Annual Comprehensive Financial Report

FOR YEAR ENDED
DECEMBER 31, 2025

Lakewood
Colorado

Lakewood
Colorado

Annual Comprehensive Financial Report

For The Year Ended
December 31, 2025

Prepared by:
Department of Finance

Lakewood
Colorado

Introductory Section

Lakewood
Colorado

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Lakewood
Colorado

City of Lakewood
City Manager's Office
480 South Allison Parkway
Lakewood, Colorado 80226-3127
303-987-7050 Voice
303-987-7063 FAX

June 29, 2026

Honorable Mayor Wendi Strom,
Members of the City Council, and
Citizens of Lakewood, Colorado

Transmittal Letter

Formal Transmittal

The Annual Comprehensive Financial Report of the City of Lakewood, Colorado ("the City") for the fiscal year ended December 31, 2025 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 Annual Comprehensive Financial Report 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, while a legally separate entity, has significant financial and operational relationships with the City and is thus included in the Annual Comprehensive Financial Report.

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 Eide Bailly LLP conducted the audit of the City's financial statements for the year ended 2025. Their Independent Auditor's Report is presented in the front of the Financial Section of this report.

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

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

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

In 2018, voters approved ballot question 2D authorizing the City of Lakewood to keep and spend funds that exceed revenue limits in the Colorado Constitution. Question 2D further authorizes the City to retain funds in excess of the limits through and including 2025. For 2025, the City will retain an additional $15,779,049 in funds for specific purposes outlined in Question 2D. These funds will facilitate significant investments into the Lakewood community.

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

Awards and Acknowledgements

This report has been prepared following the guidelines recommended by the Government Finance Officers Association of the United States and Canada ("GFOA"). The GFOA has awarded its Certificate of Achievement for Excellence in Financial Reporting to the City for its Annual Comprehensive Financial Report for the fiscal year ended December 31, 2024. This is the thirty fourth year that the City has been awarded this Certificate of Achievement. The Certificate of Achievement is valid for only one year. We believe that our current Annual Comprehensive Financial Report 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 2026.

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

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

Respectfully submitted,

Kathleen E. Hodgson

Holly Björklund

Kathleen E. Hodgson	Holly Björklund
City Manager	Chief Financial Officer

Lakewood
Colorado

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Lakewood
Colorado

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2024

Christopher P. Morrill

Executive Director/CEO

Lakewood
Colorado

Lakewood Colorado

Organization Chart

LAKEWOOD CITIZENS

MAYOR AND CITY COUNCIL

MAYOR – Wendi Strom

WARD 1 – Glenda Sinks & Jeslin Shahrezaei
WARD 2 – Isabel Cruz & Liz Black
WARD 3 – Ken Cruz & Roger Low
WARD 4 – Bill Furman & David Rein
WARD 5 –Jacob LaBure & Paula Nystrom

MUNICIPAL COURT

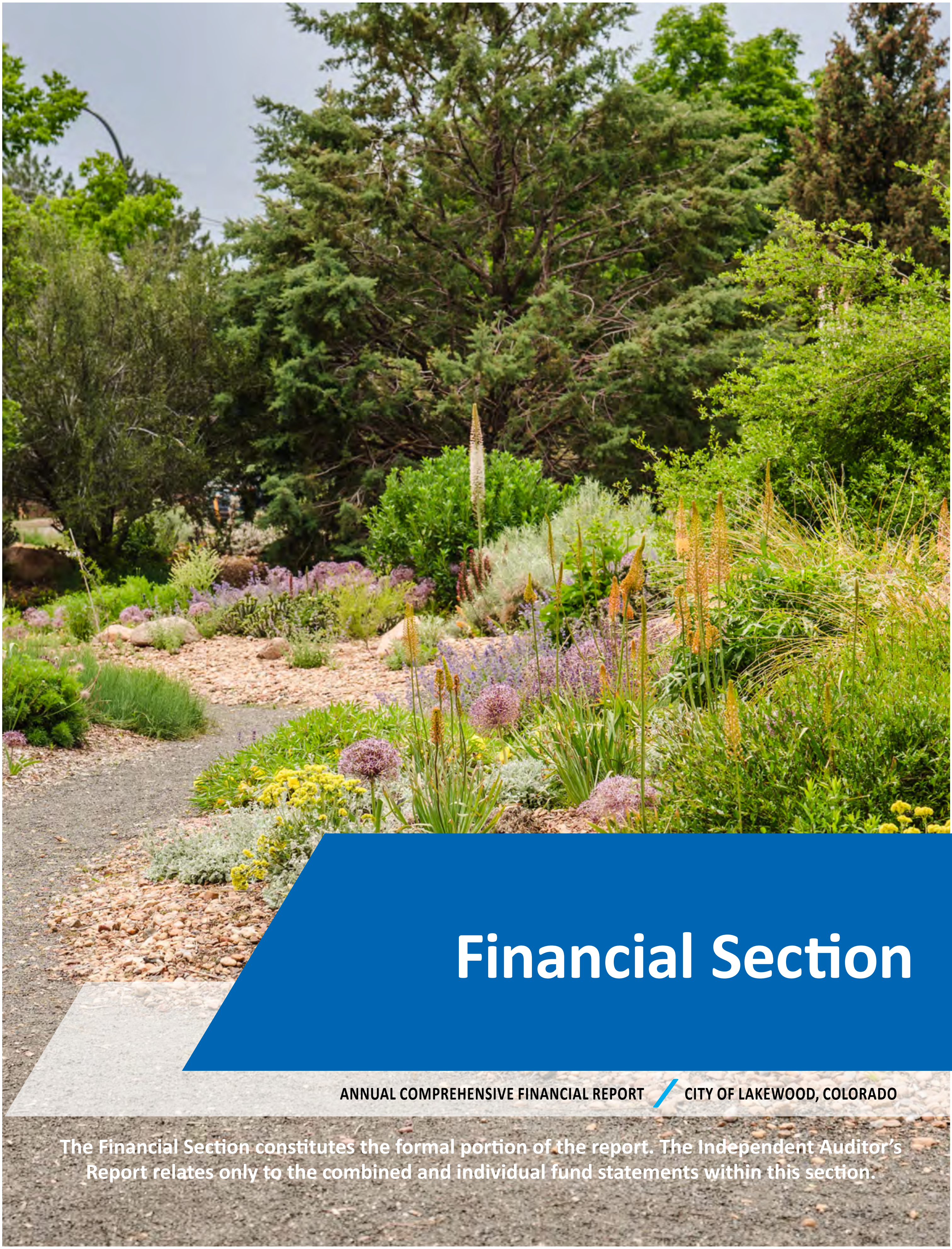
Presiding Judge – Nicole Bozarth
Associate Judge – Kellie Eastin
Court Administrator – Tammy Smith

CITY ATTORNEY
Alison McKenney Brown

CITY MANAGER
Kathleen Hodgson

- **MAYOR AND CITY MANAGER'S OFFICE** Deputy City Manager – Ben Goldstein
- **CITY CLERK'S OFFICE** City Clerk - Jay Robb
- **COMMUNITY RESOURCES** Director – Traci Wieland
- **FINANCE BRANCH** Chief Financial Officer – Holly Bjorklund
- **OPERATIONAL SERVICES** Chief – Cory Peterson
  - **HUMAN RESOURCES**
  - **INFORMATION TECHNOLOGY** Chief Information Officer – Alina Walters
  - **FACILITIES & INFRASTRUCTURE MAINTENANCE**
- **POLICE** Chief – Philip Smith
- **PUBLIC WORKS** Director – Maria D'Andrea
- **SUSTAINABILITY & COMMUNITY DEVELOPMENT** Director – Travis Parker

Lakewood
Colorado



Financial Section

ANNUAL COMPREHENSIVE FINANCIAL REPORT / CITY OF LAKEWOOD, COLORADO

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.

Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinions

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 (the City), as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying 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, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States *(Government Auditing Standards)*. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

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In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 City 's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison schedule – General Fund, the budgetary comparison schedule – TABOR Fund, the schedule of changes in the City's net pension liability and related ratios – retired city manager pension plan, schedule of changes in the City's duty, death & disability OPEB and related ratios, and the schedule of changes in the City's total OPEB liability and related ratios, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual nonmajor fund financial statements, major capital projects funds budgetary comparison schedule, nonmajor governmental funds budgetary comparison schedules, enterprise funds budgetary comparison schedules, and internal service funds budgetary comparison schedules are presented for purposes of additional analysis and are 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 such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the supplementary information identified above are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 29, 2026 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely 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 the effectiveness of the City's 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's internal control over financial reporting and compliance.

Eide Bailly LLP

Denver, Colorado
June 29, 2026

Management's Discussion and Analysis

As management of the City of Lakewood, we offer the residents and other readers of the City's financial statements this management discussion and analysis (MD&A). The MD&A provides a narrative overview and analysis of the financial statements for the year ended December 31, 2025, focusing on why amounts changed from the prior year. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, the basic financial statements and the notes to the financial statements of this report.

I. Overview of the Financial Statements

The discussion and analysis provided here are intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements consist of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) the notes to financial statements. This report also includes supplementary information intended to furnish additional details to support the basic financial statements themselves.

Government-wide Financial Statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private sector business. The government-wide financial statements include governmental and business type activities.

- *The Statement of Net Position* presents financial information on all the City's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.
- *The Statement of Activities* presents information showing how the City's net position changed during the most recent 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. Thus, revenues and expenses are reported for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government, public safety, public works, culture and recreation, urban development and housing, and economic opportunity. The business type activities of the City include a golf course operation, a sewer operation, a stormwater operation and a water operation.

The government-wide financial statements include not only the City itself (known as the *primary government*), but also a legally separate urban renewal authority for which the City is financially accountable. Financial information for this component unit is reported separately from the financial information presented for the primary government itself. The Lakewood Reinvestment Authority, although also legally separate, functions for all practical purposes as a department of the City and therefore has been included as an integral part of the primary government. The government-wide financial statements can be found on pages 19-24 of this report.

Fund Financial Statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows* and *outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in assessing a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities.*

The City maintains ten individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, the Capital Improvements Fund, the Lakewood Reinvestment Authority Fund, the Grants Fund and the TABOR Fund, which are considered to be major funds. Data from the other governmental funds are combined into a single aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements in the combining and individual fund statements and schedules section of this report.

The basic governmental fund financial statements can be found on pages 21-24 of this report.

Proprietary Funds. The City maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses enterprise funds to account for its golf, sewer, stormwater and water operations. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for the management of its retained risks and for its fleet of vehicles. Because both services predominantly benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information and for the golf, sewer and stormwater operations, each of which are considered to be major funds of the City. The water operations are included as a non-major fund. Conversely, all internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds are provided in the form of combining statements in the combining and individual fund statements and schedules section of this report.

The basic proprietary fund financial statements can be found on pages 25-27 of this report.

Fiduciary Funds. Fiduciary funds are used to account for resources for which the City acts as a trustee or custodian. Resources held in fiduciary funds are *not* available to support the City's own programs and therefore are *not* reported in the government-wide financial statements. The accounting used for fiduciary funds is much like that used for proprietary funds.

The City maintains two different types of fiduciary funds. The OPEB (*and other employee benefit*) and Duty, Death, and Disability Fund, *trust funds* are used to report resources held in trust for retirees and beneficiaries covered by the City's Pension Trust Fund and the Duty Death and Disability Trust Fund is to report resources held in trust for beneficiaries covered by the City's Public Safety Other Postemployment Benefit Trust Fund.

The fiduciary fund financial statements can be found on pages 28-29 of this report.

Notes to the Financial Statements. The notes provide additional information that is necessary to acquire a full understanding of the data provided in the financial statements. The City uses notes to (1) present information in greater detail than is possible within the financial statements themselves, (2) explain the nature of amounts reported in the financial statements and how those amounts were determined, and (3) report certain information that does not meet the requirements for inclusion in the financial statements (such as certain contingencies).

The notes to the financial statements can be found on pages 32-66 of this report.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents *required supplementary information*. The City presents budgetary comparison schedules for the General Fund, the Capital Improvements Fund, the Lakewood Reinvestment Authority Fund and the TABOR Fund; and the City's progress in funding its obligations to provide pension and OPEB benefits to its employees.

Required supplementary information can be found immediately after the notes to the financial statements on pages 69-78.

The combining statements referred to earlier in connection with nonmajor governmental funds, internal service funds and pension (and other employee benefit) trust funds are presented immediately following the required supplementary information on budgetary comparisons, and pensions and OPEB. Combining and individual fund statements and schedules can be found on pages 83-135 of this report.

II. Financial Summary and Detailed Analysis

As noted earlier, net position over time may serve as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by $814.1 million, at the close of the most recent fiscal year, a decrease of $14.0 million from the previous year.

City of Lakewood's Net Position

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2025	2024	2025	2024	2025	2024
Assets						
Current and Other Assets	$ 261,986,479	$ 267,448,204	$ 13,556,376	$ 12,444,888	$ 275,542,855	$ 279,893,092
Capital Assets	603,399,072	572,029,495	66,099,388	59,654,825	669,498,460	631,684,320
Total Assets	865,385,551	839,477,699	79,655,764	72,099,713	945,041,315	911,577,412
Total Deferred Outflows of Resources	3,906,482	4,427,037	-	-	3,906,482	4,427,037
Liabilities						
Long-term Liabilities	33,744,319	31,897,669	1,796,684	507,031	35,541,003	32,404,700
Other Liabilities	67,657,777	24,700,344	2,700,546	1,200,752	70,358,323	25,901,096
Total Liabilities	101,402,096	56,598,013	4,497,230	1,707,783	105,899,326	58,305,796
Total Deferred Inflows of Resources	28,951,486	29,647,069	-	-	28,951,486	29,647,069
Net Position						
Net Investment in Capital Assets	590,601,034	563,319,319	64,655,361	59,308,476	655,256,395	622,627,795
Restricted	92,080,259	104,832,613	-	-	92,080,259	104,832,613
Unrestricted	56,257,158	89,507,722	10,503,173	11,083,454	66,760,331	100,591,176
Total Net Position	$ 738,938,451	$ 757,659,654	$ 75,158,534	$ 70,391,930	$ 814,096,985	$ 828,051,584

By far the largest portion of the City's net position, $655.3 million reflects its investment in capital assets (e.g., land, buildings, machinery, equipment, vehicles, and infrastructure), net of accumulated depreciation/amortization and less any related outstanding debt that was used to acquire those assets. The City uses these capital assets to provide a variety of services to its citizens. Accordingly, these assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources used to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position, $92.1 million represents resources that are subject to external restrictions on how they may be used. As of the end of the current year, the City's unrestricted net position was $66.8 million.

Governmental activities. Current and other assets decreased in governmental activities by $5.4 million from the prior year. This is largely due to an overall decrease in cash, pooled cash and investments of $12.9 million as existing cash was used to offset increased expenses, as planned spending of existing fund balance.

Other liabilities in governmental activities increased $43.0 million from the previous year due to an increase in accounts payable as of December 31st. This increase was primarily due to a substantial settlement for Business & Occupation taxes of $37.1 million. In addition, there were several late arriving invoices on a grant funded construction project for $2 million.

Long-term liabilities, which consist of notes, leases, subscription-based IT arrangements, compensated absences and postemployment benefit obligations, increased by $1.8 million from the previous year, due to a new lease for golf carts as discussed in the Long-term financing discussion.

Business-type activities. The $7.6 million increase in total assets is due to infrastructure investments being made in 2025. These investments were funded with existing fund balance. Total liabilities increased by $2.8 million due to an increase in accounts payable at year-end of $1.4 million, that was substantially due to an increase of $2.6 million in Compensated Absences, recorded at the fund level for Enterprise Funds.

The City's overall net position decreased $247.0 million from the prior fiscal year. The reasons for this overall decrease are discussed in the following sections for governmental activities and business type activities.

City of Lakewood's Changes in Net Position

	Govenmental Activities		Business-Type Activities		Total Primary Government	
	2025	2024	2025	2024	2025	2024
Revenues						
Program Revenues-						
Charges for Services	$ 26,102,523	$ 25,541,017	$ 22,457,691	$ 21,823,972	$ 48,560,214	$ 47,364,989
Operating Grants and Contributions	21,161,307	11,205,864	-	-	21,161,307	$ 11,205,864
Capital Grants and Contributions	23,716,215	30,301,562	75,116	269,960	23,791,331	$ 30,571,522
Property & Specific Ownership Taxes	24,754,283	29,948,982	-	-	24,754,283	$ 29,948,982
Sales and Use Taxes	112,554,362	121,669,840	-	-	112,554,362	$ 121,669,840
Franchise & Other Taxes	24,775,333	13,492,193	-	-	24,775,333	$ 13,492,193
Investment Income	9,549,411	9,514,398	751,973	615,085	10,301,384	$ 10,129,483
Miscellaneous	1,328,923	368,613	8,565	6,378	1,337,488	$ 374,991
Total Revenues	243,942,360	242,042,469	23,293,345	22,715,395	276,235,705	264,757,864
Expenses						
General Government	107,391,622	45,141,241	-	-	107,391,622	45,141,241
Public Safety	71,746,554	78,525,647	-	-	71,746,554	78,525,647
Public Works	32,868,698	33,703,284	-	-	32,868,698	33,703,284
Culture and Recreation	34,220,846	30,443,681	-	-	34,220,846	30,443,681
Urban Development and Housing	14,039,362	15,699,068	-	-	14,039,362	15,699,068
Economic Opportunity	2,176,642	5,871,708	-	-	2,176,642	5,871,708
Interest on Long-term Debt	219,839	225,768	-	-	219,839	225,768
Golf Course	-	-	7,695,187	7,206,642	7,695,187	7,206,642
Sewer	-	-	5,675,749	5,129,587	5,675,749	5,129,587
Stormwater	-	-	3,780,361	3,675,256	3,780,361	3,675,256
Water	-	-	1,375,444	1,389,897	1,375,444	1,389,897
Total Expenses	262,663,563	209,610,397	18,526,741	17,401,382	281,190,301	227,011,779
Increase (Decrease) in Net Position	(18,721,203)	32,432,072	4,766,604	5,314,013	(13,954,599)	37,746,085
Net Position - Beginning of Year	757,659,654	729,487,894	70,391,930	65,493,332	828,051,584	794,981,226
Restatements (See Note 13)	-	(4,260,312)	-	(415,415)	-	(4,675,727)
Net Position - End of Year	$ 738,938,451	$ 757,659,654	$ 75,158,534	$ 70,391,930	$ 814,096,985	$ 828,051,584

Governmental Activities. During the current fiscal year, net position for governmental activities decreased $18.7 million from the prior fiscal year for an ending balance of $738.9 million.

Revenues increased $7.4 million from the prior year. Overall, state and federal government grant funding increased by $8.8 million. A significant portion of this overall change was due to state funding for a Navigation Center of $3.6 million and $4.4 for Colfax Pedestrian Safety Improvements. Sales and use taxes remain the largest source of revenue at $124.8 million for the current fiscal year. This increased roughly 2.5% or $3.1 million over the prior year, primarily due to inflation on the purchase of consumer goods. Property tax revenues decreased $5.1 million, primarily due to a temporary reduction in the assessed valuation rate of .43 mills. The City's investments provided investment earnings of $9.5 million, which remained constant from the prior year, due to solid, yet conservative, investment practices by the City.

Expenses increased during the current year from $209.6 million in the prior year to $269.3 million in the current year. Functionally, General Government incurred the bulk of this due to the $37.1 million for the Business & Occupation tax settlement, with an additional $8.5 million in various grant expenditures; Specifically, $4.8 for the Colfax Pedestrian Safety Improvements and $3.6 million for the Navigation Center. The City continues to make repairs and routine maintenance to the aging infrastructure, which is in line with the capital maintenance plan.

Business-type Activities. For the City's business-type activities, the results for the current fiscal year were positive in that overall net position increased to reach an ending balance of $75.2 million. The total increase in net position for business-type activities (golf, sewer, stormwater and water funds) was $4.8 million or 6.8 percent from the prior fiscal year.

In the Golf Course Fund, revenues continued their upward trend of $.6 million to $9.7 million in 2025. Expenses increased $.5 million to $7.7 million.

The Sewer Fund's net position decreased $.5 million as necessary improvements were made to our aging infrastructure.

The Stormwater Fund's net position also decreased by $.5 due to necessary improvements to our aging infrastructure.

Overall there were insignificant changes in the Water Fund activity, which ended the year with a slight $33 thousand increase in net position.

Detailed Analysis of Governmental Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The City reports four major funds individually in the governmental fund financial statements, the General Fund, the Capital Improvements Fund, the Lakewood Reinvestment Authority Fund and the TABOR Fund.

General Fund. The General Fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the General Fund was $39.5 million, while total fund balance decreased to $53.7 million. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total General Fund expenditures. Unassigned fund balance represents 20.4 percent of total general fund expenditures, while total fund balance represents 27.7 percent of that same amount.

The fund balance of the City's General Fund decreased by $20.5 million during the current fiscal year. The decrease was due as a result of the Business & Occupation tax settlement of $37.1 million, as disclosed throughout the financial statements and notes. Additionally, the solar installation at Whitlock Recreation Center continued, and there was a general reduction in expenditures overall to limit the impact of the settlement.

Capital Improvements Fund. The Capital Improvements Fund had a $5.3 million decrease in fund balance during the current fiscal year which put the overall fund balance at $14.6 million. This entire fund balance is restricted for future capital improvements. The large decrease in fund balance was caused mainly by the planned spend of fund balance to fund capital projects in 2025. Specific projects in Public Works included $13.0 million in street overlay, and $.5 million matching for the Whitlock Recreation Center solar installation projects.

Lakewood Reinvestment Authority Fund. The Lakewood Reinvestment Authority Fund had a $2.1 million increase in fund balance during the current fiscal year which put the overall fund balance at $11.4 million. Even though revenue dropped substantially, $5.7 million due to the conclusion for one increment recapture area; there were no significant purchases in 2025, as compared to 2024 which saw (2) one time land purchases addressing blight, which accounted for $4.6 million in reduced capital outlay expenditures.

TABOR Fund. The TABOR Fund had a $16.9 million decrease in fund balance during the current fiscal year. While there was a significant excess TABOR revenue transfer into the TABOR Fund for 2025 of $15.8 million, the Business and Occupation settlement required the return of applicable excess Business and Occupation taxes to the General Fund in the amount of $24.9 million.

Detailed Analysis of Enterprise Funds

The City reports three of its four enterprise funds as major funds in the proprietary fund financial statements, the Golf Course Fund, the Sewer Fund and the Stormwater Fund. The enterprise funds provide the same type of information found in the business-type activities portion of the government-wide financial statements, but in more detail.

Unrestricted net position of the Golf Course Fund at the end of the year was $4.6 million, $9.7 million for the Sewer Fund and for the Stormwater Fund operation had a deficit position of $6.2 million. The total growth in net position for the Golf Course Fund was $2.2 million as greens fees continue to provide a strong income stream. The Sewer Fund effectively remained static and the Stormwater Fund reflected an increase of $2.6 million, primarily due to the $2.4 million in various project underspends. In 2025, the General Fund loaned money to the Stormwater Fund for continued investment in the North Dry Gulch project. Repayment of that loan will begin in 2026.

Significant Capital Asset and Long-term Financing Activity

Capital assets. The City's investment in capital assets for its governmental and business type activities as of December 31, 2025 amounts to $669.5 million (net of accumulated depreciation/amortization). This investment in capital assets includes land, buildings, machinery, equipment, vehicles, parks, roads, highways, bridges, and the right to use other entities' assets (intangibles). The total increase in capital assets for the current fiscal year was 6.0 percent.

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2025	2024	2025	2024	2025	2024
Land	$ 219,590,268	$ 214,577,210	$ 8,867,772	$ 8,818,272	$ 228,458,040	$ 223,395,482
Construction in progress	38,315,960	29,944,151	36,430,884	30,683,676	74,746,844	60,627,827
Works of art/historical treasures	555,353	555,353		-	555,353	555,353
Infrastructure	186,670,334	183,074,050	13,337,661	13,488,216	200,007,995	196,562,266
Park buildings, facilities and improvements	94,766,196	82,691,614			94,766,196	82,691,614
Buildings	35,774,991	37,212,479	691,771	789,718	36,466,762	38,002,197
Improvements other than buildings	3,491,134	935,024	4,489,266	4,758,774	7,980,400	5,693,798
Machinery and equipment	16,061,018	14,591,452	963,570	998,824	17,024,588	15,590,276
Solar power capacity	444,190	490,508		-	444,190	490,508
Intangible assets						
Subscription assets	7,583,477	7,769,467		-	7,583,477	7,769,467
Lease assets	146,151	188,187	1,318,463	117,345	1,464,614	305,532
Total	$ 603,399,072	$ 572,029,495	$ 66,099,387	$ 59,654,825	$ 669,498,459	$ 631,684,320

Major capital assets events during the current fiscal year included the following:

- Continued progress on the North Dry Gulch stormwater drainage corridor, $4.6million
- The purchase of various vehicles and equipment, including 6 snowplow platforms ($1.4 million), 2 sweepers ($.8 million), with a combined total investment of $5.8 million.
- Land was purchased for a new community service facility service for $8 million.
- Continued street and sidewalk infrastructure along West colfax totalling $8.6 million
- In progress work on the renovation of the Navigation Center for $8.6 million.
- In progress work for the restructuring at the intersection of Wadsworth & Morrison in the amount of $4.8 million in 2025.
- In progress work for a retaining wall at the Quail Street maintenance facility in the amount of $1.1 million in 2025.
- In progress work at Carmody Recreation Center facility and pool totalling $2.4 million in 2025
- Addition of playground facilities at Wright Park of $1.9 million.

Both leases and SBITAs are intangible, right to use assets. The City does not own these assets but rather has the right to use them in operations, as specified in their respective contracts. When entering into a lease or SBITA contract, a liability is also recognized, which is included as part of long-term financings discussion below.

Additional information on the City's capital assets can be found in Note 4 of this report.

Long-term financing. At the end of the current fiscal year, the City had total long-term financing liabilities of $26.2 million, composed of certificates of participation, financed purchases, notes payable, compensated absences, lease liabilities and subscription-based information technology liabilities. During the current year, long term financing liabilities increased by $3.8 million. This was primarily due to a small increase in subscription based liabilities of $.3 million; as well as the estimated $2.9 million increase in compensated absences liability, $1.2 million in lease liabilities due to the renewal of the golf carts leases. Small increases to the SBITA were offset by reductions in principal on the COPs, financed purchases and notes payable.

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2025	2024	2025	2024	2025	2024
Certificates of participation	$ 4,580,000	$ 4,860,000	$ -	$ -	$ 4,580,000	$ 4,860,000
Financed purchases	633,816	783,762	-	-	633,816	783,762
Notes payable	534,160	670,136	-	-	534,160	670,136
Compensated absences	13,026,894	10,213,343	438,507	378,434	13,465,401	10,591,777
Lease liabilities	148,827	187,804	1,358,176	128,598	1,507,003	316,402
Subscription liability	5,457,905	5,154,317	-	-	5,457,905	5,154,317
Total	$ 24,381,602	$ 21,869,362	$ 1,796,683	$ 507,032	$ 26,178,285	$ 22,376,394

As discussed in the changes in capital assets above, the City entered into two new leases for golf carts totaling $307,768. The lease and subscription liabilities will be repaid over the term of their contracts.

