4.400	4.257	7.500	7.500	7.500	12.586
Wheat Ridge Sanitation District	0.618	0.583	0.583	0.560	0.550	0.546	0.546	0.546	0.537	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	2014			2005		
	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	1.79%	\$ 45,675,600	1	2.85%
Public Service Co of Colorado	30,876,532	2	1.77%	24,885,530	2	1.55%
Qwest Corp.	22,835,800	3	1.31%	21,119,300	3	1.32%
Belmar Mainstreet Holdings I LLC	20,410,606	4	1.17%	18,319,270	4	1.14%
Lakewood City Commons LP	11,709,823	5	0.67%	12,305,290	7	0.77%
Denver West Village LP	10,097,452	6	0.58%	-		
The Section 14 Development Company	9,798,317	7	0.56%	10,858,380	9	0.68%
Lakewood MOB LLC	9,077,870	8	0.52%			
Centro Westland LLC	6,882,628	9	0.39%	-		
USGP II Lakewood DOT LP	6,580,854	10	0.38%			
KN Interstate Gas Transmission Co.				14,809,800	5	0.92%
Gambro Inc.				11,460,360	8	0.71%
DW Village, LLC				12,587,340	6	0.78%
Belmar I, LLC				9,338,140	10	0.58%

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
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%
2014	7,933,999	7,715,595	97.25%

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 Bonds	Certificates of Participation	Capital Leases	Grant/Program Revenue Notes	Total	Capital Leases			
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%	427	
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%	302	
2014	-	33,323,846	3,415,224	4,399,373	41,138,443	-	0.86%	276	

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**

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General bonded debt outstanding:										
General obligation bonds ⁽¹⁾	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Percentage of estimated actual property value ⁽²⁾	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Per capita ⁽³⁾	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Legal debt limit ⁽⁴⁾	\$ 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	\$ 435,569,189
Legal debt margin ⁽⁵⁾	\$ 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	\$ 435,569,189
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, 2014

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Debt repaid with property taxes:			
Bowles Metropolitan District	\$ 22,235,000	41.90%	\$ 9,316,465
Denver West Metropolitan District	53,296,983	75.59%	40,287,189
Denver West Metropolitan District EX 04	1,098,281	83.18%	110
Denver West Metropolitan District EX 14	121,418	100.00%	121,418
Denver West Metropolitan District EX 98	673,318	0.01%	67
Denver West Promenade Metro	3,630,000	100.00%	3,630,000
Foothills Park & Recreation District	10,935,000	1.57%	171,680
Fossil Ridge Metropolitan Districts 1, 2, and 3	17,005,000	100.00%	17,005,000
Jefferson County R-1 School District	446,045,000	24.55%	109,504,048
Lakewood West Colfax Business Improvement District	24,000	100.00%	24,000
Mount Carbon Metropolitan District EX 07	16,000,000	100.00%	16,000,000
Section 14 Metropolitan District	4,440,000	28.76%	1,276,944
West Colfax Avenue Corridor Reinvestment Authority	2,253,373	100.00%	2,253,373
West Metro Fire Protection District	32,805,000	64.12%	21,034,566
Other debt:			
Denver West Promenade Metro	1,834,605	100.00%	1,834,605
Foothills Park & Recreation District	19,400,000	1.57%	304,580
Fossil Ridge Metropolitan Districts 1, 2, and 3	45,447,791	100.00%	45,447,791
Indiana Valley Metro Dist	42,700,000	92.62%	39,548,740
Jefferson County	163,605,000	24.55%	40,165,028
Jefferson County School District R-1	27,770,000	24.55%	6,817,535
Plaza Metropolitan Districts 1, 2, and 3	91,586,638	100.00%	91,586,638
Pleasant View Metropolitan District	174,411	56.48%	98,507
Pleasant View Water & Sanitation District	1,090,000	53.16%	579,444
South Sheridan Water, Sanitary Sewer and Storm Drainage District	3,889,346	98.03%	3,812,726
Subtotal, overlapping debt	1,008,060,164		450,820,454
City direct debt	41,138,443	100.00%	41,138,443
Total direct and overlapping debt	<u>\$ 1,049,198,607</u>		<u>\$ 491,958,897</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	
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
2014	398,791	107,932	117,458	1.77

(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⁾
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	143,193	4,039,617,723	28,211	40	13.8	21,191	8.4
2011	144,210	4,190,454,180	29,058	39	13.9	21,170	8.7
2012	145,635	4,228,512,225	29,035	39	14.0	20,812	7.9
2013	147,235	4,523,059,200	30,720	39	14.0	21,266	6.7
2014	149,017	4,786,128,006	32,118	39	14.0	21,083	5.1

