

City of Longmont, Colorado
**COMPREHENSIVE
ANNUAL
FINANCIAL
REPORT**

For the year ended
December 31, 2017



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June 28, 2018



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City of Longmont, Colorado



**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

Year Ended December 31, 2017

Prepared by
Department of Finance
James M. Golden
Chief Financial Officer



Residents enjoying McIntosh Lake

COMPREHENSIVE ANNUAL FINANCIAL REPORT

YEAR ENDED DECEMBER 31, 2017

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Union Reservoir is one of Longmont's premier recreational locations

CITY OF LONGMONT

350 Kimbark Street, Longmont, Colorado 80501



June 26, 2018

Honorable Mayor, Members of the City Council, and Citizens of the City of Longmont:

The Comprehensive Annual Financial Report (CAFR) of the City of Longmont for fiscal year ended December 31, 2017, is hereby submitted in accordance with Colorado statutes and City Charter provisions.

Responsibility for both the accuracy of the data presented and the completeness and fairness of the presentation, including all disclosures, rests with the City's Finance Department. The reported data is accurate in all material respects and is presented in a manner designed to fairly set forth the financial position and the results of operations of the City on a Citywide and Fund basis. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

Generally accepted accounting principles (GAAP) require that management provide an introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is intended to complement the MD&A, found immediately following the report of the City's independent auditors, and should be read in conjunction therewith. State statutes and the City Charter require an annual audit by independent certified public accountants to provide reasonable assurance that the information in the CAFR can be relied upon. The report of the City's auditors, CliftonLarsonAllen LLP, is included in the financial section of the report.

Profile of the City and Services

Longmont is 35 miles north of Denver, comprising 29-plus square miles in the highly desirable northern Front Range area. Incorporated in 1873 and chartered as a home rule city in 1961, Longmont is a full service, Council-Manager-governed municipality providing the following services to its 94,777 residents: public safety, highways and streets, culture and recreation, public improvements, planning and zoning, and general administrative services as well as sanitation, electric, storm drainage, water and sewer utilities, and enterprises of golf and airport. The City is also financially accountable for the Downtown Development Authority, which is reported separately in these financial statements, further explained in Note 1 of the financial statements section.

Factors Affecting Financial Condition

September 2013 Flood. In September 2013, the Colorado Front Range experienced a catastrophic flooding event. The St. Vrain and Left Hand creeks flow through Longmont and were impacted by the 1,000- year rainfall event. Flows on both rivers exceeded 500-year flood levels and caused significant damage to City infrastructure and private property. The President issued a major disaster declaration following state and local declarations due to the overwhelming nature of the damage. Local City response efforts included over 12,000 evacuation notices; hundreds of rescues; maintaining a shelter for 10 days; and clearing debris from homes, roadways and waterways while the City was effectively cut in half. Damage estimates topped \$150 million for City infrastructure and over \$100 million for private property. During 2014, the City secured more than \$50 million in federal and state grants for repairs to infrastructure and to support housing efforts. Additionally, the City issued \$20 million in storm drainage bonds for repairs and improvements to the St. Vrain Creek Drainageway. The City is working closely with state and federal agencies during recovery and is aggressively pursuing additional sources of funding. In 2017, the City budgeted \$34.3 million for flood recovery efforts, \$17.3 million was spent, and \$14.7 million was received from federal and state grants.

Local Economy. The City's economic picture showed continued growth in 2017 with an increase in sales and use tax and an increase in primary jobs compared to 2016. Primary jobs increased by 4.1%. The area unemployment rate was reported at 3.0% in December 2017, as compared to 2.2% in December 2016.

During 2017, sales and use tax activity increased 10.1% from 2016 with sales tax up 8.7% and use tax up 16.1%. Additionally, 290 building permits were issued for single-family residences and 167 permits were issued for multifamily units. The City also issued nonresidential permits for a total of 543,000 square feet with a value of \$45.7 million. In 2018, new construction permits for 113 single-family homes, 111 multifamily units and 4 commercial/industrial properties have been issued through April.

The Longmont Economic Development Partnership (LEDP) 2017 Annual Report reveals a net increase of 4.1%, or 621, primary jobs during 2017. There were 127 new jobs created by new primary employers. During 2017, 45 new jobs were created through expansions of existing primary employers. Longmont's primary employers represent a mixture of industries. Data from the LEDP report indicate that computer-related industries are the largest primary employers in the Longmont area. Other significant industries include software, semiconductors, aerospace, biotech, energy, communications, and medical instruments.

The City's economic environment continues to improve after the recession in 2008/2009. Longmont is a desirable location and has a well-balanced, diversified economic base. Growth-related goals set forth in the City's Comprehensive Plan support growth and development that allow Longmont to become a sustainable community over the long term – one that balances economic, environmental and community needs. With a population of 94,777, the city has reached approximately 82% of residential buildout and 47% of its job capacity buildout in commercial and industrial development.

Major City Initiatives. The City continues its efforts to improve quality of life and long-term financial interests of the community. Significant accomplishments during 2017 included:

- Launched countywide system to address adult homelessness, in partnership with other local governments and service providers.
- Initiated construction of the Museum Collections Storage facility, which will be complete in early 2018; received a \$150,000 grant from Museums for America to purchase state-of-the-art storage furniture, properly rehouse the collection, and help make the collection accessible to research and exhibitions after years of being packed away
- Completed multiple major recreation facility updates including structural repair of Centennial Pool's observation window/wall, the replacement of the Roosevelt (Ice) Pavilion's concrete pad, nearly 60% of the new irrigation control system at Sunset Golf Course, and the insulation and lighting project in the Twin Peaks Maintenance Building
- Continued successful management of the \$67.7 million CDBG-DR sub-allocation for Boulder County disaster recovery:
 - Round 2 grant agreement totals \$46,416,338; 90% (\$41.8 M) is under contract for 20 different infrastructure projects and 7 housing programs with our Collaborative Partners
 - Halfway through Round 2 funding - \$23,360,511 has been expended and \$22,711,163 has been reimbursed, leaving balances of \$4.6M to commit and \$23,055,827 to spend
 - Completed and closed out one project in 2017
 - Completed Unmet Needs Assessment for Round 3 funding, and \$20 million in funds have been allocated to each Collaborative community
 - Added \$7.5M of new funding to grant agreement (funding recaptured from other nonperforming projects) bringing the total grant agreement to \$75.1 million
- Human Resources opened 135 regular positions; filled 122 positions
- Completed Colorado's 1st Gig City! NextLight™ recognized as nationwide Community Broadband Project of the Year and fastest internet by PC magazine, take rate continued above expectations at 53% (more than 1.5 times above projected), and had a network reliability of 99.999%
- Enhanced energy efficiency programs through Efficiency Works™ with nearly 300 residential and commercial audits and projects and over \$1 million paid in business rebates; piloted a low-income home efficiency improvement program; and implemented a Smart Thermostat rebate
- Implemented administrative processing of routine liquor license application types after adoption of revised Rules of Procedure for the Licensing Authority
- Ranked 2nd lowest residential electric rates compared to 50 Colorado providers surveyed
- In coordination with Platte River Power Authority (PRPA), provided study results for zero net carbon model and integrated demand side management measures with PRPA
- Awarded the American Public Power Association's RP3 Diamond Award, the highest recognition for excellence in reliability, safety, workforce development, and systems improvements and the SolSmart Bronze designation for improving customers' solar installation experience
- Introduced dynamic pricing in the City's golf operations; revenue increased by \$225,718

- Completed Phase 2 (of 5) of the LED streetlight replacement program with annual savings of 370 MWhs and \$22,000
- Completed numerous development projects including installations for new major employers, the Pratt Street Bridge, the Resilient St. Vrain project, expanded redundant/looped systems for both electric and NextLight
- Implemented numerous software upgrades and changes, including Munis software for HR and payroll, SIRE to On Base records management system, requirements gathering for the Criminal Justice and Fire system and Customer Information Systems, Accela Phase 2, Utility Billing IVR system and others
- National American Planning Association Sustainability Award for Envision Longmont
- Successful launch of Zagster, city's first bike share program
- Collaborated with Public Works & Natural Resources and Boulder County to open two new underpasses
- Partnered with RTD through a grant program to extend local bus service on all routes
- Completed 1st and Main Transit Oriented Development strategies
- The Longmont Department of Public Safety started the Angel Initiative in January 2017 and to date, has helped more than 50 persons enter into treatment. At least half of the Angel participants also were struggling with homelessness. Many entered long-term treatment programs that offered treatment, housing, and work. Through Public Safety's effort to garner scholarships, Angel participants have received over \$300,000 of treatment.
- The voters by an overwhelming majority supported an increase in the public safety tax
- Public Safety received two significant grants to assist people struggling with addiction and their mental health
- Lowered our ISO rating from four to two resulting in an average \$200 reduction in insurance rates for homeowners within the city limits
- Resilient St Vrain Project (RSVP): The first phases of creek improvements, Sandstone Ranch Reach (SSR) and City Reach 1 - Main Street to Left Hand Creek (CR1), are under construction. The greenway trail at SSR has been reconstructed with a new pedestrian bridge crossing St. Vrain Creek. The trail is expected to open to the public in spring 2018. Channel improvements are complete at CR1 with nine new boulder drop structures, three pedestrian bridges and reconstructed greenway trails. After site revegetation, the City will start work on the Dickens Farm Nature Area with an expected opening in 2018. Work on City Reach 1 is the first step in fully restoring the St. Vrain Greenway trail and reducing the flood risk through the city
- The City launched composting services and a pay-as-you-throw rate structure in April 2017. Around 3,900 customers have signed up for composting. Approximately 1,900 customers subscribe to the every-other-week trash collection service, and about 3,500 customers have moved from the 96-gallon to the 48-gallon trash cart. The composting program is fully funded by resident subscriptions.
- Montgomery Park Acquisition – In February 2016, City Council granted conditional consent for Boulder County to purchase the Tice property, which lies within the Longmont Planning Area. In return the City would purchase the county's Montgomery Farm property. In March 2017 the IGA with Boulder County was approved, allowing the City to move forward with the acquisition of the Montgomery Farm property. The City intends to complete this purchase over the next five years. The intent is that this property will provide small-scale agricultural opportunities, wildlife habitat, and a Community Park.
- Flood Recovery at Button Rock Preserve – By the end of 2017 all flood recovery work in Button Rock Preserve was substantially completed. The area is now fully functional as the City's primary water supply facility and is open as a nature preserve for low-impact recreational use. Work completed included stream restoration in the preserve, a new bridge over the reservoir spillway for access to the top of Button Rock Dam, and replacement of visitor amenities such as a new information kiosk, a new entryway, and a new natural design handicap fishing area
- WTP Property Sale to Lyons – The North and South Water Treatment Plants were decommissioned in 2006 after the new 30 million-gallon-per-day Nelson Flanders Water Treatment Plant was completed and began operating. The plants comprise approximately 10 acres of land and are located east of Lyons near the intersection of US Highways 66 and 36. In November 2008 City Council determined it would be in the City's best interest to sell the properties and work with the Town of Lyons to purchase them. The sale was completed in April 2017 at a value of \$925,000.
- Partnering with the Colorado Department of Transportation, the City completed the Main Street concrete paving program from Ken Pratt Boulevard to 3rd Avenue.
- Completed construction of the Main Street Bridge
- The City of Longmont has long practiced water conservation. In 2017, the City updated and had adopted by City Council, an updated Water Efficiency Master Plan. This plan will help guide the City to even new and better water conservation practices.

- Sold \$7,200,000 of electric and broadband revenue bonds to finance completion of the community broadband network
- Received an upgrade from A2 to A1 from Moody's Investor Services on the rating for the City's Open Space Sales & Use Tax Bonds
- Completed the first year of new wellness incentive structure with an additional level for completing daily healthy activities such as exercise and eating healthy. Level 1 - 234 employees completed, Level 2 - 216 employees completed, Level 3 -131 employees completed
- Completed changeout and upgrade of all vehicle mounted radios including all of Police, Fire, PW&NR and LPC radios and handhelds and communication center consoles to new digital radios
- Worked to resolve noted problems with cradle point connectivity for MDCs in public safety vehicles. Approximately 70 vehicles were retrofitted and upgraded with new cradle points, antennas and battery backups. This solved a severe problem with lost connectivity for mobile reporting for Public Safety. Funding was secured, and possible future replacement funding through the Fleet replacement fund was identified for MDCs cradle points and radios
- Issued 79 solicitations, \$25.6M in encumbered contracts, \$46M in purchase orders, \$7.5M in purchasing card expenditures
- Recovered over \$14 million from FEMA and the state for the 2013 and 2015 floods in 2017, totaling over \$30 million in recovery revenue to date
- Closed 16 FEMA project worksheets, with 6 near completion and 7 in queue for closeout by mid-2018
- Implemented an online priority based budgeting system

In 2016 the City Council adopted Envision Longmont, a multimodal and comprehensive plan that provides strategic direction and guidance for the next 10 to 20 years. The City Council's focus for 2018 remains in line with the commitment made in 2013 to use priority based budgeting to make future decisions regarding resource allocations.

The Council identified the following six results that the City is in business to achieve:

- **Livable Centers, Corridors, and Neighborhoods** – Funding of \$219,850 is budgeted in 2018 for specialized equipment replacements for Recreation and other Community Services facilities, \$255,042 for maintenance of swimming and wading pools, and \$263,103 for park infrastructure rehabilitation and replacement. The Lodgers' Tax is projected to provide \$474,616 to Visit Longmont to fund operations and to support tourism and visitor-related programs.
- **A Complete, Balanced, and Connected Transportation System** –The City has budgeted \$11.7 million for transportation projects, including \$6.5 million for street resurfacing, \$3 million for transportation system management program, and \$2.2 million for various sidewalk and street repairs and rehabilitation.
- **Housing, Services, Amenities and Opportunities for All** – The 2018 budget includes \$1 million from the General Fund to continue efforts to capitalize the City's Affordable Housing Fund, as recommended by both the Workforce Housing Task Force and City Council. This is an increase of \$460,000 over the amount of ongoing funds budgeted in 2017.
- **A Safe, Healthy and Adaptive Community** – The City Council has always placed public safety expenditures in a high priority category when allocating scarce resources from the General Fund. The recent passing of the public safety tax will provide over \$5.19 million of funding for public safety. The 2018 General Fund budget includes over \$35.5 million of funding for public safety services.
- **Responsible Stewardship of Our Resources** – Phase II of planned improvements to the Wastewater Treatment Plant, funded through voter-approved bonds issued in 2015, are complete. The design-build project included a new dewatering facility, secondary process improvements, addition of advanced ammonia removal, and infrastructure renewal. These improvements will maintain the plant's ability to meet increasing water quality standards and protect public health and the aquatic environment of St. Vrain Creek. The final phase of plant improvements is construction of facilities to beneficially reuse the methane generated by the wastewater plant. An engineering evaluation of methane reuse alternatives has been completed, and the most sustainable and cost-effective alternative is to use the methane as a renewable fuel for the City's sanitation fleet. The majority of sanitation vehicles will be replaced in 2018-2019, which gives the City the opportunity to convert the fleet from diesel to natural gas. This will provide multiple benefits to the City, including reducing air pollution and greenhouse gases associated with diesel emissions and minimizing the vulnerability to fluctuations in the cost of diesel fuel. The project also will allow the City to access funds from the national renewable fuel program, which will help pay back much of the investment in the project. This project will be jointly funded by the remaining bond funds from the wastewater plant improvement project and the Sanitation Fund. Construction is scheduled for 2018.

An in-depth evaluation of the Civic Center building was completed in 2014, and it identified the need to spend several million dollars over the next few years to address issues with this facility. The phase II structural evaluation of the post tensioned slab was completed in 2017. The report noted that extensive repairs are needed to the slab in order to continue to occupy the building. Additional funding in the amount of \$4 million was secured and final design is underway. Construction began early 2018 and will continue through 2019. In-depth evaluations completed in 2015 for the Library and Safety & Justice Center also call for expenditures of several million dollars. Several other City buildings are in need of in-depth evaluations due to their age and functional requirements.

- **Job Growth and Economic Vitality Through Innovation and Collaboration** – The City of Longmont’s focus on attracting and retaining businesses is demonstrated by ongoing funding and support for various economic development programs and initiatives. Specific funding requests for economic development programs and partner agency funding continue for the 2018 budget. The 2018 budget includes \$60,000 for the Small Business Grant program, \$39,925 for the Small Business Development Center, \$30,000 for the Latino Chamber contract and scholarships, \$5,000 for the Colorado Enterprise Fund, and \$362,500 to contract with the Longmont Economic Development Partnership to provide economic development services including administering the aforementioned programs through grant administration, training, loan program facilitation and individualized business assistance as well as continuing to provide efforts to retain and attract primary employers. The 2018 budget also includes \$20,000 of ongoing resources for the US 36 lobbying contract.

The City provides funding to several local economic development partners, including the Longmont Economic Development Partnership, Visit Longmont, the Boulder County Latino Chamber of Commerce, and the Colorado Enterprise Fund. The City’s primary economic development organization, Longmont EDP, provides business recruitment, retention and expansion services on behalf of the City of Longmont. The organization focuses on primary employers, the startup community and non-primary local business. In 2016 and 2017, the Longmont EDP and the City of Longmont attracted the Smuckers Corporation to the area; it has begun building a facility to produce a growing product line called Uncrustables. This will create 250 jobs in phase one and 250 more when phase two is complete. Construction began in 2017 with a production target in 2019.

The City has had a focus on economic development for several years. The City and the Longmont EDP created a strategic plan in 2014 known as Advance Longmont. Implementation of that plan is led by Longmont EDP with support from 12 local economic development organizations that make up the Advance Longmont Partnership. In addition, the City continues to enhance the one-stop Development Services Center, which is designed to streamline the delivery of services related to community and economic development. Elements of sound economic expansion such as transportation, utility infrastructure, recreation and cultural facilities, planning considerations, and managed growth, continue to be high priorities. Envision Longmont, the City’s Multimodal and Comprehensive Plan, was adopted in 2016; the plan provides strategic guidance and direction on a comprehensive range of topics, including economic vitality through innovation and collaboration. The City is confident that this plan and its related efforts will enhance the quality of life in Longmont and protect long-term financial stability.

Capital Improvement Program. A comprehensive five-year capital improvement program (CIP) is prepared each year. The CIP provides the opportunity to:

- Coordinate projects within the City and with outside agencies
- Explore and use alternative funding mechanisms
- Link capital expenditures to adopted plans and policies
- Assess the impact of capital improvements on the City’s operating budget
- Increase the involvement of the general public in planning the City’s infrastructure
- Increase the community’s awareness of the City’s capital needs and capabilities

Most of the projects are funded from business-type activities. Other major projects are in the Streets Fund, Transportation Community Investment Fee Fund, Public Building Community Investment Fee Fund, Park Improvement Fund and Public Improvement Fund. The five-year CIP includes funded projects, partially funded projects and unfunded projects. A summary of the five-year plan for 2018-2022 is shown below. The projects detailed are funded primarily through business-type activity revenues, through sales and use tax revenues of the Street and Public Improvement governmental funds, and through growth-related community investment fees. Additionally, there are approximately 57 projects identified as unfunded with an estimated cost of \$380 million, some of which may never be realized as they are new services or enhanced services dependent upon new sources of revenue.

Category	Number Of Projects	Amount Funded
Broadband	2	\$ 7,715,000
Downtown Redevelopment	1	\$ 110,000
Drainage	6	\$ 17,811,627
Electric	8	\$ 11,548,850
Parks and Recreation	26	\$ 39,569,291
Public Buildings & Facilities	27	\$ 36,563,748
Sanitation	1	\$ 353,500
Sewer	3	\$ 19,550,300
Transportation	12	\$ 55,082,640
Water	15	\$ 30,280,720

Financial Policies. Since 1985 the City has maintained comprehensive financial policies developed to provide the City with continuity of financial management through changes in financial staff and City Council. The policies are reviewed and updated annually by City Council. There are currently 98 policies organized in the following eight categories:

1. Revenue (11)
2. Operating (23)
3. Fees for Service (6)
4. Investment and Debt (11)
5. Reserves (10)
6. Administrative and Franchise Fees (7)
7. Enterprise Funds (15)
8. Capital improvement (15)

Financial Management and Internal Controls

The City's framework of internal controls provides management with the reasonable assurance it needs to take meaningful responsibility for the contents of the financial statements. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits and that the evaluation thereof requires managerial judgment. The City's basic system of internal controls includes a control environment, the accounting system, and control procedures.

The foundation of the City's financial planning and control is the annual budget. To ensure compliance with legal budgetary controls, the City Council and management receive periodic reports comparing budgeted amounts to actual expenditures. The level at which expenditures cannot exceed appropriations (legal level of budgetary control) is the fund level. The City Council may make additional appropriations during the fiscal year for unanticipated revenues or projects that were not completed in the prior year. Budget-to-actual comparisons by fund are provided in the fund subsection of this report for all funds requiring an appropriated annual budget and are summarized in the notes to the financial statements. The Public Improvement Fund is reported with project-length budget-to-actual comparisons as the only fund for which appropriations do not lapse at year end.

Cash management met full compliance with Colorado statutes and the City's investment policy, which was last updated by the City Council in 2017. All funds are invested using a "pooled assets" investment fund, focusing on the investment objectives of safety, liquidity and yield. The majority of temporary investments made by the City in 2017 were in government agencies and securities. The fair value return on the investment portfolio during the year was 1.23%.

Colorado law grants governmental immunity to all governments, limiting the loss on any one general or automobile claim for negligence to \$350,000 per person, and \$990,000 per occurrence. Beginning January 1, 2018, and every four years thereafter, the Attorney General (AG) is required to adjust the caps based on the Consumer Price Index for Denver-Boulder-Greeley. The adjusted amounts are to be published on the AG's website. Longmont retains risk of \$300,000 per claim and purchases excess insurance with limits of \$1 million for general and auto liability claims not covered by governmental immunity. The City retains risk for workers' compensation up to a limit of \$500,000 per general worker claim, \$600,000 per firefighter and police officer claim, and \$600,000 per electrical worker claim and carries excess insurance beyond those limits. The City retains risk of \$25,000 for property losses and carries insurance up to \$75 million for any one property loss occurrence except for \$100,000 retention for general flood and earthquake and \$500,000

retention for zone A flood losses. The City's risk management staff (4-¾ full-time positions) includes a Safety Officer for the purpose of loss control and prevention.