Additional information on the City's long-term debt can be found in Note 5 of this report.

Currently known facts, decisions or conditions

The following items present the major variances and explanation of 2025 actual General Fund expenditures to the 2025 Final Adopted Budget

- Vacancy savings of $3.9 million were realized over budgeted expenditures. This is a result of a combination of management awareness of inflationary impacts and an increased level of difficulty in filling existing vacancies.
- General Government Services and Supplies exceeded the budget by $35.7 million. This is a result of the Business & Occupation tax settlement of $37.1 million was not anticipated until after the 2025 revised budget was adopted.
- Public Works Services and Supplies were underspent, as compared to budget by $.8 million. The most notable item being lower snow and ice response costs due to the mild winter, yielding a savings of $.3 million in savings.
- Culture and Recreation Services and Supplies produced savings of $.3 million from savings from special events (Big Belmary Bash) and custodial savings.
- Urban Development and Housing underspent Services and Supplies due to timing, delays, in the completion of the Navigation Center of $1.2 million.

The City is aware of the following items that will impact future finances and were considered in developing the 2026 budget.

- Economic developments
  - General sales and use tax revenue remains basically flat through the first quarter of 2026, as compared to 2025, but less than the increase in the 2026 Adopted Budget.
  - The City developed the 2026 budget based on the assumption that there will be no significant change in assessed valuations to which the property tax levy is applied.
  - Interest rates earnings are expected to slightly lower than 2025 levels. Additionally the investable balances are lower due to planned spending of fund balance and related cash investments. The impact to investment revenue is minimal due to the City's conservative investment policies.
- Healthcare and postemployment benefits.
  - The City's premiums for employee healthcare remain constant as compared to 2025.
  - The funding of pension and other postemployment benefit plans continues to account for a significant expense. The City has budgeted $15.6 million for pension and postemployment benefits for its pension plan, 457, and OPEB plan.
- Potential increased revenues
  - Revenue is anticipated to remain flat or have a slight decline in 2026 due to the elimination of the collection of Business and Occupation taxes that was $3.2 million in 2025. The 2026 budget has been reduced to reflect this anticipated reduction.

At the end of the current fiscal year, the unassigned fund balance in the General Fund was $39.5 million.

The City has appropriated $24.0 million of this amount for one-time spending in the 2026 budget. Key projects that comprise the $24.0 million are the Navigation Center completion, the North Dry Gulch Flood Plain project, and the Colfax Safety project, which are supported with General Fund transfers to the Stormwater, Capital Improvement and Grants Funds, respectively.

III. 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 Controller, City of Lakewood, 480 South Allison Parkway, Lakewood, Colorado 80226, or via telephone at (303) 987-7664 or via e-mail at finance@lakewood.org.

Lakewood
Colorado

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Colorado

Basic Financial Statements

Statement of Net Position
December 31, 2025

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets			
Cash, Pooled Cash, and Investments	$ 139,320,339	$ 36,027,424	$ 175,347,763
Restricted Cash, Pooled Cash, and Investments	32,982,105	-	32,982,105
Receivables	60,032,087	1,573,920	61,606,007
Internal Balances	24,182,727	(24,182,727)	-
Inventories	442,426	120,359	562,785
Prepaids	1,959,129	17,400	1,976,529
OPEB Asset	3,067,666	-	3,067,666
Capital Assets, Not Being Depreciated	258,461,582	45,298,656	303,760,238
Capital Assets, Net of Accumulated Depreciation	344,937,490	20,800,732	365,738,222
Total Assets	865,385,551	79,655,764	945,041,315
Deferred Outflows of Resources			
Deferred Outflows - OPEB	3,906,482	-	3,906,482
Total Deferred Outflows of Resources	3,906,482	-	3,906,482
Liabilities			
Accounts Payable	$ 52,986,382	$ 2,255,140	$ 55,241,522
Accrued Liabilities	5,934,839	186,113	6,120,952
Accrued Interest Payable	1,508	-	1,508
Refundable Deposits	3,120,918	-	3,120,918
Retainage Payable	948,683	-	948,683
Unearned Revenues	1,860,105	259,293	2,119,398
Claims Payable	2,805,342	-	2,805,342
Noncurrent Liabilities:			
Due Within One Year:			
Net Pension Liability	266,766	-	266,766
OPEB Liability	810,307	-	810,307
Notes, Leases, SBITAs, Compensated Absences	2,094,957	397,045	2,492,002
Due In More Than One Year:			
Net Pension Liability	1,245,730	-	1,245,730
OPEB Liability	7,039,914	-	7,039,914
Notes, Leases, SBITAs, Compensated Absences	22,286,645	1,399,639	23,686,284
Total Liabilities	101,402,096	4,497,230	105,899,326
Deferred Inflows of Resources			
Property Taxes	25,223,360	-	25,223,360
Deferred Inflows - OPEB	3,728,126	-	3,728,126
Total Deferred Inflows of Resources	28,951,486	-	28,951,486
Net Position			
Net Investments in Capital Assets	590,601,034	64,655,361	655,256,395
Restricted for			
OPEB Asset	3,067,666	-	3,067,666
Emergencies	5,864,631	-	5,864,631
Parks and Open Space	9,804,966	-	9,804,966
Economic Development	13,822,518	-	13,822,518
Debt Service	2,094,957	-	2,094,957
Capital Improvements	14,350,658	-	14,350,658
TABOR Spending	31,636,954	-	31,636,954
Urban Renewal	11,437,909	-	11,437,909
Unrestricted	56,257,158	10,503,173	66,760,331
Total Net Position	$ 738,938,451	$ 75,158,534	$ 814,096,985

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

Statement of Activities
For the Year Ended December 31, 2025

		Program Revenues			Net (Expense) Revenue and Change in Net Position		
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contribu-tions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
PRIMARY GOVERNMENT							
Governmental Activities							
General Government	$ 107,391,622	$ 13,644,566	$ 179,841	$ 149,180	$ (93,418,033)	$ -	$ (93,418,033)
Public Safety	71,746,554	2,279,011	4,708,455	7,270,652	(57,488,436)	-	(57,488,436)
Public Works	32,868,698	3,830	1,795,016	7,412,302	(23,657,550)	-	(23,657,550)
Culture and Recreation	34,220,846	8,811,861	14,027,277	3,843,680	(7,538,027)	-	(7,538,027)
Urban Development and Housing	14,039,362	856,823	450,718	5,040,401	(7,691,420)	-	(7,691,420)
Economic Opportunity	2,176,642	506,432	-	-	(1,670,210)	-	(1,670,210)
Interest	219,839	-	-	-	(219,839)	-	(219,839)
Total Governmental Activities	262,663,563	26,102,523	21,161,307	23,716,215	(191,683,515)	-	(191,683,515)
Business-Type Activities							
Golf Course	7,695,187	9,735,720	-	-	-	2,040,533	2,040,533
Sewer	5,675,749	5,131,592	-	21,652	-	(522,505)	(522,505)
Stormwater	3,780,361	6,083,467	-	-	-	2,303,106	2,303,106
Water	1,375,444	1,506,912	-	53,464	-	184,932	184,932
Total Business-Type Activities	18,526,741	22,457,691	-	75,116	-	4,006,066	4,006,066
Total Primary Government	$ 281,190,304	$ 48,560,214	$ 21,161,307	$ 23,791,331	(191,683,515)	4,006,066	4,006,066
General Revenues							
Taxes							
Property and Specific Ownership					24,754,283	-	24,754,283
General Sales and Use					112,554,362	-	112,554,362
Building Materials and Motor Vehicle Use					12,248,368	-	12,248,368
Franchise					7,014,769	-	7,014,769
Business and Occupational					3,221,076	-	3,221,076
Hotel Accommodation					2,291,120	-	2,291,120
Investment Income (Loss)					9,549,411	751,973	10,301,384
Gain on Sale of Capital Assets					1,328,923	-	1,328,923
Miscellaneous					-	8,565	8,565
Total General Revenues and Transfers					172,962,312	760,538	173,722,850
Change in Net Position					(18,721,203)	4,766,604	(13,954,599)
NET POSITION - Beginning of Year					757,659,654	70,391,930	828,051,584
NET POSITION - End of Year					$ 738,938,451	$ 75,158,534	$ 814,096,985

Governmental Funds
Balance Sheet
December 31, 2025

	General Fund	Capital Improvement Fund	Lakewood Reinvestment Authority Fund	TABOR Fund	Grants Fund	Other Governmental Funds	Total Governmental Funds
ASSETS							
Cash, Pooled Cash, and Investments	$ 54,865,191	$ 19,875,608	$ 9,859,954	$ -	$ -	$ 26,960,994	$ 111,561,747
Restricted Cash, Pooled Cash, and Investments	-	-	-	32,982,105	-	-	32,982,105
Accounts Receivable	4,307,324	937,819	2,722,413	-	11,318,008	2,778,142	22,063,706
Property Taxes Receivable	15,078,235	-	10,265,126	-	-	-	25,343,361
Sales Taxes Receivable	10,252,273	2,000,682	-	-	-	154,012	12,406,967
Interfund Receivable	5,543,807	-	-	-	-	-	5,543,807
Advances to Other Fund	24,182,727	-	-	-	-	-	24,182,727
Inventories	393,331	-	-	-	22,539	26,556	442,426
Prepaids	1,116,655	-	-	753,168	-	40,138	1,909,961
Total Assets	$115,739,543	$ 22,814,109	$ 22,847,493	$33,735,273	$11,340,547	$ 29,959,842	$ 236,436,807
LIABILITIES							
Accounts Payable	$ 40,395,123	$ 5,723,631	$ 739,269	$ 1,158,580	$ 4,178,454	$ 796,841	$ 52,991,900
Interfund Payable	-	-	403,835	-	5,139,972	-	5,543,807
Accrued Liabilities	4,649,880	51,240	2,745	47,317	910	234,553	4,986,644
Refundable Deposits	1,222,915	1,898,003	-	-	655,266	-	3,120,918
Retainage Payable	-	101,855	-	139,254	-	52,308	948,683
Unearned Revenues	842,946	390,524	-	-	40,495	586,140	1,860,105
Total Liabilities	47,110,864	8,165,253	1,145,849	1,345,151	10,015,097	1,669,842	69,452,056
DEFERRED INFLOWS OF RESOURCES							
Grants	-	-	-	-	7,586,307	140,597	7,726,904
Property Taxes	14,959,625	-	10,263,735	-	-	-	25,223,360
Total Deferred Inflows of Resources	14,959,625	-	10,263,735	-	7,586,307	140,597	32,950,264
FUND BALANCES							
Nonspendable:							
Inventories	393,331	-	-	-	22,539	26,556	442,426
Prepaids	1,116,655	-	-	753,168	-	40,138	1,909,961
Restricted for:							
Emergencies	5,864,631	-	-	-	-	-	5,864,631
Parks and Open Space	-	-	-	-	-	9,804,966	9,804,966
Economic Development	-	-	-	-	-	13,822,518	13,822,518
Debt Service	1,955,234	-	139,723	-	-	-	2,094,957
Capital Improvements	-	14,648,856	-	-	-	-	14,648,856
TABOR Spending	-	-	-	31,636,954	-	-	31,636,954
Urban Renewal	-	-	11,437,909	-	-	-	11,437,909
Assigned to:	-	-					
Cultural Activities	-	-	-	-	-	503,328	503,328
Capital Improvements	-	-	-	-	-	3,951,897	3,951,897
Subsequent year's budget: appropr. of fund balance	4,798,955	-	-	-	-	-	4,798,955
Unassigned	39,540,248	-	(139,723)	-	(6,283,396)	-	33,117,129
Total Fund Balances	53,669,054	14,648,856	11,437,909	32,390,122	(6,260,857)	28,149,403	134,034,487
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$115,739,543	$ 22,814,109	$ 22,847,493	$33,735,273	$11,340,547	$ 29,959,842	$ 236,436,807

Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position December 31, 2025

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

Total fund balances - governmental funds		$ 134,034,487
Capital assets of $843,100,482 net of accumulated depreciation of $(239,701,410) used in governmental activities are not financial resources, and, therefore, are not reported in the funds.		603,399,072
Differences between expected and actual experiences, assumption changes and net differences between projected and actual earnings and contributions subsequent to the measurement date for the postretirement benefits (retired city manager and OPEB) are recognized as deferred outflows of resources and deferred inflows of resources on the statement of net position.		
Deferred outflows - Duty, Death & Disability related	585,887	
Deferred outflows - OPEB related	3,320,595	
Deferred inflows - Duty, Death, & Disability related	(2,234,806)	
Deferred inflows - OPEB related	(1,493,320)	
		178,356
Other long-term assets that are not available to pay for current period expenditures and, therefore, are either deferred or not reported in the funds.		10,794,569
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.		24,277,793
Long-term liabilities that are not due and payable in the current period and, therefore, are not reported in governmental funds.		
Certificates of participation	(4,580,000)	
Notes payable	(534,160)	
Financed Purchases	(633,817)	
Compensated absences	(13,026,894)	
Accrued interest payable on long-term debt	(1,507)	
Information technology subscription liability	(5,457,905)	
Lease Liability	(148,826)	
OPEB liability	(7,850,221)	
Net pension liability	(1,512,496)	
		(33,745,826)
Total Net Position of Governmental Activities		$ 738,938,451

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

Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended December 31, 2025

	General Fund	Capital Improvement Fund	Lakewood Reinvestment Authority Fund	TABOR Fund	Grants Fund	Other Governmental Funds	Total Governmental Funds
REVENUES							
Taxes							
Property Tax	$14,303,241	$ -	$9,449,662	$ -	$ -	$ -	$ 23,752,903
Sales and Use Tax	94,060,457	18,493,905	-	-	-	-	112,554,362
Building Material Use Tax	2,440,867	488,036	-	-	-	-	2,928,903
Business and Occupational Tax	3,221,076	-	-	-	-	-	3,221,076
Specific Ownership Tax	1,001,381	1,553,244	-	-	-	-	2,554,625
Motor Vehicle Use Tax	7,766,221	-	-	-	-	-	7,766,221
Hotel Accommodation Taxes	-	-	-	-	-	2,291,120	2,291,120
Franchise Tax	6,921,949	-	-	-	-	92,820	7,014,769
Licenses and Permits	3,908,547	-	-	-	-	-	3,908,547
Intergovernmental	6,537,923	2,363,430	-	-	17,284,408	11,542,064	37,727,825
Charges for Services	15,500,783	-	764,243	-	-	4,217,446	20,482,472
Fines and Forfeitures	763,690	-	-	-	-	-	763,690
Investment Income	6,882,925	491,094	260,177	704,784	1,529	551,748	8,892,257
Miscellaneous	669,838	66,565	-	-	4,273	207,138	947,814
Total Revenues	163,978,898	23,456,274	10,474,082	704,784	17,290,210	18,902,336	234,806,584
EXPENDITURES							
Current							
General Government	80,909,628	3,233,050	-	216,388	187,794	2,224,309	86,771,169
Public Safety	74,886,511	1,428,584	-	1,649,100	4,545,602	-	82,509,797
Public Works	8,439,024	1,632,884	-	883,634	58,897	53,132	11,067,571
Culture and Recreation	16,356,414	400,005	-	8,072	521,346	11,796,835	29,082,672
Urban Development and Housing	1,013,408	18,895	951,661	-	887,758	1,814,197	4,685,919
Economic Opportunity	1,535,942	-	-	-	639,220	-	2,175,162
Debt Service							-
Principal	778,026	-	135,975	-	-	-	914,001
Interest and Fiscal Charges	422,196	-	17,176	-	-	-	439,372
Capital Outlay							-
General Government	8,734,493	879,028	-	-	377,842	4,593,113	14,584,476
Public Safety	30,813	1,425,104	-	14,801	176,946	-	1,647,664
Public Works	337,245	13,846,968	-	1,719,852	13,554,746	-	29,458,811
Culture and Recreation	1,295	-	-	373,217	2,287,533	6,296,518	8,958,563
Urban Development and Housing	212,645	2,093,071	7,211,526	-	5,036,687	73,656	14,627,585
Total Expenditures	193,657,640	24,957,589	8,316,338	4,865,064	28,274,371	26,851,742	286,922,762
Excess (Deficiency) of Revenues Over (Under) Expenditures	(29,678,742)	(1,501,315)	2,157,744	(4,160,280)	(10,984,161)	(7,949,406)	(52,116,178)
OTHER FINANCING SOURCES (USES)							
Sale of General Capital Assets	998,082	-	-	-	-	330,841	1,328,923
Transfers In	24,874,280	500,000	-	15,779,049	5,955,209	3,701,829	50,810,367
Transfers Out	(16,688,319)	(4,241,140)	-	(28,486,412)	-	(1,394,496)	(50,810,367)
Total Other Financing Sources (Uses)	9,184,043	(3,741,140)	-	(12,707,363)	5,955,209	2,638,174	1,328,923
Net Change in Fund Balances	(20,494,699)	(5,242,455)	2,157,744	(16,867,643)	(5,028,952)	(5,311,250)	(50,787,255)
FUND BALANCES - Beginning of Year	74,163,753	19,891,311	9,280,165	49,257,765	-	33,460,653	184,821,742
Change from non-major fund to major fund	-	-	-	-	(1,231,905)	-	(1,231,905)
FUND BALANCES - End of Year	$53,669,054	$14,648,856	$11,437,909	$32,390,122	$(6,260,857)	$28,149,403	$134,034,487

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

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2025

Amounts reported for governmental activities in the statement of activities are different because:		
Net changes in fund balances - total governmental funds		$ (50,787,255)
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/amortization expense. This is the amount by which capital outlay $48,097,245 and contributed capital $1,908,961 exceeded depreciation/amortization expense ($14,435,749) and the net book value of disposals ($4,200,880) in the current year.		31,369,577
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		5,240,735
Bond and other debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond and other debt principal is an expenditure in the governmental funds, but repayment reduces long-term liabilities in the statement of net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.		
Principal paid on certificates of participation	280,000	
Principal paid on notes	135,976	
Principal paid on financed purchases	149,945	
Principal paid on informatiion technology software subscriptions	513,011	
Principal paid on lease asset	50,770	
		1,129,702
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.		(2,177,081)
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.		
Accrued interest on long-term debt	(153)	
Issuance of information technology subscription arrangements	(816,599)	
Issuance of lease asset	(11,792)	
Compensated absences	(2,813,551)	
Changes in net pension liability, related deferred outflows and inflows of resources	162,182	
Changes in duty, death & disability liabilities, related deferred outflows and inflows of resources	(3,990)	
Changes in OPEB liabilities, related deferred outflows and inflows of resources	(12,978)	
		(3,496,881)
Change in Net Position of Governmental Activities		$ (18,721,203)

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

Proprietary Funds
Statement of Net Position
December 31, 2025

	Business-type Activities - Enterprise Funds					Governmental Activities
	Golf Course Fund	Sewer Fund	Stormwater Fund	Nonmajor Water Fund	Total Enterprise Funds	Internal Service Funds
ASSETS						
Current Assets						
Cash and Equity in Pooled Cash	$9,722,791	$10,447,601	$13,704,795	$2,152,238	$36,027,425	$27,758,592
Accounts Receivable	25,388	933,424	297,553	317,555	1,573,920	218,053
Inventories	120,359	-	-	-	120,359	-
Prepaids	-	8,700	8,700	-	17,400	49,168
Total Current Assets	9,868,538	11,389,725	14,011,048	2,469,793	37,739,104	28,025,813
Noncurrent Assets						
Land	6,921,465	1,486,686	384,162	75,459	8,867,772	-
Construction in Progress	524,697	1,600,000	33,806,175	500,012	36,430,884	-
Infrastructure	-	15,094,755	18,703,607	2,068,987	35,867,349	-
Buildings	4,743,605	-	-	-	4,743,605	-
Improvements	7,475,765	419,765	-	20,600	7,916,130	-
Machinery, Furniture and Equipment	3,561,627	89,674	559,445	-	4,210,746	-
Right-to-Use Assets	2,236,979	-	-	-	2,236,979	-
Less Accumulated Depreciation	(10,644,622)	(11,888,267)	(10,063,244)	(1,577,945)	(34,174,078)	-
Total Noncurrent Assets	14,819,516	6,802,613	43,390,145	1,087,113	66,099,387	-
Total Assets	24,688,054	18,192,338	57,401,193	3,556,906	103,838,491	28,025,813
LIABILITIES AND NET POSITION						
Current Liabilities						
Accounts Payable	67,961	1,617,263	441,485	128,431	2,255,140	(5,516)
Accrued Liabilities	100,289	26,631	53,493	5,700	186,113	948,194
Compensated Absences	52,984	8,544	2,774	1,474	65,776	-
Unearned Revenues	259,293	-	-	-	259,293	-
Current Portion Long Term Liabilities	331,269	-	-	-	331,269	-
Claims Payable	-	-	-	-	-	2,805,342
Total Current Liabilities	811,796	1,652,438	497,752	135,605	3,097,591	3,748,020
Noncurrent Liabilities						
Advance from General Fund	4,500,000	-	19,682,727	-	24,182,727	-
Compensated Absences	300,241	48,416	15,713	8,362	372,732	-
Lease Liability	1,026,907	-	-	-	1,026,907	-
Total Noncurrent Liabilities	5,827,148	48,416	19,698,440	8,362	25,582,366	-
Total Liabilities	6,638,944	1,700,854	20,196,192	143,967	28,679,957	3,748,020
NET POSITION						
Net Investment in Capital Assets	13,420,859	6,802,613	43,390,145	1,041,744	64,655,361	-
Unrestricted	4,628,251	9,688,871	(6,185,144)	2,371,195	10,442,762	24,277,793
Total Net Position	18,049,110	16,491,484	37,205,001	3,412,939	75,158,534	24,277,793
Total Liabilities and Net Position	$24,688,054	$18,192,338	$57,401,193	$3,556,906	$103,838,491	$28,025,813

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

Proprietary Funds
Statement of Revenues, Expenses and Changes in Fund Net Position
For the Year Ended December 31, 2025

	Business-type Activities - Enterprise Funds					Governmental Activities
	Golf Course Fund	Sewer Fund	Stormwater Fund	Nonmajor Water Fund	Total Enterprise Funds	Internal Service Funds
OPERATING REVENUES						
Charges for Services	$ 9,735,720	$ 5,131,592	$ 6,083,467	$ 1,506,912	$ 22,457,691	$ 18,250,607
Miscellaneous	6,267	-	1,837	461	8,565	855,255
Total Operating Revenues	9,741,987	5,131,592	6,085,304	1,507,373	22,466,256	19,105,862
OPERATING EXPENSES						
Cost of Goods Sold	554,916	-	-	-	554,916	-
Personnel Services	3,981,445	924,616	1,616,872	203,518	6,726,451	551,695
Services and Supplies	2,048,230	4,561,454	1,551,993	114,690	8,276,367	1,835,662
Water Purchased	-	-	-	1,037,055	1,037,055	-
Claims	-	-	-	-	-	15,351,603
Premiums	-	-	-	-	-	4,201,137
Depreciation	972,069	189,679	611,497	20,180	1,793,425	-
Total Operating Expenses	7,556,660	5,675,749	3,780,362	1,375,443	18,388,214	21,940,097
Operating Income (Loss)	2,185,327	(544,157)	2,304,942	131,930	4,078,042	(2,834,235)
NONOPERATING REVENUES (EXPENSES)						
Investment Income	199,120	243,121	262,984	46,748	751,973	657,154
Interest Expense	(138,527)	-	-	-	(138,527)	-
Total Nonoperating Revenue	60,593	243,121	262,984	46,748	613,446	657,154
Income Before Contributions and Transfers	2,245,920	(301,036)	2,567,926	178,678	4,691,488	(2,177,081)
System Investment Fees	-	21,652	-	53,464	75,116	-
Transfers In	-	-	-	-	-	2,200,000
Transfers Out	-	-	-	-	-	(2,200,000)
Change in Net Position	2,245,920	(279,384)	2,567,926	232,142	4,766,604	(2,177,081)
NET POSITION - Beginning of Year	15,803,190	16,770,868	34,637,075	3,180,797	70,391,930	26,454,874
NET POSITION - End of Year	$ 18,049,110	$ 16,491,484	$ 37,205,001	$ 3,412,939	$ 75,158,534	$ 24,277,793

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

Proprietary Funds
Statement of Cash Flows
For the Year Ended December 31, 2025

	Business-type Activities - Enterprise Funds					Governmental Activities
	Golf Course Fund	Sewer Fund	Stormwater Fund	Nonmajor Water Fund	Total Enterprise Funds	Internal Service Funds
Cash Flows From Operating Activities						
Cash Received from Customers	$ 9,752,554	$ 5,359,644	$ 6,450,104	$1,522,828	$23,085,130	$ 18,325,069
Other Receipts	6,267	-	1,837	461	8,565	855,255
Cash Paid to Suppliers	(2,608,998)	(3,333,285)	(1,379,005)	(1,099,707)	(8,420,995)	(21,931,787)
Cash Paid to Employees	(3,883,924)	(906,135)	(1,638,475)	(201,751)	(6,630,285)	(492,907)
Net cash provided by (used for) operating activities	3,265,899	1,120,224	3,434,461	221,831	8,042,415	(3,244,370)
Cash Flows From Noncapital Financing Activities						
Transfers from (to) other funds	-	-	14,108,881	-	14,108,881	-
Net cash provided by noncapital financing activities	-	-	14,108,881	-	14,108,881	-
Cash Flows From Capital and Related Financing Activities						
Purchases of Capital Assets	(1,136,721)	(1,600,000)	(4,101,531)	(170,480)	(7,008,732)	-
Interest on Capital Debt	(96,733)	-	-	-	(96,733)	-
Interest on Right-to-Use Lease Asset	(41,794)	-	-	-	(41,794)	-
System Investment Fees Received	-	21,653	-	53,464	75,117	-
Net cash used for capital and related financing activities	(1,275,248)	(1,578,347)	(4,101,531)	(117,016)	(7,072,142)	-
Cash Flows From Investing Activities						
Investment Income	199,120	243,121	262,984	46,748	751,973	657,154
Net cash provided by investing activities	199,120	243,121	262,984	46,748	751,973	657,154
Net increase (decrease) in cash and equity in pooled cash	2,189,771	(215,002)	13,704,795	151,563	15,831,127	(2,587,216)
Cash and Equity in Pooled Cash - Beginning of Year	7,533,020	10,662,603	-	2,000,675	20,196,298	30,345,808
Cash and Equity in Pooled Cash - End of Year	$ 9,722,791	$10,447,601	$13,704,795	$2,152,238	$36,027,425	$ 27,758,592
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities						
Operating Income (Loss)	$ 2,185,327	$ (544,157)	$ 2,304,942	$ 131,930	$ 4,078,042	$ (2,834,235)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities						
Depreciation	972,069	189,679	611,497	20,180	1,793,425	-
Accounts Receivable	(7,938)	228,052	366,637	15,916	602,667	74,462
Prepaids	-	(8,700)	(8,700)	-	(17,400)	732,854
Inventories	25,490	-	-	-	25,490	-
Accounts Payable	(31,342)	1,236,869	186,103	52,037	1,443,667	(900,282)
Compensated Absence	75,611	16,101	(33,092)	1,455	60,075	-
Retainage Payable	-	-	(4,415)	-	(4,415)	-
Accrued Liabilities	21,910	2,380	11,489	313	36,092	58,788
Unearned Revenues	24,772	-	-	-	24,772	-
Claims Payable	-	-	-	-	-	(375,957)
Net cash provided by (used for) operating activities	$ 3,265,899	$ 1,120,224	$ 3,434,461	$ 221,831	$ 8,042,415	$ (3,244,370)
Schedule of non-cash capital and related financing activities						
Right-to-Use Asset - Lease Asset	(1,358,176)	-	-	-	(1,358,176)	-
Net cash used for non-cash capital and related financing activities	$ (1,358,176)	$ -	$ -	$ -	$ (1,358,176)	$ -

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

Fiduciary Funds
Statement of Fiduciary Net Position
December 31, 2025

	Pension (and Other Employee Benefit) Trust Funds
ASSETS	
Cash	$ 84,006
Mutual Funds	7,746,115
Total Assets	7,830,121
NET POSITION	
Restricted for:	
Pensions	2,109,595
Postemployement benefits other than pensions	5,720,526
Total Net Position	$ 7,830,121

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

Fiduciary Funds
Statement of Changes in Fiduciary Net Position
For the Year Ended December 31, 2025

	Pension (and Other Employee Benefit) Trust Funds
ADDITIONS	
Contributions	
Employer	$ 280,000
Miscellaneous	
Investment Income	704,836
Total Additions	984,836
DEDUCTIONS	
Benefit Payments	415,398
Administrative Expenses	14,463
Total Deductions	429,861
Net Increase in Net Position Restricted for Pensions	554,975
Net Position Restricted for Pension & OPEB - Beginning of Year	7,275,146
NET POSITION RESTRICTED FOR PENSIONS & OPEB - END OF YEAR	$ 7,830,121

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

Notes to Financial Statements

ANNUAL COMPREHENSIVE FINANCIAL REPORT / CITY OF LAKEWOOD, COLORADO

Lakewood
Colorado

Notes to the Financial Statements
Year Ended December 31, 2025

Note 1 – Summary of Significant Accounting Policies

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

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

Reporting Entity

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

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

The Lakewood 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.