- (1) Source: Colorado Department of Local Government, State Demography Office - latest fiscal year is always an estimate
- (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	2014			2005		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Denver Federal Center	8,000	1	10.86%	6,200	2	4.61%
St. Anthony Medical Campus	2,800	2	3.80%			
Terumo BCT (formerly Gambro)	2,309	3	3.14%	1,500	3	1.11%
Jefferson County R-1 School District	2,300	4	3.12%	11,000	1	8.17%
FirstBank	950	5	1.29%	642	6	0.48%
City of Lakewood	893	6	1.21%	880	4	0.65%
Home Advisor	789	7	1.07%			
The Integer Group	632	8	0.86%	500	7	0.37%
State of Colorado (various departments)	547	9	0.74%			
Kaiser Permanente	500	10	0.68%			
AON Innovative Solutions	-			450	9	0.33%
Qwest	-			500	8	0.37%
Colorado Christian University	-			750	5	0.56%
Veteran's Affairs				400	10	0.30%

Source: City of Lakewood Economic Development Division

CITY OF LAKEWOOD, COLORADO
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY DEPARTMENT
LAST TEN 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	December 31, 2014
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	18.46
City Attorney's Office	8.16	11.48	11.18	10.87	10.80	10.56	10.70	10.75	10.80	10.07
City Clerk's Office	5.77	6.58	7.56	7.73	7.74	7.68	8.73	7.78	8.91	8.99
Lakewood Reinvestment Authority	1.64	0.99	0.77	1.25	1.28	0.94	1.07	1.13	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	192.58
Employee Relations	10.97	11.95	12.59	12.76	13.74	13.49	13.67	13.71	13.29	14.36
Finance	29.24	29.03	30.53	32.74	34.00	32.73	29.57	27.87	28.74	32.09
Information Technology	18.42	18.29	19.14	25.82	27.04	27.17	26.60	26.09	25.52	26.25
Municipal Court	26.59	27.48	28.49	27.56	27.91	26.98	26.38	29.81	30.00	30.27
Planning	11.50	14.79	16.20	13.00	13.00	12.67	14.15	14.79	15.44	15.91
Police ⁽¹⁾	369.99	379.70	402.88	428.45	420.25	412.59	411.11	390.93	403.87	409.38
Public Works	113.43	115.03	115.87	117.33	115.12	112.34	112.24	113.87	110.96	113.40
Total	774.93	793.95	839.01	875.37	869.10	848.90	845.07	823.37	835.22	872.89

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

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

Function/Program	December 31, 2005	December 31, 2006	December 31, 2007	December 31, 2008	December 31, 2009	December 31, 2010	December 31, 2011	December 31, 2012	December 31, 2013	December 31, 2014
Building Department										
Permits issued:										
Building	1,601	1,360	1,253	1,178	1,155	1,447	1,434	1,610	1,915	2,175
Other (electrical, plumbing, (mechanical, sign, miscellaneous)	8,381	6,669	6,032	5,907	17,270 ⁽¹⁾	10,687	10,914	7,943	7,141	9,131
Municipal Court										
Cases received	20,863	19,910	20,554	20,902	19,159	19,336	20,780	17,849	18,228	19,519
Public Safety										
Physical arrests	6,711	6,798	7,092	6,782	5,979	5,738	5,557	5,129	5,262	5,447
Parking violations	2,460	2,817	3,033	2,077	2,295	2,297	1,952	1,916	2,260	2,093
Traffic violations	22,881	21,068	22,364	23,301	19,163	18,288	19,797	15,805	16,446	14,382
Public Works										
Highways and Streets										
Street resurfacing (miles)	67.00	68.75	27.82	24.43	30.70	43.00	47.00	46.00	54.60	55.04
Potholes repaired	1,200-1,500	1,200-1,500	1,000-1,200	1,000-1,200	1,000-1,200	800-1,000	800-1,000	800-1,000	800-1,000	900-1,000
Water										
New connections	1	8	3	0	0	0	1	0	8	0
Average daily consumption (gallons)	672,693	683,419	664,030	635,474	578,203	610,989	585,800	586,795	547,351	540,556
Sewer										
New connections	29	13	9	2	2	6	4	5	12	13
Average daily treatment (gallons)	3,102,429	2,898,082	3,410,904	3,097,479	3,466,110	3,188,329	2,827,589	2,496,685	2,536,493	2,691,397
Culture and Recreation										
Rounds of golf (two courses)	109,878	110,369	107,654	104,256	96,971	96,533	93,157	102,126	98,205	102,553
Cultural admissions (paid and unpaid)	99,186	110,805	129,551	124,860	124,752	127,888	138,587	130,716	139,655	171,093

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

(1) The increase in permits for 2009 through 2011 was due to a large number of re-roofing and re-siding permits after a major hailstorm in 2009 and 2010.