All benefitted City employees are covered by one or more of six pension plans. All sworn uniformed employees are covered by the Fire and Police Money Purchase Plans, two separate defined contribution plans. The City maintains two closed defined benefit plans, the Fire Pension Plan and the Police Pension Plan, each with 10 or fewer retirees or beneficiaries but no active participants at December 31, 2017. All other eligible City employees are covered by both a defined contribution plan and a defined benefit plan. Actuarial studies on the Fire Pension Plan and the Police Pension Plan are performed annually with the last study for each plan performed as of January 1, 2017. An actuarial study on the Employee Pension Plan is performed annually with the last study performed as of January 1, 2017. Actuarial information regarding the plans is included in the notes to the financial statements.

The City of Longmont does not provide postretirement health or dental care benefits for any retirees. Retirees may participate in the City's fully insured health plan at a blended rate until eligible for Medicare. The implicit subsidy in that blended rate has been actuarially measured and reported in the Citywide and Enterprise Fund statements.

Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Longmont, Colorado, for its comprehensive annual financial report (CAFR) for the fiscal year ended December 31, 2016. The City has been awarded a Certificate of Achievement for 36 consecutive CAFRs. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR conforming to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year. We believe our current CAFR continues to meet the Certificate of Achievement Program requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.

The City received the National Procurement Institute's Achievement of Excellence in Procurement Award, one of only 3 agencies in Colorado to receive this award.

The Envision Longmont Multimodal & Comprehensive Plan received the Colorado APA State Chapter's Award – Sustainable and Environmental category

In addition, the City also received the GFOA's Distinguished Budget Presentation Award for its annual budget document for the fiscal year beginning January 1, 2017. To qualify for the Distinguished Budget Presentation Award, the City's budget document had to be judged proficient as a policy document, a financial plan, an operations guide, and a communications device.

A Certificate of Achievement is the highest form of recognition in the area of governmental financial reporting, and its attainment represents a significant accomplishment by a governmental unit. The preparation of this report on a timely basis could not have been accomplished without the effective and dedicated services of Accounting Manager DeeAnn Hanson, Lead Accountants Ben MacDonald and Sammi Coleson, Accountant Kim Klug, Public Information Specialist Anne Jordan, and the entire staff of the Finance Department. Credit is also due the Mayor and the members of City Council for their support for maintaining the highest standards of professionalism in the management of the City of Longmont's finances.

Respectfully submitted,



Harold Dominguez
City Manager



James M. Golden
Chief Financial Officer



Main Street in downtown Longmont



Government Finance Officers Association

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

Presented to

**City of Longmont
Colorado**

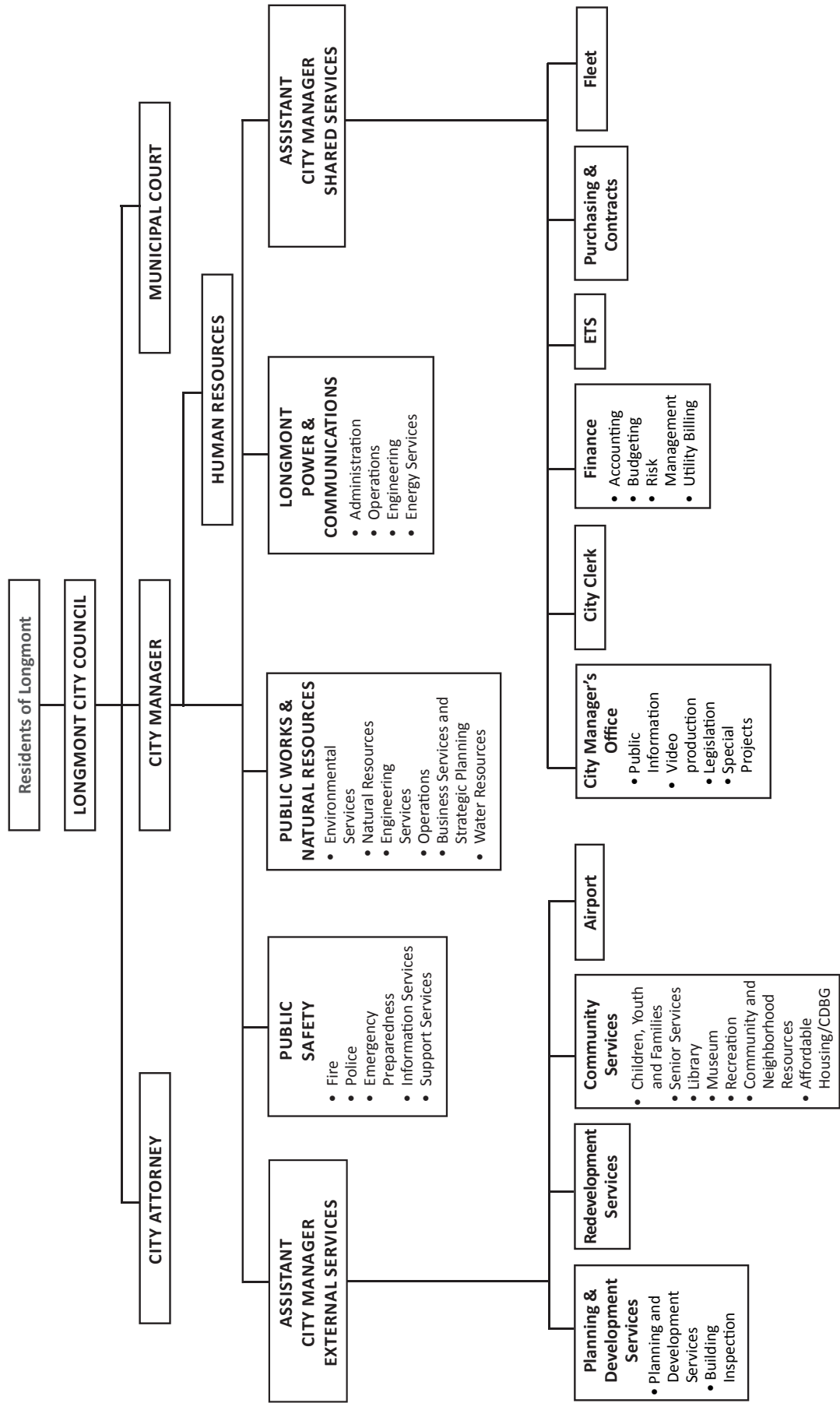
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2016

Christopher P. Morrill

Executive Director/CEO

CITY OF LONGMONT



OFFICIALS

City of Longmont, Colorado



CITY COUNCIL

Brian J. Bagley, Mayor

Polly Christensen

Bonnie Finley

Tim Waters

Joan Peck

Marcia Martin

Aren Rodriguez

CITY MANAGER

Harold Dominguez

Sandra Seader..... Assistant City Manager

Shawn Lewis..... Assistant City Manager

James M. Golden..... Chief Financial Officer

Karen L. Roney..... Director of Community Services

Joni Marsh Director of Planning & Development Services

Tom Roiniotis General Manager, Power & Communications

Dale Rademacher General Manager, Public Works and Natural Resources

Mike Butler..... Chief of Public Safety

Eugene T. Mei..... City Attorney



City public works staff monitor real-time information about the operation of the raw water treatment facility



CliftonLarsonAllen LLP
CLAAconnect.com

INDEPENDENT AUDITORS' REPORT

The Honorable Mayor and Members of City Council
City of Longmont
Longmont, Colorado

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Longmont, as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the entity's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

The Honorable Mayor and Members of City Council
City of Longmont

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Longmont as of December 31, 2017, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General Fund, Streets System Fund and Community Development Block Grant Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Longmont's basic financial statements. The combining and individual nonmajor fund financial statements and schedules and the Local Highway Finance Report are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is also presented for purposes of additional analysis and is not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules, Local Highway Finance Report and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling 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 auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The Honorable Mayor and Members of City Council
City of Longmont

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 26, 2018, on our consideration of the City of Longmont's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the City of Longmont'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 of Longmont's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Greenwood Village, Colorado
June 26, 2018



The new Sunset Street Bridge over St. Vrain Creek

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of the City of Longmont's (the City) financial statements as of and for the year ended December 31, 2017, provides a narrative overview of its financial activities. Please consider the information presented here in conjunction with additional information we have furnished in our letter of transmittal, which starts on page 9 of this report.

In September 2013, St. Vrain and Left Hand creeks experienced a 1,000 year rainfall event that created flows through the city that exceeded 500-year flood levels. The City is working closely with state and federal agencies during recovery efforts. The City is aggressively pursuing all sources of grant funding including FEMA, State of Colorado, CDBG-DR, U.S. Army Corps of Engineers, and others. In 2017, the City budgeted \$34.5 million for flood recovery projects; \$17.5 million was spent, and \$14.8 million was received from federal and state grants.

Financial Highlights

- The City's net position of \$1.125 billion is divided between Governmental Activities (\$443 million) and Business-type Activities (\$682 million). Governmental activities showed an increase in net position of \$32.9 million. The majority of this increase (\$23.6 million) was due to an increase in grants and contributions attributed to the activities to rebuild after the 2013 flood. Property taxes showed an increase of \$3.8 million, and sales and use taxes had an increase of \$8.8 million. Business-type activities showed an increase in net position of \$39.6 million due primarily to an increase in grants and contributions of \$10.5 million and an increase in charges for services of \$12.8 million.
- At December 31, 2017, the City of Longmont's governmental funds balance sheet reported combined ending fund balances of over \$131.6 million, a \$19.9 million increase from the prior year. This statement combines 37 funds, including the City's General Fund, Streets Systems Fund, and Community Development Block Grant Fund. The Park Improvement Fund and the Water System Construction Reserve Fund showed an increase in fund balances in excess of \$2.0 million.
- The fund balance, within the governmental funds, is \$131.6 million. Most of that fund balance, \$109.7 million or 83.3%, is restricted for use for specific purposes as required by external parties. \$77.8 million of the \$109.9 million balance represents reserves built up for capital acquisitions or construction as follows: Water System Projects, \$34.1 million; Transportation Projects, \$14.9 million; Open Space acquisitions, \$6.1 million; Public Improvement Fund capital projects, \$5.7 million; Conservation Trust capital projects, \$7.5 million; Parks capital projects, \$10.7 million; and various other. Additionally, \$4.4 million has been identified for emergencies.
- The unassigned fund balance for the General Fund at the end of the current fiscal year was \$7.8 million, which was 10.3% of total General Fund expenditures.
- The City of Longmont's total debt decreased by \$2.6 million during 2017.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City of Longmont's basic financial statements. The City's basic financial statements have three components: 1) citywide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

Citywide Financial Statements. The citywide financial statements are intended to provide readers with a broad overview of the City of Longmont's financial position in a manner similar to private-sector business. The statement of net position is essentially a balance sheet that combines all funds on a citywide basis. Changes in net position over time may be an indicator of whether the City's financial position is improving or worsening. The statement of activities combines all funds on a citywide basis for income statement presentation. All changes in net position are reported as soon as the underlying event occurs, regardless of the timing of the

related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows only in future years (e.g., uncollected taxes and earned but unused vacation leave).

Both of these citywide 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 costs or a significant portion thereof through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety, highways and streets, and culture and recreation. The business-type activities of the City include sanitation, golf, electric/broadband, water, sewer, storm drainage, and airport operations.

The Citywide financial statements include not only the City of Longmont itself (the primary government), but also the legally separate Downtown Development Authority (component unit) for which the City is financially accountable. Financial information for the component unit is reported separately from the financial information of the City. The General Improvement District, although also legally separate, functions for all practical purposes as a department of the City and is, therefore, included as an integral part of the primary government.

The Citywide financial statements are Exhibits 1 and 2 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 of Longmont uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the City's funds can be divided into three categories: governmental, proprietary and fiduciary.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the Citywide financial statements. However, unlike the citywide 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. Financial information based on spendable resources is useful in evaluating the City's short-term financing requirements.

Because the focus of governmental funds is narrower than that of the citywide financial statements, it may be useful to compare the information presented for governmental funds with similar information presented for governmental activities in the citywide statements. Readers may then better understand the long-term impact of the City's short-term financing decisions. Both the governmental fund balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate a comparison between governmental funds and governmental activities.

The City maintains 38 individual governmental funds. Information is presented separately in the governmental balance sheet and in the governmental statement of revenues, expenditures, and changes in fund balances for the General Fund, the Streets Systems Fund, and the Community Development Block Grant fund, which meet the criteria to be considered major funds of the City under generally accepted accounting principles (GAAP). Financial information from the other 35 funds is combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements and individual fund statements elsewhere in this report.

The basic governmental fund financial statements are Exhibits 3 through 7 of this report.

Proprietary funds. The City maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented in the business-type activities in the citywide financial statements. The City uses enterprise funds to account for its sanitation, golf, electric/broadband, water, sewer, storm drainage, and airport operations. Internal service funds are used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its warehouse and fleet operations, and its risk-retention functions including liability, employee benefit, workers compensation, and unemployment. Because these internal services predominantly benefit governmental rather than business-type activities, they are included within the governmental activities in the citywide financial statements.

Proprietary funds provide the same type of information as the citywide financial statements in more detail. The proprietary fund financial statements provide separate information for the electric/broadband, water, sewer, and storm drainage operations, all of which meet the criteria to be considered major funds of the City under GAAP. Financial information from four other proprietary funds is combined into a single, aggregated presentation with individual fund data presented in a later section. Additionally, 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 is provided in the form of combining statements elsewhere in this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties external to the City. Fiduciary funds are not reflected in the citywide financial statement because the resources of those funds are not available to support the City of Longmont's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The basic fiduciary funds financial statements can be found on pages 60 and 61 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the citywide and fund financial statements. The notes to the financial statements can be found beginning on page 63 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City of Longmont's progress in funding its obligations to provide pension benefits and other post-employment benefits to its employees. Required supplementary information can be found on the pages immediately following the notes.

The combining and individual fund statements earlier referenced in connection with non-major funds and internal service funds are presented immediately following the required supplementary information on pensions. Combining and individual fund statements and schedules can be found on pages 113-198 of this report.

REPORTING THE CITY AS A WHOLE

Citywide Financial Analysis

Citywide Statement of Net Position

As highlighted earlier, net position may serve over time as a useful indicator of a government's financial position. The City's combined net position is nearly \$1.125 billion at December 31, 2017. Governmental activities make up \$442.7 million of the net position, with business-type activities comprising \$681.9 million. Total net position increased by \$72.6 million in 2017. The change comprises the following:

- Governmental activities increased the City's net position by \$32.9 million for 2017. The 2017 increase is due primarily to an increase in grants and contributions of \$11.2 million and an increase in property taxes of \$1.4 million, as well as an increase of \$6.2 million in sales and use taxes.
- Business-type net position increased by \$39.6 million in 2017. The 2017 increase is due primarily to increased revenues from user fees of \$12.8 million and grant contributions of \$10.5 million related to the 2013 flood.

The largest portion (83%) of the City's net position reflects its investments in capital assets (e.g., land, utility systems, buildings, machinery, and equipment), less any outstanding debt used to acquire those assets. These assets are used to provide services to residents and thus are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it is important to note that the resources needed for debt repayment must be provided from other sources since the capital assets themselves cannot be used to liquidate liabilities.

Unrestricted net position, as shown below, is the portion of net position that can be used to finance day-to-day operations without external constraints of debt covenants, legislation or other legal requirements. It is composed of fund balances, reserves and other funds that are earmarked for capital project spending.

The Citywide Statement of Activities

**Net Position
as of December 31**

	Governmental activities		Business-type activities		Total	
	2017	2016	2017	2016	2017	2016
Current and other assets	\$ 210,052,658	\$ 181,408,082	\$ 98,209,042	\$ 96,007,901	\$ 308,261,700	\$ 277,415,983
Capital assets	346,797,565	337,486,301	731,076,420	691,757,056	1,077,873,985	1,029,243,357
Total assets	<u>556,850,223</u>	<u>518,894,383</u>	<u>829,285,462</u>	<u>787,764,957</u>	<u>1,386,135,685</u>	<u>1,306,659,340</u>
Deferred Outflow of Resources	<u>8,859,193</u>	<u>10,879,876</u>	<u>5,058,020</u>	<u>5,947,256</u>	<u>13,917,213</u>	<u>16,827,132</u>
Long-term liabilities	76,467,061	80,687,354	131,429,593	130,713,273	207,896,654	211,400,627
Other liabilities	27,681,176	22,917,448	20,965,266	20,668,740	48,646,442	43,586,188
Total liabilities	<u>104,148,237</u>	<u>103,604,802</u>	<u>152,394,859</u>	<u>151,382,012</u>	<u>256,543,096</u>	<u>254,986,815</u>
Deferred Inflow of Resources	<u>18,856,820</u>	<u>16,398,841</u>	<u>-</u>	<u>-</u>	<u>18,856,820</u>	<u>16,398,841</u>
Net investment in capital assets	\$ 317,947,679	\$ 304,616,626	\$ 618,313,194	\$ 588,305,281	\$ 936,260,873	\$ 892,921,907
Restricted	109,964,697	95,386,575	808,280	2,038,868	110,772,977	97,425,443
Unrestricted	14,791,983	9,767,415	62,827,149	51,986,051	77,619,132	61,753,466
Total net position	<u>\$ 442,704,359</u>	<u>\$ 409,770,616</u>	<u>\$ 681,948,623</u>	<u>\$ 642,330,200</u>	<u>\$ 1,124,652,982</u>	<u>\$ 1,052,100,816</u>

Governmental Activities. Governmental activities increased the City's net position by \$32.9 million. Most of this increase in governmental net position was the result of an increase in grants and contributions of \$11.2 million associated with the 2013 flood.

As detailed in Note 2A, program revenues are associated directly with a specific activity and account for \$72.1 million or 42.4% of total revenues related to governmental activities. General revenues, consisting primarily of taxes, are not generally associated directly with any operational governmental function. However, the City has sales and use taxes that are specifically earmarked for open space, streets, public safety, and public improvement expenses and thus are not available for any other governmental activities. The relationships between program revenues and expenses for governmental activities are displayed on the following page.

Total revenues from the governmental activities are depicted as a percentage of the whole on page 30.

In order to understand the Governmental Funds in detail, the Statement of Revenues, Expenditures and Changes in Fund Balances, Exhibit 4, is useful. Major governmental funds are later analyzed in this discussion.

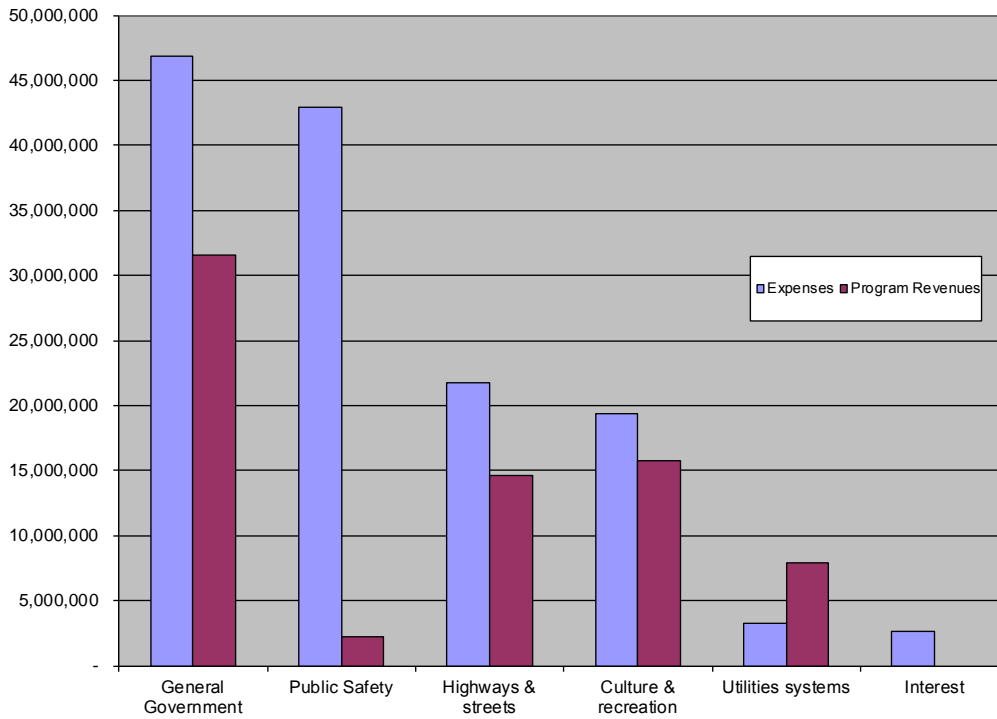
Changes in Net Position

(in thousands)