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

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

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

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due.

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

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

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

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

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

The *TABOR Fund* was established to account for the excess revenue collected above the TABOR limit. On November 5, 2024 voters authorized the city to retain and spend according to ballot measure 2A. Per the approved ballot, excess revenues must be transferred from other funds, supporting one-third of the following: parks, recreation and open space, public safety-related equipment, services and/or personnel, and for the maintenance of streets, paths, and infrastructure.

The *Grants Fund* accounts for federal, state, and other grant revenues received by the City, along with the related expenditures for grant-funded programs and projects. These activities are restricted for specific purposes in accordance with the applicable grant agreements.

The City reports the following major proprietary fund:

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 and Duty, Death, and Disability Fund as trust funds.

Change in Major Governmental Fund Reporting

During 2025, the Grants fund, which was previously reported as a Non-Major Governmental Special Revenue Fund, becomes Major Fund due to significant deferred inflows of resources, caused by deferred grant revenue.

GASB 100 requires the aggregate amount of adjustments and restatements of beginning net position, fund balance or fund net position be displayed by reporting unit in the financial statements. The Grants Fund is now presented as a Major Fund in the Governmental Funds financial statements.

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

Cash and cash equivalents – cash and cash equivalents include cash on hand, demand deposits, and short-term investments with original maturities of three months or less.

Investments - Investments are reported at fair value or net asset value, pursuant to GASB Statement No. 72, Fair Value Measurement and Application. Cash and investments are pooled and not segregated by fund.

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

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

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

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

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

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

Type of Asset	Threshold
Land/land improvements	$ 50,000
Building/building improvements	50,000
Park facilities and other improvements	50,000
Infrastructure	100,000
Rights of way and easements	50,000
Leasehold improvements	50,000
Information Technology Subscriptions	20,000
Personal property (i.e., machinery, furniture and fixtures, computer equipment, vehicles, software, street lights)	5,000
Works of art/historical treasures (capitalized but not depreciated)	5,000

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

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

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

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

Deferred Outflows/Inflows of Resources - Deferred inflows of resources include property taxes earned but levied for a subsequent year. Revenues not available as current financial resources are deferred inflows in the governmental fund financial statements. In addition, the City reports deferred outflows and deferred inflows of resources relating to its net Retired City Manager Pension and OPEB liabilities. See Notes 8 and 9 for additional information.

Compensated Absences - 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.

The City has adopted GASB Statement No. 101, *Compensated Absences,* which requires a liability to be recorded for compensated absences and reported in the government-wide and proprietary financial statements for (a) leave that has not been used and (b) leave that has been used but not yet paid. Compensated absence liability includes vacation leave, sick leave, and compensatory time. Leave that has not been used is only recognized if the employee has performed the services required to earn the leave, the leave accumulates, and the leave is more likely than not to be used for time off or otherwise paid in cash.

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

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

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

Leases – The City determines if an arrangement is a lease at its inception. Leases are included in capital assets as a right-to-use lease asset and lease liabilities in the statement of net position for government-wide and proprietary fund financial statements. Lease assets represent the City's control of the right to use an underlying asset for the lease term, in an exchange or exchange-like transaction, per the terms specified in the contract. Lease assets are recognized at the commencement date based on the initial measurement of the lease liability, plus any payment made to the lessor at or before the commencement of the lease term and any certain direct costs. Lease assets are amortized in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset.

Lease liabilities represent the City's obligation to make lease payments that arise from the lease contract. Lease liabilities are recognized at the commencement date based on the present value of the expected lease payments over the lease term, less any lease incentives. Interest expense is recognized ratably over the contract term. The lease term may include options to extend or terminate the lease when it is reasonably certain that the City will exercise those options.

The City has elected to recognize payments for short-term leases, with a lease term of 12 months or less, as expenses incurred, and these leases are not included as lease liabilities or right-to-use lease assets on the statements of net position. For individual lease contracts where information about the discount rate implicit in the lease has not been included in the contract, the City has elected to use the incremental borrowing rate to calculate the present value of expected lease payments.

Subscription-Based Information Technology Agreements (SBITA) – The City recognizes a subscription liability and a right-to-use subscription asset at the commencement of the agreement for government-wide and proprietary fund financial statements. Subscription assets are reported as capital assets and subscription liabilities are reported as long-term liabilities on the statement of net position. Subscription assets represent the City's control of the right to use an underlying asset for the subscription term, in an exchange or exchange-like transaction, per the terms specified in the contract agreement. The City recognizes subscription liabilities with an initial, individual present value of $20,000 or more with a subscription term greater than 12 months.

The City measures liabilities at the commencement date based on the present value of the expected subscription payments over the subscription term, less any incentives. Subsequently, the subscription liability is reduced by the principal portion of subscription payments made over the lease term.

The City recognizes a subscription asset that is recorded at the amount of the initial measurement of the subscription liabilities, less any payments made prior to the commencement period to the SBITA vendor, and any initial implementation costs that are capitalized.

Costs that are associated with a SBITA, that are not subscription payments, are accounted for in the following three stages:

Preliminary Project Stage – expensed as incurred.

Initial Implementation Stage – capitalized and recognized in the subscription asset.

Operation and Additional Implementation Stage – expensed as incurred, unless the outlays meet specific capitalization criteria.

The subscription asset is amortized on a straight-line basis over the shorter of the subscription term or useful life of the underlying IT asset. For individual SBITA contracts where information about the discount rate implicit in the agreement has not been included in the contract, the City has elected to use the incremental borrowing rate to calculate the present value of expected SBITA payments.

The City monitors changes in circumstances that would require a remeasurement of its subscription assets and liabilities. A remeasurement is required if certain changes occurred that would significantly affect the amount of the subscription liability.

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

- Nonspendable Fund Balance – amounts that cannot be spent because they are either not in spendable form, or legally or contractually required to be maintained intact. Examples are items that are not expected to be converted to cash including inventories and prepaids.
- Restricted Fund Balance – amounts that are restricted to specific purposes. The spending constraints placed on the use of fund balance amounts are externally imposed by creditors, grantors, contributors, laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation that are legally enforceable.

- Committed Fund Balance - amounts that can only be used for specific purposes pursuant to constraints imposed by ordinance of the City Council. The committed amounts cannot be used for any other purpose unless the City Council removes or changes the specified use by taking the same action it employed to previously commit those amounts. This classification also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.
- Assigned Fund Balance - amounts that are constrained by the City's intent to be used for specific purposes but are neither restricted nor committed. City Council, as the governing board, is authorized to informally assign amounts to a specific purpose and has assigned certain amounts through various policies.
- Unassigned Fund Balance - the remaining General Fund fund balance after amounts are set aside for other classifications. Other funds may report negative balances in this category.

The City of Lakewood has not established a formal policy for its use of restricted and unrestricted (committed, assigned, unassigned) fund balance/net position. When both restricted and unrestricted fund balance/ net position is available for use, the City will use the restricted amounts before the unrestricted amounts.

Note 2 - Stewardship, Compliance and Accountability

At December 31, 2025, the Grants Fund had a negative fund balance of $6,260,857. The negative fund balance will be eliminated once unavailable revenue of $7,586,307 is recognized.

Note 3 – Cash and Investments

The City, through its Charter and Investment Policy, maintains a cash and investment pool that is available for use by City administered funds. In addition, deposits and investments are separately held by several of the City's funds. Cash deposits and investments, except for proceeds of bond issues accounted for in the appropriate funds, are pooled throughout the year into the General Fund for cash management purposes. Investment income is allocated to the individual funds quarterly, based on monthly balances and each month's weighted average yield. For financial statement purposes, all cash and investments are recorded as "Cash, Pooled Cash, and Investments" for governmental funds and "Cash and Equity in Pooled Cash" for proprietary funds.

Cash, Pooled Cash, and Investments are reported in the financial statements as follows:

Unrestricted cash and investments:	
Governmental activities	$139,320,339
Business-type activities	36,027,424
Fiduciary fund	7,830,121
Restricted cash and investments:	
Governmental activities	32,982,105
Total	$216,159,989

Deposits:	
FDIC	$ 2,074,226
PDPA	17,715,925
Certificates of Deposit	13,250,000
Investments	2,537,194
Total Deposits	35,577,345
Cash on hand	27,086
Investments	180,555,558
Total	$216,159,989

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. The city maintains all cash deposits in PDPA eligible financial institutions. The bank deposits are 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’s Chief Financial Officer (CFO) 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 duty, death and disability fund.

At December 31, 2025, the City’s investment balances were as follows:

Investment Type	Measurement	S&P Rating	Less than 1 Year	1-5 Years	Pension Trust Fund	Duty, Death & Disability Fund	Total Value
US Treasury Securities	Fair Value Level 1	AA+	$ 1,719,124	$ 44,848,658	$ -	$ -	$ 46,567,782
US Agency Securities	Fair Value Level 2	AA+	-	25,222,308	-	-	25,222,308
Commercial Backed Mtg	Fair Value Level 2	NA	-	-	-	-	-
Corporate Bonds	Fair Value Level 2	AA+	989,569	1,008,383	-	-	1,997,952
Corporate Bonds	Fair Value Level 2	AA	1,000,486	1,006,849	-	-	2,007,335
Corporate Bonds	Fair Value Level 2	AAA	-	1,528,337	-	-	1,528,337
Corporate Bonds	Fair Value Level 2	AAA	-	-	-	-	-
Mutual Funds	Fair Value Level 1	NA	-	-	2,025,589	5,720,526	7,746,115
	Subtotal Fair Value		3,709,179	73,614,535	2,025,589	5,720,526	85,069,829
Money Market Funds	Net Asset Value	AAA	1,271,436	-	-	-	1,271,436
CSAFE	Net Asset Value	AAAf	94,214,294	-	-	-	94,214,294
	Subtotal Net Asset Value		95,485,730	-	-	-	95,485,730
Total Investments			$ 99,194,909	$ 73,614,535	$ 2,025,589	$ 5,720,526	$ 180,555,558

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

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

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

Credit Risk - State statutes limit investments in commercial paper to a rating category of A1, P1, F1 or their equivalents, by at least two nationally recognized statistical rating organizations (NRSROs). State statutes limit investments in corporate bonds to a minimum rating category of AA- or Aa3 or their equivalents by at least two NRSROs.

State statutes also limit investments in money market funds to those that maintain a constant share price, with a maximum remaining maturity in accordance with the Securities and Exchange Commission's Rule 2a-7, and either have assets of one billion dollars or the highest rating issued by one or more NRSROs.

Concentration of Credit Risk - The City's investment policy requires that investments in any U.S. dollar denominated corporate or bank debt may comprise up to 30% of the book value of the City's total investments at the time of purchase with no more than 5% concentrated in any single obligor.

Any investment in commercial paper may not exceed 50% of the total par value of the City's portfolio with no greater than 7.5% exposure to any single issuer. Furthermore, general obligation and revenue bonds of U.S. local government entities shall not exceed 50% of the total par value of the City's portfolio. At December 31, 2025, the City's investment in the Federal Home Loan Bank, Federal Farm Credit Bank, Federal National Mortgage Association, Federal Home Loan Mortgage Corporation, and Commercial Mortgage Backed Security, represented 12% 11%, 2%, 1% and 1%, respectively, of total investments.

Local Investment Pools - At December 31, 2025, had invested $94,214,294 in the Colorado Surplus Asset Fund Trust (CSAFE) Core Fund. This investment vehicle is established for local government entities in Colorado to pool surplus funds. The State Securities Commission administers and enforces all State statutes governing the funds. This pool operates similarly to a money market fund. CSAFE Core is measured at net asset value per share, with each share valued at $2.00. A designated custodial bank serves as custodian for the fund's portfolios pursuant to a custodian agreement. The custodian acts as a safekeeping agent for each fund's investment portfolios and provides services as the depository in connection with direct investments and withdrawals. CSAFE Core is rated AAAf by Fitch Ratings. The fund is measured at net asset value. For CSAFE Core, there are no unfunded commitments, the redemption frequency is limited to three redemptions per month with a redemption notice of one business day.

At December 31, 2025, the City had $1,193,156 in the Colorado Surplus Asset Fund Trust (CSAFE) Cash Fund, which is measured at amortized cost and included within cash deposits for financial statement presentation. Purchases and redemption are available daily at a net asset value (NAV) of $1.00. Investments consist of U.S. Treasury and U.S. Agency securities and repurchase agreements collateralized by U.S. Treasury and U.S. Agency securities. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. The custodian's internal records identify the investments owned by the entities. CSAFE Cash is rated AAAmmf by Fitch Ratings. There are no unfunded commitments, the redemption frequency is daily, and there is no redemption notice period.

Restricted Cash and Investments

The TABOR Fund has cash, pooled cash, and investments of $32,982,105 restricted for voter approved capital spending.

Note 4 – Capital Assets

The following is a summary of changes in capital assets for the year ended December 31, 2025:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	$ 214,577,210	$ 9,018,408	$ (4,005,350)	$ 219,590,268
Construction in progress	29,944,151	27,122,669	(18,750,859)	38,315,961
Works of art/historical treasures	555,353	-	-	555,353
Total capital assets, not being depreciated	245,076,714	36,141,077	(22,756,210)	258,461,582
Capital assets, being depreciated/amortized:				
Infrastructure	253,010,764	7,748,509	-	260,759,273
Park buildings, facilities and improvements	137,708,260	13,757,035	-	151,465,295
Buildings	84,098,955	1,961,266	-	86,060,221
Improvements other than buildings	1,287,431	2,620,883	-	3,908,314
Machinery and equipment	68,378,044	5,701,904	(2,670,824)	71,409,124
Lease asset - Machinery and equipment	200,773	11,793		212,566
Solar power capacity	933,232	-	-	933,232
Right of Use Assets:				
Information technology subscription assets	9,074,316	816,599	-	9,890,915
Total capital assets, being depreciated/amortized	554,691,735	32,617,989	(2,670,824)	584,638,900
Less accumulated depreciation/amortization for:				
Infrastructure	(69,936,714)	(4,152,186)	-	(74,088,900)
Park buildings, facilities and improvements	(55,016,646)	(1,682,453)		(56,699,099)
Buildings	(46,886,476)	(3,398,754)	-	(50,285,230)
Improvements other than buildings	(352,407)	(64,773)	-	(417,180)
Machinery and equipment	(53,786,592)	(4,034,808)	2,473,294	(55,348,106)
Lease asset - Machinery and equipment	(12,546)	(53,869)		(66,415)
Solar power capacity	(442,724)	(46,318)	-	(489,042)
Right of Use Assets:				
Information technology subscription assets	(1,304,849)	(1,002,589)		(2,307,438)
Total accumulated depreciated/amortized	(227,738,954)	(14,435,750)	2,473,294	(239,701,410)
Total capital assets, being depreciated/amortized, net	326,952,781	18,182,239	(197,530)	344,937,490
Governmental activities capital assets, net	$ 572,029,495	$ 54,323,316	$ (22,953,740)	$ 603,399,072

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

Governmental Activities:	
General government	$ 13,539,677
Public safety	261,009
Public works	144,070
Culture and recreation	423,093
Economic Development	66,421
Economic Opportunity	1,480
Total depreciation/amortization expense - governmental activities	$ 14,435,750

	Beginning Balance	Additions	Deletions	Ending Balance
Business-type activities:				
Capital assets, not being depreciated:				
Land	$ 8,818,272	$ 49,500.00	$ -	$ 8,867,772
Construction in progress	30,683,676	5,947,208	(200,000)	36,430,884
Total capital assets, not being depreciated	39,501,948	5,996,708	(200,000)	45,298,656
Capital assets, being depreciated/amortized:				
Infrastructure	35,267,348	600,000	-	35,867,348
Buildings	4,732,305	11,300	-	4,743,605
Improvements	7,916,130	-	-	7,916,130
Machinery and equipment	3,922,814	287,932	-	4,210,746
Right-of-Use Lease Asset	694,931	1,557,090	(15,042)	2,236,979
Total capital assets, being depreciated/amortized	52,533,528	2,456,322	(15,042)	54,974,808
Less accumulated depreciation/amortization for:				
Infrastructure	(21,779,132)	(750,554)	-	(22,529,686)
Buildings	(3,942,587)	(109,247)	-	(4,051,834)
Improvements	(3,157,356)	(269,508)	-	(3,426,864)
Machinery and equipment	(2,923,990)	(323,186)	-	(3,247,176)
Right-of-Use Lease Asset	(577,586)	(340,930)	-	(918,516)
Total accumulated depreciation/amortization	(32,380,651)	(1,793,425)	-	(34,174,076)
Total capital assets, being depreciated/amortized, net	20,152,877	662,897	(15,042)	20,800,732
Total business-type activities capital assets, net	$ 59,654,825	$ 6,659,605	$ (215,042)	$ 66,099,388

Note 5 – Long-Term Debt

Governmental Activities

Following is a summary of long-term debt transactions for the year ended December 31, 2025:

	Beginning Balance	Additions	Retirements	Ending Balance	Due Within One year
Governmental Activities:					
Certificates of Participation					
Certificates of participation, 2020A	$ 360,000	$ -	$ 280,000	$ 80,000	$ 80,000
Certificates of participation, 2020B	4,500,000 $	-	-	4,500,000	205,000
Financed Purchases					
Police facility building	783,762	-	149,946	633,816	153,274
Notes Payable					
LRA station betterments loan	670,136	-	135,976	534,160	139,723
Compensated Absences, net	10,213,343	2,813,551	-	13,026,894	977,017
Right-of-Use Lease Asset					
Copiers and Printers Lease	187,804	11,793	50,770	148,827	52,705
Subscription Based Liabilities					
Information technology subscription	5,154,317	816,599	513,011	5,457,905	487,238
Total governmental activities	$ 21,869,362	$ 3,641,943	$ 1,129,703	$ 24,381,602	$ 2,094,957

Business-Type Activities:
Following is a summary of long-term debt transactions for the year ended December 31, 2025:

	Beginning Balance	Additions	Retirements	Ending Balance	Due Within One year
Business-Type Activities:					
Compensated Absences, net	$ 378,434	$ 60,073	$ -	$ 438,508	$ 65,776
Right-of-Use Lease Asset					
Golf Equipment Leases - Carts	30,046	1,258,760	-	1,288,806	301,201
Golf Equipment Leases - Haulers	98,552	-	29,182	69,370	30,068
Total business-type activities	$ 507,032	$ 1,318,833	$ 29,182	$ 1,796,683	$ 397,045

2020A Certificate of Participation

On September 1, 2020, the City issued certificates of participation in the amount of $1,160,000 to advance refund a portion of the LPBA's outstanding Series 2006A certificates of participation. The Series 2020A certificates of participation bear interest at rates of 1.95%, per annum, and mature on June 1, 2026. The transaction provided an economic gain (net present value savings) of $16,825 or 1.55% savings on refunded bonds. The certificates of participation are not redeemable prior to maturity.

Following are the future principal and interest requirements:

Year	Principal	Interest	Total
2026	80,000	780	80,780
	$ 80,000	$ 780	$ 80,780

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

2020B Certificate of Participation

On September 1, 2020, the City issued certificates of participation in the amount of $4,500,000 to finance the irrigation system project at Fox Hollow Golf Course. Series 2020B certificates of participation bear interest at rates of 2.15%, per annum, and mature on June 1, 2039. The certificates of participation are not redeemable prior to maturity.

Following are the future principal and interest requirements:

Year	Principal	Interest	Total
2026	$ 205,000	$ 94,546	$ 299,546
2027	290,000	89,225	379,225
2028	295,000	82,937	377,937
2029	300,000	76,540	376,540
2030	310,000	69,982	379,982
2031-2035	1,650,000	246,067	1,896,067
2036-2039	1,450,000	63,210	1,513,210
	$ 4,500,000	$ 722,507	$ 5,222,507

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

Leases

Police Facility Building Financed Purchase - On September 30, 2009, the City entered into a lease purchase agreement for $2,330,000 to purchase property for public safety use. This lease is classified as a financed purchase therefore is not applicable to GASB 87 requirements.

Land, buildings and equipment recorded in the City's capital assets are $381,775, $1,957,650 and $13,703, respectively, which includes interest income on the lease proceeds. On November 5, 2019, the City paid off the September 30, 2009 lease, and entered into a new lease purchase agreement for $1,481,031. Annual payments of $167,345, including principal and interest accruing at 2.22% are due on December 31, through 2029. The agreement contains provisions that in the event of default, the lessor may take possession of the property and/or declare the note to be due and payable immediately.

Following is a schedule of future principal and interest payments for this financed purchase at December 31, 2025:

Police facility building

Year	Principal	Interest	Total
2026	153,274	14,071	$ 167,345
2027	156,677	10,668	167,345
2028	160,155	7,190	167,345
2029	163,710	3,634	167,344
	$ 633,816	$ 35,563	
	Total future minimum payments		669,379
	Less: discount for interest		(52,962)
	Present value of future minimum payments		$ 616,417

Golf Equipment Leases - The City has two lease agreements with PNC Equipment Finance, LLC. On January 7, 2025, a lease commenced for the rental of golf carts at Homestead and Fox Hollow golf courses. On November 19, 2024, a lease commenced for the rental of golf haulers at Homestead and Fox Hollow golf courses.

For both PNC 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.

As a result of the implementation of GASB Statement No. 87 (GASB 87), *Leases,* the City will be recognizing these leases as a lease liability and right-to-use lease asset in the proprietary funds statement of net position. An incremental borrowing rate of 3% per annum was used for each lease.

PNC Equipment - Golf Carts

The lease term is 60 months. Monthly payments of $27,979, including principal and interest are made at the first of each calendar month, through 2030.

Following are the future principal and interest requirements:

Golf Cart Lease

Year	Principal	Interest	Total
2026	$ 301,201	$ 34,545	$ 335,746
2027	310,363	25,384	335,747
2028	319,803	15,944	335,747
2029	329,530	6,217	335,747
2030	27,909	70	27,979
	$ 1,288,806	$ 82,160	$ 1,370,966

PNC Equipment - Golf Haulers

The lease term is 60 months. Monthly payments of $2,645, including principal and interest, are made at the first of each calendar month, through 2028.

Following are the future principal and interest requirements:

Golf Hauler Lease

Year	Principal	Interest	Total
2026	$ 30,068	$ 1,670	$ 31,738
2027	30,983	755	31,738
2028	8,319	44	8,363
	$ 69,370	$ 2,469	$ 71,839

Frontier Business Products - Printers and Copiers

The City entered into a lease agreement with Frontier Business Products for printers and copiers. The lease commenced on October 1, 2024.

As a result of the implementation of GASB Statement No. 87 (GASB 87), *Leases,* the City will be recognizing this lease as a lease liability and right-to-use lease asset in the government-wide statement of net position. An incremental borrowing rate of 3% per annum was used for each lease.

The lease term is 48 months. Monthly payments of $4,704, including principal and interest, are made at the first of each calendar month, through 2028.

Following are the future principal and interest requirements:

Printers/Copiers Lease

Year	Principal	Interest	Total
2026	$ 52,705	$ 3,744	$ 56,449
2027	54,309	2,141	56,450
2028	41,813	1,270	43,083
	$ 148,827	$ 7,155	$ 155,982

Subscription Based Information Technology Agreements

The city has entered into six information technology agreements. As a result of the implementation of GASB Statement No. 96 (GASB 96), *Subscription Based Information Technology Agreements*, the City will be recognizing these agreements as an information technology liability and right-to-use information technology asset in the government funds statement of net position. An incremental borrowing rate of 3% per annum was used for each agreement.

Following are the issuances of the agreements:

Information Technology Arrangements	Amount Issued	Amount Outstanding	Discount Rate	Final Maturity
CivicPlus Software	$ 156,211	-	3%	2/15/2025
Cellebrite Software	105,068	-	3%	12/31/2027
Workday - Adaptive Software	321,696	229,833	3%	4/17/2028
Workday - ERP Software	5,211,424	4,876,947	3%	7/17/2037
Workday - Journey Software	194,959	181,222	3%	7/18/2036
Granicus Software	242,838	169,903	3%	12/31/2027
Total Governmental Activities	$ 6,232,196	$ 5,457,905		

Following is the schedule of future principal and interest payments for the agreements:

	Governmental Activities		
Year	Principal	Interest	Total
2026	$ 487,238	$ 146,308	$ 633,546
2027	563,740	137,478	701,218
2028	418,394	126,813	545,207
2029	412,847	115,531	528,378
2030	862,182	103,610	965,792
2031-2035	2,676,026	315,003	2,991,029
2036	37,478	17,161	54,639
	$ 5,457,905	$ 961,904	$ 6,419,809

Lakewood Reinvestment Authority Station Betterments Loan

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

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

For the year ended December 31, 2025, incremental property tax revenues of $2,943,530, were available to pay the annual debt service.