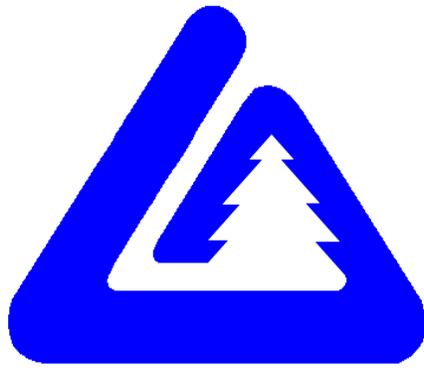
Source: City of Lakewood Public Works Department, Municipal Court, Police Department, and Community Resources Department

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

Function/Program	December 31, 2005	December 31, 2006	December 31, 2007	December 31, 2008	December 31, 2009	December 31, 2010	December 31, 2011	December 31, 2012	December 31, 2013	December 31, 2014
General Government										
Area (square miles)	44,933	44,933	44,022	44,022	44,022	44,022	44,022	44,022	44,210	44,210
Public Safety										
Number of police stations	2	2	2	2	2	2	2	2	2	2
Public Works										
Highways and Streets										
Streets (miles)	485	533	546	546	547	547	540	542	543	543
Streetslights	7,686	7,861	7,859	7,865	7,901	7,899	7,869	7,827	7,823	7,812
Traffic signals	193	193	193	195	196	199	199	200	200	201
Water										
Number of taps	721	725	728	728	730	730	731	731	739	739
Water mains (miles)	14	14	14	14	14	14	14	14	14	14
Sewer										
Number of taps	6,879	6,702	6,711	6,713	6,850	6,864	6,868	6,873	6,870	6,890
Sewer mains (miles)	106	106	106	106	106	106	106	106	106	106
Stormwater										
Stormwater mains (miles)	120	226	227	228	228	228	228	228	228	228
Culture and Recreation										
Number of parks	98	99	98	99	99	99	98	99	99	99
Park acreage	7,126	7,136	7,127	7,146	7,146	7,162	7,152	7,163	7,163	7,163
Playgrounds	44	46	46	46	46	53	53	57	58	58
Athletic fields*	55	56	56	56	57	57	57	57	56	56
Tennis courts	40	39	39	39	39	37	36	36	34	34
Basketball courts (outdoor)	17	17	17	17	18	17	21	21	21	22
Recreation centers	4	4	4	4	4	4	4	4	4	4
Outdoor swimming pools	4	4	3	3	3	3	3	3	3	3
Cultural centers	3	3	3	3	3	3	3	3	3	3
Golf courses	2	2	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



THIS PAGE INTENTIONALLY LEFT BLANK

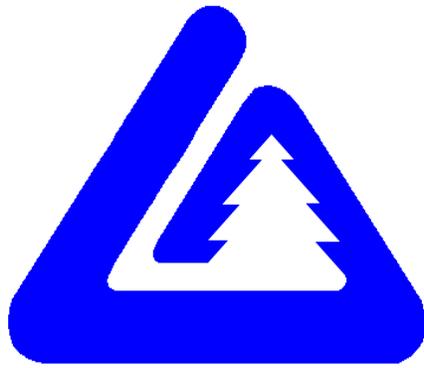
COMPLIANCE SECTION

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.



THIS PAGE INTENTIONALLY LEFT BLANK



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, 2014, and the related notes to the financial statements, which collectively comprise the basic financial statements of the City of Lakewood, and have issued our report thereon dated July 21, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Lakewood's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Lakewood's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Lakewood's internal control over financial reporting.

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

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

Compliance and Other Matters

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

Purpose of this Report

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



July 21, 2015



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, 2014. 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, 2014.

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, 2014, and the related notes to the financial statements, which collectively comprise the basic financial statements of the City of Lakewood. We issued our report thereon dated July 21, 2015, 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.



July 21, 2015

CITY OF LAKEWOOD, COLORADO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended December 31, 2014

Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: unmodified

Internal control over financial reporting:

• Material weaknesses identified? _____ yes x no

• Significant deficiencies identified that are not considered to be material weaknesses? _____ yes x none reported

Noncompliance material to financial statements noted? _____ yes x no

Federal Awards

Internal control over major federal programs:

• Material weaknesses identified? _____ yes x no

• Significant deficiencies identified that are not considered to be material weaknesses? _____ yes x none reported

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

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133? _____ yes x no

Identification of major federal programs:

- 93.600 Head Start
- 95.001 High Intensity Drug Trafficking Areas Program (HIDTA)
- 97.036 Disaster Grants - Public Assistance

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

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

Financial Statement Findings

The audit of the financial statements did not disclose significant deficiencies in internal control that would be considered material weaknesses, and did not disclose fraud, 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, 2014