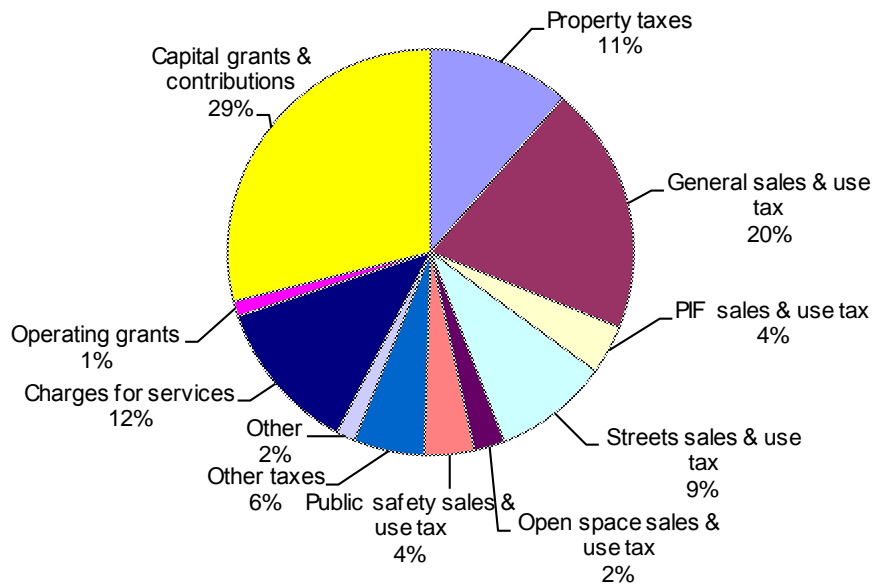
	Governmental activities		Business-type activities		Total	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Revenues:						
Program revenues:						
Charges for services	\$ 20,859	\$ 22,582	\$ 127,609	\$ 114,844	\$ 148,468	\$ 137,426
Operating grants & contributions	2,058	14,462	11,242	4,140	13,300	18,602
Capital grants & contributions	49,164	25,511	13,771	10,325	62,935	35,836
General revenues:						
Property taxes	19,189	17,821	-	-	19,189	17,821
Sales & use taxes	68,057	61,840	-	-	68,057	61,840
Other taxes	8,306	8,228	-	-	8,306	8,228
Other	2,546	835	722	1,276	3,268	2,111
Total revenues	<u>170,179</u>	<u>151,279</u>	<u>153,344</u>	<u>130,585</u>	<u>323,523</u>	<u>281,864</u>
Expenses:						
General government	46,848	41,121	-	-	46,848	41,121
Public Safety	42,949	39,569	-	-	42,949	39,569
Highways & streets	21,764	29,739	-	-	21,764	29,739
Culture & recreation	19,411	8,786	-	-	19,411	8,786
Municipal utilities systems	3,214	160	-	-	3,214	160
Interest on long-term debt	2,654	2,934	-	-	2,654	2,934
Sanitation	-	-	6,448	5,988	6,448	5,988
Golf	-	-	2,293	2,250	2,293	2,250
Electric & Broadband	-	-	72,647	70,336	72,647	70,336
Water	-	-	15,792	14,657	15,792	14,657
Sewer	-	-	10,844	11,046	10,844	11,046
Storm drainage	-	-	5,441	5,191	5,441	5,191
Airport	-	-	665	621	665	621
Total expenses	<u>136,840</u>	<u>122,309</u>	<u>114,130</u>	<u>110,089</u>	<u>250,970</u>	<u>232,398</u>
Excess before special items and transfers	33,339	28,970	39,214	20,496	72,553	49,466
Transfers	(405)	(1,660)	405	1,660	-	-
Increase in net position	<u>\$ 32,934</u>	<u>\$ 27,310</u>	<u>\$ 39,619</u>	<u>\$ 22,156</u>	<u>\$ 72,553</u>	<u>\$ 49,466</u>
Net position - January 1	409,770	382,459	642,330	624,822	1,052,100	1,007,281
Cumulative effect of correction to Prior Period	-	-	-	(4,646)	-	(4,646)
Restated Net Position	<u>409,770</u>	<u>382,459</u>	<u>642,330</u>	<u>620,176</u>	<u>1,052,100</u>	<u>1,002,635</u>
Net position - December 31	442,704	409,770	681,949	642,332	1,124,653	1,052,101

Expenses and Program Revenues - Governmental Activities

Expenses and Program Revenues - Governmental Activities

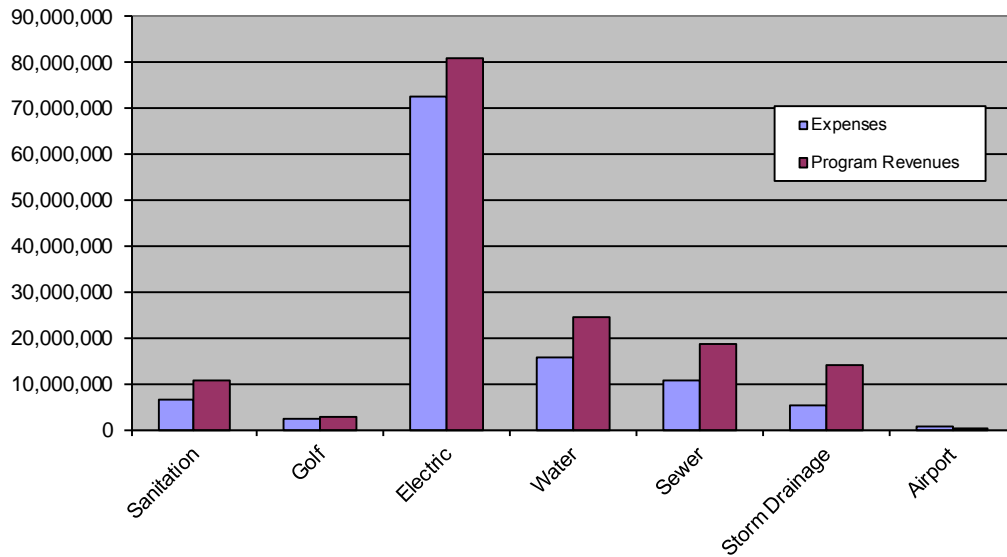


Revenues by Source - Governmental Activities

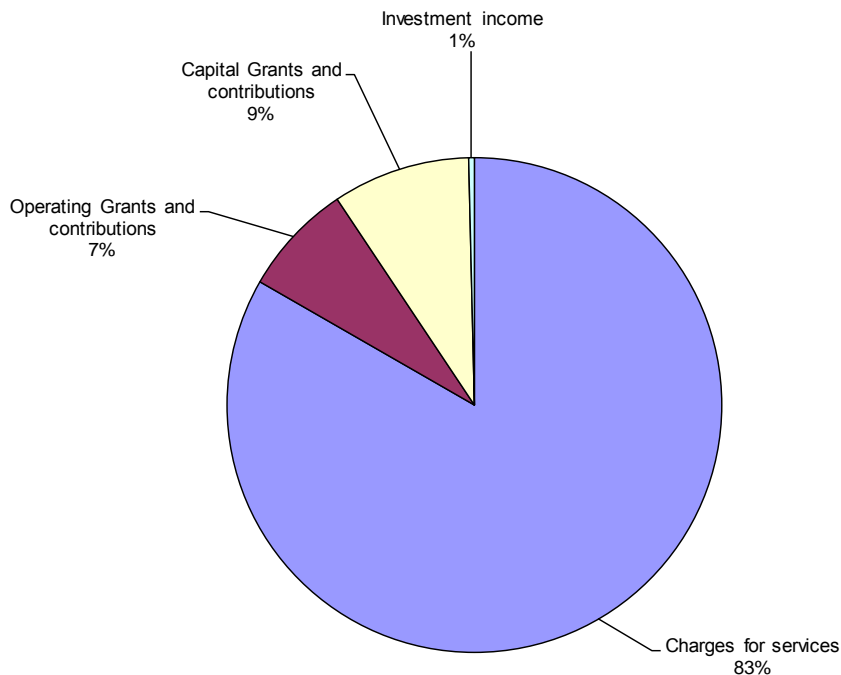


Business-type Activities. Net position increased by \$39.6 million from business-type activities. This increase can be attributed primarily to increased revenues from user fees of \$12.8 million and grant contributions of \$10.5 million related to the 2013 flood.

Expenses and Program Revenues - Business-type Activities



Revenues by Source - Business-type Activities



THE CITY'S FUNDS (Financial Analysis of Specific Funds)

As explained earlier, the City of Longmont uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the City of Longmont's governmental funds is to provide information on short-term inflows, outflows, and balances of spendable resources. This information is necessary to assess the City's financing requirements. At December 31, 2017, unassigned fund balances in the major operating funds met or exceeded levels required statutorily or by financial policies established by City Council.

GENERAL FUND

The general fund unassigned fund balance of \$7,970,910 decreased by \$648,098 from the prior year.

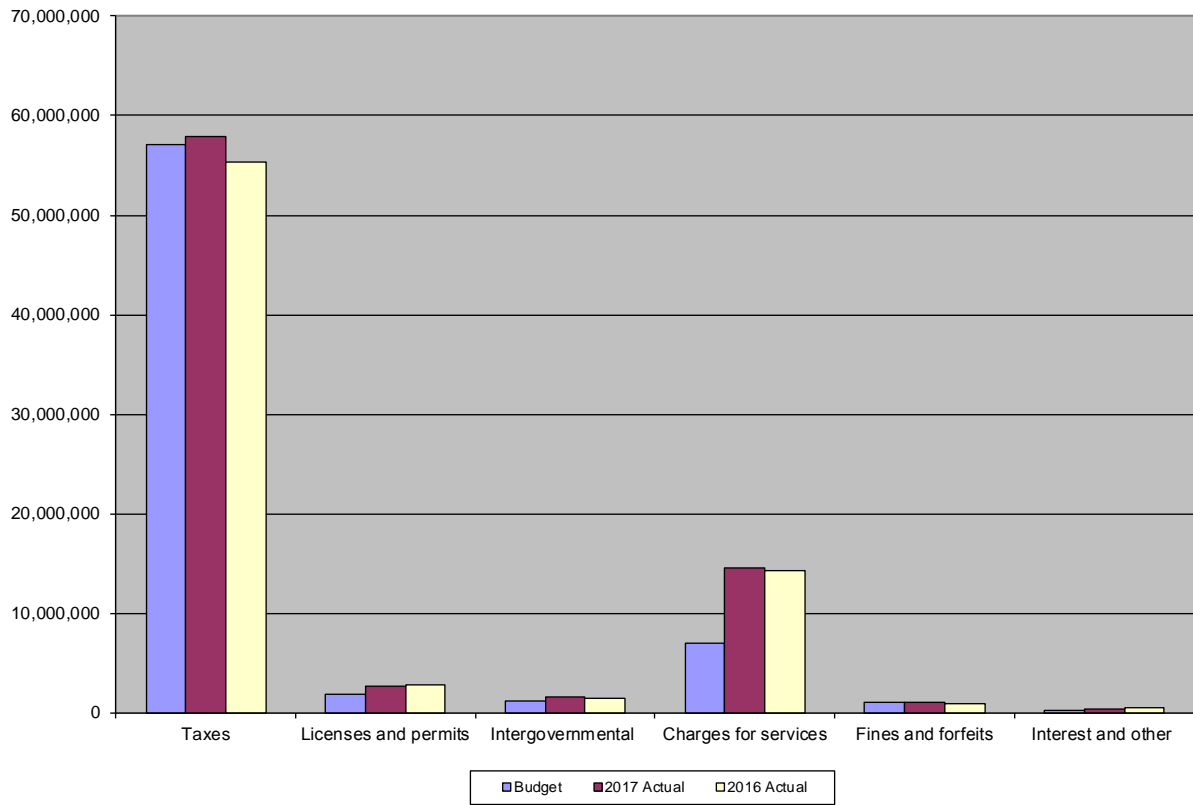
The 2017 General Fund budget was adopted without the use of fund balance to fund ongoing operating expenditures. Fund balance of \$2.1 million was budgeted for the purpose of one-time expenditures and capital acquisitions. This practice was formally adopted by the City Council in 1989.

The original budget in the general fund was \$76,665,059. Supplemental appropriations were primarily encumbrances and carryover of uncompleted capital projects for a final budget of \$81,960,534. Actual general fund expenditures totaled \$75,808,924, and there were no significant budget to actual variations.

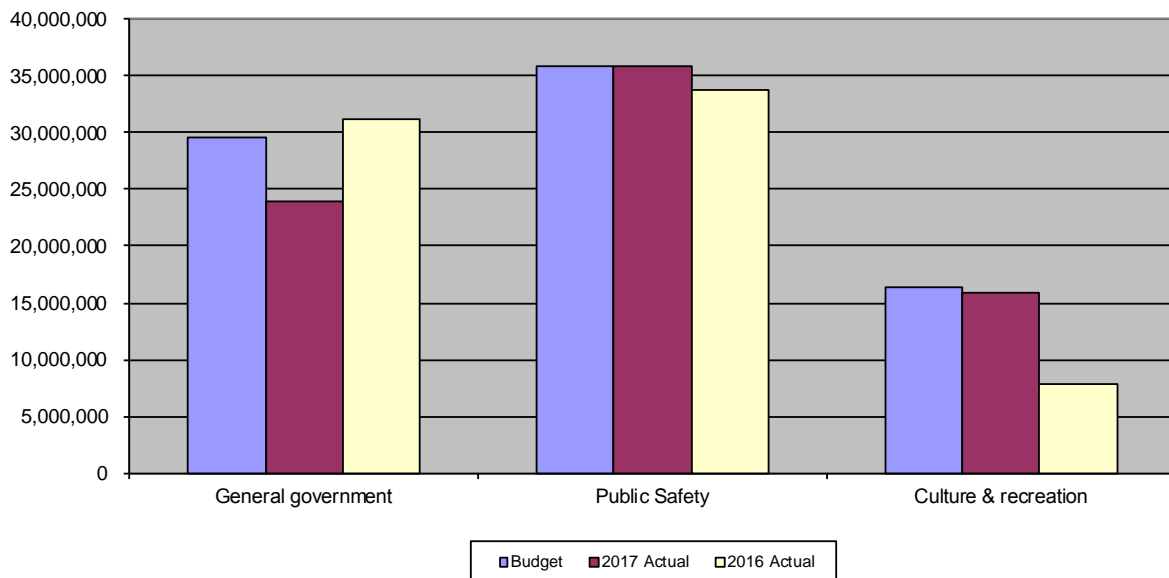
Revenues and other financing sources in the general fund totaled \$77,959,065 in 2017, an increase of 5.4%, or \$3,995,595, over 2016. This change is due primarily to an increase in taxes of \$2.5 million, or 4.60%.

Information on the major governmental funds of the City follows the governmentwide financial statements. These funds are accounted for using the modified accrual basis of accounting. At the end of 2017, the City reported a combined fund balance of \$131.6 million of which \$20.4 million was unassigned, assigned or committed and available for spending at the City's discretion within the respective funds for all governmental funds. The remainder of the fund balance is restricted or non-spendable and available for only spending for the purpose specifically identified by the restriction.

Budget and Actual Revenue by Source - General Fund



Budget and Actual Expenditures by Function - General Fund



STREETS SYSTEM MAINTENANCE AND IMPROVEMENTS FUND

The Streets System Maintenance and Improvements Fund was created as a result of a special election held June 3, 1986, authorizing a ¼-cent sales tax increase. The revenues from the sales tax increase are exclusively for use on City street system expenditures. In 2014, the voters approved a 10-year renewal of the tax set to expire at the end of 2016, thus making it effective through December 31, 2026.

The Streets System Fund collected \$16.9 million of tax revenues in 2017, an increase of \$1,521,271 from 2016. At December 31, 2017, the fund balance of the fund was \$15.1 million. Of this amount \$86,724 is non-spendable. The remaining is restricted specifically for the purpose of streets and highways expenditures. The total fund balance increased by \$8,071,374 from 2016.

COMMUNITY DEVELOPMENT BLOCK GRANT FUND

The Community Development Block Grant Fund was created to account for the CDBG grant revenues and expenditures. The revenues are used exclusively for grant-related expenditures.

The CDBG Fund collected \$18.9 million in revenues in 2017, an increase of \$11,718,197 from 2016. Expenditures for the year ended December 31, 2017, totaled \$17.8 million, \$10,098,629 more than 2016. The fund balance of the fund as of December 31, 2017, was \$(128,820.)

PUBLIC IMPROVEMENT CAPITAL PROJECTS FUND

The primary revenue for the Public Improvement Capital Projects Fund (use tax) increased approximately \$435,000 in 2017. The City's policy has been to allocate a portion of the 2.0 cents of use tax to the Public Improvement Fund and none of the 2.0 cents of sales tax. This use tax-only allocation for the Public Improvement Fund was 95.75% in 2009, reduced to 92.93% in 2010, increased to 98.42% in 2011, decreased to 82.7% in 2012, decreased to 79.77% in 2013, decreased to 78.45% in 2014, decreased to 72.12% in 2015, increased to 92.5% in 2016, and decreased to 85.24% in 2017. This allocation is described further in Note 3. A large portion of the fund's revenue (\$2.37 million) paid the annual debt service on the Civic Center expansion and the Recreation Center and Museum bonds, and many of the capital projects were deferred. This fund is not reported as a major fund in 2017 but is included in this narrative discussion through management choice.

ELECTRIC/BROADBAND UTILITY FUND

The City's electric/broadband utility increased operating revenues by 11.82% over 2016. The operating income in 2017 is \$3,926,035 compared to an operating loss of \$1,775,878 in 2016. Operating revenue went up by \$8.1 million during 2017, due to an Electric rate increase and a doubling of Broadband revenue. Operating expenses rose 3.4% overall with a 2.1% increase in purchased power. Purchased power costs increased by 5.5% in 2013, decreased by 5% in 2014, increased by 2.3% in 2015, and increased by 5.8% in 2016. The fund remains in good financial condition with current assets exceeding current liabilities by \$6.9 million.

In 1994, an Electric Community Investment Fee was established to partially fund future capital expenditures required to accommodate growth. These fees are recorded in the Electric Community Investment Fee Special Revenue Fund with the capital transferring to the Electric Fund as contributed capital upon expenditure prior to 2001 and as capital contribution revenues thereafter.

In 2014, the Electric & Broadband Fund began a citywide fiber-to-the-premise construction project that was nearly complete by the end of 2017 at a cost of \$56.6 million. In 2017, the City issued \$7.265 million in long-term debt to finish construction of the broadband system.

Operating data for the electric/broadband utility are contained in Exhibit 8 of the Financial Section.

Electric/Broadband Utility Fund

	2017	2016	2015	2014	2013
Operating revenues	\$ 76,895,890	\$ 68,768,327	\$ 65,218,411	\$ 63,773,864	\$ 60,870,571
Operating income (loss)	3,926,035	(1,775,878)	(421,076)	1,266,245	628,790
Change in net position	7,677,491	1,797,477	2,377,227	3,429,993	3,195,654

WATER UTILITY FUND

Operating revenues increased by 8.61% from 2016 as a result of increased water consumption during 2017. Operating income for 2017 was \$1,963,446 compared to an operating income of \$1,764,052 in 2016. Operating expenses increased by 8.3% to \$15,708,294 in 2017. Unrestricted working capital in excess of \$28.6 million reflects the strong financial condition of the fund.

Operating data for the water utility are contained in Exhibit 8 of the Financial Section. Comparative data for the last five fiscal years are presented in the following tabulation. The volatile changes in net position over the past five years were caused by capital contributions from special revenue funds established to collect water-related developer fees. The 2017 contributions were \$4,619,766 compared to \$6,527,500 in 2016. The increase in net position in 2017 resulted primarily from increased operating revenues from a water rate increase, approximately \$2.3 million in intergovernmental revenues from flood recoveries, and an increase in water consumption.

Water Utility Fund

	2017	2016	2015	2014	2013
Operating revenues	\$ 17,671,740	\$ 16,271,251	\$ 14,230,955	\$ 12,981,041	\$ 12,735,470
Operating income (loss)	1,963,446	1,764,052	983,082	(2,428,220)	(966,922)
Change in net position	8,915,880	9,561,931	6,064,986	5,556,395	(227,790)

SEWER UTILITY FUND

Sewer fund operating revenues increased 7.84% over 2016. Sewer rates are based on winter water usage. Operating income for 2017 was \$3,624,876 compared to \$2,397,055 in 2016. Operating expenses decreased by 1.58% to \$10,861,186 in 2017. The fund increased its unrestricted working capital by \$2,399,951 in 2017. The net position increased by \$8,361,485 due primarily to an increase in operating revenue and capital contributions of \$3.5 million. 2013 was the first phase of a five-year phased rate increase.

In 2013, the City issued \$7.744 million in long-term debt to provide for sewer system capital improvements projects. In 2015, the City issued \$31,100,000 in sewer revenue bonds for additional sewer system capital improvements projects.

Sewer Utility Fund

	2017	2016	2015	2014	2013
Operating revenues	\$ 14,486,062	\$ 13,432,618	\$ 13,085,133	\$ 11,686,986	\$ 9,740,105
Operating income (loss)	3,624,876	2,397,055	2,079,462	832,353	(333,745)
Change in net position	8,361,485	4,962,356	3,643,746	666,486	(846,978)

STORM DRAINAGE UTILITY FUND

The City created the storm drainage utility in 1984 to identify and control the revenues and expenses attributable to municipal storm drainage services. Revenues are derived from storm drainage user fees and a storm drainage plant investment fee. Operating revenues increased by \$127,987 or 1.90% in 2017. Operating income was just over \$1.4 million, a decrease of \$149,063 from 2016. Operating data for the storm drainage utility is contained in Exhibit 8. Comparative data for the last five fiscal years is tabulated in the box on the next page.

Storm Drainage Utility Fund

	2017	2016	2015	2014	2013
Operating revenues	\$ 6,858,415	\$ 6,730,428	\$ 6,644,935	\$ 6,579,550	\$ 4,027,152
Operating income (loss)	1,443,043	1,592,106	2,555,896	2,180,905	374,699
Change in net position	9,147,449	3,736,892	3,509,266	4,463,299	(5,784,819)

Capital Assets and Debt Administration

Capital Assets. The City of Longmont's investment in capital assets for its governmental and business type activities as of December 31, 2017, net of depreciation, equals \$1.1 billion. This investment in capital assets includes land, buildings, utility systems, improvements to land, machinery and equipment, park facilities, and infrastructure. Additional information on the City's capital assets can be found in Note 9 on pages 82-83 of this report, as well as in the transmittal letter.

Long-term Debt. As of December 31, 2017, the City of Longmont had debt outstanding of \$143,615,000. As of December 31, 2017, there is no debt backed by the full faith and credit of the City, or general obligation debt. \$27,015,000 of the City of Longmont's debt represents revenue bonds secured solely by sales and use taxes. The final \$116,600,000 of debt represents revenue bonds backed by electric and broadband, storm drainage and sewer revenues.