Remaining debt service at December 31, 2025, was as follows:

LRA station betterments loan

Year	Principal	Interest	Total
2026	$ 139,723	$ 13,479	$ 153,202
2027	143,575	9,681	153,256
2028	147,513	5,778	153,291
2029	103,349	2,093	105,442
	$ 534,160	$ 31,031	$ 565,191

Compensated Absences

Compensated absences record a liability reported in the government-wide and proprietary financial statements. For government-wide, compensated absences are expected to be liquidated primarily with revenues of the General Fund. Additions and deletions are reported as a net increase or net decrease on the debt schedule for Governmental Activities and Business-Type Activities.

Note 6 – Fund Balance

The TABOR Amendment requires local governments to establish emergency reserves to be used for declared emergencies only. Emergencies, as defined by TABOR, exclude economic conditions, revenue shortfalls, or salary or fringe benefit increases. These reserves are required to be 3 percent or more of fiscal year spending (as defined by TABOR). The amount required to be restricted at December 31, 2025, totaled $5,864,631 and is reported as restricted fund balance in the General Fund.

Note 7 – Interfund Balances and Transfers

Interfund Transfers

The General Fund annually provides funding for capital projects to the Capital Improvements Fund. The General Fund, Capital Improvement Fund, Economic Development Fund, and TABOR fund contributed city match revenue to the Grants Fund for grant project requirements. The General Fund subsidized the operations of the Heritage, Culture and Arts Fund. The Medical & Dental Fund annually provides funding to subsidize the operations of the Property Casualty Fund and Workers Compensation Fund

Transfers between funds during the year ended December 31, 2025, were as follows:

Transfers In	Transfers Out		Amount
General Fund	TABOR	24,874,280	
			$ 24,874,280
Capital Improvement Fund	General Fund	500,000	
TABOR	General Fund	12,338,610	
Grants Fund	General Fund	1,249,709	
Equipment Replacement Fund	General Fund	1,500,000	
Heritage, Culture, Arts Fund	General Fund	1,100,000	
			16,688,319
TABOR	Capital Improvement Fund	2,103,747	
Grants Fund	Capital Improvement Fund	2,137,393	
			4,241,140
Open Space Fund	TABOR	1,101,829	
			1,101,829
Grants Fund	TABOR	2,510,303	
Grants Fund	Equipment Replacement Fund	57,804	
			2,568,107
TABOR	Economic Development Fund	1,336,692	
			1,336,692
Property Casualty	Medical & Dental	1,600,000	
Workers Compensation	Medical & Dental	600,000	
			2,200,000
Total			$ 53,010,367

Interfund Receivables and Payables

The amount payable to the General Fund relates to interfund loans made to the Grant Fund and Lakewood Reinvestment Authority Fund. Grants Fund payable is due to the time lag between when working capital is available in the fund to cover grant expenditures. The balance is scheduled to be collected in the subsequent year when unavailable revenues are collected in the grants fund. The amount payable from the Lakewood Reinvestment Authority is for personnel services reimbursement; Lakewood Reinvestment Authority is scheduled to complete payment of this receivable by August 2026.

The Advance to the Golf Fund from the General Fund, relates to the 2020B Certificate of Participation (COP) in Note 5. General Fund advanced the $4,500,000 proceeds received to the Golf Fund. These funds were used for the irrigation project at Fox Hollow Golf Course. The terms of the loan are the same as referenced on the COP. Principal collected by the General Fund pays the principal due of the COP, as well as any interest.

On May 13th, 2025, General Fund entered into an interfund loan agreement with the Stormwater Fund. This loan is for the purpose of funding a portion of the North Dry Gulch Floodplain Project. The amount loaned of $19,682,727 is a 20 year-term loan with a fixed interest rate of 2%. The first payment is due to General Fund on December 31st, 2026.

The 2025 Interfund receivable and payables between funds for the year ended December 31, 2025, not including the advance to Golf Fund or Stormwater Fund, were as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Grants Fund	$ 5,139,972
General Fund	Lakewood Reinvestment Authority	403,835
		$ 5,543,807

Note 8 – Employee Retirement Plans

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

Lakewood Employees Pension Plan

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

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

Under the terms of this plan, the employee contributes a mandatory percentage of base salary. The City is the only non-employee contributor and contributes a mandatory percentage of the employee's base salary.

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, 2025, the City and employees made contributions to the plan of $6,991,898 and $5,857,444 (including voluntary contributions of $1,756), 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.

Years of Continuous Service	Percentage Vested
Less than 1 year	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 2025, $314,723 was used from this account to fund a portion of the City's contribution, and $298,794 was available to fund future City contributions.

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 fulltime or regular part-time police officer. This plan is a defined contribution plan administered by Great West Life & Annuity Insurance Company which is administered by Empower Retirement Services.

The City is the only non-employee contributor and contributes 10% of the participants' base salary, and the participant is required to contribute 8% of base salary. Employee voluntary after-tax contributions to the plan are allowed to the extent allowed by law. Contribution requirements of the City and the participants are established and may be amended by the City Council. During the year ended December 31, 2025, the City and employees made contributions to the plan of $4,122,407 and $3,488,190 (including voluntary contributions of $4,331), respectively.

The City has a forfeiture account that is funded by the forfeiture of City contributions made on behalf of a police employee who terminates employment before becoming fully vested. During 2025, $137,161 was used from this account to fund a portion of the City's contribution, and $106,467 was available to fund future City contributions.

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

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

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

City Manager Severance

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 years' total compensation, calculated from the City Manager's final day of employment. In the event the City Manager elects to become retired from the City, the City shall pay to the City Manager, in lump sum, an amount equal to the pro-rata Total Compensation earned as of her final day of employment.

Retired City Manager Pension Plan

Summary of Significant Accounting Policies

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

Investments - Investments are reported at fair value.

Plan Information

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

Administration of the plan is vested with a Board of Trustees consisting of the City's Director of Employee Relations, Chief Financial Officer, 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. The expected payment for calendar year 2026 is $266,916.

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, 2023 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, 2025, were $280,000.

Investments

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, 2025, plan investments consisted solely of mutual funds. The annual money-weighted rate of return on plan investments, net of pension plan investment expense, was 7.81%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net Pension Liability

The net pension liability was measured at December 31, 2025, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2025.

Actuarial Assumptions - The total pension liability in the actuarial valuation as of December 31, 2025, 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

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

Mortality Rates - Pub 2010 General Above-Median Income, Amount Weighted, Healthy Annuitant Table, fully generational, projected with Ultimate MP-2020 rates. Males = No set back with a multiplier of 100% and Females = No set back with a multiplier of 100%

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. The plan's fiduciary net position as a percentage of the total pension liability is 58%.

Changes in Net Pension Liability:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances at December 31, 2024	$ 3,633,880	$ 1,959,202	$ 1,674,678
Changes for the year:			
Interest	236,284	-	236,284
Differences between expected and actual experience	18,685	-	18,685
Contributions - Employer	-	280,000	(280,000)
Net investmnet income	-	137,756	(137,756)
Benefit payments	(266,759)	(266,759)	-
Administrative expense	-	(605)	605
Net changes	(11,790)	150,392	(162,182)
Balances at December 31, 2025	$ 3,622,090	$ 2,109,594	$ 1,512,496

Sensitivity of the Net Pension Liability to Changes in the Discount Rate - The following table presents the net pension liability, per actuarial value total pension liability, of the City at December 31, 2025, 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 (6.75%)	1% increase (7.75%)
Net pension liability	$ 1,876,087	$ 1,512,496	$ 1,222,707

Pension Expense Related to Pensions

For the year ended December 31, 2025, the City recognized pension expense of $214,122. The net difference between projected and actual earnings on plan investments of $18,685 was recorded in pension expense.

Note 9 – Postemployment Benefits Other Than Pensions (OPEB)

Plan Information - 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. As of 2022, officers and the City no longer contribute to the plan as it has been actuarially deemed as adequately funded.

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. The plan does not issue a separate stand-alone report and is included in these financial statements as a Other Employee Benefit Trust fund.

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

At December 31, 2025, 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.

The City’s total OPEB asset of $2,652,860 was measured as of December 31, 2025, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs - The total OPEB asset in the December 31, 2025 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Cost Method	N/A
Amortization Method	Level Dollar, Open
Remaining Amortization Period	10 Years

Asset Valuation Method Market Value

Inflation N/A

Salary Increase 4.5%

Investment Rate of Return 5.00%

Retirement Age N/A

Mortality Tables Pub 2010 Safety, Amount Weighted, Healthy Annuitant Table, fully generational, projected with Ultimate MP-2021 rates

Expenses No explicit expense assumption

During the year ending December 31, 2025, benefit payments totaling $148,034 were paid. At December 31, 2025, assets totaling $5,720,526 were available for benefits. Under the plan document, there is no provision for benefits to be paid if sufficient assets are not available.

Changes in Total Net OPEB Asset:

	Total Net OPEB Asset
Balances at December 31, 2024	$ (2,326,366)
Changes for the year:	
Service Cost	353,083
Interest	121,445
Benefit payments	(148,034)
Net changes	326,494
Total OPEB Asset at December 31, 2025	2,652,860
Total Plan Assets at December 31, 2025	5,720,526
Total OPEB Asset at December 31, 2025	$ (3,067,666)

Sensitivity of the OPEB Asset to Changes in the Discount Rate - The following table presents the OPEB asset, per actuarial value total OPEB asset, of the City at December 31, 2025, calculated using the discount rate of 5.00%, as well as what the City's OPEB asset would be if it were calculated using a discount rate that is one percentage point lower (4.00%) or one percentage point higher (6.00%) than the current rate, as follows:

	1% decrease (4.00%)	Current discount rate (5.00%)	1% increase (6.00%)
OPEB Asset	$ (3,241,223)	$ (3,067,666)	$ (2,878,194)

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

For the year ended December 31, 2025, the City recognized OPEB expense of $3,990.

At December 31, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to the Duty, Death, and Disability Plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 54,033	$ 757,397
Changes in assumptions	164,239	991,400
Net different between projected and actual earnings on plan investments	367,615	486,009
	$ 585,887	$ 2,234,806

Amounts reported as deferred outflows of resources and deferred inflows of resources related to the Duty, Death, and Disability Plan will be recognized in the plans expense as follow:

Year ended December 31:	
2026	$ (196,822)
2027	(151,846)
2028	(335,649)
2029	(318,713)
2029	(198,376)
Thereafter	(447,513)
	$ (1,648,919)

Plan Information - Retiree Health Care Plan

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

The authority to establish and amend benefit provisions rests with the City Council. The City does not issue a stand-alone financial report for the plan.

The City has reported transactions related to these postemployment benefits in the Retirees' Health Internal Service Fund since no assets are held in a qualified trust.

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

The City subsidizes retirees who were full time active employees at a monthly rate of $40 per year of active service to a maximum of $800 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.

Employees Covered By Benefit Terms - As of December 31, 2025, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	45
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	821

Total OPEB Liability

The City's total OPEB liability of $7,850,221 was measured as of December 31, 2025 and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs - The total OPEB liability in the December 31, 2025 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.5 percent
Salary increases	3.5 percent compounded annually
Discount rate	4.08 percent
Mortality Tables	Pub-2010 General Healthy Retiree
Healthcare cost trend rates	Initial rate of 7.5 percent declining to an ultimate rate of 4.25 percent after 15 years

The discount rate was based on theBond Buyer 20-Bond Go Index

Changes in the Total OPEB Liability

	Total Net OPEB Liability
Balance at December 31, 2024	$ 8,353,629
Changes for the year:	
Service Cost	363,854
Interest	332,342
Differences between expected and actual experience	97,307
Changes of assumptions or other inputs	(517,071)
Benefit payments	(779,840)
Net changes	(503,408)
Balance at December 31, 2025	$ 7,850,221

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

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate - The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.08%) or 1-percentage-point higher (5.08%) than the current discount rate:

	1% decrease (3.08%)	Current discount rate (4.08%)	1% increase (5.08%)
Total OPEB Liability	$ 8,549,089	$ 7,850,221	$ 7,223,612

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates – The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that is 1-percentage-point lower (5.5%) or 1-percentage point higher (8.5%) than the current healthcare cost trend rates:

	1% decrease (6.5%)	Healthcare Cost Trend Rates (7.5%)	1% increase (8.5%)
Total OPEB Liability	$ 7,327,777	$ 7,850,221	$ 8,461,518

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

At December 31, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Experience Deviation	$ 1,641,953	$ 1,035,385
Differences between Plan Asset Resources	1,678,642	457,935
	$ 3,320,595	$ 1,493,320

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

Plan Expense Recognition Year ended December 31:	
2026	$ 129,340
2027	83,621
2028	99,188
2029	247,865
2030	247,865
Thereafter	1,019,396
	$ 1,827,275

Note 10 – Risk Management

The City is exposed to various risks of loss related to torts; thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees; health costs of employees; or natural disasters. For these risks of loss, the City has established self-insurance programs for property and casualty, worker's compensation, medical, and dental claims. The City accounts for these risk management activities in three internal service funds.

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

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

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

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

The following represents the changes in claims payable from January 1, 2023 to December 31, 2025:

	Property and Casualty	Workers' Compensation	Medical and Dental	Total
Claims payable, January 1, 2023	$ 1,700,370	$ 1,384,916	$ 615,309	$ 3,700,595
Claims and changes in provisions	208,163	132,890	11,614,241	11,955,294
Claims payments	(543,739)	(633,876)	(11,296,975)	(12,474,590)
Claims payable, December 31, 2024	1,364,794	883,930	932,575	3,181,299
Claims and changes in provisions	238,986	396,875	14,715,742	15,351,603
Claims payments	(794,364)	(639,476)	(14,293,720)	(15,727,560)
Claims payable, December 31, 2025	$ 809,416	$ 641,329	$ 1,354,597	$ 2,805,342

Note 11 – Contingencies

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

In 2025, a judgement was entered against the City related to the settlement of claims involving the unlawful collection of business and occupation tax. A liability was recognized for the estimated settlement payments. The City may be subject to further claims or obligations arising from this matter, which could result in additional future payments.

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

Note 12 – Tax Abatements

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

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

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

Project Name	Maximum Amount Committed To Be Reimbursed Or Waived (1)	Termination Of Reimbursement Obligation (2)	Description Of Sharing Arrangement	2025 Amount Of Tax Shared With Developer	Future Contingent Payments Required By Agreement
Stevinson I (3) Annexation	Not Limited	9/26/2029	1/4th of 2% Sales Tax	$1,911,469	N/A
Stevinson II (3) Annexation	Not Limited	10/9/2026	1/4th of 2% Sales Tax	$173,772	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.”

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	2025 Amount Of Tax Shared With Developer	Future Contingent Payments Required By Agreement
Belmar	$120,000,000	9/10/2025	2/3rds of 3% Sales Tax Rate Waived	$-	N/A

(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.

Note 13 – Adoption of Accounting Standards

The City has adopted the Governmental Accounting Standards Board (GASB) Statement No. 102, *Certain Risk Disclosures,* (GASB 102), in calendar year 2025. The standard requires the city to disclose any vulnerabilities due to certain concentrations or constraints. GASB 102 defines a concentration as a lack of diversity that is related to an aspect of significant inflow of resources or outflow of resources. A constraint is defined as a limitation that has been imposed by an external party or by formal action of the government’s highest level of decision-making authority. When concentrations and constraints are present, this creates a vulnerability that the city’s ability to acquire resources or control spending is limited. The city has determined that no concentrations or constraints are present for calendar year 2025, therefore, no further disclosure is required.

Lakewood
Colorado

Required Supplementary Information

Required Supplementary Information
General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual
For the Year Ended December 31, 2025

	Original Budget	Final Budget	Variance with Original Budget	Actual	Variance with Final Budget
REVENUES					
Taxes:					
Property Tax	$ 15,403,757	$ 15,338,342	$ (65,415)	$ 15,304,622	$ (33,720)
Sales and Use Tax	95,275,309	91,826,249	(3,449,060)	94,060,457	2,234,208
Franchise Tax	22,255,425	21,018,585	(1,236,840)	20,350,113	(668,472)
Licenses and Permits	4,273,449	4,273,891	442	3,908,547	(365,344)
Intergovernmental	6,263,733	6,826,310	562,577	6,537,923	(288,387)
Charges for Services	13,406,317	15,260,520	1,854,203	15,500,783	240,263
Fines and Forfeitures	700,826	725,640	24,814	763,690	38,050
Investment Income	6,977,035	6,685,391	(291,644)	6,882,925	197,534
Miscellaneous	822,581	908,900	86,319	669,838	(239,062)
Total Revenues	165,378,432	162,863,828	(2,514,604)	163,978,898	1,115,070
EXPENDITURES					
General Government					
Legislative					
Personnel Services	416,625	451,545	34,920	364,993	(86,552)
Services and Supplies	291,083	291,083	-	220,560	(70,523)
Total Legislative	707,708	742,628	34,920	585,553	(157,075)
Judicial					
Personnel Services	3,755,986	4,015,513	259,527	3,564,160	(451,353)
Services and Supplies	391,752	427,752	36,000	387,042	(40,710)
Total Judicial	4,147,738	4,443,265	295,527	3,951,202	(492,063)
Executive					
Personnel Services	3,055,200	3,032,848	60,988	2,841,851	(190,997)
Services and Supplies	746,643	725,743	(104,240)	642,403	(83,340)
Capital Outlay	-	-		63,411	63,411
Total Executive	3,801,843	3,758,591	(43,252)	3,547,665	(210,926)
Administrative					
Personnel Services	12,531,507	11,452,948	(1,078,559)	10,856,683	(596,265)
Services and Supplies	3,124,675	3,609,181	484,506	2,958,919	(650,262)
Total Administrative	15,656,182	15,062,129	(594,053)	13,815,602	(1,246,527)
Other					
Personnel Services	11,270,989	8,128,681	(3,142,308)	10,794,765	2,666,084
Services and Supplies	15,014,057	12,549,487	(2,464,570)	48,305,909	35,756,422
Capital Outlay	10,400,000	9,975,000	(425,000)	8,671,081	(1,303,919)
Total Other	36,685,046	30,653,168	(6,031,878)	67,771,755	37,118,587
Total General Government	60,998,517	54,659,781	(6,338,736)	89,671,777	35,011,996

See the accompanying Independent Auditors' Report.

Required Supplementary Information
General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Continued)
For the Year Ended December 31, 2025

	Original Budget	Final Budget	Variance with Original Budget	Actual	Variance with Final Budget
Public Safety					
Law Enforcement					
Personnel Services	57,590,915	59,862,212	2,271,297	58,247,898	(1,614,314)
Services and Supplies	7,143,874	7,230,836	86,962	7,253,195	22,359
Capital Outlay	38,000	50,000	12,000	(41)	(50,041)
Total Law Enforcement	64,772,789	67,143,048	2,370,259	65,501,052	(1,641,996)
Corrections					
Personnel Services	1,235,244	1,288,032	52,788	1,249,088	(38,944)
Services and Supplies	134,226	59,226	(75,000)	63,996	4,770
Total Corrections	1,369,470	1,347,258	(22,212)	1,313,084	(34,174)
Protective Inspection					
Personnel Services	3,586,432	3,885,779	299,347	3,642,014	(243,765)
Services and Supplies	957,000	1,087,000	130,000	908,829	(178,171)
Total Protective Inspection	4,543,432	4,972,779	429,347	4,550,843	(421,936)
Other Protection					
Personnel Services	2,624,489	2,832,721	208,232	2,704,922	(127,799)
Services and Supplies	1,052,088	802,088	(250,000)	816,570	14,482
Capital Outlay	362	362	-	30,854	30,492
Total Other Protection	3,676,939	3,635,171	(41,768)	3,552,346	(82,825)
Total Public Safety	74,362,630	77,098,256	2,735,626	74,917,325	(2,180,931)
Public Works					
Highways and Streets					
Personnel Services	4,528,374	4,512,325	(16,049)	4,176,639	(335,686)
Services and Supplies	4,924,034	5,039,034	115,000	4,262,385	(776,649)
Capital Outlay	191,500	261,500	70,000	337,245	75,745
Total Highways and Streets	9,643,908	9,812,859	168,951	8,776,269	(1,036,590)
Total Public Works	9,643,908	9,812,859	168,951	8,776,269	(1,036,590)
Culture and Recreation					
Recreation					
Personnel Services	8,218,267	8,240,041	21,774	8,311,305	71,264
Services and Supplies	2,515,453	2,570,495	55,042	2,162,433	(408,062)
Capital Outlay	224,985	224,985	-	1,295	(223,690)
Total Recreation	10,958,705	11,035,521	76,816	10,475,033	(560,488)

See the accompanying Independent Auditors' Report.

Required Supplementary Information
General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Continued)
For the Year Ended December 31, 2025

	Original Budget	Final Budget	Variance with Original Budget	Actual	Variance with Final Budget
Parks					
Personnel Services	3,715,554	4,102,566	387,012	3,866,284	(236,282)
Services and Supplies	1,907,640	1,899,400	(8,240)	2,016,391	116,991
Total Parks	5,623,194	6,001,966	378,772	5,882,675	(119,291)
Total Culture and Recreation	16,581,899	17,037,487	455,588	16,357,708	(679,779)
Urban Development and Housing					
Personnel Services	1,258,697	1,201,927	(56,770)	1,112,993	(88,934)
Services and Supplies	704,797	1,612,480	907,683	(99,585)	(1,712,065)
Capital Outlay	928,583	464,291	(464,292)	212,645	(251,646)
Total Urban Development and Housing	2,892,077	3,278,698	386,621	1,226,053	(2,052,645)
Economic Opportunity					
Personnel Services	1,194,206	1,036,931	(157,275)	1,397,857	360,926
Services and Supplies	433,894	314,553	(119,341)	138,085	(176,468)
Total Economic Opportunity	1,628,100	1,351,484	(276,616)	1,535,942	184,458
Debt Service					
Principal	571,719	392,069	(179,650)	980,536	588,467
Interest	-	64,561	64,561	219,686	155,125
Total Debt Service	571,719	456,630	(115,089)	1,200,222	743,592
Total Expenditures	166,678,850	163,695,195	(2,983,655)	193,685,296	29,990,101
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,300,418)	(831,367)	469,051	(29,677,132)	(28,845,765)
OTHER FINANCING SOURCES (USES)					
Gain on Sale of Gapital Assets	-	-	-	996,472	996,472
Transfers In	1,203,731	-	(1,203,731)	24,874,280	24,874,280
Transfers Out	(23,875,872)	(31,739,998)	(7,864,126)	(16,688,319)	15,051,679
Total Other Financing Sources (Uses)	(22,672,141)	(31,739,998)	(9,067,857)	9,182,433	40,922,431
Net Change in Fund Balance	$ (23,972,559)	$ (32,571,365)	$ (8,598,806)	(20,494,699)	$ 12,076,666
FUND BALANCE - Beginning of Year				74,163,753	
FUND BALANCE - End of Year				$ 53,669,054	

See the accompanying Independent Auditors' Report.

Required Supplementary Information
TABOR Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual
For the Year Ended December 31, 2025

	Original Budget	Final Budget	Variance with Original Budget	Actual	Variance with Final Budget
REVENUES					
Investment Income	$ -	$ 803,287	$ 803,287	$ 704,784	$ (98,503)
Total Revenues	-	803,287	803,287	704,784	(98,503)
EXPENDITURES					
General Government					
Administrative					
Services and Supplies	100,000	100,000	-	216,388	116,388
Total Administrative	100,000	100,000	-	216,388	116,388
Total General Government	100,000	100,000	-	216,388	116,388
Public Safety					
Law Enforcement					
Personnel Services	544,797	639,575	94,778	623,482	(16,093)
Services and Supplies	1,171,607	2,129,368	957,761	1,025,618	(1,103,750)
Capital Outlay	-	-	-	14,801	14,801
Total Law Enforcement	1,716,404	2,768,943	1,052,539	1,663,901	(1,105,042)
Total Public Safety	1,716,404	2,768,943	1,052,539	1,663,901	(1,105,042)
Public Works					
Highways and Streets					
Personnel Services	606,201	1,049,608	443,407	849,441	(200,167)
Services and Supplies	-	-	-	34,193	34,193
Capital Outlay	325,000	6,452,644	6,127,644	1,719,852	(4,732,792)
Total Highways and Streets	931,201	7,502,252	6,571,051	2,603,486	(4,898,766)
Total Public Works	931,201	7,502,252	6,571,051	2,603,486	(4,898,766)
Culture and Recreation					
Recreation					
Capital Outlay	-	85,000	85,000	-	(85,000)
Total Recreation	-	85,000	85,000	-	(85,000)
Parks					
Services and Supplies	-	-	-	8,072	8,072
Capital Outlay	1,083,000	4,883,000	3,800,000	373,217	(4,509,783)
Total Parks	1,083,000	4,883,000	3,800,000	381,289	(4,501,711)
Total Culture and Recreation	1,083,000	4,968,000	3,885,000	381,289	(4,586,711)
Total Expenditures	3,830,605	15,339,195	11,508,590	4,865,064	(10,474,131)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,830,605)	(14,535,908)	(10,705,303)	(4,160,280)	10,375,628
OTHER FINANCING SOURCES (USES)					
Transfers In	8,664,542	10,000,000	1,335,458	15,779,049	5,779,049
Transfers Out	-	(4,893,883)	(4,893,883)	(28,486,412)	(23,592,529)
Total Other Financing Sources (Uses)	8,664,542	5,106,117	(3,558,425)	(12,707,363)	(17,813,480)
Net Change in Fund Balance	$ 4,833,937	$ (9,429,791)	$ (14,263,728)	(16,867,643)	$ (7,437,852)
FUND BALANCE - Beginning of Year				49,257,765	
FUND BALANCE - End of Year				$ 32,390,122	

See the accompanying Independent Auditors' Report.