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	\$ 770,590
Home Investment Partnerships Program	14.239	93,255
Total U.S. Department of Housing and Urban Development		<u>863,845</u>
U.S. Department of Justice		
Edward Byrne Memorial Justice Assistance Grant	16.738	213,819
Passed through Colorado Department of Public Safety, Division of Criminal Justice		
Edward Byrne Memorial Justice Assistance Grant	16.738	30,622
Passed through City of Colorado Springs		
Missing Children's Assistance	16.543	4,859
Total U.S. Department of Justice		<u>249,300</u>
U.S. Department of Health and Human Services		
Head Start	93.600	<u>965,782</u>
U.S. Department of Agriculture		
Passed through Colorado Department of Public Health and Environment		
Child and Adult Care Food Program	10.558	<u>80,577</u>
U.S. Department of Transportation		
Passed through Colorado Department of Transportation		
Highway Planning and Construction	20.205	992,553
State and Community Highway Safety	20.600	13,399
Alcohol Impaired Driving Countermeasures Incentive Grants	20.601	52,541
Total U.S. Department of Transportation		<u>1,058,493</u>
U.S. Department of Homeland Security		
Passed through Colorado Department of Local Affairs		
Emergency Management Performance Grants	97.042	33,012
Passed through Colorado Department of Public Safety		
Disaster Grants - Public Assistance	97.036	122,811
Total U.S. Department of Homeland Security		<u>155,823</u>
U.S. Environmental Protection Agency		
Brownfields Assessment and Cleanup Cooperative Agreements	66.818	<u>49,595</u>
Executive Office of the President		
High Intensity Drug Trafficking Areas Program (HIDTA)	95.001	<u>303,449</u>
Total Expenditures of Federal Awards		<u><u>\$ 3,726,864</u></u>

See the accompanying Independent Auditors' Report.

CITY OF LAKEWOOD, COLORADO
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended December 31, 2014

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, 2014
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)	9,014,877
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	1,597,904
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	2,502,668
2. General fund appropriations	1,956,823	b. Snow and ice removal	1,127,049
3. Other local imposts (from page 2)	13,305,696	c. Other	2,995,479
4. Miscellaneous local receipts (from page 2)	1,489,521	d. Total (a. through c.)	6,625,196
5. Transfers from toll facilities		4. General administration & miscellaneous	551,895
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	6,136,608
a. Bonds - Original Issues		6. Total (1 through 5)	23,926,480
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)	16,752,040	b. Redemption	
B. Private Contributions		c. Total (a. + b.)	0
C. Receipts from State government (from page 2)	6,304,161	2. Notes:	
D. Receipts from Federal Government (from page 2)	870,279	a. Interest	
E. Total receipts (A.7 + B + C + D)	23,926,480	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)	
			23,926,480

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
		23,926,480	23,926,480		0

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT

STATE:
CITY OF LAKEWOOD, COLORADO
YEAR ENDING (mm/yy):
December 31, 2014

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL

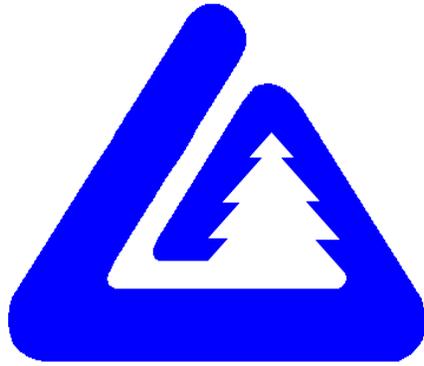
ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assessments		a. Interest on investments	217,489
b. Other local imposts:		b. Traffic Fines & Penalties	1,117,278
1. Sales Taxes	11,160,869	c. Parking Garage Fees	
2. Infrastructure & Impact Fees		d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses	367,161	Charges for Services	
5. Specific Ownership &/or Other	1,777,666	Other Misc. Receipts	154,754
6. Total (1. through 5.)	13,305,696	h. Other	
c. Total (a. + b.)	13,305,696	Total (a. through h.)	1,489,521
(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	3,792,668	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	519,236	d. Federal Transit Admin	
d. Other (Specify) - Grants	699,459	e. U.S. Corps of Engineers	
e. Other (Specify)-FASTER & Sig Ma	1,292,798	f. Other Federal	870,279
f. Total (a. through e.)	2,511,493	g. Total (a. through f.)	870,279
4. Total (1. + 2. + 3.f)	6,304,161	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		210,877	210,877
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements		139,866	139,866
(3). System Preservation		6,894,209	6,894,209
(4). System Enhancement & Operation		1,769,925	1,769,925
(5). Total Construction (1) + (2) + (3) + (4)	0	8,804,000	8,804,000
Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	9,014,877	9,014,877
			(Carry forward to page 1)

Notes and Comments:



THIS PAGE INTENTIONALLY LEFT BLANK