The legal debt margin as prescribed by City Charter is limited to 3% of the actual value of the taxable property. In 2017, this debt limit amounted to \$384,805,812. The total amount of debt applicable to the debt limit is \$0 leaving a legal debt margin of \$384,805,812. Additional information on the City's long-term debt can be found in Note 8 on pages 78-81.

The 2006 Sales and Use tax refunding revenue bonds carry a AA+ rating. The 2008 Storm Drainage Revenue Bonds were rated AA by Standard and Poor's. The 2010 Sewer Revenue Bonds received a rating of AA from Standard and Poor's. The 2010 Open Space Sales and Use Tax revenues bonds received a rating of A1 from Moody's and a rating of A from Standard and Poor's. The 2014 and 2017 Electric & Broadband Revenue Bonds received an insured rating of AA and an underlying rating of A from Standard and Poor's. The 2014 Sewer Revenue Bonds received a rating of AA from Standard and Poor's. The 2015 Wastewater Revenue Bonds received a rating of AA from Standard and Poor's. The 2016 Stormwater Refunding Bonds received a rating of AA from Standard and Poor's.

Impacts on Future Years

Budget amendments are made by ordinance on a routine, periodic basis and are in compliance with Colorado statutes and the City Charter. Note 2-D-7 illustrates the comparison of original and final budgets for all funds requiring a budget. Reported budget amendments were primarily for encumbrances and uncompleted capital projects. The 2017 budget amendments will have no significant impact on future services.

The 2018 balanced budget was approved by City Council as required by Colorado law and was filed with the state by January 30.

Contacting the City's Financial Management

This financial report is designed to provide our residents, taxpayers, customers, and investors and creditors with a general overview of the City's finances and to demonstrate the City's accountability for resources. If you have questions about this report or need additional financial information please contact the Accounting Manager at:

City of Longmont
350 Kimbark Street
Longmont, CO 80501
303-651-8670

STATEMENT OF NET POSITION
December 31, 2017

	Primary Government		Total	Component Unit
	Governmental Activities	Business-Type Activities		
ASSETS				
Current assets:				
Equity in pooled cash & cash equivalents	\$ 160,242,181	\$ 57,824,878	\$ 218,067,059	\$ 5,562,945
Cash and cash equivalents	117,316	262,955	380,271	93,152
Receivables (net of allowance for uncollectibles):	39,805,412	15,424,310	55,229,722	1,090,497
Internal balances	(4,051,664)	4,051,664	-	-
Inventory of materials and supplies	6,123,766	-	6,123,766	-
Restricted equity in pooled cash & cash equivalents	-	1,020,027	1,020,027	-
Restricted cash and cash equivalents	6,552,443	19,492,365	26,044,808	-
Prepaid expenses	869,923	132,843	1,002,766	-
Total current assets	209,659,377	98,209,042	307,868,419	6,746,594
Noncurrent assets:				
Loan receivable-component unit	146,000	-	146,000	-
Net pension asset	247,281	-	247,281	-
Capital Assets				
Land and water rights	84,970,425	235,910,701	320,881,126	786,921
Construction in progress	18,735,651	68,474,867	87,210,518	-
Depreciable buildings, property, and equipment, net	243,091,489	426,690,852	669,782,341	5,538,392
Total noncurrent assets	347,190,846	731,076,420	1,078,267,266	6,325,313
Total assets	556,850,223	829,285,462	1,386,135,685	13,071,907
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charge on refunding	344,625	-	344,625	-
City contributions subsequent to the measurement date	1,843,635	1,165,392	3,009,027	-
Investment earnings less than expected	5,996,437	3,477,349	9,473,786	-
Actual experience less than expected experience	674,496	415,279	1,089,775	-
Total deferred outflows of resources	8,859,193	5,058,020	13,917,213	-
LIABILITIES				
Current liabilities:				
Accounts payable and accrued expenses	9,528,174	10,743,672	20,271,846	38,971
Accrued interest	988,456	625,461	1,613,917	-
Unearned revenues	-	712,753	712,753	-
Deposits	10,529,189	1,338,298	11,867,487	-
Current portion of long-term obligations	6,635,357	7,545,082	14,180,439	6,150
Total current liabilities	27,681,176	20,965,266	48,646,442	45,121
Noncurrent liabilities:				
Noncurrent portion of long-term obligations	76,467,061	131,429,593	207,896,654	180,850
Total liabilities	104,148,237	152,394,859	256,543,096	225,971
DEFERRED INFLOWS OF RESOURCES				
Property taxes	18,856,820	-	18,856,820	1,072,838
NET POSITION				
Net investment in capital assets	317,947,679	618,313,194	936,260,873	6,325,313
Restricted for:				
Construction/acquisition	76,391,814	808,280	77,200,094	5,363,981
Transportation improvements	17,703,116	-	17,703,116	-
Public safety	1,227,184	-	1,227,184	-
Debt Service	5,136,865	-	5,136,865	-
Permanent fund				
Expendable	523,325	-	523,325	-
Nonexpendable	690,881	-	690,881	-
Net Pension Asset	468,236	-	468,236	-
Statutory emergency requirement	4,407,341	-	4,407,341	33,675
Other purposes	5,392,847	-	5,392,847	-
Unrestricted	12,815,071	62,827,149	75,642,220	50,130
TOTAL NET POSITION	\$ 442,704,359	\$ 681,948,623	\$ 1,124,652,982	\$ 11,773,099

CITY OF LONGMONT, COLORADO

STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2017

Functions/Programs	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
PRIMARY GOVERNMENT				
Governmental activities:				
General Government	\$ 46,848,271	\$ 11,934,265	\$ 298,652	19,322,343
Public Safety	42,949,310	640,905	1,407,838	208,932
Highways & Streets	21,764,241	1,425,515	-	13,192,370
Culture & Recreation	19,410,623	6,278,239	351,618	9,099,717
Municipal utilities systems	3,214,424	580,091	-	7,340,884
Interest and Fiscal charges on long-term debt	2,654,438	-	-	-
Total governmental activities	136,841,307	20,859,015	2,058,108	49,164,246
Business-type activities:				
Sanitation	6,447,649	8,406,781	2,467,387	-
Golf	2,293,384	2,779,528	-	-
Electric	72,647,003	76,986,620	101,200	3,851,052
Water	15,791,965	17,671,740	2,281,282	4,619,766
Sewer	10,844,197	14,486,062	662,443	3,536,162
Storm Drainage	5,441,103	6,858,415	5,730,043	1,736,553
Airport	665,316	420,228	-	27,185
Total business-type activities	114,130,617	127,609,374	11,242,355	13,770,718
Total Primary Government	\$ 250,971,924	\$ 148,468,389	\$ 13,300,463	\$ 62,934,964
Component unit:				
Downtown Development Authority	\$ 1,173,913	\$ 223,486	\$ 15,428	-

General Revenues:
 Property Taxes
 General Sales and Use Taxes:
 General government
 Public improvement
 Streets
 Open space
 Public safety
 Urban renewal
 Lodgers Taxes
 Cigarette Taxes
 Franchise Taxes
 Investment income (loss)
 Miscellaneous
 Transfers

 Total General Revenues & Transfers

 Change in Net Position

 Net Position - Beginning January 1

 Net Position - Ending December 31

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

		Primary Government			
Governmental		Business-type		Component	
Activities		Activities	Total	Unit	
\$	(15,293,011)	\$	- \$	(15,293,011) \$	-
	(40,691,635)		-	(40,691,635)	-
	(7,146,356)		-	(7,146,356)	-
	(3,681,049)		-	(3,681,049)	-
	4,706,551		-	4,706,551	-
	(2,654,438)		-	(2,654,438)	-
	(64,759,938)		-	(64,759,938)	-
	-	4,426,519	4,426,519	-	-
	-	486,144	486,144	-	-
	-	8,291,869	8,291,869	-	-
	-	8,780,823	8,780,823	-	-
	-	7,840,470	7,840,470	-	-
	-	8,883,908	8,883,908	-	-
	-	(217,903)	(217,903)	-	-
	-	38,491,830	38,491,830	-	-
	(64,759,938)	38,491,830	(26,268,108)	-	-
	-	-	-	(934,999)	-
	19,188,939	-	19,188,939	851,137	-
	33,630,501	-	33,630,501	-	-
	6,639,848	-	6,639,848	-	-
	15,585,721	-	15,585,721	-	-
	4,156,190	-	4,156,190	-	-
	6,753,823	-	6,753,823	-	-
	1,291,587	-	1,291,587	-	-
	419,936	-	419,936	-	-
	155,617	-	155,617	-	-
	7,730,074	-	7,730,074	-	-
	1,013,531	568,095	1,581,626	32,144	-
	1,532,418	153,994	1,686,412	285	-
	(404,504)	404,504	-	-	-
	97,693,681	1,126,593	98,820,274	883,566	-
	32,933,743	39,618,423	72,552,166	(51,433)	-
	409,770,616	642,330,200	1,052,100,816	11,824,532	-
\$	442,704,359	\$	681,948,623	\$	1,124,652,982
				\$	11,773,099

CITY OF LONGMONT, COLORADO

BALANCE SHEET
GOVERNMENTAL FUNDS
 December 31, 2017

	General	Streets Systems	Community Development Block Grant	Other Governmental Funds	TOTAL Governmental Funds
ASSETS					
Equity in pooled cash & cash equivalents	\$ 22,078,861	\$ 15,009,469	\$ -	\$ 93,543,959	\$ 130,632,289
Cash and cash equivalents	29,089	-	-	88,227	117,316
Receivables (net of allowance for uncollectibles):					
Accounts	-	49,616	383	73,889	123,888
Taxes	22,502,876	1,607,380	-	1,782,426	25,892,682
Miscellaneous	3,993,825	-	-	-	3,993,825
Grants	356,501	1,228,145	874,030	499,575	2,958,251
Loans	378,571	-	1,441,330	3,956,587	5,776,488
Fees	278,305	-	-	-	278,305
Accrued interest	69,163	31,913	1,510	220,522	323,108
Due from other funds	5,801,655	-	-	-	5,801,655
Due from other governments	46,308	336,447	-	2,652	385,407
Prepaid items	378,804	86,724	-	2,721	468,249
Restricted assets:					
Cash and cash equivalents	-	-	-	3,975,253	3,975,253
Total assets	\$ 55,913,958	\$ 18,349,694	\$ 2,317,253	\$ 104,145,811	\$ 180,726,716

BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2017

	General	Streets Systems	Community Development Block Grant	Other Governmental Funds	TOTAL Governmental Funds
LIABILITIES					
Accounts payable	\$ 2,041,331	\$ 639,241	\$ 152,970	\$ 1,948,588	\$ 4,782,130
Construction contracts payable	16,585	1,307,933	-	788,094	2,112,612
Accrued liabilities	1,811,181	121,262	22,045	214,978	2,169,466
Due to other funds	-	-	267,060	2,227,222	2,494,282
Advances from other funds	872,177	-	-	-	872,177
Deposits	10,507,137	2,000	-	20,052	10,529,189
Total liabilities	15,248,411	2,070,437	442,075	5,198,934	22,959,856
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue-property taxes	18,731,278	-	-	125,542	18,856,820
Unavailable revenue-other	-	1,228,145	2,003,998	4,029,331	7,261,474
Total deferred inflows of resources	18,731,278	1,228,145	2,003,998	4,154,873	26,118,294
FUND BALANCES					
Nonspendable	757,375	86,724	-	654,726	1,498,825
Restricted	4,404,117	14,964,388	-	90,341,941	109,710,445
Committed	5,631,809	-	-	3,795,337	9,427,146
Assigned	3,170,058	-	-	-	3,170,058
Unassigned	7,970,910	-	(128,820)	-	7,842,090
Total fund balances	21,934,269	15,051,112	(128,820)	94,792,004	131,648,564
Total liabilities, deferred inflows of resources and fund balances (deficits)	\$ 55,913,958	\$ 18,349,694	\$ 2,317,253	\$ 104,145,811	\$ 180,726,716

(continued)

**Reconciliation of the Balance Sheet
to the Statement of Net Position
December 31, 2017**

Total Governmental Fund Balances	\$	131,648,564
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		
Capital assets not being depreciated		100,328,971
Capital assets being depreciated		221,594,344
Contributed Assets		4,570,491
Other long-term assets are not available to pay for current-period expenditures and therefore are not reported in the funds.		
Unavailable Revenue		7,261,474
Deferred refunding		344,625
Deferred outflows - pensions		8,184,483
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.		
Net pension asset		247,281
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds:		
Capital leases payable		(3,100,033)
Revenue bonds payable		(27,015,000)
Certificates of Participation payable		(28,880,000)
Unamortized premiums		(1,461,619)
Net pension liability		(11,104,073)
Compensated absences		(7,874,879)
Net other post employment benefit obligation		(314,294)
Accrued interest		(988,456)
Internal service funds are used by management to charge the costs of certain activities, such as fleet, warehouse and insurance to individual funds. The assets and liabilities of certain internal service funds are included in governmental activities in the statement of net position.		
		54,079,217
Internal service fund allocated to business type activities		<u>(4,816,737)</u>
Net position of governmental activities	\$	<u><u>442,704,359</u></u>



Annual pavement management program underway

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES-
GOVERNMENTAL FUNDS**
Year Ended December 31, 2017

	General	Streets Systems	Community Development Block Grant	Other Governmental Funds	TOTAL Governmental Funds
REVENUES					
Taxes	\$ 57,902,019	\$ 16,869,574	\$ -	\$ 20,780,644	\$ 95,552,237
Licenses and permits	2,710,611	337,843	-	11,244,229	14,292,683
Developer/owner participation	-	267,436	-	840,119	1,107,555
Intergovernmental	1,621,870	8,901,458	18,317,532	6,886,961	35,727,821
Charges for services	14,541,212	-	-	2,112,555	16,653,767
Fines and forfeits	1,024,934	-	-	41,695	1,066,629
Investment income	189,385	46,501	24,680	554,189	814,755
Miscellaneous	193,430	43,747	579,561	715,679	1,532,418
Total revenues	78,183,461	26,466,559	18,921,773	43,176,071	166,747,865
EXPENDITURES					
Current:					
General government	23,635,970	-	17,829,818	3,423,950	44,889,738
Public safety	35,915,239	-	-	7,227,980	43,143,219
Highways and streets	-	8,057,557	-	-	8,057,557
Municipal utility systems	-	-	-	33,956	33,956
Culture and recreation	15,884,542	-	-	2,580,336	18,464,878
Capital outlay	360,998	10,326,093	-	14,255,874	24,942,965
Debt service:					
Principal retired	-	-	-	4,135,000	4,135,000
Interest and fiscal charges	12,177	-	-	2,648,862	2,661,039
Total expenditures	75,808,926	18,383,650	17,829,818	34,305,958	146,328,352
Excess of revenues over (under) expenditures	2,374,535	8,082,909	1,091,955	8,870,113	20,419,513
OTHER FINANCING SOURCES (USES)					
Transfers in	904,975	-	-	3,442,203	4,347,178
Transfers out	(1,129,371)	(11,535)	-	(3,679,439)	(4,820,245)
Total other financing sources (uses)	(224,396)	(11,535)	-	(237,236)	(473,169)
Net change in fund balances	2,150,139	8,071,374	1,091,955	8,632,877	19,946,344
FUND BALANCES, January 1	19,784,130	6,979,738	(1,220,775)	86,159,127	111,702,220
FUND BALANCES, December 31	\$ 21,934,269	\$ 15,051,112	(128,820)	\$ 94,792,004	\$ 131,648,564

**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, 2017**

Net change in fund balances - total governmental funds	\$ 19,946,344
<p>Governmental funds report capital asset acquisition as expenditures. However, in the statement of activities, the cost of assets capitalized is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capitalized assets exceeded depreciation in the current period.</p>	
Depreciation expense	(17,064,860)
Capitalized assets acquired	21,590,528
Loss on disposal of assets	(11,523)
<p>Contributions of capital assets increase net position in the statement of activities, but do not appear in the governmental funds because they are not financial resources.</p>	
	4,570,491
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds.</p>	
Unavailable revenue	(1,158,589)
<p>Repayment of bond principal is reported as an expenditure in the governmental funds, but the payment reduces long-term liabilities in the statement of net position.</p>	
Revenue bonds and Certifications of Participation	4,135,000
Capital leases	573,493
Deferred refundings	(165,336)
<p>The amortization of bond premiums and discounts affects long-term liabilities on the statement of net position, but does not provide or use current financial resources to governmental funds.</p>	
	181,560
<p>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:</p>	
Compensated absences	(259,035)
Accrued interest	(9,623)
Other post employment benefits	(2,728)
<p>Some items reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.</p>	
Net pension expense	(2,637,691)
<p>Internal service funds are used by management to charge the costs of certain activities, such as insurance and telecommunications, to individual funds. The net revenue (expense) of the internal service funds is reported with governmental activities.</p>	
	4,581,755
Change in internal service funds allocated to business-type activities.	(1,336,043)
Changes in Net Position of Governmental Activities	<u>\$ 32,933,743</u>

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
GENERAL (LEGAL BASIS) FUND
Year Ended December 31, 2017

	Budget		Actual (Legal Basis)	Variance From Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 57,115,461	\$ 57,115,461	\$ 57,902,019	\$ 786,558
Licenses and permits	1,842,351	1,842,351	2,710,611	868,260
Intergovernmental	634,841	1,203,384	1,621,870	418,486
Charges for services	6,816,214	7,060,335	14,541,212	7,480,877
Fines and forfeits	1,094,250	1,094,250	1,024,934	(69,316)
Investment income	125,000	125,000	189,385	64,385
Miscellaneous	75,163	131,484	193,430	61,946
Total revenues	67,703,280	68,572,265	78,183,461	9,611,196
EXPENDITURES				
Current:				
General government	24,743,456	26,515,519	23,635,970	2,879,549
Public safety	35,153,222	35,895,752	35,915,239	(19,487)
Culture and recreation	16,022,453	16,405,977	15,884,542	521,435
Capital outlay	615,928	3,013,286	360,998	2,652,288
Debt Service:				
Bond principal retired	130,000	130,000	-	130,000
Interest and fiscal charges	-	-	12,177	(12,177)
Total expenditures	76,665,059	81,960,534	75,808,926	6,151,608
Excess of revenues over (under) expenditures	(8,961,779)	(13,388,269)	2,374,535	15,762,804
OTHER FINANCING SOURCES				
Transfers in	7,609,533	7,609,533	904,975	(6,704,558)
Transfers out	(792,561)	(1,145,561)	(1,129,371)	16,190
Total other financing sources	6,816,972	6,463,972	(224,396)	(6,688,368)
Net changes in fund balances	(2,144,807)	(6,924,297)	2,150,139	9,074,436
FUND BALANCE, January 1	19,784,128	19,784,128	19,784,130	-
FUND BALANCE, December 31	\$ 17,639,321	\$ 12,859,831	\$ 21,934,269	\$ 9,074,436

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
STREETS SYSTEMS FUND
Year Ended December 31, 2017

	Budget		Actual	Variance From Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 15,909,596	\$ 15,909,596	\$ 16,869,574	\$ 959,978
Licenses and permits	15,000	15,000	337,843	322,843
Developer/owner participation	-	1,154,801	267,436	(887,365)
Intergovernmental	3,132,902	6,226,273	8,901,458	2,675,185
Investment income	13,318	13,318	46,501	33,183
Miscellaneous	10,000	10,000	43,747	33,747
Total revenues	19,080,816	23,328,988	26,466,559	3,137,571
EXPENDITURES				
Highways and streets	9,867,182	10,145,471	8,057,557	2,087,914
Capital outlay	11,600,080	21,943,702	10,326,093	11,617,609
Total Expenditures	21,467,262	32,089,173	18,383,650	13,705,523
Excess of revenues over (under) expenditures	(2,386,446)	(8,760,185)	8,082,909	16,843,094
OTHER FINANCING USES				
Transfers out				
General fund	(11,535)	(13,374)	(11,535)	1,839
Total other financing sources (uses)	(11,535)	(13,374)	(11,535)	1,839
Net changes in fund balances	(2,397,981)	(8,773,559)	8,071,374	16,844,933
FUND BALANCE, January 1	11,057,415	6,979,738	6,979,738	-
FUND BALANCE, December 31	\$ 8,659,434	\$ (1,793,821)	\$ 15,051,112	\$ 16,844,933

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
COMMUNITY DEVELOPMENT BLOCK GRANT SPECIAL REVENUE FUND
BUDGET (GAAP BASIS) AND ACTUAL
Year Ended December 31, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance From Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ 603,900	\$ 40,817,658	\$ 18,317,532	\$ (22,500,126)
Investment income	-	12,831	24,680	11,849
Miscellaneous	107,809	43,541	579,561	536,020
Total revenues	711,709	40,874,030	18,921,773	(21,952,257)
EXPENDITURES				
General government	716,313	41,323,817	17,829,818	23,493,999
Excess of revenues over (under) expenditures	(4,604)	(449,787)	1,091,955	1,541,742
Net change in fund balance	(4,604)	(449,787)	1,091,955	1,541,742
FUND BALANCE, January 1	(1,220,775)	(1,220,775)	(1,220,775)	-
FUND BALANCE, December 31	\$ (1,225,379)	\$ (1,670,562)	\$ (128,820)	\$ 1,541,742