Required Supplementary Information
Retired City Manager Pension Plan
Schedule of Changes in Net Pension Liability and Related Ratios
Last Ten Fiscal Years
December 31, 2025

	2025	2024	2023	2022
Total Pension Liability				
Interest Cost	$ 236,284	$ 202,738	$ 205,286	$ 207,113
Actuarial Variations	18,685	31,009	17,043	13,605
Changes of Assumptions	-	526,099	-	-
Benefits Paid	(266,759)	(258,996)	(251,460)	(244,408)
Net Change in Pension Liability	(11,790)	500,850	(29,131)	(23,690)
Total Pension Liability - Beginning	3,633,880	3,133,030	3,162,161	3,185,851
Total Pension Liability - Ending	3,622,090	3,633,880	3,133,030	3,162,161
Plan Fiduciary Net Position				
Contributions - Employer	280,000	320,000	230,000	255,000
Net Investment Income	137,756	140,315	150,416	(313,088)
Benefit Payments	(266,759)	(258,996)	(251,460)	(244,408)
Administrative Expenses	(605)	(545)	(485)	(485)
Net Change in Plan Fiduciary Net Position	150,392	200,774	128,471	(302,981)
Plan Fiduciary Net Position - Beginning	1,959,202	1,758,428	1,629,957	2,783,364
Restatement of Investment Value	-	-	-	(850,426)
Plan Fiduciary Net Position - Beginning	1,959,202	1,758,428	1,629,957	1,932,938
Plan Fiduciary Net Position - Ending	2,109,594	1,959,202	1,758,428	1,629,957
Net Pension Liability - Ending	$ 1,512,496	$ 1,674,678	$ 1,374,602	$ 1,532,204
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	58.24%	53.91%	56.13%	51.55%
Covered Payroll	No Active Employees			
Net Pension Liability as a Percentage of Covered Payroll	NA	NA	NA	NA
City Contributions				
Actuarially Determined Contribution	$ 220,785	$ 181,224	$ 101,176	$ 29,625
Contribution in Relation to the Actuarially Determined Contribution	280,000	320,000	251,602	237,146
Contribution Deficiency (Excess)	$ (59,215)	$ (138,776)	$ (150,426)	$ (207,521)
Investment Returns				
Annual Money-Weighted Rate of Return, Net of Investment Expense	6.75%	7.81%	5.47%	4.77%

See the accompanying Independent Auditors' Report.

2021	2020	2019	2018	2017	2016
$ 208,568	$ 209,644	$ 210,354	$ 210,706	$ 210,714	$ 210,500
10,596	8,093	6,010	4,343	2,593	(2,517)
-	-	-	-	-	-
(237,280)	(230,360)	(223,648)	(217,138)	(210,000)	(200,000)
(18,116)	(12,623)	(7,284)	(2,089)	3,307	7,983
3,203,967	3,216,590	3,223,874	3,225,963	3,222,656	3,214,673
3,185,851	3,203,967	3,216,590	3,223,874	3,225,963	3,222,656
210,000	240,000	250,000	225,000	210,000	210,000
156,237	147,529	139,361	131,302	123,758	116,860
(237,280)	(230,360)	(223,648)	(217,138)	(210,810)	(204,664)
(485)	(1,372)	(731)	(485)	(486)	(547)
128,472	155,797	164,982	138,679	122,462	121,649
2,654,892	2,499,095	2,334,113	2,195,434	2,072,972	1,951,323
-	-	-	-	-	-
2,654,892	2,499,095	2,334,113	2,195,434	2,072,972	1,951,323
2,783,364	2,654,892	2,499,095	2,334,113	2,195,434	2,072,972
$ 402,487	$ 549,075	$ 717,495	$ 889,761	$ 1,030,529	$ 1,149,684
87.37%	82.86%	77.69%	72.40%	68.06%	64.32%
		No Active Employees			
NA	NA	NA	NA	NA	NA
$ 40,414	$ 52,810	$ 65,490	$ 75,851	$ 84,621	$ 92,987
237,146	230,230	223,522	201,359	210,810	204,664
$ (196,732)	$ (177,420)	$ (158,032)	$ (125,508)	$ (126,189)	$ (111,677)
5.91%	5.85%	5.92%	5.96%	5.96%	5.97%

See the accompanying Independent Auditors' Report.

Required Supplementary Information
Schedule of Changes in the City's
Total Duty, Death & Disability Liability and Related Ratios
Last Ten Fiscal Years
December 31, 2025

	2025	2024	2023	2022
Total OPEB Asset				
Service cost	$ 353,083	$ 337,072	$ 158,978	$ 145,270
Interest	121,445	124,627	111,777	106,170
Changes of benefit terms	-	-	-	-
Differences between expected and actual experiences	-	(390,867)	62,995	(111,035)
Changes of assumptions or other inputs	-	-	-	-
Benefit payments	(148,034)	(136,944)	(38,911)	(45,611)
Total OPEB Asset Changes	326,494	(66,112)	294,839	94,794
Total OPEB Asset - beginning	(2,989,577)	(2,679,406)	(2,097,639)	(3,358,684)
Total OPEB Asset at December 31	2,652,860	2,326,366	2,392,478	2,097,639
Plan Assets at December 31	5,720,526	5,315,943	5,071,884	4,663,723
Total OPEB Asset - ending	$ (3,067,666)	$ (2,989,577)	$ (2,679,406)	$ (2,566,084)
Covered employee payroll	$ 35,020,941	$ 33,512,862	$ 29,478,784	$ 28,237,643
Total Pension liability as a percentage of covered-employee payroll	-8.76%	-8.92%	-9.09%	-9.09%

See the accompanying Independent Auditors' Report.

2021	2020	2019	2018	2017	2016
$ 162,996	$ 188,025	$ 160,620	$ 93,148	$ 85,399	$ 91,787
128,341	126,404	127,158	148,219	132,855	138,579
-	-	-	-	-	-
(189,002)	(191,949)	(254,286)	-	-	(241,314)
(482,399)	-	-	(651,992)	602,199	-
(45,611)	(74,206)	(78,071)	(78,071)	(78,071)	(78,071)
(425,675)	48,274	(44,579)	(488,696)	742,382	(89,019)
(2,400,143)	(1,935,813)	(1,322,079)	(793,016)	(115,970)	(813,395)
2,002,845	2,428,520	2,380,246	2,424,825	2,913,521	2,171,139
5,361,529	4,828,663	4,316,059	3,746,904	3,706,537	3,327,109
$ (3,358,684)	$ (2,400,143)	$ (1,935,813)	$ (1,322,079)	$ (793,016)	$ (1,155,970)
$ 27,336,406	$ 26,712,235	$ 27,501,094	$ 25,819,331	$ 24,519,955	$ 23,074,813
-12.29%	-8.99%	-7.04%	-5.12%	-3.23%	-5.01%

See the accompanying Independent Auditors' Report.

Required Supplementary Information
Schedule of Changes in the City's
Total Retiree Health Care Plan and Related Ratios
Last Ten Fiscal Years
December 31, 2025

	2025	2024	2023
Total OPEB liability			
Service cost	$ 363,854	$ 322,181	$ 361,445
Interest	332,342	363,341	374,100
Changes of benefit terms	-	-	-
Differences between expected and actual experiences	97,307	175,333	(653,490)
Changes of assumptions or other inputs	(517,071)	-	437,761
Benefit payments	(779,840)	(840,775)	(301,406)
Net change in total OPEB liability	(503,408)	20,080	218,410
Total OPEB liability-beginning	8,353,629	8,333,549	8,115,139
Total OPEB liability-ending	$ 7,850,221	$ 8,353,629	$ 8,333,549
Covered employee payroll	$ 76,629,080	$ 66,238,254	$ 75,801,267
Total OPEB liability as a percentage of covered-employee payroll	10.24%	12.61%	10.99%

There are no assets accumulated in a trust that meets the criteria of GASB codification P22.101 or P52.101 to pay related benefits for the pension/OPEB plan

See the accompanying Independent Auditors' Report.

2022	2021	2020	2019	2018	2017	2016
$ 302,581	$ 255,256	$ 261,647	$ 180,151	$ 177,901	$ 173,096	$ 162,610
361,747	340,101	321,821	246,335	196,359	198,391	200,326
-	-	-	-	-	-	-
(163,433)	139,440	126,239	144,283	(212,463)	(337,876)	(308,623)
-	-	-	1,303,246	1,151,291	-	-
(266,181)	(342,354)	(243,600)	(318,768)	(70,020)	(99,575)	(117,538)
234,714	392,443	466,107	1,555,247	1,243,068	(65,964)	(63,225)
7,880,425	7,487,982	7,021,875	5,466,628	4,223,560	4,289,524	4,352,749
$ 8,115,139	$ 7,880,425	$ 7,487,982	$ 7,021,875	$ 5,466,628	$ 4,223,560	$ 4,289,524
$ 74,424,533	$ 67,798,719	$ 64,039,964	$ 64,694,985	$ 65,031,226	$ 63,161,430	$ 61,690,440
10.90%	11.62%	11.69%	10.85%	8.41%	6.69%	6.95%

See the accompanying Independent Auditors' Report.

Notes to Required Supplementary Information

Year Ended December 31, 2025

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, 2025, one year prior to the fiscal year in which the contributions are reported.
Actuarial Cost Method	Entry Age
Amortization Method	Level Dollar Method over Fixed Period of Years
Remaining Amortization Period	30 Years, Open
Asset Valuation Method	Contract Value of Invested Assets
Inflation	N/A
Benefits Expected Fixed COLA Increases	3% Per Annum Compounded Annually
Investment Rate of Return	6.75% Per Annum Compounded Annually, Net of Expenses
Number of Participants Employed	0
Number of Participants Retired	1
Retirement Date	September 19, 2009
Mortality Rates	Pub 2010 General Above-Median Income, Amount Weighted, Healthy Annuitant Table, fully generational, projected with ultimate MP-2020 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 Reinvestment Authority are adopted by the governing board.
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. City Council has authorized the City Manager to move budget between funds and among departments as deemed appropriate.
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, 2025, General Fund, Equipment Replacement Fund, the Golf Course Enterprise Fund, and the Medical and Dental Fund expenditures exceeded the amounts budgeted by $29,990,101, $21,224, $556,055 and $1,523,397 respectively. These may be a violation of State statutes.

For the year ended December 31, 2025, expenditures exceeded final appropriations in the General Fund. Expenditures exceeded the final budget by approximately $29.99 million. This overexpenditure was primarily attributable to the recognition of a one-time legal settlement related to previously collected business and occupation taxes. The settlement was recorded in accordance with generally accepted accounting principles during the current fiscal year; however, the timing and magnitude of the obligation were not fully incorporated into the final amended budget prior to year-end. Management has evaluated the circumstances surrounding these overexpenditures and determined that they resulted primarily from unforeseen timing of settlement recognition, the nonrecurring nature of the underlying transaction, and differences between budgetary planning assumptions and final financial reporting requirements.

TABOR Amendment

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

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

Lakewood
Colorado

Supplementary Information - Combining and Individual Fund Financial Statements and Schedules

ANNUAL COMPREHENSIVE FINANCIAL REPORT / CITY OF LAKEWOOD, COLORADO

Lakewood
Colorado

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.

Lakewood Reinvestment Authority 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.

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.

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

NON-MAJOR FUNDS

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

SPECIAL REVENUE FUNDS

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

MAJOR FUNDS

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

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.

Capital Improvement Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual
For the Year Ended December 31, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Taxes:				
Sales and Use Tax	$ 18,081,172	$ 17,544,039	$ 18,493,905	$ 949,866
Building Material Use Tax	613,397	735,424	488,036	(247,388)
Specific Ownership Tax	1,693,609	1,541,292	1,553,244	11,952
Intergovernmental	2,007,332	2,368,583	2,363,430	(5,153)
Investment Income	393,750	564,084	491,094	(72,990)
Miscellaneous	-	-	66,565	66,565
Total Revenues	22,789,260	22,753,422	23,456,274	702,852
EXPENDITURES				
General Government				
Other				
Personnel Services	251,348	252,773	134,118	(118,655)
Services and Supplies	(3,124,500)	1,875,500	3,098,932	1,223,432
Capital Outlay	2,354,968	(641,241)	879,028	1,520,269
Total Other	(518,184)	1,487,032	4,112,078	2,625,046
Total General Government	(518,184)	1,487,032	4,112,078	2,625,046
Public Safety				
Other Protection				
Personnel Services	545,195	571,742	466,867	(104,875)
Services and Supplies	509,165	702,695	961,717	259,022
Capital Outlay	1,595,000	3,609,858	1,425,104	(2,184,754)
Total Other Protection	2,649,360	4,884,295	2,853,688	(2,030,607)
Total Public Safety	2,649,360	4,884,295	2,853,688	(2,030,607)
Public Works				
Highways and Streets				
Personnel Services	1,210,925	1,157,474	1,012,910	(144,564)
Services and Supplies	514,800	1,278,249	619,974	(658,275)
Capital Outlay	14,019,618	15,009,495	13,846,968	(1,162,527)
Total Highways and Streets	15,745,343	17,445,218	15,479,852	(1,965,366)
Total Public Works	15,745,343	17,445,218	15,479,852	(1,965,366)
Culture and Recreation				
Recreation				
Services and Supplies	-	460,000	400,005	(59,995)
Total Recreation	-	460,000	400,005	(59,995)
Total Culture and Recreation	-	460,000	400,005	(59,995)
Urban Development and Housing				
Services and Supplies	14,000	14,000	18,895	4,895
Capital Outlay	2,095,139	2,095,139	2,093,071	(2,068)
Total Urban Development and Housing	2,109,139	2,109,139	2,111,966	2,827
Total Expenditures	19,985,658	26,385,684	24,957,589	(1,428,095)
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,803,602	(3,632,262)	(1,501,315)	2,130,947
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	500,000	500,000
Transfers Out	(8,815,380)	(4,315,380)	(4,241,140)	74,240
Total Other Financing Sources	(8,815,380)	(4,315,380)	(3,741,140)	574,240
Net Change in Fund Balance	$ (6,011,778)	$ (7,947,642)	(5,242,455)	$ 2,705,187
FUND BALANCE - Beginning of Year			19,891,311	
FUND BALANCE - End of Year			$ 14,648,856	

Lakewood Reinvestment Authority Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual
For the Year Ended December 31, 2025

	Final Budget	Actual	Variance with Final Budget
REVENUES			
Taxes:			
Property Tax	$ 12,131,848	$ 9,449,662	$ (2,682,186)
Charges for Services	966,814	764,243	(202,571)
Investment Income	284,998	260,177	(24,821)
Total Revenues	13,383,660	10,474,082	(2,909,578)
EXPENDITURES			
Urban Development and Housing			
Personnel Services	184,784	47,418	(137,366)
Services and Supplies	1,608,940	904,243	(704,697)
Capital Outlay	11,515,246	7,211,526	(4,303,720)
Total Urban Development and Housing	13,308,970	8,163,187	(5,145,783)
Debt Service			
Principal	135,975	135,975	-
Interest	16,746	17,176	430
Total Debt Service	152,721	153,151	430
Total Expenditures	13,461,691	8,316,338	(5,145,353)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(78,031)	2,157,744	2,235,775
Net Change in Fund Balance	$ (78,031)	2,157,744	$ 2,235,775
FUND BALANCE - Beginning of Year		9,280,165	
FUND BALANCE - End of Year		$ 11,437,909	

See the accompanying Independent Auditors’ Report.

Grants Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual
For the Year Ended December 31, 2025

	Final Budget	Actual	Variance with Final Budget
REVENUES			
Intergovernmental	$ 39,783,267	$ 17,284,408	$ (22,498,859)
Investment Income	-	1,529	1,529
Miscellaneous	530	4,273	3,743
Total Revenues	39,783,797	17,290,210	(22,493,587)
EXPENDITURES			
General Government			
Executive			
Personnel Services	284,216	627	(283,589)
Services and Supplies	5,107,000	42,686	(5,064,314)
Total Executive	5,391,216	43,313	(5,347,903)
Other			
Personnel Services	76,035	65,823	(10,212)
Services and Supplies	990,050	78,658	(911,392)
Capital Outlay	600,000	377,842	(222,158)
Total Other	1,666,085	522,323	(1,143,762)
Total General Government	7,057,301	565,636	(6,491,665)
Public Safety			
Law Enforcement			
Personnel Services	2,428,258	1,064,237	(1,364,021)
Services and Supplies	3,700,707	3,451,213	(249,494)
Capital Outlay	789,800	176,946	(612,854)
Total Law Enforcement	6,918,765	4,692,396	(2,226,369)
Other Protection			
Personnel Services	-	2,581	2,581
Services and Supplies	50,405	27,571	(22,834)
Capital Outlay	1,000,000	-	(1,000,000)
Total Other Protection	1,050,405	30,152	(1,020,253)
Total Public Safety	7,969,170	4,722,548	(3,246,622)
Public Works			
Highways and Streets			
Services and Supplies	-	58,897	58,897
Capital Outlay	22,885,112	13,554,746	(9,330,366)
Total Highways and Streets	22,885,112	13,613,643	(9,271,469)
Total Public Works	22,885,112	13,613,643	(9,271,469)

See the accompanying Independent Auditors' Report.

Grants Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Continued)
Year Ended December 31, 2025

	Final Budget	Actual	Variance with Final Budget
Culture and Recreation			
Recreation			
Personnel Services	561,569	502,046	(59,523)
Services and Supplies	-	19,300	19,300
Capital Outlay	2,965,755	2,287,533	(678,222)
Total Recreation	3,527,324	2,808,879	(718,445)
Total Culture and Recreation	3,527,324	2,808,879	(718,445)
Urban Development and Housing			
Personnel Services	260,781	273,469	12,688
Services and Supplies	1,988,754	614,289	(1,374,465)
Capital Outlay	4,847,945	5,036,687	188,742
Total Urban Development and Housing	7,097,480	5,924,445	(1,173,035)
Economic Opportunity			
Personnel Services	811,215	564,924	(246,291)
Services and Supplies	(17,643)	74,296	91,939
Total Economic Opportunity	793,572	639,220	(154,352)
Total Expenditures	49,329,959	28,274,371	(21,055,588)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(9,546,162)	(10,984,161)	(1,437,999)
OTHER FINANCING SOURCES (USES)			
Transfers In	9,056,367	5,955,209	(3,101,158)
Total Other Financing Sources (Uses)	9,056,367	5,955,209	(3,101,158)
Net Change in Fund Balance	$ (489,795)	(5,028,952)	$ (4,539,157)
FUND BALANCE - Beginning of Year		(1,231,905)	
FUND BALANCE - End of Year		$ (6,260,857)	

See the accompanying Independent Auditors' Report.

Lakewood
Colorado

Non-Major Governmental Funds
Combining Balance Sheet
December 31, 2025

	Special Revenue Funds			
	Conservation Trust Fund	Economic Development Fund	Formerly Non-Major Grants Fund	Heritage, Culture and Arts Fund
ASSETS				
Cash, Pooled Cash, and Investments	$ 2,820,220	$ 13,019,606	$ -	$ 1,219,878
Accounts Receivable	-	683,885	-	140,714
Sales Taxes Receivable	-	154,012	-	-
Inventories	-	-	-	26,556
Prepaids	-	-	-	11,815
Total Assets	$ 2,820,220	$ 13,857,503	$ -	$ 1,398,963
LIABILITIES				
Accounts Payable	71,284	17,547	-	50,515
Interfund Payable	-	-	-	-
Accrued Liabilities	-	17,438	-	80,012
Retainage Payable	8,178	-	-	-
Unearned Revenues	-	-	-	586,140
Total Liabilities	79,462	34,985	-	716,667
DEFERRED INFLOWS OF RESOURCES				
Grants	-	-	-	140,597
Total Deferred Inflows of Resources	-	-	-	140,597
FUND BALANCES				
Nonspendable:				
Inventories	-	-	-	26,556
Prepaids	-	-	-	11,815
Restricted for:				
Parks and Open Space	2,740,758	-	-	-
Economic Development	-	13,822,518	-	-
Assigned to:				
Cultural Activities	-	-	-	503,328
Capital Improvements	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	2,740,758	13,822,518	-	541,699
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 2,820,220	$ 13,857,503	$ -	$ 1,398,963

See the accompanying Independent Auditors' Report.

Open Space Fund	Capital Projects Equipment Replacement Fund	Total Non-Major Governmental Funds
$ 6,727,999	$ 4,275,120	$ 26,960,994
1,934,750	18,793	2,778,142
-	-	154,012
-	-	26,556
-	28,323	40,138
$ 8,662,749	$ 4,322,236	$ 29,959,842
315,479	342,016	796,841
-	-	-
137,103	-	234,553
44,130	-	52,308
-	-	586,140
496,712	342,016	1,669,842
-	-	140,597
-	-	140,597
-	-	26,556
-	28,323	40,138
		-
8,166,037	-	9,804,966
-	-	13,822,518
		-
-	-	503,328
-	3,951,897	3,951,897
-	-	-
8,166,037	3,980,220	28,149,403
$ 8,662,749	$ 4,322,236	$ 29,959,842

See the accompanying Independent Auditors' Report.

Non-Major Governmental Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended December 31, 2025

	Special Revenue Funds			
	Conservation Trust Fund	Economic Development Fund	Formerly Non-Major Grants Fund	Heritage, Culture and Arts Fund
REVENUES				
Taxes	$ -	$ 2,291,120	$ -	$ -
Intergovernmental	1,826,309	-	-	517,975
Charges for Services	-	92,051	-	1,813,224
Investment Income	81,219	328,100	-	-
Miscellaneous	-	529	-	203,109
Total Revenues	1,907,528	2,711,800	-	2,534,308
EXPENDITURES				
Current				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	-	-	-	-
Culture and Recreation	384,573	-	-	3,710,164
Urban Development and Housing	-	1,814,197	-	-
Economic Opportunity	-	-	-	-
Capital Outlay			-	
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	-	-	-	-
Culture and Recreation	1,654,581	-	-	25,020
Urban Development and Housing	-	73,656	-	-
Total Expenditures	2,039,154	1,887,853	-	3,735,184
Excess (Deficiency) of Revenues Over (Under) Expenditures	(131,626)	823,947	-	(1,200,876)
OTHER FINANCING SOURCES (USES)			-	
Sale of General Capital Assets	-	-	-	-
Transfers In	-	-	-	1,100,000
Transfers Out	-	(1,336,692)	-	-
Total Other Financing Sources (Uses)	-	(1,336,692)	-	1,100,000
Net Change in Fund Balances	(131,626)	(512,745)	-	(100,876)
FUND BALANCES - Beginning of Year	2,872,384	14,335,263	(1,231,905)	642,575
Change from non-major fund to major fund	-	-	1,231,905	-
FUND BALANCES - Beginning of Year, as adjusted	2,872,384	14,335,263	-	642,575
FUND BALANCES - End of Year	$ 2,740,758	$ 13,822,518	$ -	$ 541,699

See the accompanying Independent Auditors' Report.

Capital Projects		
Open Space Fund	Equipment Replacement Fund	Total Non-Major Governmental Funds
$ 92,820	$ -	$ 2,383,940
10,299,609	-	12,643,893
14,675	2,297,496	4,217,446
142,429	-	551,748
3,500	-	207,138
10,553,033	2,297,496	20,004,165
-	2,224,309	2,224,309
-	-	-
53,132	-	53,132
7,702,098	-	11,796,835
-	-	1,814,197
-	-	-
		-
-	4,593,113	4,593,113
-	-	-
-	-	-
4,516,917	100,000	6,296,518
-	-	73,656
12,272,147	6,917,422	26,851,760
(1,719,114)	(4,619,926)	(6,847,595)
-	330,841	330,841
1,101,829	1,500,000	3,701,829
-	(57,804)	(1,394,496)
1,101,829	1,773,037	2,638,174
(617,285)	(2,846,889)	(4,209,421)
8,783,322	6,827,109	32,228,748
-	-	-
8,783,322	6,827,109	33,460,653
$ 8,166,037	$ 3,980,220	$ 29,251,232

See the accompanying Independent Auditors' Report.

Conservation Trust Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual
For the Year Ended December 31, 2025

	Final Budget	Actual	Variance with Final Budget
REVENUES			
Intergovernmental	$ 1,800,000	$ 1,826,309	$ 26,309
Investment Income	48,869	81,219	32,350
Total Revenues	1,848,869	1,907,528	58,659
EXPENDITURES			
Culture and Recreation			
Recreation			
Capital Outlay	160,000	-	(160,000)
Total Recreation	160,000	-	(160,000)
Parks			
Services and Supplies	-	384,573	384,573
Capital Outlay	3,190,000	1,654,581	(1,535,418)
Total Parks	3,190,000	2,039,154	(1,150,845)
Total Culture and Recreation	3,350,000	2,039,154	(1,310,845)
Total Expenditures	3,350,000	2,039,154	(1,310,846)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,501,131)	(131,626)	1,369,505
Net Change in Fund Balance	$ (1,501,131)	(131,626)	$ 1,369,505
FUND BALANCE - Beginning of Year		2,872,384	
FUND BALANCE - End of Year		$ 2,740,758	

See the accompanying Independent Auditors' Report.

Economic Development Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual
For the Year Ended December 31, 2025

	Final Budget	Actual	Variance with Final Budget
REVENUES			
Taxes:			
Hotel Accomadadion Tax	$ 1,418,579	$ 2,291,120	$ 872,541
Charges for Sales and Services	92,700	92,051	(649)
Investment Income	150,000	328,100	178,100
Other Revenue	-	529	529
Total Revenues	1,661,279	2,711,800	1,050,521
EXPENDITURES			
Urban Development and Housing			
Personnel Services	690,602	589,813	(100,789)
Services and Supplies	1,865,300	1,224,385	(640,915)
Capital Outlay	383,699	73,656	(310,043)
Total Urban Development and Housing	2,939,601	1,887,854	(1,051,747)
Total Expenditures	2,939,601	1,887,854	(1,051,747)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,278,322)	823,946	2,102,268
OTHER FINANCING SOURCES (USES)			
Transfers Out	(200,000)	(1,336,691)	(1,136,691)
Total Other Financing (Uses)	(200,000)	(1,336,691)	(1,136,691)
Net Change in Fund Balance	$ (1,478,322)	(512,745)	$ 965,577
FUND BALANCE - Beginning of Year		14,335,263	
FUND BALANCE - End of Year		$ 13,822,518	

See the accompanying Independent Auditors' Report.

Heritage, Culture and Arts Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual
For the Year Ended December 31, 2025

	Final Budget	Actual	Variance with Final Budget
REVENUES			
Intergovernmental	$ 555,000	$ 517,975	$ (37,025)
Charges for Services	1,859,460	1,813,224	(46,236)
Miscellaneous	204,902	203,109	(1,793)
Total Revenues	2,619,362	2,534,308	(85,054)
EXPENDITURES			
Culture and Recreation			
Recreation			
Personnel Services	2,887,326	2,848,307	(39,019)
Services and Supplies	1,082,534	861,857	(220,677)
Capital Outlay	40,015	25,020	(14,995)
Total Recreation	4,009,875	3,735,184	(274,691)
Total Culture and Recreation	4,009,875	3,735,184	(274,691)
Total Expenditures	4,009,875	3,735,184	(274,691)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,390,513)	(1,200,876)	189,637
OTHER FINANCING SOURCES (USES)			
Transfers In	1,100,000	1,100,000	-
Total Other Financing Sources (Uses)	1,100,000	1,100,000	-
Net Change in Fund Balance	$ (290,513)	(100,876)	$ 189,637
FUND BALANCE - Beginning of Year		642,575	
FUND BALANCE - End of Year		$ 541,699	

See the accompanying Independent Auditors' Report.