A new underpass on Hover Street adds safety for cyclists and pedestrians

CITY OF LONGMONT, COLORADO

**STATEMENT OF NET POSITION
PROPRIETARY FUNDS**
December 31, 2017

	Electric and Broadband	Water	Sewer
ASSETS			
Current assets:			
Equity in pooled cash & cash equivalents	\$ 8,592,501	\$ 28,744,959	\$ 11,301,782
Cash and cash equivalents	-	-	-
Accounts receivable (net of allowance for uncollectibles)	8,575,708	1,238,731	1,675,829
Intergovernmental receivable	-	774,705	47,616
Loans receivable	3,894	17,329	-
Interest receivable	20,910	66,607	25,829
Inventory of materials and supplies	-	-	-
Advance to other funds, current portion	-	-	-
Prepaid expenses	78,915	26,477	17,973
Total unrestricted current assets	17,271,928	30,868,808	13,069,029
Restricted assets:			
Bond debt service:			
Equity in pooled cash & cash equivalents	453,906	-	360,871
Interest receivable	-	-	1,039
Workers' Compensation			
Equity in pooled cash & cash equivalents	-	-	-
Electric/Storm Drainage/Sewer Construction:			
Equity in pooled cash & cash equivalents	-	-	-
Cash and cash equivalents	-	-	10,157,821
Interest receivable	-	-	1,951
Total restricted current assets	453,906	-	10,521,682
Total current assets	17,725,834	30,868,808	23,590,711
Noncurrent assets:			
Loan receivable-component unit	-	-	-
Capital assets:			
Land and water rights	1,657,518	202,949,087	2,318,390
Buildings	4,844,991	31,909,177	42,506,222
Improvements (other than buildings)	160,221,143	191,214,786	113,698,030
Equipment	4,335,103	2,324,908	3,541,361
Construction in progress	610,567	10,653,814	31,062,925
Total capital assets	171,669,322	439,051,772	193,126,928
Less - accumulated depreciation	60,654,191	70,880,245	53,623,010
Net capital assets	111,015,131	368,171,527	139,503,918
Total noncurrent assets	111,015,131	368,171,527	139,503,918
Total assets	128,740,965	399,040,335	163,094,629
DEFERRED OUTFLOW OF RESOURCES			
City Contributions Subsequent to the Measurement Date	480,710	261,642	176,226
Investment Earnings less than Expected	1,487,519	774,744	494,891
Actual experience less than expected experience	177,646	92,523	59,102
Total deferred outflows of resources	2,145,875	1,128,909	730,219
Total assets and deferred outflows of resources	\$ 130,886,840	\$ 400,169,244	\$ 163,824,848

	Storm Drainage	Other Enterprise Funds	TOTALS	Governmental Activities- Internal Service Funds
\$	3,496,110	\$ 5,689,526	\$ 57,824,878	\$ 29,609,892
	-	262,955	262,955	-
	844,436	1,117,969	13,452,673	1,718
	815,867	173,023	1,811,211	-
	-	-	21,223	-
	9,407	13,223	135,976	71,740
	-	-	-	6,123,766
	-	-	-	3,864,468
	9,259	219	132,843	401,674
	5,175,079	7,256,915	73,641,759	40,073,258
	204,887	-	1,019,664	-
	236	-	1,275	-
	-	-	-	2,577,190
	363	-	363	-
	9,334,544	-	19,492,365	-
	1	-	1,952	-
	9,540,031	-	20,515,619	2,577,190
	14,715,110	7,256,915	94,157,378	42,650,448
	-	-	-	146,000
	16,964,951	12,020,755	235,910,701	401,495
	653,835	3,374,474	83,288,699	1,532,152
	73,078,622	5,605,417	543,817,998	247,493
	243,673	3,322,244	13,767,289	40,919,476
	21,414,331	4,733,230	68,474,867	2,975,610
	112,355,412	29,056,120	945,259,554	46,076,226
	21,947,892	7,077,796	214,183,134	25,772,470
	90,407,520	21,978,324	731,076,420	20,303,756
	90,407,520	21,978,324	731,076,420	20,449,756
	105,122,630	29,235,239	825,233,798	63,100,204
	99,570	147,243	1,165,391	75,842
	274,552	445,642	3,477,348	227,128
	32,788	53,220	415,279	27,124
	406,910	646,105	5,058,018	330,094
\$	\$ 105,529,540	\$ 29,881,344	\$ 830,291,816	\$ 63,430,298

(continued)

CITY OF LONGMONT, COLORADO

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
December 31, 2017

	Electric and Broadband	Water	Sewer
LIABILITIES AND NET POSITION			
Current liabilities:			
Payable from current assets:			
Accounts payable	\$ 4,318,410	\$ 556,320	\$ 186,118
Construction contracts payable	15,792	207,479	227,648
Accrued liabilities	606,550	193,681	116,565
Due to other funds	-	-	-
Accrued sick and vacation - current portion	141,006	125,405	39,135
Unearned revenue	712,753	-	-
Advances from other funds - current portion	-	-	-
Loans payable - current portion	-	1,083,530	-
Claims payable - current portion	-	-	-
Accrued interest	-	106,667	-
Customer deposits	1,309,047	29,106	-
Total current liabilities (payable from current assets)	7,103,558	2,302,188	569,466
Payable from restricted assets:			
Accounts payable	141,333	-	558,565
Construction contracts payable	482,776	-	1,014,682
Accrued liabilities	-	-	-
Accrued interest	131,875	-	304,587
Bonds payable - current portion	2,880,000	-	1,780,000
Total current liabilities (payable from restricted assets)	3,635,984	-	3,657,834
Total current liabilities	10,739,542	2,302,188	4,227,300
Long-term liabilities:			
Loan payable	-	5,913,921	-
Long-term construction liability	-	182,148	-
Claims payable	-	-	-
Accrued sick and vacation	799,032	710,630	221,768
Net other post employment benefit obligation	38,930	24,681	17,037
Net Pension Liability	2,938,905	1,553,774	993,185
Advances from other funds	-	-	-
Bonds payable	42,353,961	-	46,525,882
Net long-term liabilities	46,130,828	8,385,154	47,757,872
Total liabilities	56,870,370	10,687,342	51,985,172
Net position:			
Net Investment in capital assets	65,282,602	360,784,449	100,113,527
Restricted for debt service	-	-	603,400
Restricted for workers' compensation	-	-	-
Restricted for long-term disability	-	-	-
Unrestricted	8,733,868	28,697,453	11,122,749
Total net position	74,016,470	389,481,902	111,839,676
Total liabilities and net position	\$ 130,886,840	\$ 400,169,244	\$ 163,824,848

	Storm Drainage	Other Enterprise Funds	TOTALS	Governmental Activities- Internal Service Funds
\$	576,358	\$ 304,589	\$ 5,941,795	\$ 414,421
	427,722	146,808	1,025,449	-
	60,398	93,180	1,070,374	49,545
	-	-	-	5,534,595
	11,355	34,651	351,552	28,664
	-	-	712,753	-
	-	177,054	177,054	-
	-	-	1,083,530	-
	-	-	-	210,541
	-	-	106,667	-
	145	-	1,338,298	-
	<u>1,075,978</u>	<u>756,282</u>	<u>11,807,472</u>	<u>6,237,766</u>
	363,565	-	1,063,463	-
	145,133	-	1,642,591	-
	-	-	-	-
	82,332	-	518,794	-
	1,450,000	-	6,110,000	-
	<u>2,041,030</u>	<u>-</u>	<u>9,334,848</u>	<u>-</u>
	<u>3,117,008</u>	<u>756,282</u>	<u>21,142,320</u>	<u>6,237,766</u>
	-	-	5,913,921	-
	-	-	182,148	-
	-	-	-	2,484,893
	64,345	196,350	1,992,125	162,432
	6,506	15,095	102,249	7,115
	543,195	911,776	6,940,835	458,875
	-	588,015	588,015	-
	27,418,472	-	116,298,315	-
	<u>28,032,518</u>	<u>1,711,236</u>	<u>132,017,608</u>	<u>3,113,315</u>
	<u>31,149,526</u>	<u>2,467,518</u>	<u>153,159,928</u>	<u>9,351,081</u>
	70,301,100	21,831,516	618,313,194	20,303,756
	204,880	-	808,280	-
	-	-	-	2,577,190
	-	-	-	325,000
	3,874,034	5,582,310	58,010,414	30,873,271
	<u>74,380,014</u>	<u>27,413,826</u>	<u>677,131,888</u>	<u>54,079,217</u>
\$	<u>105,529,540</u>	<u>\$ 29,881,344</u>	<u>830,291,816</u>	<u>\$ 63,430,298</u>

\$ 4,816,735

\$ 681,948,623

The net position in the business-type activities in the Statement of Activities are different due to the internal balance receivable from governmental activities.

Net position business-type activities

CITY OF LONGMONT, COLORADO
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
For the Year Ended December 31, 2017

	Electric and Broadband	Water	Sewer
OPERATING REVENUES			
Charges for services	\$ 76,895,890	\$ 17,671,740	\$ 14,486,062
Warehouse sales	-	-	-
Contributions	-	-	-
Total operating revenues	76,895,890	17,671,740	14,486,062
OPERATING EXPENSES			
Administration	4,168,223	4,592,645	1,205,666
Purchased power/cost of sales/premiums	48,120,219	-	-
Transmission/distribution	9,720,815	2,376,744	1,170,209
Maintenance/development	-	-	-
Trash collection	-	-	-
Landfill	-	-	-
Treatment/disposal	-	2,837,839	3,899,651
Fleet services	-	-	-
Depreciation	3,919,443	4,040,484	3,136,126
Administrative fees	1,812,344	1,536,776	879,370
Franchise fee	5,228,811	323,806	570,164
Benefit payments	-	-	-
Claims	-	-	-
Total operating expenses	72,969,855	15,708,294	10,861,186
Operating income (loss)	3,926,035	1,963,446	3,624,876
NON-OPERATING REVENUES (EXPENSES)			
Investment income (loss)	81,719	121,779	218,714
Miscellaneous	124,219	1,113,711	63,214
Intergovernmental	101,200	2,281,282	662,443
Other sales	90,730	-	-
Gain (Loss) on disposal of assets	-	(1,459,891)	-
Interest expense	(132)	(272,686)	(156,178)
Net non-operating revenues (expenses)	397,736	1,784,195	788,193
Change in net position before transfers and capital contributions	4,323,771	3,747,641	4,413,069
CAPITAL CONTRIBUTIONS	3,851,052	4,619,766	3,536,162
SPECIAL ITEM			
Insurance recoveries	-	-	-
TRANSFERS			
Transfers in	19,835	626,696	527,276
Transfers out	(517,167)	(78,223)	(115,022)
Change in net position	7,677,491	8,915,880	8,361,485
TOTAL NET POSITION-January 1	66,338,979	380,566,022	103,478,191
TOTAL NET POSITION-December 31	\$ 74,016,470	\$ 389,481,902	\$ 111,839,676

	Storm Drainage	Other Enterprise Funds	Totals	Governmental Activities- Internal Service Funds
\$	6,858,415	\$ 11,606,537	\$ 127,518,644	\$ 23,462,837
	-	-	-	6,831,500
	-	-	-	2,987,712
	6,858,415	11,606,537	127,518,644	33,282,049
	2,471,680	642,575	10,633,995	203,977
	-	-	48,120,219	19,788,240
	-	-	15,714,562	-
	810,584	2,050,338	2,860,922	-
	-	5,937,196	5,937,196	-
	-	29,435	29,435	-
	-	-	6,737,490	-
	-	-	-	3,347,874
	1,677,140	401,293	13,174,486	4,165,279
	455,968	898,851	5,583,309	521,080
	-	-	6,122,781	-
	-	-	-	458,592
	-	-	-	1,912,567
	5,415,372	9,959,688	114,914,395	30,397,609
	1,443,043	1,646,849	12,604,249	2,884,440
	125,541	20,342	568,095	198,776
	247,875	64,866	1,613,885	86,545
	5,730,043	2,467,387	11,242,355	21,539
	-	-	90,730	-
	-	-	(1,459,891)	588,971
	(111,684)	(11,588)	(552,268)	-
	5,991,775	2,541,007	11,502,906	895,831
	7,434,818	4,187,856	24,107,155	3,780,271
	1,736,553	27,185	13,770,718	466,849
	-	-	-	265,970
	-	-	1,173,807	77,850
	(23,922)	(34,971)	(769,305)	(9,185)
	9,147,449	4,180,070	38,282,375	4,581,755
	65,232,565	23,233,756	638,849,513	49,497,462
\$	74,380,014	\$ 27,413,826	677,131,888	\$ 54,079,217

Some amounts reported for business-type activities in the Statement of Activities are different because the portion of the net income of certain internal service funds are reported with the business-type activities that those funds service.

1,336,048

\$ 39,618,423

Change in net position of business-type activities

CITY OF LONGMONT, COLORADO

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended December 31, 2017

	Electric and Broadband	Water	Sewer
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers	\$ 77,617,390	\$ 19,654,983	\$ 15,650,071
Cash paid to suppliers	(57,865,238)	(5,517,625)	(3,495,688)
Cash paid to employees	(10,027,158)	(5,379,686)	(3,420,325)
Claims/Benefits paid	-	-	-
Net cash provided by operating activities	9,724,994	8,757,672	8,734,058
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES			
Transfers in	19,835	626,696	527,276
Transfers out	(517,167)	(78,223)	(115,022)
Loan to discrete component unit	-	-	-
Loan repayments from discrete component unit	-	-	-
Advances to other funds	-	-	-
Repayment of advances	-	-	-
Advances from other funds	-	-	-
Net cash provided (used) by non-capital financing activities	(497,332)	548,473	412,254
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Proceeds from issuance of bonds	5,020,000	-	-
Acquisition and construction of capital assets	(14,697,048)	(6,062,610)	(9,441,487)
Bond/loan/lease principal paid	-	(1,061,417)	(1,735,000)
Bond/loan/lease interest paid	(1,103,833)	(223,514)	(1,890,292)
Proceeds from sale of equipment	-	534,891	3,089
Contributed capital received	3,509,517	1,471,762	-
Net cash (used) by capital and related financing activities	(7,271,364)	(5,340,888)	(13,063,691)
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment income received (paid)	91,079	108,319	230,540
Net cash provided (used) by investing activities	91,079	108,319	230,540
Net increase (decrease) in cash and cash equivalents	2,047,377	4,073,576	(3,686,839)
CASH AND CASH EQUIVALENTS, January 1	6,999,031	24,671,383	25,507,313
CASH AND CASH EQUIVALENTS, December 31	\$ 9,046,407	\$ 28,744,959	\$ 21,820,474

	Storm Drainage	Other Enterprise Funds	TOTALS	Governmental Activities- Internal Service Funds
\$	12,163,587	\$ 13,663,877	\$ 138,749,909	\$ 36,602,809
	(894,786)	(5,670,778)	(73,444,115)	(23,665,525)
	(1,821,019)	(3,486,609)	(24,134,797)	(1,631,368)
		-	-	(2,056,776)
	9,447,782	4,506,490	41,170,997	9,249,140
	-	-	1,173,807	77,850
	(23,922)	(34,971)	(769,305)	(9,185)
	-	-	-	(268,422)
	-	-	-	268,422
	-	-	-	-
	-	(177,082)	(177,082)	294,905
	-	-	-	-
	(23,922)	(212,053)	227,420	363,570
	-	-	5,020,000	-
	(11,894,272)	(3,405,521)	(45,500,938)	(4,267,542)
	(1,405,000)	-	(4,201,417)	-
	(1,036,688)	(11,588)	(4,265,914)	-
	-	-	537,980	464,609
	623,746	260,310	5,865,335	466,849
	(13,712,214)	(3,156,799)	(42,544,955)	(3,336,084)
	134,528	17,190	581,657	183,740
	134,528	17,190	581,657	183,740
	(4,153,825)	1,154,829	(564,882)	6,460,366
	17,189,729	4,797,652	79,165,108	25,726,716
\$	13,035,904	\$ 5,952,481	\$ 78,600,226	\$ 32,187,082

(continued)

CITY OF LONGMONT, COLORADO

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended December 31, 2017

	Electric and Broadband	Water	Sewer
RECONCILIATION OF NET OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Net operating income (loss)	\$ 3,926,035	\$ 1,963,446	\$ 3,624,876
Adjustments to reconcile net operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	3,919,443	4,040,484	3,136,126
Miscellaneous income	214,950	578,821	63,213
Intergovernmental operating income	101,200	2,210,396	662,443
Issuance expenses-non-operating	-	-	-
Change in assets and liabilities:			
(Increase) decrease in accounts receivable	(139,415)	(98,040)	(58,725)
(Increase) decrease in loans receivable	175	(6,711)	-
(Increase) decrease in intergovernmental receivable	-	(700,905)	497,077
(Increase) decrease in inventory of materials	-	-	-
(Increase) decrease in prepaid expenses	(77,167)	(25,349)	(16,733)
(Increase) decrease in net pension asset	-	-	-
Increase (decrease) in deferred outflow-Contributions after the measurement date	(46,019)	(35,244)	(31,607)
Increase (decrease) in accounts payable	507,968	424,217	656,601
Increase (decrease) in accrued liabilities	38,300	20,400	11,497
Increase (decrease) in deferred revenue	173,438	-	-
Increase (decrease) in due to other funds	-	-	-
Increase (decrease) in accrued sick and vacation - current portion	10,807	7,204	(4,682)
Increase (decrease) in claims payable - current portion	-	-	-
Increase (decrease) in net pension liability	264,937	111,551	369,361
Increase (decrease) in actual experience less than expected	(90,887)	279,606	29,530
Increase (decrease) in investment earnings greater/less than expected	488,220	(46,224)	(178,556)
Increase (decrease) in other post employment benefits	445	226	162
Increase (decrease) in accrued sick and vacation - long-term portion	61,235	40,823	(26,525)
Increase (decrease) in claims payable - long-term portion	-	-	-
Increase (decrease) in deposits/unearned revenue	371,329	(7,029)	-
Total adjustments	5,798,959	6,794,226	5,109,182
Net cash provided (used) by operating activities	\$ 9,724,994	\$ 8,757,672	\$ 8,734,058

RECONCILIATION OF CASH AND CASH EQUIVALENTS PER STATEMENT OF CASH FLOWS TO THE BALANCE SHEET

Per balance sheet:			
Equity in pooled cash and cash equivalents	\$ 8,592,501	\$ 28,744,959	\$ 11,301,782
Restricted equity in pooled cash and cash equivalents	453,906	-	360,871
Restricted cash and cash equivalents	-	-	10,157,821
Cash and Cash Equivalents per statement of cash flows	\$ 9,046,407	\$ 28,744,959	\$ 21,820,474

NON-CASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES

The following non-cash transactions occurred during 2017:

Contributed capital from developers	\$ -	\$ 2,668,439	\$ -
Contributed capital from other funds	-	479,565	3,536,162
Capitalized interest	(1,397,380)	-	(1,591,265)
Transfers of assets to other funds	-	(78,223)	-
Transfers of assets from other funds	-	626,696	-
Change in contracts payable for purchase of capital assets	(1,121,250)	(403,202)	(938,594)
Amortization of bond premium/discount	284,472	5,714	132,387
Bond premium/discount	(284,472)	(5,714)	(132,387)
Loss on asset disposal	-	(1,459,891)	-
Intergovernmental revenue	-	70,886	-
Debt service expense	-	(70,886)	-
Capital asset deletions	-	(2,439,718)	-

CITY OF LONGMONT, COLORADO

Exhibit 10
(continued)

Storm Drainage	Other Enterprise Funds	Totals	Governmental Activities- Internal Service Funds
\$ 1,443,043	\$ 1,646,849	\$ 12,604,249	\$ 2,884,440
1,677,140	401,293	13,174,486	4,165,279
247,873	64,867	1,169,724	374,053
5,730,043	2,467,387	11,171,469	-
-	-	-	-
(16,653)	(318,221)	(631,054)	(857)
-	-	(6,536)	-
(656,093)	(156,692)	(1,016,613)	-
-	-	-	1,242,559
(9,259)	283,124	154,616	1,635,659
-	-	-	-
-	-	-	-
(19,339)	(17,016)	(149,225)	(9,471)
912,487	(68,850)	2,432,423	23,557
2,394	2,841	75,432	2,556
-	-	173,438	-
-	-	-	(1,032,518)
-	-	-	-
2,074	357	15,760	1,728
-	-	-	(748,777)
55,651	390,544	1,192,044	(8,810)
(17,059)	24,153	225,343	12,889
83,644	(216,288)	130,796	97,044
83	-	916	64
-	-	-	-
11,753	2,010	89,296	9,797
-	-	-	-
-	-	-	599,948
-	-	364,300	-
8,004,739	2,859,641	28,566,748	6,364,636
\$ 9,447,782	\$ 4,506,490	\$ 41,170,997	\$ 9,249,140
\$ 3,496,110	\$ 5,952,481	\$ 58,087,833	\$ 29,609,892
205,250	-	1,020,027	2,577,190
9,334,544	-	19,492,365	-
\$ 13,035,904	\$ 5,952,481	\$ 78,600,226	\$ 32,187,082
\$ 1,112,807	\$ -	\$ 3,781,246	\$ -
-	-	4,015,727	-
(819,357)	-	(3,808,002)	-
(23,922)	-	(102,145)	-
-	-	626,696	466,849
(676,789)	(347,755)	(3,487,590)	-
166,055	-	588,628	-
(166,055)	-	(588,628)	-
-	-	(1,459,891)	-
-	-	70,886	-
-	(216,288)	(287,174)	-
-	-	(2,439,718)	3,050,021

CITY OF LONGMONT, COLORADO
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
December 31, 2017

Exhibit 11

	Employee Retirement Plans
<hr/>	
ASSETS	
Cash and cash equivalents	\$ 1,560,162
Investments	159,628,816
<hr/>	
Total Assets	\$ 161,188,978
<hr/>	
LIABILITIES	
Accounts payable	\$ 43,604
Loans payable	367,058
<hr/>	
Total Liabilities	410,662
<hr/>	
NET POSITION	
Held in trust for pension & OPEB benefits	\$ 160,778,316
<hr/> <hr/>	

CITY OF LONGMONT, COLORADO
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
Year Ended December 31, 2017

Exhibit 12

	Employee Retirement Plans
<hr/>	
ADDITIONS	
Contributions	
Employer	\$ 3,019,217
Plan members	2,252,205
<hr/>	
Total Contributions	5,271,422
<hr/>	
Investment income	
Net appreciation in fair value of investments	20,380,643
Interest	2,516,853
Dividends	601,688
<hr/>	
Less investment expense	(288,950)
<hr/>	
Net investment gain	23,210,234
<hr/>	
Total additions	28,481,656
<hr/>	
DEDUCTIONS	
Benefits	7,377,102
Refunds of contributions	83,669
Administrative expense	148,657
<hr/>	
Total deductions	7,609,428
<hr/>	
Net increase	20,872,228
NET POSITION HELD IN TRUST FOR PENSION AND OPEB BENEFITS, January 1	139,906,088
<hr/>	
December 31	\$ 160,778,316
<hr/>	

STATEMENT OF NET POSITION
AGENCY FUND
December 31, 2017

Exhibit 13

	Other Post Employment Benefits
<hr/>	
ASSETS	
Cash and cash equivalents	\$ 3,067,129
<hr/>	
Total Assets	\$ 3,067,129
<hr/>	
LIABILITIES	
Total Liabilities	\$ -
<hr/>	
NET POSITION	
Held for OPEB benefits	\$ 3,067,129
<hr/> <hr/>	

NOTE 1 – REPORTING ENTITY

The City of Longmont, Colorado, is a municipal corporation governed by an elected mayor and six-member council. As required by generally accepted accounting principles, these financial statements present the City and its component units, entities for which the City is considered financially accountable. Blended component units, although legally separate entities, are, in substance, part of the City's operations and their financial statements are included within the City's.

Blended Component Units

Longmont General Improvement District #1 (GID) - The GID was created by the City of Longmont to account for the proceeds of bonds issued by the District to finance the construction of parking and off-street facilities, landscaping, rest stations, walkways, acquisition of necessary land, etc., in the downtown area, and to provide for debt service. The Longmont City Council members act as ex-officio members on the GID's governing board, and the GID provides services entirely for the City of Longmont. The General Operating Fund of the GID is included as a Special Revenue Fund of the City, and no separate financial statements are issued.

Longmont Urban Renewal Authority (LURA) – On January 10, 2006, City Council created LURA, authorized to exercise powers and carry out duties provided in the Colorado Urban Renewal Law to remedy deterioration of land use, environment and structures. Longmont City Council members govern LURA as the ex-officio commission, and it provides services entirely for the City of Longmont. The Urban Renewal Plan for the Southeast Longmont Urban Renewal Project was adopted in November 2006 and the Urban Renewal Plan for Twin Peaks Mall was adopted in October 2008. LURA became financially active in 2012 with the urban renewal for Village at the Peaks (formally Twin Peaks Mall) and no separate financial statements are issued.

Discretely Presented Component Units

Longmont Downtown Development Authority - The Longmont Downtown Development Authority (DDA) is a discretely presented component unit and is reported in a separate column to emphasize that it is legally separate from the City. The DDA was created by the City of Longmont through an area election and by City ordinance to halt and prevent deterioration of property values within the area, to assist in the development and redevelopment of the area, and to promote the general welfare of the area. The Longmont City Council appoints the Authority board members. A tax is levied on the real property of the area to finance operations in subsequent years. Under Colorado law the DDA has the ability to use tax increment financing. All taxes levied on the increased valuation of the property within the DDA area over the 1983 base valuations are distributed to the Authority. The DDA does not issue separate financial statements.

Longmont Gateway Business Improvement District - The Longmont Gateway Business Improvement District was created by the City of Longmont as a result of petition and by City ordinance in July of 1997 to provide public improvements within the Longmont Gateway Business area. It is managed by a five-member board, all of whom are appointed by the City Council. The City will approve the annual budget as well as all debt issuances. There has been no reportable financial activity since the district's inception because all costs have been paid by Gateway BID property owners.

Downtown Longmont Business Improvement District - The Downtown Longmont Business Improvement District was created by the City of Longmont as a result of petition and by City ordinance in October 1992 to oversee downtown maintenance and promotion. The board of directors is the same as the above-described governing board of the DDA and is a financial benefit to the City. A subsequent election held December 8, 1992, to approve funding for the district failed and the district has remained inactive.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This report, the accounting systems and the classifications of accounts conform to standards of the Governmental Accounting Standards Board and the Government Finance Officers Association of the United States and Canada as published in "Governmental Accounting, Auditing and Financial Reporting." Accounting treatments and financial statements also incorporate current recommendations of the Committee on Governmental Accounting and Auditing of the American Institute of Certified Public Accountants included in the industry audit guide for State and Local Governments.

The accounting policies of the City of Longmont conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant policies:

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**A. Citywide and Fund Financial Statements**

The Citywide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the City and its component units. For the most part, the effect of inter-fund activity has been removed from these statements. Governmental activities, which are normally 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. Likewise, the City is reported separately from the legally separate DDA component unit for which the City is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include (1) charges to customers 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. Even though earmarked sales taxes are legally restricted revenues, they are required to be reported as general revenues by GAAP.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the Citywide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The Citywide financial statements are reported using the economic *resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all grantor-imposed eligibility requirements have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. 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 and claims and judgments, are recorded only when payment is due.

In applying the susceptible-to-accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance. There are, however, essentially two types of these revenues. For derived tax revenues (i.e., sales taxes), revenues are recorded when the underlying exchange has occurred and the resources meet the availability criteria. For government-mandated or voluntary non-exchange transactions, revenues are recognized when all eligibility requirements have been met and the resources meet the availability criteria.

Licenses and permits, fines and forfeitures, charges for sales and services, and miscellaneous revenues are generally recorded as revenue when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned since they are measurable and available.

The City reports the following major governmental funds:

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

The *Streets Systems Maintenance and Improvement Fund* is a special revenue fund that was established to account for sales tax revenues and intergovernmental revenues specifically earmarked for maintenance and improvement of the street system.

The *Community Development Block Grant Fund* is a special revenue fund that was established to account for the revenues and expenditures of the CDBG grants.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* 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 all the enterprise and internal service funds are charges to customers for sales and services. The Water Fund also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administration expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The City reports the following major proprietary funds:

The *Electric and Broadband Fund* accounts for the activities of the City's electric and broadband distribution operations.

The *Water Fund* accounts for the treatment and distribution of the City's water supply.

The *Sewer Fund* accounts for the operations of collection and treatment for the City's sewer system.

The *Storm Drainage Fund* accounts for maintenance and improvements to the City's storm drainage system.

Additionally, the City reports the following fund types:

Internal Service Funds are used to account for the financing of goods or services provided by one department to other departments of the City on a cost reimbursement basis. These funds are used to account for the operations of the *Fleet Fund*, *Warehouse Fund*, *Self-insurance Fund*, *Employee Benefit Fund*, *Workers Compensation Insurance Fund* and *Unemployment Insurance Fund*.

The Fiduciary Funds account for the accumulation of resources for pension payments upon retirement to all eligible City employees and/or their spouses. The three *Employee Retirement Plan Trust Funds* are: *Employees Pension Fund*, *Fire Pension Fund*, and *Police Pension Fund*.

The Agency Fund accounts for the accumulation of resources for *Post-Employment Benefits (OPEB)* payments upon retirement to all eligible City employees.

As a general rule the effect of interfund activity has been eliminated from the Citywide financial statements. Exceptions to this general rule are franchise taxes and other charges between the government's enterprise funds and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

C. Assets, Liabilities and Net Position or Fund Balance, and Deferred Inflows/Outflows of Resources**1. Deposits and Investments**

Cash and cash equivalents include deposits and short-term investments, which are both readily convertible to cash and which generally mature within three months from the purchase date.

City and component unit investments are reported at fair value. The reported value of the local government investment pool is valued at an amortized cost pursuant to Rule 2a-7 under the Investment Company Act of 1940, which approximates the fair value.

2. Receivables and payables

Activity between funds for long-term lending/borrowing arrangements outstanding at fiscal year end are reported as "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the Citywide financial statements as *internal balances*.

All trade and property tax receivables, including those for DDA, are shown net of an allowance for uncollectibles. The allowance for uncollectible utility accounts receivable is based on a three-year average and approximates 2%. The property tax receivable allowance is 2% of outstanding property taxes at December 31, 2017.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

In the City's Affordable Housing and Community Development Block Grant Funds, the allowance for uncollectible housing assistance loans is estimated to be 10%, while the forgivable loan allowance is estimated to be the full value of the loans.

3. Inventories and prepaid items

The materials and supplies inventories are maintained by the Warehouse Internal Service Fund in the utilities warehouse. When materials and supplies are used, they are acquired from the Warehouse Internal Service Fund and charged directly to various operating expense accounts of the applicable funds. The inventory records are maintained on a perpetual basis, and an annual physical count is performed to verify the inventory balances.

Inventories of the Warehouse Internal Service Fund are stated at average cost.

An automotive parts inventory and a fuel inventory are maintained in the City's fleet garage facility. These inventories are recorded in the Fleet Internal Service Fund at cost, determined on a first-in, first-out basis.

Payments to vendors representing costs of future accounting periods are reported as prepaid items

4. Restricted Assets

Certain proceeds of bonds as well as resources set aside for their repayment are classified as restricted assets. Also restricted due to legally limited use are proceeds of certain developer contributions. The State of Colorado requires restriction of \$2,577,190 for risk retention in the Workers' Compensation Fund.

5. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), are reported in the applicable governmental or business-type activities columns in the Citywide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life exceeding two years. Such assets are recorded at acquisition cost or estimated acquisition cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition cost at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included in the capitalized value of assets constructed. In 2017, there was \$1,397,380 of interest incurred and included in the capital costs of the Electric/Broadband Fund, \$1,591,265 of interest incurred and included in the capital costs of Sewer Fund, and \$819,357 of interest incurred and included in the capital costs of the Storm Drainage Fund.

Depreciation of all exhaustible capital assets is charged as an expense against their operations. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Buildings	40-50 years
Electric Lines	30 years
Equipment	3-10 years
Improvements, including	
Infrastructure	20-50 years
Sewer Lines	99 years
Water Pipes	50 years

6. Deferred inflows/outflows of resources and unearned revenues

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

expenditure) until then. The government has four items that qualify for reporting in this category. One of the items is the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The other three items are all pension related.

Pension contributions after the measurement date will decrease the pension liability in future years so they are deferred in the current year. Actual investment earnings on pension investments that are less than the actuarial determined earnings are deferred over a five year amortization period. Actual experience was less than the actuarial expected experience and is deferred over a five year period. The proprietary funds have these same categories for deferred outflows of resources.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has one type of item that qualifies for reporting in this category. Unavailable revenue is reported in the government-wide statement of net position and in the governmental funds balance sheet. The governmental funds report unavailable revenues from two sources: property taxes, which are levied for future periods, and grants. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

In the government funds, unearned revenues represent amounts received, which are measurable, but not available for spending. Unearned revenues represent highway funds that have not yet been earned as the proceeds have not yet been spent on eligible costs.

In proprietary funds, unearned revenues represent assets received (measurable) but not yet earned. In the statement of net position, unearned revenues represent lease payments received, but not yet earned as the related service has not yet been provided.

7. Compensated absences

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. All vacation pay is accrued when incurred in the Citywide and proprietary fund financial statements. Liability for unpaid sick leave is equal to one-half the accumulated balances, which is payable at termination.

8. Long-term obligations

In the Citywide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statements of net position. Bond premiums and discounts, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenses.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

9. Fund Balance

In the governmental fund financial statements, fund balances are classified as follows:

Nonspendable: Amounts that cannot be spent either because they are in a nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted: Amounts restricted to specific purposes when constraints placed on the use of the resources are either imposed externally by creditors, grantors or state or federal laws or imposed by law through constitutional provisions or enabling legislation.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Committed: Amounts that can be used only for specific purposes pursuant to constraints formally imposed by the City Council through action of an ordinance approved prior to year end. Those committed amounts cannot be used for any other purpose unless the City Council rescinds or modifies the specified use by action of an ordinance.

Assigned: Amounts constrained by the City's intent to use them for a specific purpose. The authority to assign fund balance has been delegated to the City Manager and Finance Director during the budget process.

Unassigned: All amounts not included in other spendable classifications. The General Fund is the only fund that would report a positive amount in unassigned fund balance.

When unassigned and restricted, committed or assigned resources are available for use, it is the City's policy to use restricted, committed, or assigned resources first, then unassigned resources as needed.

Under City policy, the General Fund is required to maintain a minimum unrestricted fund balance of two to three months expenditures, the Streets Systems Fund is required to maintain a minimum fund balance requirement of 6% of the fund's operating budget, and the Public Safety Fund is required to maintain a minimum fund balance requirement of 8% of the fund's operating budget.

10. Net Position

Net position represents the difference between assets, liabilities, deferred outflow of resources, and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net investment in capital assets for governmental and business-type activities, excludes unspent debt proceeds of \$1,228,902 and \$19,492,365, respectively. Net position is reported as restricted when there are limitations imposed on their use through enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulation of other governments. Net position restricted by enabling legislation includes \$7,476,116 for land conservation, \$77,878,931 for construction, acquisitions, and debt service, \$17,703,116 for transportation improvements, \$1,227,184 for public safety projects, \$156,474 for tourism programs, \$861,282 for special programs, and \$4,407,341 for statutory emergency requirement.

11. Capital Contributions

Water system development fees, to the extent they exceed the cost of installation and material, are recorded in the Water System Construction Reserve Fund. Cash payments in lieu of water rights are recorded in the Water Acquisition Fund. Sewer system development fees are recorded in the Sewer Construction Fund. Electric Community Investment fees are recorded in the Electric Community Investment Fee Fund. As system improvements from these revenues are completed, capital contribution revenue is recorded in the Water, Sewer and Electric Enterprise Funds as applicable. Aid to underground installation fees are recorded as capital contribution revenue in the Electric Enterprise Fund and the Telecommunications Fund. Storm drainage plant investment fees are recorded as capital contribution revenue in the Storm Drainage Fund. System development fees in the Golf Fund are recorded as capital contribution revenue and intergovernmental grant revenue externally restricted for capital acquisition is recorded as capital contribution revenue in the Airport Fund.

12. Joint Venture

Platte River Power Authority (PRPA) was created by an intergovernmental agreement between the Cities of Longmont, Fort Collins, Estes, and Loveland to supply their wholesale electric power and energy requirements. The governing board of PRPA consists of two members from each municipality. Under Colorado law, PRPA's Board of Directors has the exclusive authority to establish electric rates. The City has contracted for electric energy supply from PRPA through the year 2020. Separately issued financial statements for PRPA are available from its corporate headquarters. The City does not have an equity interest in this joint venture, and the PRPA is not accumulating financial resources or experiencing fiscal stress that would create a significant financial benefit or burden on the City in the foreseeable future.

13. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the basic financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**D. Budgetary Information**

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

1. By September 1, the City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and related financing sources.
2. Public hearings are conducted during City Council meetings to obtain citizen comments.
3. By December 15, the budget is legally enacted through passage of an ordinance.
4. The City Manager is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the City Council.
5. Budgets are legally adopted as a management control device during the year for the General Fund, Special Revenue Funds, (except for the Library Trust Subfund of the General Fund, Historical Preservation Fund, Air Quality Control Subfund of the General Fund, Jones Trust Fund, Traffic Safety Fund, and Subdividers Escrow Subfund of the General Fund), Capital Projects Funds, and the Enterprise Funds. A budget is legally adopted for only one of the Internal Service Funds, the Fleet Fund.
6. The budgets for the General Fund and Street System Fund are adopted on a basis consistent with generally accepted accounting principles (GAAP).

Budgets for the Special Revenue Funds and the Capital Projects Funds are adopted on a basis consistent with GAAP with two exceptions. The Public Improvement Capital Projects Fund adopts a project-length budget. Changes in allowance for doubtful accounts are not budgeted as expenditures in the Affordable Housing and Community Development Block Grant Funds.

Budgets for the Enterprise Funds are adopted on a basis consistent with GAAP with the following exceptions:

- Capital expenses are treated as operating expenses of the funds.
- The transfers of new vehicles purchased during the year to the Fleet Service Fund are budgeted as operating expenses of the funds rather than as transfers from the Enterprise Funds.
- Depreciation is not budgeted.
- Principal retired is budgeted as operating expenses of the funds.

The budget for the Fleet Internal Service Fund is adopted on a basis consistent with GAAP with three exceptions. The first exception is that capital expenses are treated as operating expenses. The second exception is the transfer in of new vehicles from other funds which is not budgeted. The third exception is that depreciation is not budgeted.

Expenditures may not legally exceed budgeted appropriations at the fund level for all funds. Unencumbered appropriations for all funds lapse at year end, except in the Public Improvement Capital Projects Fund. Revenues of this fund are budgeted each year and a like amount is appropriated for projects. However, appropriations do not lapse until the purpose for which the appropriation was made has been accomplished or abandoned.

7. Budgeted amounts presented are as originally adopted or as amended by City Council. Supplemental appropriations made to the original budget for each fund were as follows:

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fund	Original Appropriation	Supplemental Appropriations	Amended Appropriations
General Fund	\$ 77,142,919	\$ 5,455,105	\$ 82,598,024
Art in Public Places Subfund	314,701	193,370	508,071
Special Revenue Funds:			
Electric CIF Fund	460,000	430,849	890,849
Water Construction Fund	1,623,874	894,460	2,518,334
Water Acquisition Fund	150,000	18,614	168,614
Sewer Construction Fund	529,776	3,173,935	3,703,711
Probation Services Fund	83,680	-	83,680
Judicial Wedding Fund	1,500	1,000	2,500
Police Seizure Fund	-	12,795	12,795
Police Prevention Education Fund	-	237,148	237,148
CDBG Fund	660,350	40,210,166	41,323,817
Home Fund	22,021	123,791	145,812
Home Consortium Fund	33,942	273,547	307,489
Affordable Housing Fund	718,646	414,678	1,133,324
Downtown Parking Fund	70,451	20,420	90,871
Street Improvement Fund	21,478,797	10,623,750	32,102,547
Transportation CIF Fund	-	841,236	841,236
Youth Recreation Fund	-	5,500	5,500
Youth Services Fund	6,000	1,106,899	1,112,899
Library Services Fund	69,000	46,545	115,545
Museum Services Fund	180,431	317,861	498,292
Callahan House Fund	135,203	6,500	141,703
Senior Services Fund	294,583	105,417	400,000
Park Improvement Fund	2,161,030	362,739	2,523,769
Park Grants Donations Fund	-	666,211	666,211
Park Greenway Mtce Fund	1,266,545	1,559,297	2,825,842
Park Greenway Mtce Flood Fund	-	4,011,117	4,011,117
Public Buildings CIF Fund	1,882,920	975,121	2,858,041
Open Space Fund	6,853,209	5,538,010	12,391,219
Public Safety Fund	7,522,404	400,569	7,922,973
Lodgers Tax Fund	381,549	78,871	460,420
Urban Renewal Fund	1,469,237	1,032,264	2,501,501
Traffic Safety Fund	-	27,312	27,312
Village at the Peaks Fund	250	(250)	-
Village at the Peaks Debt Service	1,867,455	250	1,867,705
General Improvement District Fund	117,830	2,568	120,398
Conservation Trust Fund	850,000	6,484,331	7,334,331
Museum Trust Fund	36,000	-	36,000
Permanent Fund:			
Mosher/Kanemoto/Stewart Trust Fund	-	-	-
Capital Projects Funds:			
Public Improvement Fund	9,523,266	(1,088,956)	8,434,310
Enterprise Funds:			
Sanitation Fund	6,937,027	3,738,989	10,676,016
Golf Fund	2,721,087	283,288	3,004,375
Electric/Broadband Fund	82,121,115	11,282,923	93,404,038
Water Fund	17,678,859	13,255,809	30,934,668
Sewer Fund	15,593,845	19,357,782	34,951,627
Storm Drainage Fund	11,479,276	23,419,575	34,898,851
Airport Fund	406,252	48,313	454,565
Fleet Internal Service Fund	6,804,704	1,174,928	7,979,632
Component Unit-DDA			
Development Authority			
Operations	225,635	8,325	233,960
Debt Service	273,422	-	273,422
Capital Construction	268,422	1,164,882	1,433,304
Building permit	22,500	494,783	517,283
Façade Improvement	-	300,000	300,000
Arts and Entertainment	248,233	34,446	282,679
	\$ 282,687,946	\$ 159,127,083	\$ 442,268,330

NOTE 3 – PROPERTY TAX AND SALES AND USE TAX

Property Taxes:

Annual property taxes are levied and assessed on January 1, and are certified by the County by December 22 of that year. On January 1, of the following year, the County Treasurer bills the property owners, thus establishing an enforceable lien on the property. Taxes are receivable in two equal installments by February 28 and June 15 or in full by April 30 following the levy. The County Treasurer collects the property taxes and remits the collections to the City monthly.

Property taxes are recognized as revenue in the year in which they are intended to finance expenditures. The City has no maximum property tax rates and there are no legal restrictions concerning the use of property tax proceeds. The State of Colorado Constitution requires an election be held to increase property tax rates.

Sales and Use Tax:

A 3.53% tax is imposed on the sale or use of all tangible personal property in the City except for certain specified exemptions. The City administers the collection of such taxes from licensed businesses. 2% of the sales and use is for general purposes. The sales tax is allocated to the general fund in its entirety. The use tax is allocated between the general fund and the public improvement fund annually during the budget process. The remaining 1.53% is earmarked for specific purposes as indicated below.

The 3.53% is allocated as follows in 2017:

Earmarked Sales and Use Tax

Streets System Special Revenue Fund	0.750%
Open Space Special Revenue Fund	0.200%
Public Safety Sales Tax Fund	0.580%

General Sales Tax

General Fund	2.000%
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General Use Tax

General Fund	0.2952%
Public Improvements Capital Projects Fund	1.7048%

NOTE 4 – DEPOSITS AND INVESTMENTS

The City adheres to the guidance provided in GASB Statement No. 40, “Deposits and Investment Risk Disclosures.” GASB 40 establishes and modifies disclosure requirements related to investment risks: credit risk (including custodial credit risk and concentrations of credit risk), interest rate risk and foreign currency risk.