Open Space Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual
For the Year Ended December 31, 2025

	Final Budget	Actual	Variance with Final Budget
REVENUES			
Taxes	$ -	$ 92,820	$ 92,820
Intergovernmental	9,209,260	10,299,609	1,090,349
Charges for Services	11,300	14,675	3,375
Investment Income	181,247	142,429	(38,818)
Miscellaneous	3,500	3,500	-
Total Revenues	9,405,307	10,553,033	1,147,726
EXPENDITURES			
Public Works			
Water Distribution			
Services and Supplies	100,000	53,132	(46,868)
Total Water Distribution	100,000	53,132	(46,868)
Total Public Works	100,000	53,132	(46,868)
Culture and Recreation			
Recreation			
Personnel Services	-	8,735	8,735
Services and Supplies	-	222,470	222,470
Capital Outlay	3,715,000	1,546,676	(2,168,324)
Total Recreation	3,715,000	1,777,881	(1,937,119)
Parks			
Personnel Services	5,546,040	5,246,363	(299,677)
Services and Supplies	2,313,991	2,224,530	(89,461)
Capital Outlay	3,535,000	2,970,241	(564,759)
Total Parks	11,395,031	10,441,134	(953,897)
Total Culture and Recreation	15,110,031	12,219,015	(2,891,016)
Total Expenditures	15,210,031	12,272,147	(2,937,884)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(5,804,724)	(1,719,114)	4,085,610
OTHER FINANCING SOURCES (USES)			
Transfers In	-	1,101,829	1,101,829
Total Other Financing Sources (Uses)	-	1,101,829	1,101,829
Net Change in Fund Balance	$ (5,804,724)	(617,285)	$ 5,187,439
FUND BALANCE - Beginning of Year		8,783,322	
FUND BALANCE - End of Year		$ 8,166,037	

See the accompanying Independent Auditors' Report.

Equipment Replacement Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual
For the Year Ended December 31, 2025

	Final Budget	Actual	Variance with Final Budget
REVENUES			
Charges for Services	$ 3,080,828	$ 2,297,496	$ (783,332)
Total Revenues	3,080,828	2,297,496	(783,332)
EXPENDITURES			
General Government			
Executive			
Services and Supplies	25,000	40,576	15,576
Capital Outlay	75,000	59,911	(15,089)
Total Executive	100,000	100,487	487
Other			
Services and Supplies	2,250,000	2,183,734	(66,266)
Capital Outlay	4,446,200	4,533,203	87,003
Total Other	6,696,200	6,716,937	20,737
Total General Government	6,796,200	6,817,424	21,224
Culture and Recreation			
Recreation			
Services and Supplies	50,000	-	(50,000)
Capital Outlay	50,000	100,000	50,000
Total Recreation	100,000	100,000	-
Total Culture and Recreation	100,000	100,000	-
Total Expenditures	6,896,200	6,917,424	21,224
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,815,372)	(4,619,928)	(804,556)
OTHER FINANCING SOURCES (USES)			
Gain on Sale of Gapital Assets	-	330,843	330,843
Transfers In	1,500,000	1,500,000	-
Transfers Out	-	(57,804)	(57,804)
Total Other Financing Sources	1,500,000	1,773,039	273,039
Net Change in Fund Balance	$ (2,315,372)	(2,846,889)	$ (531,517)
FUND BALANCE - Beginning of Year		6,827,109	
FUND BALANCE - End of Year		$ 3,980,220	

See the accompanying Independent Auditors' Report.

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 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 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 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 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.

Golf Course Fund
Statement of Revenues, Expenses and Changes in Fund Net Position – Budget and Actual
For the Year Ended December 31, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Charges for Services	$ 7,797,500	$ 9,571,012	$ 9,735,720	$ 164,708
Investment Income	33,750	139,809	199,120	59,311
Miscellaneous	-	-	6,267	6,267
Total Revenues	7,831,250	9,710,821	9,941,107	230,286
EXPENDITURES				
Cost of Goods Sold	494,200	494,200	554,916	60,716
Personnel Services	3,702,646	3,629,381	3,981,445	352,064
Services and Supplies	1,585,401	1,923,401	2,048,230	124,829
Capital Outlay	4,380,000	1,234,697	823,929	(410,768)
Depreciation	242,632	242,632	972,069	729,437
Interest and Fiscal Charges	96,750	438,750	138,527	(300,223)
Total Expenditures	10,501,629	7,963,061	8,519,116	556,055
Income Before Transfers	(2,670,379)	1,747,760	1,421,991	(325,769)
Change in Net Position	$ (2,670,379)	$ 1,747,760	1,421,991	$ (325,769)
ADJUSTMENTS TO GAAP BASIS				
Capital Additions			823,929	
CHANGE IN NET POSITION, GAAP BASIS			2,245,920	
NET POSITION - Beginning of Year			15,803,190	
NET POSITION - End of Year			$ 18,049,110	

See the accompanying Independent Auditors' Report.

Sewer Fund
Statement of Revenues, Expenses and Changes in Fund Net Position – Budget and Actual
For the Year Ended December 31, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Charges for Services	$ 5,015,000	$ 5,355,380	$ 5,131,592	$ (223,788)
Investment Income	93,750	225,190	243,121	17,931
System Investment Fees	250,000	168,455	21,652	(146,803)
Total Revenues	5,358,750	5,749,025	5,396,365	(352,660)
EXPENDITURES				
Personnel Services	877,414	852,697	924,616	71,919
Services and Supplies	4,651,570	4,651,570	4,561,454	(90,116)
Capital Outlay	2,030,000	2,030,000	1,600,000	(430,000)
Depreciation	408,896	-	189,679	189,679
Total Expenditures	7,967,880	7,534,267	7,275,749	(258,518)
Income (Loss) Before Transfers	(2,609,130)	(1,785,242)	(1,879,384)	(94,142)
Transfer Out	(1,000,000)	-	-	-
Change in Net Position	$ (3,609,130)	$ (1,785,242)	(1,879,384)	$ (94,142)
ADJUSTMENTS TO GAAP BASIS				
Capital Additions			1,600,000	
CHANGE IN NET POSITION, GAAP BASIS			(279,384)	
NET POSITION - Beginning of Year			16,770,868	
NET POSITION - End of Year			$ 16,491,484	

See the accompanying Independent Auditors' Report.

Stormwater Fund
Statement of Revenues, Expenses and Changes in Fund Net Position – Budget and Actual
For the Year Ended December 31, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Charges for Services	$ 6,345,000	$ 6,345,000	$ 6,083,467	$ (261,533)
Investment Income	150,000	150,000	262,984	112,984
Miscellaneous	-	-	1,837	1,837
Total Revenues	6,495,000	6,495,000	6,348,288	(146,712)
EXPENDITURES				
Personnel Services	1,859,169	1,888,703	1,616,872	(271,831)
Services and Supplies	1,236,983	1,236,983	1,551,993	315,010
Capital Outlay	17,332,000	6,347,766	4,101,531	(2,246,235)
Depreciation	542,079	542,079	611,497	69,418
Total Expenditures	20,970,231	10,015,531	7,881,893	(2,133,638)
Income (Loss) Before Transfers	(14,475,231)	(3,520,531)	(1,533,605)	1,986,926
Transfer Out	1,203,731	-	-	-
Change in Net Position	$ (13,271,500)	$ (3,520,531)	(1,533,605)	$ 1,986,926
ADJUSTMENTS TO GAAP BASIS				
Capital Additions			4,101,531	
CHANGE IN NET POSITION, GAAP BASIS			2,567,926	
NET POSITION - Beginning of Year			34,637,075	
NET POSITION - End of Year			$ 37,205,001	

See the accompanying Independent Auditors' Report.

Water Fund
Statement of Revenues, Expenses and Changes in Fund Net Position – Budget and Actual
For the Year Ended December 31, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Charges for Services	$ 1,430,000	$ 1,455,589	$ 1,506,912	$ 51,323
Investment Income	18,750	42,138	46,748	4,610
System Investment Fees	25,000	25,000	53,464	28,464
Miscellaneous	-	-	461	461
Total Revenues	1,473,750	1,522,727	1,607,585	84,858
EXPENDITURES				
Personnel Services	213,242	234,590	203,518	(31,072)
Services and Supplies	130,178	130,178	114,690	(15,488)
Water Purchased	1,100,000	1,100,000	1,037,055	(62,945)
Capital Outlay	50,000	759,406	170,480	(588,926)
Depreciation	48,732	48,732	20,180	(28,552)
Total Expenditures	1,542,152	2,272,906	1,545,923	(726,983)
Income (Loss) Before Transfers	(68,402)	(750,179)	61,662	811,841
Change in Net Position	$ (68,402)	$ (750,179)	61,662	$ 811,841
ADJUSTMENTS TO GAAP BASIS				
Capital Additions			170,480	
CHANGE IN NET POSITION, GAAP BASIS			232,142	
NET POSITION - Beginning of Year			3,180,797	
NET POSITION - End of Year			$ 3,412,939	

See the accompanying Independent Auditors' Report.

Lakewood
Colorado

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 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 Fund

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

Medical And Dental 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.

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.

Internal Service Funds
Combining Statement of Net Position
December 31, 2025

	Property and Casualty	Workers' Compensation	Medical and Dental	Retirees' Health	Total
ASSETS					
Cash and Equity in Pooled Cash	$ 5,755,926	$ 5,148,722	$ 12,097,408	$ 4,756,536	$ 27,758,592
Accounts Receivable	3,118	-	214,935	-	218,053
Prepaids	49,168	-	-	-	49,168
Total Assets	5,808,212	5,148,722	12,312,343	4,756,536	28,025,813
LIABILITIES AND NET POSITION					
LIABILITIES					
Accounts Payable	59,380	56,876	(121,772)	-	(5,516)
Accrued Liabilities	6,303	5,075	936,816	-	948,194
Claims Payable	809,416	641,329	1,354,597	-	2,805,342
Total Liabilities	875,099	703,280	2,169,641	-	3,748,020
NET POSITION					
Unrestricted	4,933,113	4,445,442	10,142,702	4,756,536	24,277,793
Total Net Position	4,933,113	4,445,442	10,142,702	4,756,536	24,277,793
Total Liabilities and Net Position	$ 5,808,212	$ 5,148,722	$ 12,312,343	$ 4,756,536	$ 28,025,813

See the accompanying Independent Auditors' Report.

Internal Service Funds
Combining Statement of Revenues, Expenses and Changes in Net Position
For the Year Ended December 31, 2025

	Property and Casualty	Workers' Compensation	Medical and Dental	Retirees' Health	Total
OPERATING REVENUES					
Charges for Services	$ 600,000	$ 600,000	$ 17,050,607	$ -	$ 18,250,607
Miscellaneous	6,057	-	849,198	-	855,255
Total Operating Revenues	606,057	600,000	17,899,805	-	19,105,862
OPERATING EXPENSES					
Personnel Services	206,094	164,050	181,551	-	551,695
Services and Supplies	1,134,005	66,124	635,533	-	5,974,594
Claims	238,986	396,875	14,715,742	-	15,351,603
Premiums	1,318,597	186,696	2,633,639	62,205	4,201,137
Total Operating Expenses	2,897,682	813,745	18,166,465	62,205	21,940,097
Operating Income (Loss)	(2,291,625)	(213,745)	(266,660)	(62,205)	(2,834,235)
NONOPERATING REVENUES (EXPENSES)					
Investment Income	120,069	103,217	325,049	108,819	657,154
Total Nonoperating Revenue	120,069	103,217	325,049	108,819	657,154
Income (Loss) Before Contributions and Transfers	(2,171,556)	(110,528)	58,389	46,614	(2,177,081)
CAPITAL CONTRIBUTIONS AND TRANSFERS					
Transfers In	1,600,000	600,000	-	-	2,200,000
Transfers Out	-	-	(2,200,000)	-	(2,200,000)
Change in Net Position	(571,556)	489,472	(2,141,611)	46,614	(2,177,081)
NET POSITION - Beginning of Year	5,504,669	3,955,970	12,284,313	4,709,922	26,454,874
NET POSITION - End of Year	$ 4,933,113	$ 4,445,442	$ 10,142,702	$ 4,756,536	$ 24,277,793

See the accompanying Independent Auditors' Report.

Internal Service Funds
Combining Statement of Cash Flows
For the Year Ended December 31, 2025

	Property and Casualty	Workers' Compensation	Medical and Dental	Retirees' Health	Total
Cash Flows From Operating Activities					
Cash Received from Customers	$ 619,150	$ 600,908	$ 17,105,011	$ -	$ 18,325,069
Other Receipts	6,057	-	849,198	-	855,255
Cash Paid to Suppliers	(3,556,237)	(850,621)	(17,462,724)	(62,205)	(21,931,787)
Cash Paid to Employees	(206,570)	(163,266)	(123,071)	-	(492,907)
Net cash provided by (used for) operating activities	(3,137,600)	(412,979)	368,414	(62,205)	(3,244,370)
Cash Flows From Noncapital Financing Activities					
Transfers from (to) other funds	1,600,000	600,000	(2,200,000)	-	-
Net cash provided by (used for) noncapital financing activities	1,600,000	600,000	(2,200,000)	-	-
Cash Flows From Investing Activities					
Investment Income	120,069	103,217	325,049	108,819	657,154
Net cash provided by investing activities	120,069	103,217	325,049	108,819	657,154
Net increase (decrease) in cash and equity in pooled cash	(1,417,531)	290,238	(1,506,537)	46,614	(2,587,216)
Cash and Equity in Pooled Cash - Beginning of Year	7,173,457	4,858,484	13,603,945	4,709,922	30,345,808
Cash and Equity in Pooled Cash - End of Year	$ 5,755,926	$ 5,148,722	$ 12,097,408	$ 4,756,536	$ 27,758,592
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities					
Operating Income (Loss)	$ (2,291,625)	$ (213,745)	$ (266,660)	$ (62,205)	$ (2,834,235)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities					
Accounts Receivable	19,150	908	54,404	-	74,462
Prepaids	510,564	-	222,290	-	732,854
Accounts Payable	(819,835)	41,675	(122,122)	-	(900,282)
Accrued Liabilities	(476)	784	58,480	-	58,788
Claims Payable	(555,378)	(242,601)	422,022	-	(375,957)
Net cash provided by (used for) operating activities	$ (3,137,600)	$ (412,979)	$ 368,414	$ (62,205)	$ (3,244,370)

See the accompanying Independent Auditors' Report.

Property and Casualty Fund
Statement of Revenues, Expenses and Changes in Fund Net Position – Budget and Actual
For the Year Ended December 31, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Charges for Services	$ 600,000	$ 600,000	$ 600,000	$ -
Investment Income	37,500	125,562	120,069	(5,493)
Miscellaneous	-	-	6,057	6,057
Total Revenues	637,500	725,562	726,126	564
EXPENDITURES				
Personnel Services	306,583	332,897	206,094	(126,803)
Services and Supplies	762,500	1,250,500	1,134,005	(116,495)
Claims	691,159	1,212,000	238,986	(973,014)
Premiums	1,515,000	1,515,000	1,318,597	(196,403)
Total Expenditures	3,275,242	4,310,397	2,897,682	(1,412,715)
Income (Loss) Before Transfers	(2,637,742)	(3,584,835)	(2,171,556)	1,413,279
Transfer In	-	-	1,600,000	1,600,000
Change in Net Position	$ (2,637,742)	$ (3,584,835)	(571,556)	$ 3,013,279
NET POSITION - Beginning of Year			5,504,669	
NET POSITION - End of Year			$ 4,933,113	

See the accompanying Independent Auditors' Report.

Workers' Compensation Fund
Statement of Revenues, Expenses and Changes in Fund Net Position – Budget and Actual
For the Year Ended December 31, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Charges for Services	$ 600,000	$ 600,000	$ 600,000	$ -
Investment Income	45,000	89,098	103,217	14,119
Total Revenues	645,000	689,098	703,217	14,119
EXPENDITURES				
Personnel Services	154,992	167,428	164,050	(3,378)
Services and Supplies	385,100	385,100	252,820	(132,280)
Claims	820,000	820,000	396,875	(423,125)
Premiums	237,600	237,600	186,696	(50,904)
Total Expenditures	1,360,092	1,372,528	813,745	(558,783)
Income (Loss) Before Transfers	(715,092)	(683,430)	(110,528)	572,902
Transfer In	-	-	600,000	600,000
Change in Net Position	$ (715,092)	$ (683,430)	489,472	$ 1,172,902
NET POSITION - Beginning of Year			3,955,970	
NET POSITION - End of Year			$ 4,445,442	

See the accompanying Independent Auditors' Report.

Medical and Dental Fund
Statement of Revenues, Expenses and Changes in Fund Net Position – Budget and Actual
For the Year Ended December 31, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Charges for Services	$ 16,984,930	$ 16,984,930	$ 17,050,607	$ 65,677
Investment Income	150,000	313,525	325,049	11,524
Miscellaneous	48,872	48,872	849,198	800,326
Total Revenues	17,183,802	17,347,327	18,224,854	877,527
EXPENDITURES				
Personnel Services	360,843	210,264	181,551	(28,713)
Services and Supplies	660,464	660,464	635,533	(24,931)
Claims	12,902,340	12,902,340	14,715,742	1,813,402
Premiums	2,870,000	2,870,000	2,633,639	(236,361)
Total Expenditures	16,793,647	16,643,068	18,166,465	1,523,397
Income (Loss) Before Transfers	390,155	704,259	58,389	(645,870)
Transfer Out	(2,200,000)	(2,200,000)	(2,200,000)	-
Change in Net Position	$ (1,809,845)	$ (1,495,741)	(2,141,611)	$ (645,870)
NET POSITION - Beginning of Year			12,284,313	
NET POSITION - End of Year			$ 10,142,702	

See the accompanying Independent Auditors' Report.

Retirees' Health Program Fund
Statement of Revenues, Expenses and Changes in Fund Net Position – Budget and Actual
For the Year Ended December 31, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Investment Income	$ 52,500	$ 102,525	$ 108,819	$ 6,294
Total Revenues	52,500	102,525	108,819	6,294
EXPENDITURES				
Premiums	160,000	160,000	62,205	(97,795)
Total Expenditures	160,000	160,000	62,205	(97,795)
Change in Net Position	$ (107,500)	$ (57,475)	46,614	$ 104,089
NET POSITION - Beginning of Year			4,709,922	
NET POSITION - End of Year			$ 4,756,536	

See the accompanying Independent Auditors' Report.

FIDUCIARY FUNDS

OPEB Asset Duty, Death and Disability Fund

This fund was established by Ordinance for the purpose of providing benefits to officers or their surviving spouses and children if an officer is disabled or killed in the line of duty.

Pension Trust Fund Retired City Manager Pension Plan Fund

This fund was established by Ordinance for the purpose of providing retirement benefits to the previous City Manager, who retired in 2009. This is a single-employer defined benefit pension plan.

Fiduciary Funds
Combining Statement of Fiduciary Net Position
December 31, 2025

	OPEB Asset Duty, Death, and Disability Fund	Pension Trust Fund Retired City Manager Pension Plan Fund	Total Fiduciary Funds
ASSETS			
Cash	$ -	$ 84,006	$ 84,006
Mutual Funds	5,720,526	2,025,589	7,746,115
Total Assets	$ 5,720,526	$ 2,109,595	$ 7,830,121
NET POSITION			
Restricted for:			
Pensions	-	2,109,595	2,109,595
Postemployement benefits other than pensions	5,720,526	-	5,720,526
Total Net Position	$ 5,720,526	$ 2,109,595	$ 7,830,121

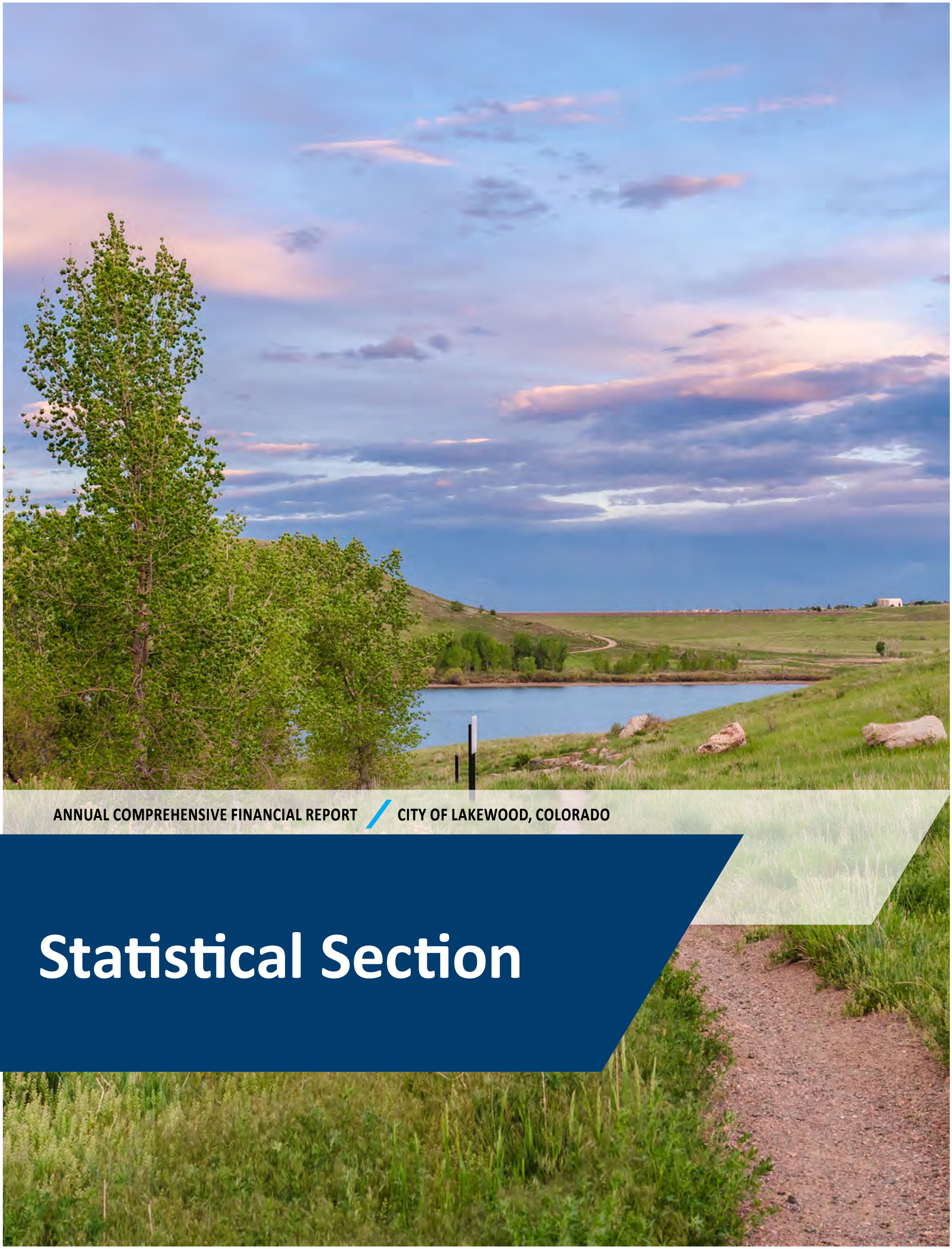
The accompanying notes are an integral part of the financial statements.

Fiduciary Funds
Combining Statement of Changes in Fiduciary Net Position
For the Year Ended December 31, 2025

	OPEB Asset Duty, Death, and Disability Fund	Pension Trust Fund Retired City Manager Pension Plan Fund	Total Fiduciary Funds
ADDITIONS			
Contributions			
Employer	$ -	$ 280,000	$ 280,000
Miscellaneous			
Investment Income	567,080	137,756	704,836
Total Additions	567,080	417,756	984,836
DEDUCTIONS			
Benefit Payments	148,034	267,364	415,398
Administrative Expenses	14,463	-	14,463
Total Deductions	162,497	267,364	429,861
Net Increase (Decrease) in Net Position Restricted for Pensions	404,583	150,392	554,975
Net Position Restricted for Pension & OPEB - Beginning of Year	5,315,943	1,959,203	7,275,146
NET POSITION RESTRICTED FOR PENSIONS & OPEB - END OF YEAR	$ 5,720,526	$ 2,109,595	$ 7,830,121

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

Lakewood
Colorado



ANNUAL COMPREHENSIVE FINANCIAL REPORT / CITY OF LAKEWOOD, COLORADO

Statistical Section

Lakewood
Colorado

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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.