Investment Philosophy and Authorized Investment Vehicles - The City invests excess funds under the prudent investor rule in accordance with the City Investment Policy. The criteria for selection of investments and their order of priority are: 1) Safety; 2) Liquidity; and 3) Yield. The Director of Finance and Support Services is responsible for all of the investments of the City. As the City’s need for funds is not constant, investments are scheduled in coordination with all funds of the City such that there is as little idle cash as practical. City funds may be invested in any of the following investment vehicles:

- F.D.I.C. Insured Savings Accounts
- Deposits collateralized in local investment pools
- Certificates of Deposit
- Securities of the U.S. Government or its agencies and instrumentalities thereof
- Repurchase Agreements
- Commercial Paper
- Bankers Acceptances
- Corporate Bonds (Grade A or better) – limited to purchase by City pension funds
- Publicly traded common and preferred stocks – limited to purchase by City pension funds

The City invests in allowable securities by pooling excess funds of each of the individual funds. The City maintains one checking account with separate accounting for each fund. Any fund that issues checks in excess of its amount of equity in pooled cash and investments is treated as having borrowed cash from other funds.

Other restricted funds may be invested in savings accounts or a local government pool of government securities in the name of individual funds. Excess pension funds are invested by money managers in equity, fixed income, securities, Bank Loans, Commodities, and Global REITs. The captions on the statement of net position relating to deposits and investments are as follows:

	Total
Statement of Net Position:	
Equity in pooled cash and cash equivalents-primary government	\$ 218,067,059
Equity in pooled cash and cash equivalents-restricted	1,020,027
Cash and cash equivalents-primary government	380,271
Cash and cash equivalents-restricted	26,044,808
	<u>\$ 245,512,165</u>

DEPOSITS - Custodial Credit Risk. Custodial credit risk is the risk that in the event of a bank failure, the City’s deposits may not be returned to it. Deposits are carried at cost. Accrued interest is recorded as a receivable. Deposits include certificates of deposit and bank balances representing equity in pooled cash and investments and savings accounts of certain individual funds. Colorado statutes require that all eligible public depositories pledge collateral having a fair value equal to at least 102% of the aggregate of all public deposits. The City’s investment policy parallels the State collateralization requirements. All institutions holding City of Longmont deposits are currently certified as eligible public depositories in accordance with the statutes. As of December 31, 2017, the City’s deposits had a bank balance of \$19,203,871 with a corresponding book balance of \$19,718,946.

INVESTMENTS - Other Investments include investments in local government pools of government-backed securities. Local government investment pools in Colorado must be organized under Colorado Revised Statutes, and are therefore subject to oversight by the Colorado Securities Commission, with quarterly reporting and annual audits required. The fair value of the City’s position in the external investment pools is the same as the value of the pool shares. The investment pools are valued at an amortized cost pursuant to Rule 2a-7 under the Investment Company Act of 1940, which approximates the fair value.

Credit Risk - The City’s general investment policy requires the “prudent-investor” standard which states, “investments shall be made with judgment and care under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.” The City will minimize credit risk as stated in their investment policy by limiting investments to the safest types of securities and prequalifying the financial institutions, brokers/dealers, intermediaries, and advisors with which the City will do business under section 12 of the investment policy.

NOTE 4 – DEPOSITS AND INVESTMENTS (continued)

Concentration of Credit Risk - Concentration of credit risk is the risk of loss attributed to the concentration of investment in a single issuer. The investment policy sets the following maximum limits for diversification: 25% in commercial paper, 25% in eligible bankers' acceptances, 25% in time certificates of deposit, 50% in money market funds, 75% in federal instrumentality securities, and 50% in local government investment pools. The City is in compliance with all investment policy limitations

Custodial Credit Risk - Custodial credit risk is the risk that, in the event of a counterparty's failure, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The investment policy states that all investment securities, except certificates of deposit, local government investment pools and money market funds purchased by the City will be delivered by either book entry or physical delivery and will be held in third-party safekeeping by the City approved custodian bank. The City utilizes a third-party safekeeping arrangement with Wells Fargo. GASB has concluded that investments in Mutual Funds and external investment pools are not exposed to custodial credit risk.

The City invests in Colorado Government Liquid Asset Trust Plus (Colotrust Plus) and the Colorado Surplus Asset Fund Trust (CSAFE), both established for Colorado local governments surplus fund pooling. Both pools are regulated by the Colorado Securities Commissioner. Pool investments consist of U.S. Treasury bills, notes and note strips, commercial paper allowed by state statute and repurchase agreements collateralized by U.S. Treasury securities and or instrumentalities. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. Securities owned by the pools are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian's internal records identify the investments owned by the specific pool. ColoTrust Plus and C-SAFE are 2a7-like investment pools and are both rated by Standard and Poor's, and Moody's with current ratings of AAA and Aaa. Investments and investment pools are recorded at fair value, amortized cost, or net assessed value. There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period for ColoTrust.

Interest Rate Risk – The City minimizes the risk that fair value of securities in the portfolio will fall due to changes in general interest rates, by: Structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities prior to maturity. This is accomplished by investing operating funds and non-operating funds in shorter term securities (with a maximum of no more than five years), mutual funds and local investment pools. Weighted average market duration as of December 31, 2017 was 1.54 years. The City's investment policy does not otherwise limit interest rate risk.

The value of the pooled investments includes \$5,656,097 of pooled cash and cash equivalents of the discretely presented component unit.

As of December 31, 2017, the City had the following investments:

Investment Type	Fair Value	Weighted Average Market Duration (in years)	S & P Rating	% of Portfolio
U.S. Treasuries	\$ 60,678,672	1.33	AA+	26.87
U.S. Instrumentality-FNMA	20,627,389	2.24	AA+	9.14
U.S. Instrumentality-FHLMC	18,280,156	2.24	AA+	8.10
U.S. Instrumentality-FHLB	29,112,683	1.46	AA+	12.89
U.S. Instrumentality-FFCB	22,349,224	1.02	AA+	9.90
Money Market Funds	16,096,108	n/a	M	7.13
Local Investment Pools	<u>58,648,987</u>	n/a	M	25.97
Total fair value	<u>\$ 225,793,219</u>			
Portfolio duration		1.54		
Percentage of Portfolio				100

INVESTMENTS – FIDUCIARY FUNDS - The City has fiduciary responsibility for three defined benefit pension plans as described in Note 16 and other post-employment benefits as described in Note 14. The majority of the funds available in each of the fiduciary funds are invested in fixed income and equity securities through an independent money manager selected by the pension boards. For marketable equity securities held for investment purposes, fair values are based on quoted market prices or dealer quotes. For other securities held as investments, fair value equals quoted market price, if available. If a quoted market price is not available, fair value is estimated using quoted market prices for similar securities.

NOTE 4 – DEPOSITS AND INVESTMENTS (continued)

The Pension Master Trust investment policy statement objectives are to be viewed over the long term with investments in both equity and fixed income instruments to provide a rate of return which exceeds the inflation rate, as measured by the Consumer Price Index, by 4.25% per year. The plan's investment guidelines are based upon an investment horizon of greater than 5 years and a targeted risk tolerance of -18.6% to -26.9% in any one year to be reviewed each year. In accordance with its investment policy, permissible investments for the plan include publicly-traded stocks and fixed income securities, whether interest-bearing or discount instruments, including money market instruments, subject to any restrictions specified by the plan.

Credit Risk - This is the risk that an issuer or other counterparty to an investment will not fulfill its obligation. The Plan's investment policy has specific guidelines that every money manager must follow. Equity investments will not be made with any company with a record of less than three years' continuous operation unless authorized by the board. Equity holdings in any one company should not exceed 10% of the fair value of the plans equity portfolio. Fixed income securities will be rated AAA by Standard and Poor's but fixed income money managers do have discretion to purchase a certain percentage in B or below rated bonds.

Concentration of Credit Risk - Concentration of credit risk is the risk loss attributed to the concentration of the pension's investment in a single issuer. The policy states that the plans assets should be diversified with a strategic asset allocation of 25% in both Domestic Large Cap Value and Domestic Large Cap Growth, 10% in Domestic Small and Mid Cap, 16% in International Equity, 6% in Emerging Mkt Equity, 18% in Domestic Fixed Income and 3% in High Yield Credit, 3% in Commodities, 5% in Low Correlated Hedges, 5% in Global REITs and 9% in Floating Rate Corporate Loans. As of December 31, 2017, these strategic targets have been met. None of the Plan's debt securities represent more than 5% of total investments in any one issuer.

Custodial Credit Risk - Custodial credit risk is the risk that, in the event of a counterparty's failure, the pension fund will not be able to recover the value of its investments. All of the pension securities are held by third party custodian Wells Fargo.

Foreign Currency Risk - Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. The City does not have a formal policy that limits its exposure to foreign currency risk.

Interest Rate Risk - This is the risk that changes in interest rates will adversely affect the portfolio's fair value. The pensions fund's investment policy specifies a targeted rate of return of 4.25% over the Consumer Price Index. The Policy also states that the investment guidelines are based upon an investment horizon of greater than five years, so that interim fluctuations should be viewed with appropriate perspective. For 2017, the actual return for the plan was a gain of 17.09% while the targeted rate of return was 6.32%.

As of December 31, 2017, the Fiduciary Funds had the following investments.

Employee, Police and Fire Pension Plans:

Investment Type	Fair Value	% of Portfolio	Rating
Domestic Equities	\$ 61,002,899	37.85%	Not available
International Equities	37,651,985	23.36%	Not available
Domestic Fixed Income	23,842,249	14.79%	Not available
Corporate Loans	14,180,917	8.80%	Not available
High Yield Credit	4,387,771	2.72%	Not available
Commodities	4,588,750	2.85%	Not available
Global REITs	7,450,689	4.62%	Not available
Hedge Funds	7,608,146	4.72%	Not available
Cash & Cash Equivalents	475,572	0.30%	Not available
Total	\$ 161,188,978	100.00%	

OPEB Trust Fund:

Investment Type	Fair Value	% of Portfolio	Rating
Cash & Cash Equivalents	\$ 3,067,129	100.00%	Not available
Total	\$ 3,067,129	100.00%	

NOTE 4 – DEPOSITS AND INVESTMENTS (continued)

FAIR VALUE MEASUREMENT AND APPLICATION - The City adheres to the guidance provided in GASB Statement No. 72, "Fair Value Measurement and Application." 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 assets. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There is a hierarchy of three levels of inputs that may be used to measure fair value:

Level 1: Quoted prices (unadjusted) in active markets for an identical asset or liability that a government can access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets or liabilities, quoted prices for identical or similar assets or liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3: Unobservable inputs for an asset or liability. The following table presents the fair value of measurements of assets recognized in the accompanying statement of net position measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at December 31, 2017.

As of December 31, 2017, the City had the following investments:

	12/31/2017	Fair Value Measurement Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by fair value level				
Debt Securities				
U.S. Treasury securities	\$ 60,678,672	\$ 60,678,672	\$ -	\$ -
FNMA	20,627,389		20,627,389	-
FHLMC	18,280,156		18,280,156	-
FHLB	29,112,683		29,112,683	-
FFCB	22,349,224		22,349,224	-
Total investments by fair value level	151,048,124	\$ 60,678,672	\$ 90,369,452	\$ -
Investments Measured at net asset value (NAV)				
ColoTrust	27,817,945			
Total investments measured at NAV	27,817,945			
Investments not leveled and measured at Amortized Cost				
Money market	16,096,108			
Local investment pool	30,831,042			
	46,927,150			
Total Investments measured at fair value	\$ 225,793,219			

NOTE 4 – DEPOSITS AND INVESTMENTS (continued)

As of December 31, 2017, the Fiduciary Funds had the following investments:

	12/31/2017	Fair Value Measurement Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by fair value level				
Debt Securities				
Floating rate corporate loans	\$ 14,184,630	\$ 14,184,630	\$ -	\$ -
Total debt securities	14,184,630	14,184,630	-	-
Equity Securities				
Financial services industry- Large Cap Value	21,663,799		17,528,981	
Financial services industry- Large Cap Growth	21,196,351		17,487,045	
Financial services industry- Mid Cap	5,367,593		4,221,493	
Financial services industry- Small Cap	12,766,167		9,868,788	
International equity	25,886,950		22,099,935	
Emerging markets	11,766,795		8,373,094	
High yield	4,384,340		4,207,515	
Domestic fixed income	23,839,850		24,867,669	
Commodities	4,593,886		4,151,601	
Other	483,566		349,461	
Total equity securities	131,949,297	-	113,155,582	-
Total investments by fair value level	146,133,927	\$ 14,184,630	\$ 113,155,582	\$ -
Investments Measured at net asset value (NAV)				
Low correlated hedge funds	7,608,120			
Real estate	7,446,931			
Total investments measured at NAV	15,055,051			
Total Investments measured at fair value	\$ 161,188,978			

There are six individual investments that are measured at NAV. There are no unfunded commitments, the redemption frequency is either quarterly or semi-annually, and the redemption notice ranges from 30 to 135 days.

NOTE 5 – DONOR-RESTRICTED ENDOWMENTS

The City is the recipient of three nonexpendable trusts for which the corpora are as follows: Stewart Trust, \$40,000 for purchase of library books; Mosher Trust, \$635,881 for library purposes; and Kanemoto Trust, \$15,000 for Kanemoto Park purposes. Net appreciation on these investments is available for expenditure upon appropriation by City Council in the amounts of \$160, \$522,842 and \$323, respectively. City Financial Policy requires that the interest earnings on these endowments be expended on the recommendation of the related advisory board.

NOTE 6 – LEASED PROPERTY UNDER CAPITAL LEASES

The City has entered into capital lease agreements for the purchase of a fire station and energy equipment. The City's obligations under all leases shall be annually renewable by the City and are expressly subject to annual appropriation.

The following is an analysis of the equipment and facilities under capital leases by activity and fund, and by type as of December 31, 2017:

Governmental Activities	
Terry St. Fire Station	\$ 2,609,629
Energy Equipment Lease, Phase 1	1,896,505
Energy Equipment Lease, Phase 2	1,039,511
Total Governmental Activities	\$ 5,545,645

NOTE 6 – LEASED PROPERTY UNDER CAPITAL LEASES (continued)

The following is a schedule by years of future lease payments under capital leases together with the present value of the net lease payments by activity type as of December 31, 2017:

Governmental Activities						
Year		Principal		Interest		Total
2018	\$	593,192	\$	82,720	\$	675,912
2019		613,679		62,233		675,912
2020		634,989		40,923		675,912
2021		305,194		22,884		328,078
2022		311,344		16,734		328,078
2023-2027		641,635		14,521		656,156
Total	\$	3,100,033	\$	240,015	\$	3,340,048

NOTE 7 – DEFEASED DEBT

The City entered into a partial refunding transaction whereby bonds were issued to facilitate the partial retirement of the City's 2008 Storm Drainage Bonds. The resulting proceeds of the 2016 Storm Drainage Refunding Bonds, in the amount of \$8,530,000 plus City funds totaling \$180,000 were placed into an irrevocable escrow account and invested for the purpose of generating resources for the redemption of the refunded debt through December 1, 2028. As of December 31, 2017, \$8,710,000 of the Series 2008 Storm Drainage Bonds outstanding are considered defeased.

In fiscal year 2010, the City issued \$19,330,000 of Open Space Sales and Use Tax Revenue Refunding Bonds, Series 2010A, to advance refund \$13,120,000 relating to outstanding Series 2001 Sales and Use Tax Revenue bonds. The net proceeds were used to purchase state and local government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the 2001 bonds and the lease referred to above. As a result, the 2001 bonds and the lease are considered to be defeased and the liability for those long-term liabilities has been removed from the government-wide state of net assets. As of December 31, 2017, \$3,435,000 of the Series 2001 Sales and Use Tax Revenue Bonds outstanding are considered defeased.

The balance of defeased bonds outstanding at December 31, 2017 is \$12,145,000.

NOTE 8 – LONG-TERM LIABILITIES

Long-term liability activity for the year end December 31, 2017, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Bonds Payable:					
Revenue Bond	\$ 30,555,000	\$ -	\$ (3,540,000)	\$ 27,015,000	\$ 3,745,000
Amortization of discount/premium	432,040	-	(123,660)	308,380	-
Total bonds payable	30,987,040	-	(3,663,660)	27,323,380	3,745,000
Capital Leases	3,673,526	-	(573,493)	3,100,033	593,192
Certificates of Participation	29,475,000	-	(595,000)	28,880,000	875,000
Amortization of COP premium	1,211,139	-	(57,900)	1,153,239	-
Claims (see Note 12)	2,844,263	1,894,962	(2,043,791)	2,695,434	210,541
Net OPEB Obligation	318,617	307,779	(304,987)	321,409	-
Net Pension Liability	10,888,752	2,441,986	(1,767,793)	11,562,945	-
Compensated Absences	7,795,415	5,776,504	(5,505,941)	8,065,978	1,211,624
Governmental activity long-term liabilities	<u>\$ 87,193,752</u>	<u>\$ 10,421,231</u>	<u>\$ (14,512,565)</u>	<u>\$ 83,102,418</u>	<u>\$ 6,635,357</u>
Business-type Activities:					
Revenue Bonds Payable	\$ 114,720,000	\$ 7,265,000	\$ (5,385,000)	\$ 116,600,000	\$ 6,110,000
Amortization of bond premium	6,531,431	449,232	(463,203)	6,517,460	-
Amortization of prepaid interest	(773,612)	-	64,468	(709,144)	-
Compensated Absences	2,238,619	1,593,369	(1,488,311)	2,343,677	351,552
Loans payable	8,026,967	-	(1,061,417)	6,965,550	1,083,530
Amortization of loan discount/premium	37,614	-	(5,714)	31,900	-
Net OPEB Obligation	101,201	125,269	(124,221)	102,249	-
Net Pension Liability	6,431,112	1,750,957	(1,241,234)	6,940,835	-
Construction contracts	182,148	-	-	182,148	-
	<u>\$ 137,495,480</u>	<u>\$ 11,183,827</u>	<u>\$ (9,704,632)</u>	<u>\$ 138,974,675</u>	<u>\$ 7,545,082</u>
Component Unit :					
Loans payable - primary government	\$ 146,000	\$ 268,422	\$ (268,422)	\$ 146,000	\$ -
Compensated Absences	39,786	21,303	(20,089)	41,000	6,150
	<u>\$ 171,106</u>	<u>\$ 289,725</u>	<u>\$ (288,511)</u>	<u>\$ 187,000</u>	<u>\$ 6,150</u>

For governmental activities, claims payable, net OPEB obligation, and compensated absences are generally liquidated by the general, street systems, and public safety funds.

NOTE 8 – LONG-TERM LIABILITIES (continued)

A. Governmental Activities:

Revenue Bonds:

\$17,375,000 2006 Sales and Use Tax Revenue Refunding Bonds due in annual installments of \$640,000 to \$2,705,000 through May 15, 2019; interest rates range from 4.0 to 6.0 percent (unamortized premium of \$211,046). Total principal and interest remaining to be paid is \$5,585,250 and is expected to require less than 10% of pledged revenue. Total payment in 2017 was \$2,748,113 and pledged revenue was \$40,270,349.

\$ 5,265,000

\$19,330,000 2010 Open Space Sales and Use Tax Revenue Refunding Bonds due in annual installments of \$1,060,000 to \$1,330,000 through November 15, 2026; interest rates range 2 to 3.75 percent (plus amortized premium of \$97,334). Total principal and interest remaining to be paid is \$13,341,514 and is expected to require less than 65% of pledged revenue. Total payment in 2017 was \$1,588,516 and pledged revenue was \$4,156,190.

11,310,000

\$10,440,000 2010 Open Space Sales and Use Tax Revenue Bonds due in annual installments of \$85,000 to \$1,570,000 through November 15, 2033; interest rates range from 5.0 to 5.45 percent with a 35% interest rate subsidy under the Build America Bonds program. Total principal and interest remaining to be paid is \$18,288,943 and is expected to require less than 65% of pledged revenue. Total payment in 2017 was \$556,898 and pledged revenue was \$4,156,190.

10,440,000

\$ 27,015,000

Annual debt service requirements (in thousands of dollars) to maturity for governmental activity bonds are as follows:

Year Ending December 31	Revenue Bonds			City Total
	Principal	Interest	Interest Subsidy	
2018	\$ 3,745	\$ 1,179	\$ (195)	\$ 4,729
2019	3,910	986	(195)	4,701
2020	1,225	869	(195)	1,899
2021	1,245	831	(195)	1,881
2022	1,265	790	(195)	1,860
2023-2027	6,660	3,262	(973)	8,949
2028-2032	7,395	1,642	(575)	8,462
2033	1,570	86	(30)	1,626
	<u>\$ 27,015</u>	<u>\$ 9,645</u>	<u>\$ (2,553)</u>	<u>\$ 34,107</u>

Certificates of Participation:

\$29,475,000 2014 Certificates of Participation under an Annually Renewable Lease Purchase Agreement with Base Rental installments of \$595,000 to \$2,200,000 through December 1, 2037; interest rates range from 3.0 to 5.0 percent (plus unamortized premium of \$1,153,239). Total principal and interest remaining to be paid is \$4,460,870. Total payment in 2017 was \$1,867,455.

\$ 28,880,000

Annual lease payments (in thousands of dollars) to maturity for governmental activity COPs are as follows:

Year Ending December 31	Certificates of Participation		
	Principal	Interest	City Total
2018	\$ 875	\$ 1,255	\$ 2,130
2019	900	1,230	2,130
2020	975	1,198	2,173
2021	1,010	1,163	2,173
2022	1,070	1,119	2,189
2023-2027	6,150	4,875	11,025
2028-2032	7,860	3,369	11,229
2033-2037	10,040	1,373	11,413
	<u>\$ 28,880</u>	<u>\$ 15,582</u>	<u>\$ 44,462</u>

NOTE 8 – LONG-TERM LIABILITIES (continued)

The following is a summary of governmental activity long-term debt (other than bonded debt) for the City of Longmont for the year ended December 31, 2017.