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Net Position by Component
Last Ten Fiscal Years
(Accrual basis of accounting)

	2025	2024	2023	2022
Governmental activities				
Net investment in capital assets	$ 591,568,623	$ 563,319,319	$ 520,767,292	$ 499,067,666
Restricted	92,080,259	104,832,613	92,229,936	100,914,154
Unrestricted	55,289,569	89,507,722	116,490,666	92,436,697
Total governmental activities net position	$ 738,938,451	$ 757,659,654	$ 729,487,894	$ 692,418,517
Business-type activities				
Net investment in capital assets	$ 64,715,772	$ 59,308,476	$ 35,302,461	$ 34,719,150
Unrestricted	10,442,762	11,083,454	30,190,871	25,807,029
Total business-type activities net position	$ 75,158,534	$ 70,391,930	$ 65,493,332	$ 60,526,179
Primary government				
Net investment in capital assets	$ 656,284,395	$ 622,627,795	$ 556,069,753	$ 533,786,816
Restricted	92,080,259	104,832,613	92,229,936	100,914,154
Unrestricted	65,732,331	100,591,176	146,681,537	118,243,726
Total primary government net position	$ 814,096,985	$ 828,051,584	$ 794,981,226	$ 752,944,696

Source: City's Annual Comprehensive Financial Report

Schedule 1

2021	2020	2019	2018	2017	2016
$ 461,458,446	$ 447,176,590	$ 441,082,405	$ 422,135,173	$ 406,147,538	$ 401,018,598
88,072,309	86,964,016	77,041,106	71,071,769	60,771,877	53,564,615
74,639,367	52,057,483	39,996,577	35,836,599	37,827,320	37,663,933
$ 624,170,122	$ 586,198,089	$ 558,120,088	$ 529,043,541	$ 504,746,735	$ 492,247,146
$ 26,269,686	$ 27,873,676	$ 27,308,451	$ 23,432,371	$ 22,033,747	$ 21,592,444
31,963,557	21,277,016	17,271,068	17,040,208	15,281,306	13,199,417
$ 58,233,243	$ 49,150,692	$ 44,579,519	$ 40,472,579	$ 37,315,053	$ 34,791,861
$ 487,728,132	$ 475,050,266	$ 468,390,856	$ 445,567,544	$ 428,181,285	$ 422,611,042
88,072,309	86,964,016	77,041,106	71,071,769	60,771,877	53,564,615
106,602,924	73,334,499	57,267,645	52,876,807	53,108,626	50,863,350
$ 682,403,365	$ 635,348,781	$ 602,699,607	$ 569,516,120	$ 542,061,788	$ 527,039,007

Changes in Net Position
Last Ten Fiscal Years

(Accrual basis of accounting)

Expenses	2025	2024	2023	2022	2021
Governmental activities:					
General government	$ 107,391,620	$ 45,141,241	$ 47,904,266	$ 46,497,543	$ 40,219,326
Public safety	71,746,554	78,525,647	73,205,364	69,988,682	64,183,608
Public works	32,868,698	33,703,284	26,404,199	14,040,550	15,897,390
Culture and recreation	34,220,845	30,443,681	26,284,174	29,265,659	25,119,024
Urban development and housing	14,039,362	15,699,068	14,510,695	13,987,566	14,473,077
Economic opportunity	2,176,642	5,871,708	6,352,304	5,192,053	4,612,386
Interest and fees on long-term debt	219,839	225,768	92,920	279,448	613,290
Total governmental activities expenses	262,663,560	209,610,397	194,753,922	179,251,501	165,118,101
Business-type activities:					
Golf course	7,695,187	7,206,642	6,586,845	5,799,325	5,244,232
Sewer	5,675,749	5,129,587	4,343,264	4,113,459	4,192,490
Stormwater	3,780,361	3,675,256	3,315,824	2,890,554	3,017,137
Water	1,375,444	1,389,897	1,144,800	1,266,581	1,222,288
Total business-type activities	18,526,741	17,401,382	15,390,733	14,069,919	13,676,147
Total primary government expenses	$ 281,190,301	$ 227,011,779	$ 210,144,655	$ 193,321,420	$ 178,794,248
Program Revenues					
Governmental activities:					
Charges for services:					
General government	$ 13,644,566	$ 8,572,048	$ 8,624,769	$ 8,044,048	$ 7,212,038
Public safety	2,279,011	6,837,763	5,336,933	6,985,789	5,703,949
Public works	3,830	541,002	121,060	524,512	544,873
Culture and recreation	8,811,861	8,260,827	7,466,553	6,853,340	6,163,334
Urban development and housing	856,823	812,620	884,620	948,964	1,062,608
Economic opportunity	506,432	516,757	408,715	680,910	533,386
Operating grants and contributions	21,161,307	11,205,864	21,651,516	32,635,383	27,279,068
Capital grants and contributions	23,716,215	30,301,562	16,748,087	31,140,277	13,573,070
Total governmental activities program revenues	70,980,045	67,048,443	61,242,253	87,813,223	62,072,326
Business-type activities:					
Charges for services:					
Golf course	9,735,720	9,115,583	7,848,458	7,278,048	6,947,435
Sewer	5,131,592	4,955,636	4,691,036	4,279,437	4,325,514
Stormwater	6,083,467	6,288,869	5,765,268	5,396,003	5,406,692
Water	1,506,912	1,463,884	1,264,610	1,285,212	1,288,171
Capital grants and contributions	75,116	269,960	177,260	2,363,176	147,090
Total business-type activities program revenues	22,532,807	22,093,932	19,746,632	20,601,876	18,114,902
Total primary government program revenues	$ 93,512,852	$ 89,142,375	$ 80,988,885	$ 108,415,099	$ 80,187,228
Net (Expense)/Revenue					
Governmental activities	$ (191,683,515)	$ (142,561,954)	$ (133,511,669)	$ (91,438,278)	$ (103,045,775)
Business-type activities	4,006,066	4,692,550	4,355,899	6,531,957	4,438,755
Total primary government net expense	$ (187,677,449)	$ (137,869,404)	$ (129,155,770)	$ (84,906,321)	$ (98,607,020)
General Revenues and Other Changes in Net Position					
Governmental activities:					
Taxes:					
Property and specific ownership	$ 24,754,284	$ 29,948,982	$ 26,735,024	$ 27,086,033	$ 25,494,075
Sales and use	112,554,362	108,146,887	106,887,695	101,169,977	95,055,651
Franchise & other	22,734,053	27,015,146	26,041,992	28,170,735	23,570,947
Grants and contributions not restricted to specific programs	-	-	-	219,127	75,549
Investment earnings	9,549,411	9,514,398	9,984,374	(1,853,214)	(49,455)
Miscellaneous	1,328,922	368,613	111,174	287,547	1,251,671
Transfers	-	-	-	4,500,000	(4,380,630)
TABOR Refund	-	-	-	-	-
Total governmental activities	170,921,032	174,994,026	169,760,259	159,580,205	141,017,808
Business-type activities:					
Investment earnings	751,973	615,085	610,154	236,669	169,139
Miscellaneous	8,565	6,378	1,100	24,310	94,027
Transfers	-	-	-	(4,500,000)	4,380,630
Total business-type activities	760,538	621,463	611,254	(4,239,021)	4,643,796
Total primary government	$ 171,681,570	$ 175,615,489	$ 170,371,513	$ 155,341,184	$ 145,661,604
Change in Net Position					
Governmental activities	$ (20,762,483)	$ 32,432,072	$ 36,248,590	$ 68,141,927	$ 37,972,033
Business-type activities	4,766,604	5,314,013	4,967,153	2,292,936	9,082,551
Total primary government	$ (15,995,879)	$ 37,746,085	$ 41,215,743	$ 70,434,863	$ 47,054,584

Source: City's Annual Comprehensive Financial Report

Schedule 2

2020	2019	2018	2017	2016
$ 50,330,898	$ 39,927,557	$ 46,008,217	$ 33,364,806	$ 33,523,638
60,147,939	65,644,796	61,659,817	59,452,180	58,281,345
15,848,463	3,831,135	11,010,780	17,930,662	12,204,246
17,232,070	25,305,871	22,691,427	22,703,154	21,389,068
15,073,803	17,229,186	12,347,347	10,284,829	11,528,561
4,106,686	4,974,827	4,837,612	4,294,677	2,374,391
775,564	1,107,604	1,196,617	1,378,589	1,614,934
163,515,423	158,020,976	159,751,817	149,408,897	140,916,183
4,951,024	4,731,740	4,499,986	4,423,571	4,149,108
4,420,953	4,420,324	4,464,144	4,891,624	3,879,114
2,916,510	2,640,772	2,683,444	2,317,783	2,387,282
1,161,531	1,142,962	1,039,641	1,257,877	1,013,114
13,450,018	12,935,798	12,687,215	12,890,855	11,428,618
$ 176,965,441	$ 170,956,774	$ 172,439,032	$ 162,299,752	$ 152,344,801
$ 6,348,491	$ 7,786,478	$ 8,142,753	$ 8,750,573	$ 7,275,623
6,246,127	6,701,776	6,550,358	6,959,710	6,214,784
554,725	559,256	548,695	557,247	510,462
3,332,325	7,467,291	7,141,698	6,771,306	6,388,691
1,037,197	1,145,567	1,173,191	1,187,163	1,025,298
675,802	1,126,282	1,287,174	1,203,221	1,166,022
34,374,614	16,051,999	14,312,975	15,243,100	13,961,253
6,547,728	7,456,864	7,268,406	6,623,045	6,880,770
59,117,009	48,295,513	46,425,250	47,295,365	43,422,903
6,565,267	4,879,402	4,988,439	4,866,509	4,836,356
4,387,290	4,344,665	4,244,838	4,155,404	3,927,807
5,187,219	4,954,558	4,847,531	4,644,376	4,570,573
1,317,214	1,067,937	1,151,744	1,167,275	1,113,591
1,093,550	2,172,564	1,007,510	1,006,100	528,230
18,550,540	17,419,126	16,240,062	15,839,664	14,976,557
$ 77,667,549	$ 65,714,639	$ 62,665,312	$ 63,135,029	$ 58,399,460
$ (104,398,414)	$ (109,725,463)	$ (113,326,567)	$ (102,113,532)	$ (97,493,280)
5,100,522	4,483,328	3,552,847	2,948,809	3,547,939
$ (99,297,892)	$ (105,242,135)	$ (109,773,720)	$ (99,164,723)	$ (93,945,341)
$ 25,633,928	$ 22,941,102	$ 21,200,905	$ 17,528,452	$ 16,630,365
77,791,872	83,246,192	92,856,656	95,874,916	90,146,096
23,908,036	23,177,857	11,310,808	11,360,718	11,128,813
371,894	297,242	327,964	321,768	354,755
3,811,743	4,800,751	1,707,727	1,326,433	436,653
196,910	232,635	168,724	61,943	114,423
762,032	663,654	685,148	675,395	675,630
-	-	12,536,504	(12,536,504)	(5,823,934)
132,476,415	135,359,433	140,794,436	114,613,121	113,662,801
230,143	271,231	239,266	199,144	135,819
2,540	16,035	50,561	50,634	32,875
(762,032)	(663,654)	(685,148)	(675,395)	(675,630)
(529,349)	(376,388)	(395,321)	(425,617)	(506,936)
$ 131,947,066	$ 134,983,045	$ 140,399,115	$ 114,187,504	$ 113,155,865
$ 28,078,001	$ 25,633,970	$ 27,467,869	$ 12,499,589	$ 16,169,521
4,571,173	4,106,940	3,157,526	2,523,192	3,041,003
$ 32,649,174	$ 29,740,910	$ 30,625,395	$ 15,022,781	$ 19,210,524

Fund Balances, Governmental Funds
Last Ten Fiscal Years

(Modified accrual basis of accounting)

	2025	2024	2023	2022	2021
General Fund					
Nonspendable	$ 1,509,986	$ 1,114,588	$ 5,350,129	$ 5,199,118	$ 1,253,744
Restricted	7,819,865	10,487,028	5,916,290	5,553,557	5,173,200
Assigned	4,798,955	23,972,559	19,597,158	10,593,343	10,413,751
Unassigned	39,540,248	38,589,578	51,475,249	55,343,268	48,248,878
Total General Fund	53,669,054	74,163,753	82,338,826	76,689,286	65,089,573
All Other Governmental Funds					
Nonspendable	842,401	113,460	43,833	38,657	40,362
Restricted	81,490,926	104,412,351	103,348,603	92,794,513	82,899,109
Assigned	4,455,223	7,364,083	10,945,313	11,789,600	6,903,116
Unassigned	(6,423,119)	(1,231,905)	(2,186,526)	(1,150,814)	(2,385,086)
Total all other governmental funds	80,365,431	110,657,989	112,151,223	103,471,956	87,457,501
Total all governmental funds	$ 134,034,485	$ 184,821,742	$ 194,490,049	$ 180,161,242	$ 152,547,074

Source: City's Annual Comprehensive Financial Report

Schedule 3

2020	2019	2018	2017	2016
$ 1,119,706	$ 271,317	$ 238,507	$ 283,908	$ 266,562
4,919,261	4,945,999	11,178,024	4,633,173	4,487,234
4,603,838	-	-	-	-
30,706,179	25,978,966	25,185,969	25,234,678	31,302,115
41,348,984	31,196,282	36,602,500	30,151,759	36,055,911
40,480	29,733	24,759	31,810	39,912
82,044,755	72,095,107	59,618,745	56,138,704	49,077,381
4,345,702	5,449,147	5,914,090	6,063,720	4,936,870
(2,548,884)	(327,462)	(329,803)	(132,095)	(779,253)
83,882,053	77,246,525	65,227,791	62,102,139	53,274,910
$ 125,231,037	$ 108,442,807	$ 101,830,291	$ 92,253,898	$ 89,330,821

Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years

(Modified accrual basis of accounting)

	2025	2024	2023	2022	2021
Revenues					
Taxes	$ 162,083,979	$ 165,111,015	$ 159,664,711	$ 156,426,745	$ 144,120,673
Licenses and permits	3,908,547	4,873,202	3,989,839	5,236,039	3,447,993
Charges for services	20,482,472	18,466,543	17,210,026	15,693,376	13,999,226
Fines and forfeitures	763,690	668,655	619,253	974,839	1,482,711
Intergovernmental	37,727,825	34,776,088	28,499,331	41,840,220	38,256,923
Investment income	8,892,257	8,870,819	9,445,123	(2,085,814)	(237,737)
Other revenues	947,815	1,532,617	1,635,019	3,695,436	1,554,411
TABOR refund	-	-	-	-	-
Total revenues	234,806,585	234,298,939	221,063,302	221,780,841	202,624,200
Expenditures					
General government	86,771,171	45,254,732	43,394,491	39,029,347	33,734,017
Public safety	82,509,797	77,452,992	72,062,138	66,344,937	62,993,282
Public works	11,067,571	10,624,521	20,899,639	8,324,779	7,572,054
Culture and recreation	29,082,672	28,369,651	26,737,169	22,644,236	18,616,114
Urban development and housing	4,685,919	4,834,111	4,129,200	3,293,094	3,501,455
Economic opportunity	2,175,162	3,611,555	4,031,167	2,913,774	2,452,458
Capital outlay	69,277,100	72,874,327	34,276,762	44,218,236	40,258,783
Debt service:					
Principal	914,001	1,287,202	1,013,525	6,868,927	2,460,581
Interest and fiscal charges	439,372	227,501	94,460	316,990	590,460
Total expenditures	286,922,765	244,536,592	206,638,551	193,954,320	172,179,204
Excess of revenues over (under) expenditures	(52,116,180)	(10,237,653)	14,424,751	27,826,521	30,444,996
Other Financing Sources (Uses)					
Sale of Capital Asset	1,328,923	368,613	111,174	287,547	1,251,671
Proceeds from refunding	-	-	-	-	-
Proceeds from capital lease	-	-	-	-	-
Payments to escrow agent	-	-	-	-	-
Operating transfers in	50,810,367	32,463,439	21,461,233	36,449,186	15,713,905
Operating transfers out	(50,810,367)	(32,463,439)	(21,461,233)	(36,949,186)	(20,094,535)
Total other financing sources (uses)	1,328,923	368,613	111,174	(212,453)	(3,128,959)
Net change in fund balances	$ (50,787,257)	$ (9,668,307)	$ 14,535,925	$ 27,614,068	$ 27,316,037
Debt service as a percentage of noncapital expenditures	0.5%	0.6%	0.6%	4.3%	2.0%

Source: City's Annual Comprehensive Financial Report

Schedule 4

2020	2019	2018	2017	2016
$ 127,333,836	$ 129,365,151	$ 125,368,369	$ 124,764,086	$ 117,905,274
4,111,663	4,661,369	4,902,432	6,395,757	4,173,666
10,384,594	16,133,169	16,154,436	15,172,392	14,611,126
1,339,908	1,306,555	1,241,903	1,200,775	1,348,190
39,275,877	24,391,707	22,596,907	23,403,955	21,641,837
3,510,723	4,453,987	1,403,640	1,104,820	293,225
1,539,873	2,302,059	2,051,959	1,866,776	1,854,572
-	-	12,536,504	(12,536,504)	(5,823,934)
187,496,474	182,613,997	186,256,150	161,372,057	156,003,956
46,284,248	35,954,335	36,317,120	33,176,171	36,699,831
58,145,503	63,720,520	60,108,519	56,969,269	55,370,581
8,031,956	9,789,121	7,905,435	10,498,621	8,505,714
17,230,679	21,980,199	22,059,611	19,698,085	18,750,071
2,501,021	2,641,060	2,029,880	2,049,451	1,675,377
2,497,884	2,850,576	2,800,016	2,517,426	2,337,470
35,334,029	33,627,454	41,572,537	28,042,799	28,908,414
5,366,702	8,051,274	4,938,664	4,804,628	4,647,620
773,773	1,100,748	1,143,977	1,367,925	1,605,667
176,165,795	179,715,287	178,875,759	159,124,375	158,500,745
11,330,679	2,898,710	7,380,391	2,247,682	(2,496,789)
196,910	-	-	-	-
5,660,000	-	-	-	-
-	2,775,152	1,510,854	-	-
(1,161,391)	-	-	-	-
14,000,302	40,349,789	27,554,369	13,106,692	11,122,500
(13,238,270)	(39,411,135)	(26,869,221)	(12,431,297)	(10,446,870)
5,457,551	3,713,806	2,196,002	675,395	675,630
$ 16,788,230	$ 6,612,516	$ 9,576,393	$ 2,923,077	$ (1,821,159)
4.1%	5.9%	3.6%	4.4%	4.2%

Taxable Sales by Category
Last Ten Fiscal Years

	2025	2024	2023	2022
Accommodation & Food Services	$ 586,673,046	$ 578,617,137	$ 569,640,102	$ 530,410,006
Ag, Forestry, Fishing, Hunting	458,700	488,353	509,964	897,971
Art, Entertainment, Recreation	39,578,180	37,438,176	36,452,113	37,731,605
Construction	25,416,642	24,509,846	24,463,298	27,159,203
Educational Services	1,479,569	2,888,263	2,423,799	2,231,396
Finance and Insurance	11,949,464	12,743,154	11,295,798	12,921,121
Health Care, Social Assistance	5,899,526	6,087,648	5,784,888	12,218,226
Information	206,278,350	181,615,964	168,292,855	149,152,664
Manufacturing	77,328,139	66,881,803	65,109,164	64,324,896
Mgmt of Companies, Enterprises	18,528	19,956	10,775	23,013
Mining	1,697,583	1,520,039	416,345	272,179
Miscellaneous/Random Filers	-	-	-	152,483
Other Services	74,931,688	74,197,598	71,454,564	69,353,600
Professional, Scientific, & Technical Srvcs	46,855,971	36,461,988	30,887,135	25,617,145
Public Administration	377,530	440,300	474,106	467,431
Real Estate, Rental, Leasing	63,133,297	63,073,993	63,791,022	60,761,640
Retail Trade	2,040,053,399	2,029,043,214	2,016,470,683	1,991,771,158
Transportation & Warehousing	38,818,817	36,153,054	353,326,482	33,477,347
Utilities	182,459,627	181,797,416	185,495,085	186,328,127
Waste Mgmt & Remediation Services	41,956,808	37,463,627	35,854,552	16,614,455
Wholesale Trade	126,709,888	123,650,381	123,898,366	114,655,483
Total all categories	$ 3,572,074,752	$ 3,495,091,910	$ 4,024,349,453	$ 3,336,541,149
City direct sales tax rate[1]	3.0%	3.0%	3.0%	3.0%

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

Source: City of Lakewood's Revenue System

Schedule 5

2021	2020	2019	2018	2017	2016
$ 478,340,399	$ 378,834,592	$ 502,615,911	$ 492,020,947	$ 475,256,644	$ 461,970,873
699,409	437,314	708,412	470,479	465,766	402,716
30,454,342	21,738,785	36,664,419	36,189,635	34,658,388	35,017,932
23,686,911	21,343,890	23,889,052	22,112,333	19,466,552	16,701,330
1,632,231	899,437	948,923	837,501	944,406	1,032,450
12,565,082	13,558,311	14,714,864	13,772,599	13,823,268	12,118,581
3,839,492	3,720,435	4,119,112	4,450,327	5,207,230	6,055,882
136,288,182	144,286,794	123,166,478	132,999,261	137,788,403	152,945,713
53,432,356	48,073,042	44,494,804	42,273,061	44,670,499	38,840,453
2,396	1,153	2,568	5,817	20,482	4,686
230,472	270,002	139,325	52,058	11,362	116,042
-	318	-	-	-	-
63,971,923	56,625,425	63,053,239	61,501,640	59,756,351	57,562,361
19,412,804	19,814,173	15,794,938	15,660,958	19,046,404	14,563,441
445,838	475,000	401,222	115,118	103,578	197,571
59,927,959	56,750,741	67,989,548	67,381,332	63,914,638	54,206,742
1,870,702,057	1,463,471,048	1,527,150,678	1,517,607,543	1,463,604,295	1,530,521,070
21,321,643	7,915,242	3,616,271	2,954,568	2,907,813	2,493,054
155,446,649	138,581,339	144,397,208	141,820,052	141,712,433	141,101,743
13,862,166	13,144,993	12,228,059	12,272,408	11,412,402	13,457,481
99,902,330	87,136,727	81,494,732	84,077,437	90,553,256	77,084,541
$3,046,164,641	$2,477,078,761	$2,667,589,763	$2,648,575,074	$2,585,324,170	$2,616,394,662
3.0%	3.0%	3.0%	3.0%	3.0%	3.0%

Direct and Overlapping General Sales and Use Tax Rates
Last Ten Fiscal Years

	2025	2024	2023	2022	2021
City direct rate[1]	3.00%	3.00%	3.00%	3.00%	3.00%
Overlapping rates:					
State of Colorado	2.90%	2.90%	2.90%	2.90%	2.90%
Jefferson County	0.50%	0.50%	0.50%	0.50%	0.50%
SE Jefferson County Road Improvement District[2]	0.43%	0.43%	0.43%	0.43%	0.43%
Football Stadium District	0.00%	0.00%	0.00%	0.00%	0.00%
Scientific & Cultural Facilities District	0.10%	0.10%	0.10%	0.10%	0.10%
Regional Transportation District	1.00%	1.00%	1.00%	1.00%	1.00%

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

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

Source: City of Lakewood, Colorado Department of Revenue

Schedule 6

2020	2019	2018	2017	2016
3.00%	3.00%	3.00%	3.00%	3.00%
2.90%	2.90%	2.90%	2.90%	2.90%
0.50%	0.50%	0.50%	0.50%	0.50%
0.43%	0.43%	0.43%	0.43%	0.43%
0.00%	0.00%	0.00%	0.00%	0.00%
0.10%	0.10%	0.10%	0.10%	0.10%
1.00%	1.00%	1.00%	1.00%	1.00%

Schedule 7

Principal Sales/Use Taxpayers, by Category
Current Year and Nine Years Ago

	2025			2016		
Category of Taxpayer[1]	Sales/Use Taxes Remitted	Rank	Percentage of Total City Sales/Use Tax Revenues	Sales/Use Taxes Remitted	Rank	Percentage of Total City Sales/Use Tax Revenues
Aggregated top ten filers						
Utility	14,744,734	1	14.57%	5,982,121	1	5.80%
Electronic Shopping and Mail-Order Houses	7,450,155	2	7.36%	-	8	0.00%
Clothing, gifts, jewelry	6,434,693	3	6.36%	2,441,195	3	3.07%
Building materials	4,210,700	4	4.16%	3,579,001	2	4.50%
Computers and software	2,067,966	6	2.04%	1,864,390	5	2.35%
Grocery store	2,271,926	5	2.25%	1,441,748	6	1.81%
Car Dealerships	1,089,277	9	1.08%	747,850	7	0.94
Cellular Wireless	2,058,948	7	2.04%	2,380,540	4	3.00%
Couriers and Express Delivery Services	1,015,913	10	1.00%	-		
Beer, Wine and Liquor Retailor	659,012	11	0.65%			
Full Service Restaurant	1,200,972	8	1.19%	-		

(1) The City is legally prohibited from disclosing sales and use tax information for individual taxpayers. Therefore, the principal sales/use taxpayers have been identified by category to assist users in understanding the degree to which the City's primary source of revenue is concentrated.
The City began aggregating by category in 2016

Source: City of Lakewood's Revenue System

Lakewood
Colorado

Assessed Value and Actual Value of Taxable Property
Last Ten Fiscal Years

(In thousands of dollars)

	Taxable Real and Personal Property[1]					Total Taxable
Levy Year	Residential Property	Commercial Property	Industrial Property	Vacant Land	Other Property [2]	Assessed Value
2025	2,125,422,856	1,061,262,016	35,624,863	40,555,398	91,397,268	3,354,262,401
2024	2,072,221,964	1,064,303,048	32,627,350	37,431,082	88,807,005	3,295,390,449
2023	2,043,042,698	1,098,570,913	30,840,183	36,231,927	81,125,364	3,289,811,085
2022	1,704,901,898 [6]	1,004,864,964 [7]	30,770,481	28,046,885	77,660,191	2,846,244,419
2021	1,742,999,572	1,028,706,157	31,073,661	32,802,981	71,624,152	2,907,206,523
2020	1,571,018,306	1,011,611,943	10,462,148	30,981,172	69,904,442	2,693,978,011
2019	1,557,979,183	1,024,942,495	10,023,057	32,068,638	68,181,371	2,693,194,744
2018	1,344,657,871	924,537,828	8,384,826	27,940,978	66,017,372	2,371,538,875
2017	1,330,678,157	930,934,068	9,359,339	32,196,861	68,940,987	2,372,109,412
2016	1,179,123,864	749,149,792 [4]	5,846,743 [4]	29,303,014	67,477,032	2,030,900,445

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

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

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

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

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

(6) “Residential Property” includes Multi Family properties.

(7) “Commercial Property” includes Commercial Renewable Energy properties.

Source: Jefferson County Assessor’s Office

Schedule 8

Total Direct Tax Rate		Assessment Rates: Residential	Assessment Rates: All Other[3]	Estimated Taxable Value	Assessed Value as a Percentage of Actual Value
4.711		7.15%	29.00%	38,584,774,831	8.69%
4.711		7.15%	29.00%	35,337,146,268	9.33%
4.711		7.15%	29.00%	34,982,803,915	9.40%
4.711		7.15%	29.00%	28,590,513,734	9.96%
4.711		7.15%	29.00%	28,411,159,376	10.23%
4.711		7.15%	29.00%	25,845,741,195	10.42%
4.711		7.15%	29.00%	25,704,455,061	10.48%
4.711		7.96%	29.00%	20,433,655,801	11.61%
2.148	(5)	7.96%	29.00%	20,308,204,532	11.68%
2.392	(5)	7.96%	29.00%	17,750,274,493	11.44%

Schedule 9

Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years

(Rate per $1,000 of Assessed Value)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
CITY DIRECT RATE:										
Property Tax Operating Mill Levy	4.711	4.711	4.711	4.711	4.711	4.711	4.711	4.711	2.148	2.392
OVERLAPPING RATES:(1)										
Jefferson County	26.978	26.978	26.978	26.978	26.241	24.578	23.332	23.739	22.420	24.709
School District R-1	44.349	44.488	44.526	46.133	45.808	47.038	47.075	49.416	42.878	45.941
Alameda Corridor Bus. Improve. Dist.	5.720	5.720	5.720	5.720	5.720	5.720	5.720	5.720	5.720	5.720
Alameda Water & Sanitation District	7.000	7.000	7.000	7.000	7.000	7.000	7.000	7.000	7.000	7.000
Bancroft-Clover Water & Sanitation Dist.	1.003	1.036	1.057	1.238	1.205	1.296	1.295	1.454	1.442	1.633
Bear Creek Water & Sanitation District	4.159	3.943	3.746	4.102	3.823	3.951	3.745	4.030	3.860	3.745
Bennett Bear Creek Farms Water & San. Dist.	1.884	1.884	1.838	1.893	1.898	1.709	1.806	1.784	1.570	1.884
Bowles Metro District	40.000	40.000	40.000	40.000	40.000	40.000	42.000	42.000	42.000	42.000
College Park Water & Sanitation Dist.	6.786	6.786	6.786	6.814	6.786	0.000	0.000	0.000	0.000	0.000
Daniels Sanitation District	0.218	0.229	0.229	0.246	0.246	0.265	0.265	0.282	0.284	0.375
Denver West Metro District	35.000	35.000	35.000	35.000	35.000	35.000	35.000	35.000	35.000	35.000
Denver West Metro District Ex. 04	19.915	17.824	18.264	20.857	20.445	20.476	19.658	23.556	22.876	25.373
Denver West Metro District Ex. 14	26.063	23.529	21.412	24.464	24.019	24.040	23.091	27.682	26.179	28.068
Denver West Metro District Ex. 98	1.416	1.175	0.995	1.081	0.999	0.939	0.837	0.957	5.942	14.140
Denver West Promenade Metro District	63.471	63.658	63.534	60.000	60.000	60.000	60.000	60.000	60.000	60.000
East Jefferson County Sanitation District	0.571	0.589	0.589	0.647	0.647	0.679	0.679	0.744	0.744	0.914
East Lakewood Sanitation District	4.106	3.741	4.550	4.550	3.749	3.413	3.204	3.745	3.682	4.262
Foothills Park & Rec District	6.845	0.000	6.829	6.829	6.829	0.000	0.000	0.000	0.000	0.000
Foothills Rec & Park Sub A	9.492	9.482	9.495	9.498	9.498	9.477	9.539	9.691	9.671	7.191
Fossil Ridge Metro District No. 1	0.000	0.000	0.000	0.000	0.000	0.000	0.000	5.000	0.000	0.000
Fossil Ridge Metro District No. 2	37.500	36.500	36.500	36.500	35.500	39.000	43.668	37.668	43.668	40.000
Fossil Ridge Metro District No. 3	37.500	36.500	36.500	36.500	35.500	39.000	43.668	37.668	43.668	40.000
Highview Water District	0.115	0.118	0.118	0.130	0.130	0.135	0.135	0.139	0.139	0.152
Indy Oak TOD	101.110	0.000	112.275	112.275	112.275	0.000	0.000	0.000	0.000	0.000
Lakewood West Colfax Business Improve.	5.000	5.000	5.000	5.000	5.000	5.000	5.000	5.000	5.000	5.000
Lochmoor Water & Sanitation District	0.000	0.000	0.000	0.000	0.000	0.000	0.000	9.959	9.955	12.007
Mount Carbon Metro District	27.000	27.000	27.000	27.000	28.664	29.118	40.918	40.569	40.421	37.000
Mount Carbon Metro District Ex. 07	20.000	20.000	20.000	20.000	21.664	22.118	22.118	21.929	21.849	20.000
Mount Carbon Metro District Ex. 08	20.000	20.000	20.000	20.000	21.664	22.118	22.118	21.929	21.849	20.000
Mount Carbon Metro District Ex. 19	20.000	21.664	21.664	21.664	21.664	0.000	0.000	0.000	0.000	0.000
Mount Carbon Metro District Ex. 20	20.000	20.000	20.000	20.000	0.000	0.000	0.000	0.000	0.000	0.000
Mount Carbon Metro District Ex. 21	20.000	20.000	20.000	20.000	0.000	0.000	0.000	0.000	0.000	0.000
Northwest Lakewood Sanitation District	5.946	5.900	5.680	6.317	5.661	6.047	5.987	5.437	6.825	6.522
Plaza Metro District No. 2	26.851	26.156	26.160	25.000	25.000	25.000	25.000	25.000	25.000	25.000
Plaza Metro District No. 3	28.327	28.362	26.992	26.353	25.348	25.324	25.533	25.416	25.416	22.990
Pleasant View Metro District	14.000	14.000	14.000	14.000	14.000	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	6.600	6.600	6.600	6.600	6.600	6.600	6.600	6.600	6.600	6.600
Section 14 Metro District	11.000	11.000	11.000	11.000	20.000	20.128	20.465	23.803	23.691	23.669
Section 14 Metro District Ex. 04	0.000	0.000	0.000	0.000	0.000	0.000	0.000	16.150	14.006	18.559
Sheridan Station West Metro	95.508	91.828	88.063	66.686	66.686	0.000	0.000	0.000	0.000	0.000
South Metro Fire Rescue Protection	12.250	9.290	9.250	9.288	9.319	0.000	0.000	0.000	0.000	0.000
South Sheridan Water & Sanitation	3.888	3.896	3.896	5.302	6.874	6.356	7.896	6.700	6.314	5.748
Urban Drainage & Flood	0.900	0.900	0.900	0.900	0.900	0.900	0.097	0.726	0.500	0.559
Urban Drainage & Flood Control South Platte	0.100	0.100	0.100	0.100	0.100	0.100	0.900	0.094	0.057	0.061
West Metro Fire Protection District	13.790	13.102	12.807	13.431	12.530	13.227	13.268	13.732	13.219	13.394
West Metro Fire Protection Sub D	0.571	0.000	0.666	0.666	0.666	0.000	0.000	0.000	0.000	0.000
Wheat Ridge Sanitation District	0.292	0.293	0.293	0.334	0.334	0.354	0.354	0.398	0.468	0.468

Note:
The City's direct rate is for General Fund Operating and has no other individual components. The City's property tax rate may be increased only by a majority vote of the City's residents. The rate applies to the following year's payments. For example, the 2022 rate above applies to the property taxes levied in 2022 but paid in 2023. For the years 2015 through 2017, the City Council temporarily reduced the City's mill levy in order to refund revenues in excess of the limit imposed by the Colorado Constitution and the Taxpayer's Bill of Rights (TABOR).

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

Source: Jefferson County Assessor's Office

Schedule 10

Principal Property Taxpayers
Current Year and Nine Years Ago

Taxpayer	2025 Taxable Assessed Value	2025 Rank	2025 Percentage of Total City Assessed Value	2016 Taxable Assessed Value	2016 Rank	2016 Percentage of Total City Assessed Value
Public Service Co of Colorado	$ 62,616,204	1	1.90%	$ 28,642,053	3	1.21%
B33 Belmar II LLC	32,408,334	2	0.98%	-		0.00%
Colorado Mills Mall LP	28,201,669	3	0.86%	31,319,797	2	1.32%
Lakewood MOB LLC	13,356,750	4	0.41%	-		0.00%
Qwest Corp.	12,035,140	5	0.37%	25,524,400	4	1.08%
Lakewood City Commons LP	11,118,439	6	0.34%	8,874,348	9	0.37%
BR CWS Lakewood LLC	10,856,647	7	0.33%	21,836,509	5	0.92%
Terumo BCT Inc (1)	10,851,853	8	0.33%	31,648,672	1	1.33%
Gelt Kallisto LW LLC	8,504,556		0.26%	9,077,870	8	0.38%
HB Denver West Park LLC	-		0.00%	10,747,980	6	0.45%
Denver West Village LP (2)	9,741,253	9	0.30%	10,708,872	7	0.45%
GEP XI Belmar LLC	9,225,470	10	0.28%	-		0.00%
The Beautiful OPCO LLC	9,092,465		0.28%			
USGP II Lakewood DOT LP	8,276,580		0.25%	8,049,240	10	0.34%

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

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

Source: Jefferson County Assessor’s Office

Schedule 11

Property Tax Levies and Collections
Last Ten Fiscal Years

Levy Year	Year Collected	Taxes Levied for Collection (from abstract)	Amount Collected by the City	Percentage of Levy	Mill Levy		TABOR Refund[1]	Total Property Tax Revenue
2024	2025	14,363,213	14,303,241	99.58%	4.496	(3)	-	14,303,241
2023	2024	14,363,213	14,048,676	97.81%	4.496	(3)	-	14,048,676
2022	2023	13,408,657 (2)	12,723,115	94.89%	4.711		-	12,723,115
2021	2022	13,408,657	12,983,236	96.83%	4.711		-	12,983,236
2020	2021	12,100,810	11,816,003	97.65%	4.711		-	11,816,003
2019	2020	12,128,000	11,888,221	98.02%	4.711		-	11,888,221
2018	2019	10,689,230	10,529,868	98.51%	4.711		-	10,529,868
2017	2018	4,882,439 (1)	4,775,902 (1)	97.82%	2.148		5,823,934	10,599,836
2016	2017	4,679,870 (1)	4,614,865 (1)	98.61%	2.392		4,535,650	9,150,515
2015	2016	3,941,301 (1)	3,952,039 (1)	100.27%	2.031		5200119	9,152,158

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

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

(2) The City did not receive 2022 for 2023 data from Jefferson County by the time of this filing - prior year numbers for Taxes Levied for Collection were used

(3) Temporary General Property Tax Credit/Mill Levy Rate Reduction of 0.215

Lakewood
Colorado

Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

(In thousands of dollars)

	Governmental Activities							Business Activities
Fiscal Year	Sales and Use Tax Revenue Bonds	Certificates of Participation	Leases	Grant/Program Revenue Notes	Information Technology Subscriptions	Lease Assets	Total Government. Activities Debt	Lease Assets
2025	-	4,580,000	633,817	534,160	5,457,905	144,144	11,350,026	1,388,223
2024	-	4,860,000	783,762	670,136	5,191,749	187,804	11,693,451	128,598
2023	-	5,135,000	1,042,465	802,405	5,909,411	-	12,889,281	334,082
2022	-	5,400,000	1,294,977	931,185	-	-	7,626,162	379,146
2021	-	10,630,000	2,808,579	1,056,510	-	-	14,495,089	-
2020	-	12,300,000	3,133,197	1,522,473	-	-	16,955,670	-
2019	-	12,465,641	3,444,251	1,973,121	-	-	17,883,013	-
2018	-	17,001,282	3,684,415	2,604,079	-	-	23,289,776	-
2017	-	21,351,923	2,369,543	3,126,761	-	-	26,848,227	-
2016	-	25,507,564	2,741,723	3,534,209	-	-	31,783,496	-

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

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

Source: City's Annual Comprehensive Financial Report

Schedule 12

Total Primary Government Debt	Debt as a Percentage of Personal Income[1]	Debt Per Capita[1]
12,738,249	0.14%	81
11,822,049	0.14%	76
13,223,364	0.17%	86
8,005,308	0.11%	51
14,495,089	0.20%	91
16,955,670	0.24%	107
17,883,013	0.29%	114
23,289,776	0.41%	149
26,848,227	0.50%	174
31,783,496	0.61%	207

Ratios of General Bonded Debt Outstanding and Legal Debt Margin
Last Ten Fiscal Years

	2025	2024	2023	2022	2021
General bonded debt outstanding:					
General obligation bonds[1]	$ -	$ -	$ -	$ -	$ -
Percentage of estimated actual property value[2]	0.00%	0.00%	0.00%	0.00%	0.00%
Per capita[3]	$ -	$ -	$ -	$ -	$ -
Legal debt limit[4]	$ 1,157,543,245	$ 1,060,114,388	$ 1,049,484,117	$ 857,715,412	$ 852,334,781
Legal debt margin[5]	$ 1,157,543,245	$ 1,060,114,388	$ 1,049,484,117	$ 857,715,412	$ 852,334,781
Legal debt margin as a percentage of the debt limit	100.00%	100.00%	100.00%	100.00%	100.00%

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

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

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

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

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

Source: City's Annual Comprehensive Financial Report

Schedule 13

2020	2019	2018	2017	2016
$ -	$ -	$ -	$ -	$ -
0.00%	0.00%	0.00%	0.00%	0.00%
$ -	$ -	$ -	$ -	$ -
$ 775,372,236	$ 771,133,652	$ 613,009,674	$ 609,246,136	$ 532,508,235
$ 775,372,236	$ 771,133,652	$ 613,009,674	$ 609,246,136	$ 532,508,235
100.00%	100.00%	100.00%	100.00%	100.00%

Schedule 14

Direct and Overlapping Governmental Activities Debt
As of December 31, 2025

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Debt repaid with property taxes:			
Bowles Metropolitan District	$ 14,193,098 (2)	42.92%	$ 6,091,678
Denver West Metropolitan District	31,083,786	83.57%	25,976,720
Denver West Metropolitan District EX 04	974,007	89.55%	872,223
Denver West Metropolitan District EX 14	1,180,392	98.14%	1,158,437
Denver West Metropolitan District EX 9	66,815	1.00%	668
Fossil Ridge Metropolitan District 3	35,284,159 (1)	98.84%	34,874,863
Indy Oak TOD Metropolitan District	5,324,134 (2)	98.14%	5,225,105
Jefferson County R-1 School District	766,887,897 (2)	23.44%	179,758,523
Mount Carbon Metropolitan District	13,120,000	0.67%	87,904
Prospect Recreation and Park District	6,391,178	19.32%	1,234,776
Sheridan Station West Metropolitan District	5,447,000	98.58%	5,369,653
West Metro Fire Protection District	8,900,000	55.58%	4,946,620
Other debt:			
Alameda Water & Sanitation District	2,816,876	97.73%	2,752,933
Big Sky Metropolitan District No. 1	(1)		
Jefferson County	23,734,724	23.44%	5,563,419
Jefferson County R-1 School District	54,938,079	23.44%	12,877,486
Plaza Metropolitan District No. 1	93,616,989 (2)	98.66%	92,362,521
Subtotal, overlapping debt	1,063,959,134		379,153,528
City direct debt	11,656,019	100.00%	11,656,019
Total direct and overlapping debt	$ 1,075,615,153		$ 390,809,547

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

(1) The City did not receive 2024 data by the time of this filing - prior year information used

(2) The City did not receive 2024 data by the time of this filing - Annual Financial Report of Unit used

Sources: Debt outstanding provided by each governmental unit
Assessed values used to determine percentage provided by Jefferson County Assessor's Office

Schedule 15

Pledged Revenue Coverage
Last Ten Fiscal Years

Fiscal Year	Lakewood Reinvestment Authority (LRA) LRA Station Betterments Loan				
	LRA Sales & Property Tax Revenues	Required Debt Service			
		Principal [1]	Interest	Total	Coverage
2025	2,943,530	135,976	17,176	153,152	19.22
2024	3,299,225	132,268	20,772	153,040	21.56
2023	2,342,054	128,780	24,272	153,052	15.3
2022	2,342,804	125,325	27,694	153,019	15.31
2021	1,962,473	121,963	30,982	152,945	12.83
2020	1,470,056	115,648	37,073	152,721	9.63
2019	1,000,528	129,803	51,351	181,154	5.52
2018	745,127	117,682	63,472	181,154	4.11
2017	803,428	113,448	67,707	181,155	4.44
2016	783,970	133,127	79,721	212,848	3.68

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

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

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

Source: City's Annual Comprehensive Financial Report

Schedule 16

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)]
2025	156,865	8,884,363,005	56,637	39	14.5	19,321	4.2
2024	154,977	8,447,796,270	54,510	38	14.4	19,137	4.2
2023	154,631	7,717,323,948	49,908	39	14.6	18,208	3.2
2022	156,425	7,289,717,850	46,602	39	14.6	19,809	3
2021	159,076	7,320,518,444	46,019	39	14.4	20,343	5.9
2020	159,028	7,047,325,820	44,315	38	14.4	19,349	7.9
2019	157,469	6,150,266,733	39,057	39	14.2	21,764	2.8
2018	156,493	5,707,925,682	36,474	39	14.1	19,715	3.1
2017	154,689	5,373,277,104	34,736	38	14.1	19,902	2.6
2016	153,775	5,232,655,700	34,028	38	14.1	20,768	3.2

Sources for the data are listed below:

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

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

(3) U.S. Census Bureau

(4) Lakewood Finance Department estimate using data from the U.S. Census Bureau, American Fact Finder, American Community Survey 1 year - for 2023

(5) Colorado Department of Education - 2023 data used for 2024 due to inability to access 2024 data by the time of this filing

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

Schedule 17

Principal Employers
Current Year and Nine Years Ago

Employer	2025 Employees	2025 Rank	2025 Percentage of Total City Employment	2016 Employees	2016 Rank	2016 Percentage of Total City Employment
Denver Federal Center	6,200	1	7.27%	8,000	1	9.61%
Jefferson County R-1 School District	3,700	2	4.34%	1,135	5	1.36%
State of Colorado (various departments)	988	10	1.16%			
St. Anthony Medical Campus	1,634	5	1.92%	898	8	1.08%
Terumo BCT [1]	1,700	4	1.99%			3.14%
FirstBank	1,269	7	1.49%	2,600	3	3.12%
City of Lakewood	1,438	6	1.69%	3,020	2	3.63%
Red Rocks Community College	731	11	0.83%	1,070	6	1.29%
Encore Electric	997	9	1.17%	2,275	4	2.73%
Colorado Christian University	562	12	0.66%	1,050	7	1.26%
Personal Assistance Svcs of Colorado	1787	3	2.09%			
Universal Protection Services LP	1050	8	1.23%	500	9	0.60%

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

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

Full-Time Equivalent City Government Employees by Department
Last Ten Fiscal Years

Department	December 31, 2025	December 31, 2024	December 31, 2023	December 31, 2022	December 31, 2021
Mayor and City Council	11.00	9.00	-	-	-
City Manager's Office	15	14	13.54	13.72	12.95
City Attorney's Office	15	13	8.04	10.72	10.61
City Clerk's Office	8.00	8.00	8.3	6.99	6.94
Lakewood Reinvestment Authority		0.44	0.44	0.43	0.35
Community Resources	0.44	156	184.09	178.43	181.09
Human Resources/Operational Services	161	68	15.19	13.93	12.95
Finance	68	33	28.19	21.12	21.61
Information Technology (2)	27.00	0	28.13	26.5	26.72
Municipal Court	34	31	31.83	28.71	29.17
Planning/Sustainability & Community Dev	29	25	18.44	22.58	19.52
Police	379	382	421.43	368.23	377.18
Public Works	130	123	133.44	111.31	106.63
Total	877.44	862.44	891.06	802.67	805.72

(1): 2023 and Prior: The numbers above reflect actual hours worked from the City's financial payroll data. They do not reflect the City's authorized or vacant positions. 2024, numbers reflect full-time equivalent count, they do not reflect authorized or vacant positions

(2): In 2024, Human Resources and Information Technology combined to create Operational Services. Building Maintenance

Schedule 18

December 31, 2020	December 31, 2019	December 31, 2018	December 31, 2017	December 31, 2016
-	-	-	-	-
14.66	18.88	19.43	18.14	19.22
9.81	10.28	10.75	10.93	10.77
7.74	8.55	9.96	9.29	8.11
0.35	0.25	0.26	0.34	0.10
188.67	204.04	203.35	199.83	191.67
13.04	14.77	14.89	14.41	12.68
27.31	30.08	31.85	30.60	32.40
29.06	31.64	29.97	30.01	28.60
30.34	31.17	31.49	30.33	30.34
14.98	15.67	16.65	16.36	17.21
396.92	399.59	391.55	412.49	407.00
112.94	121.14	118.60	116.53	114.08
845.82	886.06	878.75	889.26	872.18

Operating Indicators by Function/Program
Last Ten Fiscal Years

Function/Program	December 31, 2025	December 31, 2024	December 31, 2023	December 31, 2022	December 31, 2021
Building Department					
Permits[1] issued:					
Building	856	850	973	1,056	1,347
Other (electrical, plumbing, mechanical, sign, miscellaneous)	7,112	7,483	7,916	6,856	8,405
Municipal Court					
Cases received	14,895	12,258	9,657	9,770	13,535
Public Safety					
Physical arrests	6,300	6,584	5,917	7,867	5,245
Parking violations	3,655	3,712	3,025	1,997	2,536
Traffic violations	9,647	10,582	9,713	9,314	18,147
Public Works					
Highways and Streets					
Street resurfacing (miles)	45.47	54.26	67.04	30.35	31.89
Potholes repaired	272	276	308	465	500
Water					
New connections/accounts[2]	0	9	9	9	-
Average daily consumption (gallons) Sewer	540,836	508,630	508,630	540,836	558,636
New connections/accounts[2]	157	-	-	0	23
Average daily treatment (gallons)	2,389,205	3,432,161	3,432,161	2,389,205	2,568,137
Culture and Recreation					
Rounds of golf (two courses)	163,749	159,765	143,125	127,280	136,454
Cultural admissions (paid and unpaid)	228,482	225,925	212,259	135,822	218,754

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

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

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

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

Schedule 19

December 31, 2020	December 31, 2019	December 31, 2018	December 31, 2017	December 31, 2016
1,605	1,847	2,578	2,910	2,303
8,491	10,014	12,838	22,310	9,891
12,753	17,366	16,966	16,937	17,662
6,909	4,729	6,253	5,978	5,688
2,997	3,722	3,331	3,642	3,420
10,119	8,915	11,974	11,550	11,874
64.72	74.86	71.65	62.54	60
1,000	1800	500	521	2186
0	22	8	20	12
601,605	565,710	522,090	530,564	534,833
45	29	0	10	8
2,418,329	2,633,836	2,531,973	2,614,767	2,823,890
128,938	97,770	100,212	103,351	104,791
71,083	217,944	206,738	200,319	186,072

Capital Asset Statistics by Function/Program
Last Ten Fiscal Years

Function/Program	December 31, 2025	December 31, 2024	December 31, 2023	December 31, 2022	December 31, 2021
General Government					
Area (square miles)	44.66	44.66	44.66	44.66	44.66
Public Safety					
Number of police stations	2	2	2	2	2
Public Works					
Highways and Streets					
Streets (miles)	1,147	1,658	1,658	1,658	1,658
Streetlights	7,807	8,276	8,276	8,081	8,076
Traffic signals	197	197	198	198	197
Water					
Number of taps/accounts[3]	805	811	811	802	793
Water mains (miles)	13	13	13	13	13
Sewer					
Number of taps/accounts[3]	7,006	6,849	6,849	6,917	6,985
Sewer mains (miles)	107	106	106	106	107
Stormwater					
Stormwater mains (miles)	237	237	237	237	202
Culture and Recreation					
Number of parks	114	114	114	113	113
Park acreage	7,400	7,400	7,400	7,364	7,474
Playgrounds	81	80	80	80	80
Athletic fields[1][2]	64	56	56	56	56
Tennis courts	34	32	32	34	34
Basketball courts (outdoor)	17	32	32	32	32
Pickleball courts (outdoor)	26	10	10	10	4
Community Center	1	1	1	1	1
Recreation centers	4	4	4	4	4
Outdoor swimming pools	3	3	3	3	3
Cultural centers	3	3	3	3	3
Golf courses	2	2	2	2	2

(1) Prior to 2017 The City reported the number of parks that contained playgrounds. Reporting has changed to include the number of playgrounds contained in those 58 parks.
(2) Athletic fields include baseball/softball diamonds and football/soccer fields. Some of the fields are multi-use depending on the season.
(3) In 2019, the City changed the indicator from number of taps to number of accounts to more accurately reflects the City's customer base.

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

Schedule 20

December 31, 2020	December 31, 2019	December 31, 2018	December 31, 2017	December 31, 2016
44.66	44.66	44.21	44.21	44.21
2	2	2	2	2
1540	537	543	543	543
8,076	8,015	8,000	7,909	7,878
198	198	198	198	201
799	820	820	811	791
13	13	13	13	23
6,962	6,888	6,888	6,889	6,879
107	107	107	107	133
202	200	200	200	325
110	110	104	101	99
7,459	7,240	7,240	7,181	7,163
76	76	76	76	76
56	56	56	56	56
34	34	34	34	34
21	21	33	32	32
-	-	-	-	-
1	1	1	1	1
4	4	4	4	4
3	3	3	3	3
3	3	3	3	3
2	2	2	2	2

Lakewood
Colorado

Compliance Section

Lakewood
Colorado

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.

LOCAL HIGHWAY FINANCE REPORT			STATE: COLORADO
THIS INFORMATION FROM THE RECORDS OF: CITY OF LAKEWOOD	PREPARED BY: PEGGY STARR	Peggy.Starr@LakewoodCO.gov	REPORT YEAR ENDING DATE(mm/yyyy): 12/2025

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. Total (1 - (2 through 4))				

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 Assesments		a. Interest on investments	491,094.00
b. Non-property Taxes and Assessments Imposts	21,889,891.00	b. Other Misc. Local Receipts	637,366.00
c. Total (a + b)	$ 21,889,891.00	**c. Total (a + b)**	$ 1,128,460.00

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		**D. Receipts from Federal Government**	
1. Highway-user Taxes (from Item I.C.5.)	4,474,883.00	1. FHWA (from Item I.D.5.)	
2. State General Funds		2. Other Federal Agencies:	1,262,907.00
3. Other State funds:			
a. State Bond Proceeds			
b. Non-State Bond Proceeds	6,790,092.00		
c. Total (a + b)	$ 6,790,092.00		
4. Total (1 + 2 + 3c)	$ 11,264,975.00	**3. Total (1 + 2)**	$ 1,262,907.00

III. EXPENDITURES FOR ROAD AND STREET PURPOSES - DETAIL

ITEM	AMOUNT
A.1. Capital outlay:	
a. Right-Of-Way Costs	
b. Engineering Costs	751,440.00
c. Construction Costs	32,024,282.00
d. Total Capital Outlay (a+ b + c)	$ 32,775,722.00

Form FHWA-536 (Rev. 02-2025) Page2

LOCAL HIGHWAY FINANCE REPORT	
	STATE: COLORADO
	REPORT YEAR ENDING DATE(mm/yyyy): 12/2025

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. Amount used for highway purposes				

II. RECEIPTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Receipts from Local Sources:	
1. Local Highway-user Taxes	
a. Motor Fuel (from Item I.A.1)	
b. Motor Vehicle (from Item I.B.1)	
c. Total (a + b)	
2. General Fund Appropriations	21,201,493.00
3. Other Local Imposts (from page 1, Item II.A3.c)	$ 21,889,891.00
4. Miscellaneous Local Receipts (from page 1, Item II.A4.c)	$ 1,128,460.00
5. Transfers from Toll Facilities	
6. Proceeds of Sale of Bonds and Notes:	
a. Bonds - Original Issues	
b. Bonds - Refunding Issues	
c. Notes	
d. Total (a + b + c)	$ -
7. Total (1 through 6)	$ 44,219,844.00
B. Private Contributions	
C. Receipts from State government (from page 1, Item II.C.4)	$ 11,264,975.00
D. Receipts from Federal government (from page 1, Item II.D.3)	$ 1,262,907.00
E. Total receipts (A.7 + B + C + D)	$ 56,747,726.00

III. EXPENDITURES FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Local highway expenditures:	
1. Capital Outlay (from page 1, Item III.A1.d)	$ 32,775,722.00
2. Maintenance:	2,395,745.00
3. Road and Street Services:	
a. Snow and Ice Removal	1,249,183.00
b. Other & Traffic Control Operations	8,676,068.00
c. Total (a + b)	$ 9,925,251.00
4. General Administration & Miscellaneous	644,143.00
5. Highway Law Enforcement and Safety	11,006,865.00
6. Total (1 through 5)	$ 56,747,726.00
B. Debt Service on Local Obligations:	
1. Bonds:	
a. Interest	
b. Redemption	
c. Total (a + b)	$ -
2. Notes:	
a. Interest	
b. Redemption	
c. Total (a + b)	$ -
3. Total (1c + 2c)	$ -
C. Payments to State for Highways	
D. Payments to Toll Facilities	
E. Total Expenditures (A6 + B3 + C + D)	$ 56,747,726.00

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

ITEM	OPENING DEBT	AMOUNT ISSUED	REDEMPTIONS	CLOSING DEBT
A. Bonds (Total)		$ -	$ -	$ -
1. Bonds (Refunding Portion)		$ -		
B. Notes (Total)		$ -	$ -	$ -

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