Capital Lease

Lease obligations per Note 7. Payable from
 General Fund and Public Safety Fund \$ 3,100,033

Net Other Post Employment Benefit Obligation

Implicit Subsidy for blended rate retiree healthcare \$ 321,409

Net Pension Liability

Actuarially determined net pension liability \$ 11,562,945

Accrued Sick and Vacation

Accrual of compensated absences per Note 2-C7.
 Payable from revenues of the General Fund,
 Streets Fund, Community Development Fund, Public Safety Fund and Fleet Fund \$ 8,065,978

B. Business-type Activities

The following is a summary of proprietary long-term debt (other than bonded debt) for the City of Longmont for the year ended December 31, 2017:

Revenue Bonds:

\$14,540,000 2008 Storm Drainage Revenue Bonds for the purpose of storm drainage system replacements and improvements including Lykins Gulch Drainageway, State Highway 66 Regional drainage improvements, Spring Gulch #2 Drainage, and Left Hand Creek bridge replacement at South Pratt Parkway. Future customer fees net of certain operating expenses, are expected to exceed the annual payments by 25%. Total principal and interest paid in 2017 was \$708,400 compared to net pledged fees of \$3,517,521. Due in installments of \$655,000 to \$680,000 through December 1, 2018; interest rates range from 3.0 to 4.5 percent (unamortized premium of \$12,700).
 During the year ended December 31, 2016, Bond proceeds from the 2016 Storm Drainage Bonds were used toward the \$8,710,000 defeasance of the outstanding 2008 Storm Drainage Bonds. \$ 680,000

\$11,090,000 2010B Sewer Revenue Bonds for the purpose of wastewater system improvements. Future customer fees net of certain operating expenses, are expected to exceed the annual payments by 25%. Total principal and interest paid in 2017 was \$1,085,368 compared to net pledged fees of \$7,157,951. Due in installments of \$590,000 to \$935,000 through November 1, 2030; interest rates range from 3.1 to 5.2 percent with a 35% interest rate subsidy under the Build America Bonds program. 9,895,000

\$7,740,000 2013 Sewer Revenue Bonds for the purpose of wastewater system improvements. Future customer fees net of certain operating expenses, are expected to exceed the annual payments by 25%. Total principal and interest paid in 2017 was \$562,100 compared to pledged fees of \$7,157,951. Due in installments of \$310,000 to \$550,000 through November 1, 2032; interest rates range from 2 to 4 percent (unamortized premium of \$395,651). 6,465,000

\$38,035,000 2014 Electric and Broadband Utility Enterprise Revenue Bonds for the purpose of significantly expanding the existing fiber optic backbone system in order to extend "fiber to the premises" service to all homes and businesses in the City. Future customer fees net of certain operating expenses, are expected to exceed the annual payments by 33%. Total principal and interest paid in 2017 was \$3,717,013 compared to net pledged fees of \$11,651,664. Due in installments of \$2,245,000 to \$3,590,000 through December 1, 2029; interest rates range from 3.0 to 5.0 percent (unamortized premium of \$1,747,819). 35,790,000

\$20,500,000 2014 Storm Drainage Revenue Bonds for the purpose of storm drainage system improvements including, but not limited to the City's St. Vrain Creek Drainageway. Future customer fees, net of certain operating expenses, are expected to exceed the annual payments by 25%. Total principal and interest paid in 2017 was \$1,450,388 compared to net pledged fees of \$3,517,521. Due in installments of \$710,000 to \$1,405,000 through December 1, 2034; interest rates range from 3.0 to 5.0 percent (unamortized premium of \$1,080,936). 18,310,000

\$31,100,000 2015 Enterprise Wastewater Revenue Bonds for the purpose of wastewater system improvements including improvements, additions and rehabilitation of the wastewater treatment plant, as recommended in the 2012 Planning Study to Meet New Ammonia Permit Limits. Future customer fees, net of certain operating expenses, are expected to exceed the annual payments by 25%. Total principal and interest paid in 2017 was \$1,977,825 compared to net pledged fees of \$7,157,951. Due in installments of \$635,000 to \$3,525,000 through November 1, 2035; interest rates range from 3.0 to 5.0 percent (unamortized premium of \$1,885,231). 29,665,000

NOTE 8 – LONG-TERM LIABILITIES (continued)

\$8,530,000 2016 Storm Drainage Refunding Bonds for the purpose of partial defeasance of the 2008 Storm Drainage Revenue Bonds. Future customer fees, net of certain operating expenses, are expected to exceed the annual payments by 71%. Total principal and interest paid in 2017 was \$282,900 compared to net pledged fees of \$3,415,956. Due in installments of \$710,000 to \$995,000 through December 1, 2028; interest rates range from 2.0% to 4.0 percent.(unamortized premium of \$1,052,284) 8,530,000

\$7,265,000 2017 Electric and Broadband Utility Enterprise Revenue Bonds for the purpose of significantly expanding the existing fiber optic backbone system in order to extend "fiber to the premises" service to all homes and businesses in the City. Future customer fees net of certain operating expenses, are expected to exceed the annual payments by 33%. Total principal and interest paid in 2017 was \$81,051 compared to net pledged fees of \$11,651,664. Due in installments of \$525,000 to \$710,000 through December 1, 2028; interest rates range from 2.25 to 4.0 percent (unamortized premium of \$431,142). 7,265,000

\$ 116,600,000

Annual debt service requirements (in thousands of dollars) to maturity for **business activity** bonds are as follows:

Year Ending December 31	Revenue Bonds			City Total
	Principal	Interest	Interest Subsidy	
2018	\$ 6,110	\$ 4,399	\$ (161)	\$ 10,348
2019	6,355	4,140	(153)	10,342
2020	6,600	3,871	(144)	10,327
2021	6,885	3,600	(134)	10,351
2022	7,200	3,283	(124)	10,359
2023-2027	40,370	11,946	(444)	51,872
2028-2032	30,140	4,780	(99)	34,821
2033-2035	12,940	844	-	13,784
Total	\$ 116,600	\$ 36,863	\$ (1,259)	\$ 152,204

Accrued Sick and Vacation

Accrual of compensated absences per Note 2-C7.

Payable from the Enterprise Funds \$ 2,343,677

Loans Payable

\$14,998,044 from the Colorado Water Resources and Power Authority for the construction of a water treatment plant to be repaid from the revenues of the Water Fund. Annual installments vary from \$99,996 to \$678,103 through August 1, 2023 at 3.11% (plus unamortized premium of \$31,901).

\$ 6,965,550

The net debt service requirements (in thousands) to maturity for these loans are as follows:

Year Ending December 31	Principal	Interest	Total
2018	\$ 1,084	\$ 256	\$ 1,340
2019	1,106	217	1,323
2020	1,128	177	1,305
2021	1,155	133	1,288
2022	1,211	92	1,303
2023	1,282	48	1,330
Total	\$ 6,966	\$ 923	\$ 7,889

Net Other Post Employment Benefit Obligation

Implicit Subsidy for blended rate retiree healthcare \$ 102,249

Net Pension Liability

Actuarially determined net pension liability \$ 6,940,835

Construction Contracts

Developer participation contracts for oversizing of water and sewer lines.

Contracts established in 1996 through 2010, pending final acceptance of improvements, with minimum annual installments of \$200,000.

\$ 182,148

C. Component Unit

Loans Payable:

\$146,000 from City of Longmont Fleet Fund for Marketing Fund expenses to be repaid from tax increment property taxes, due 12/31/19. Interest rate equal to City's annual rate of return, 1.23% in 2017; \$1,795.80 interest accrued at 12/31/17

\$ 146,000

Accrual of compensated absences per Note 2-C7.

\$ 41,000

NOTE 9 – CHANGES IN CAPITAL ASSETS

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land and water rights	\$ 84,842,063	\$ 128,362	\$ -	\$ 84,970,425
Construction in progress	24,790,622	5,679,344	(11,734,315)	18,735,651
Total capital assets, not being depreciated	<u>109,632,685</u>	<u>5,807,706</u>	<u>(11,734,315)</u>	<u>103,706,076</u>
Capital assets, being depreciated:				
Buildings	76,262,561	1,806,080		78,068,641
Improvements other than buildings	384,387,123	29,674,383		414,061,506
Equipment	56,046,493	5,039,908	(4,609,792)	56,476,609
Equipment under capital leases	3,438,049	-	-	3,438,049
Total capital assets, being depreciated	<u>520,134,226</u>	<u>36,520,371</u>	<u>(4,609,792)</u>	<u>552,044,805</u>
Less accumulated depreciation for:				
Buildings	(26,968,912)	(1,538,559)		(28,507,471)
Improvements other than buildings	(228,622,251)	(14,270,456)		(242,892,707)
Equipment	(36,253,012)	(5,266,654)	4,537,867	(36,981,799)
Equipment under capital leases	(436,435)	(134,904)		(571,339)
Total accumulated depreciation	<u>(292,280,610)</u>	<u>(21,210,573)</u>	<u>4,537,867</u>	<u>(308,953,316)</u>
Total capital assets, being depreciated, net	<u>227,853,616</u>	<u>15,309,798</u>	<u>(71,925)</u>	<u>243,091,489</u>
Governmental activities capital assets, net	<u>\$ 337,486,301</u>	<u>\$ 21,117,504</u>	<u>\$ (11,806,240)</u>	<u>\$ 346,797,565</u>

	Beginning Balance	Additions	Deletions	Ending Balance
Business-type activities:				
Capital assets, not being depreciated:				
Land and water rights	\$ 288,360,536	\$ 1,139,696	\$ (837,337)	\$ 235,910,701
Construction in progress	83,028,924	19,118,680	(33,387,421)	68,474,867
Total capital assets, not being depreciated	<u>371,389,460</u>	<u>20,258,376</u>	<u>(34,224,758)</u>	<u>304,385,568</u>
Capital assets, being depreciated:				
Buildings	85,983,774	78,485	(2,786,941)	83,288,699
Improvements other than buildings	424,161,483	66,881,919	(249,533)	543,817,998
Equipment	13,670,710	122,377	(25,798)	13,767,289
Total capital assets, being depreciated	<u>523,815,967</u>	<u>67,082,781</u>	<u>(3,062,272)</u>	<u>640,873,986</u>
Less accumulated depreciation for:				
Buildings	(34,479,885)	(1,682,622)	2,287,537	(33,874,970)
Improvements other than buildings	(156,259,929)	(11,112,435)	126,385	(167,245,979)
Equipment	(12,708,555)	(379,429)	25,799	(13,062,185)
Total accumulated depreciation	<u>(203,448,369)</u>	<u>(13,174,486)</u>	<u>2,439,721</u>	<u>(214,183,134)</u>
Total capital assets, being depreciated, net	<u>320,367,598</u>	<u>53,908,295</u>	<u>(622,551)</u>	<u>426,690,852</u>
Business-type activities capital assets, net	<u>\$ 691,757,058</u>	<u>\$ 74,166,671</u>	<u>\$ (34,847,308)</u>	<u>\$ 731,076,420</u>

NOTE 9 – CHANGES IN CAPITAL ASSETS (continued)

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:	
General government	\$ 5,877,678
Public safety	877,010
Highway and streets	13,847,333
Culture and recreation	<u>608,552</u>
Total depreciation expense - governmental activities	<u>\$ 21,210,573</u>
Business-type activities:	
Sanitation	\$ 52,579
Golf	85,033
Electric	2,323,069
Broadband	1,596,374
Water	4,040,484
Sewer	3,136,126
Storm drainage	1,677,140
Airport	<u>263,681</u>
Total depreciation expense - business-type activities	<u>\$ 13,174,486</u>

Discretely presented component unit

	Beginning Balance	Additions	Deletions	Ending Balance
Downtown development authority:				
Capital assets, not being depreciated:				
Land and water rights	\$ 786,921	\$ -	\$ -	\$ 786,921
Construction in progress	944,997	-	(944,997)	-
Total capital assets, not being depreciated	<u>1,731,918</u>	-	<u>(944,997)</u>	<u>786,921</u>
Capital assets, being depreciated:				
Buildings	80,454	-	-	80,454
Improvements other than buildings	7,883,015	1,332,125	-	9,215,140
Equipment	425	-	-	425
Total capital assets, being depreciated	<u>7,963,894</u>	<u>1,332,125</u>	-	<u>9,296,019</u>
Less accumulated depreciation for:				
Buildings	(37,149)	(1,619)	-	(38,768)
Improvements other than buildings	(3,469,263)	(249,171)	-	(3,718,434)
Equipment	(425)	-	-	(425)
Total accumulated depreciation	<u>(3,506,837)</u>	<u>(250,790)</u>	-	<u>(3,757,627)</u>
Total capital assets, being depreciated, net	<u>4,457,058</u>	<u>1,081,334</u>	-	<u>5,538,392</u>
Downtown development authority capital assets, net	<u>\$ 6,188,976</u>	<u>\$ 1,081,334</u>	<u>\$ (944,997)</u>	<u>\$ 6,325,313</u>

NOTE 10 – OPERATING LEASE

In 2003, the City leased exclusive surface rights to McIntosh Reservoir with the intention of creating a district park linking Dawson Park, Flanders Park and Boulder County's Lohr Open Space. The cancelable operating lease was extended on December 13, 2017 for an additional five years, through 2022, with an additional five year extension period through December 31, 2027. The City negotiated the annual lease fee for 2018 to be \$59,908 with an inflation rate of 1% for each subsequent year for the next five years. The rate during the extended term will be increased by 2% over the previous term or by the Consumer Price Index for the Denver-Boulder- Greeley areas, whichever is greatest. The City recognized \$59,315 of expenditures for this recreational purpose lease during 2017.

The future minimum lease payments as of December 31, 2017, are as follows:

Year Ending December 31	Amount
2018	\$59,908
2019	\$60,507
2020	\$61,112
2021	\$61,723
2022	\$62,341

NOTE 11 – RISK MANAGEMENT

The City faces risks of loss, including damage to and loss of property and contents, general and automobile liabilities, professional liability (i.e., errors and omissions), environmental damage, workers' compensation, and dental and vision costs of employees. A variety of methods are used to provide insurance for these risks. During 1986, the City established the following internal service funds: Self Insurance Fund, Workers' Compensation Fund, and the Employee Benefit Fund to account for and finance its uninsured risks of loss. Commercial policies transferring risk of loss in excess of risk retention limits are purchased for property and content damage, general, automobile, professional liabilities, and excess workers' compensation liabilities. Employee dental insurance is provided through a privately administered, self-insured plan. Given the lack of affordable coverage available, the City has no coverage for potential losses from environmental damages.

The coverage limits and the deductibles in the commercial policies have stayed relatively constant for several years. The premiums for the policies are allocated between the City's funds based on prior years' loss experiences. Settled claims resulting from these risks did not exceed commercial insurance coverage in any of the past three fiscal years. No claims are defeased through annuity contracts.

Prior to January 1, 2007, the City provided medical insurance coverage for its employees via a self-insured plan administered by a third-party administrator. Run out claims for medical benefits were completed in 2007. Prior to January 1, 2013, the City provided dental insurance coverage for its employees via a self-insured plan administered by a third-party administrator. Run out claims for medical benefits were completed in 2013. Long-term disability benefits continue to be provided through funds that are operated as an internal service fund. Rates are determined in consultation with the administrator based on past claim experience.

All funds of the City participate in these programs and make payments to the appropriate risk retention internal service fund based on actuarial estimates of the amounts needed to pay prior- and current-year claims and to establish a reserve for catastrophic losses. The claims liability of \$2,695,434 reported in these funds at December 31, 2017, is based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

Changes in the funds' claims liabilities amounts in fiscal 2017 and 2016 were:

Fund	Beginning Claims Liability	Claims and Changes in Estimates	Claim Payments	Year end Claims Liability
2017				
Self Insurance	\$ 497,099	\$ 913,228	\$ 797,456	\$ 612,871
Workers Compensation	2,347,164	981,734	1,246,335	2,082,563
	<u>\$ 2,844,263</u>	<u>\$ 1,894,962</u>	<u>\$ 2,043,791</u>	<u>\$ 2,695,434</u>
2016				
Self Insurance	\$ 202,477	\$ 721,339	\$ 426,717	\$ 497,099
Workers Compensation	2,284,994	1,609,738	1,547,568	2,347,164
	<u>\$ 2,487,471</u>	<u>\$ 2,331,077</u>	<u>\$ 1,974,285</u>	<u>\$ 2,844,263</u>

NOTE 12 – OTHER REQUIRED INDIVIDUAL FUND DISCLOSURES

Interfund receivable and payable balances at December 31, 2017, were:

Fund	Interfund Receivables	Interfund Payables
Governmental:		
General	\$ 5,801,655	\$ 872,177
CDBG Fund	-	267,060
Nonmajor Governmental		
Public Safety	-	367,026
Public Improvement	-	1,860,196
Proprietary:		
Nonmajor Enterprise		
Golf (Advances)	-	765,069
Internal Service:		
Fleet (Advances)	3,864,468	-
Warehouse	-	5,534,595
	<u>\$ 9,666,123</u>	<u>\$ 9,666,123</u>

Advances from other funds have formal payback arrangements.

NOTE 13 – INTERFUND TRANSACTIONS

There are various types of interfund transactions which occur between the General Fund, Special Revenue Funds, Internal Service Funds, and the Enterprise Funds.

Transfers between funds for the year ended December 31, 2017 were as follows:

Primary Government

Transfers from:	Transfers to:							Total
	General Fund	Nonmajor Governmental Funds	Electric Fund	Water Fund	Sewer Fund	Internal Service Funds		
General Fund	\$ -	\$ 1,129,371	\$ -	\$ -	\$ -	\$ -	\$ 1,129,371	
Streets Systems Fund	10,986	-	549	-	-	-	11,535	
Nonmajor Governmental Funds	134,785	2,312,832	-	626,696	527,276	77,850	3,679,439	
Electric Fund	517,167	-	-	-	-	-	517,167	
Water Fund	66,017	-	12,206	-	-	-	78,223	
Sewer Fund	111,665	-	3,357	-	-	-	115,022	
Storm Drainage Fund	23,739	-	183	-	-	-	23,922	
Nonmajor Enterprise Funds	33,018	-	1,953	-	-	-	34,971	
Internal Service Funds	7,598	-	1,587	-	-	-	9,185	
	<u>\$ 904,975</u>	<u>\$ 3,442,203</u>	<u>\$ 19,835</u>	<u>\$ 626,696</u>	<u>\$ 527,276</u>	<u>\$ 77,850</u>	<u>\$ 5,598,835</u>	

A. Administrative Fee - The Enterprise Funds, the Street System, Open Space and General Improvement District #1 Special Revenue Funds, the Self Insurance, Workers Compensation Insurance, and Fleet Internal Service Funds make monthly payments to the General Fund for administrative expenses. The charge is approved by the City Council as part of the appropriation process, and is calculated to cover ETS, accounting, billing, purchasing and other administrative functions performed and/or paid by the General Fund on behalf of the above mentioned funds. The total administrative fees paid by Enterprise Funds to the General Fund were \$585,762 by the Sanitation Fund, \$139,334 by the Golf Fund, \$1,812,344 by the Electric and Broadband Fund, \$1,568,979 by the Water Fund, \$890,104 by the Sewer Fund, \$455,968 by the Storm Drainage Fund and \$173,755 by the Airport Fund. Total administrative fees paid by Special Revenue Funds in 20120176 were \$787,315 by the Street System Fund, \$151,049 by the Open Space Fund and \$7,829 by the General Improvement District #1 Fund. Total 2017 administrative fees paid to the General Fund by Internal Service funds were \$112,206 by the Self Insurance Fund, \$129,421 by the Workers' Compensation Insurance Fund, and \$279,453 by the Fleet Fund.

B. Franchise Fee - The Electric and Broadband Fund, Water Fund and the Sewer Fund pay an annual franchise fee to the General Fund for the exclusive right to provide electric and telecommunications, water and sewer service (respectively) within the City of Longmont. The Electric and Broadband Fund electric fee is 8% of the current year revenues of the electric portion of the Fund, or \$5,219,180 in 2017. The broadband fee is 5% of the current year portion of the broadband revenues, or \$9,632 in 2017. The Water Fund franchise fee approximates 2% of the Fund's current year budgeted revenues, or \$323,806 in 2017. The Sewer Fund franchise fee approximates 4% of the Fund's current year budgeted revenues, or \$570,164 in 2017.

NOTE 13 – INTERFUND TRANSACTIONS (continued)

C. Electricity Charges and Fiber Optic User Charges - The Electric and Broadband Fund sells electricity to the other funds at wholesale rates. The charges to other City funds for use of the fiber optic network by the Electric and Broadband Fund are at wholesale rates.

D. Fleet Lease Charges - The Fleet Internal Service Fund charges all operating departments a fleet lease charge for vehicle operating, maintenance, and replacement costs. The charge is approved by the City Council as part of the appropriation process and is based on each department's actual vehicle usage and needs. The total payments included in the accompanying financial statements in 2017 were \$3,301,227 by the General Fund, \$1,350,369 by the Street System Fund, \$1,905,414 by the Sanitation Fund, \$271,595 by the Golf Fund, \$818,297 by the Electric and Broadband Fund, \$435,721 by the Water Fund, \$335,125 by the Sewer Fund, \$289,301 by the Storm Drainage Fund, \$2,897 by the Airport Fund, \$426,105 by the Public Safety Sales Tax Special Revenue Fund and \$44,488 by the Open Space Special Revenue Fund.

E. Vehicle Transfers - Any new vehicle additions representing increased service levels are purchased through the appropriate fund and ownership of the vehicles is subsequently transferred to the Fleet Internal Service Fund. Such transfers are considered routine transfers. The amounts of vehicle transfers in 2017 were \$115,934 from the General Fund, \$283,343 from the Sanitation Fund, \$73,142 from Youth Services Fund, \$9,700 from Open Space Fund, \$10,728 from the Streets Special revenue fund and \$131,902 from the Public Safety Sales Tax Special Revenue Fund.

F. Art Transfers - The Art in Public Places Fund is funded through transfers from the operating funds of the City. Any construction project costing \$50,000 or more must transfer 1% of the construction cost to the Art fund. Certain funds with legal limitations on their monies are exempt from this requirement. The amounts of such operating transfers in 2017 were \$2,764 from the Sanitation Fund, \$245 from the Golf Fund, \$397,939 from the Electric and Broadband Fund, \$11,704 from the Water Fund, \$343 from the Water Construction Fund, \$68,187 from the Sewer Fund, \$19,003 from the Sewer Construction Fund, \$4,410 from the Storm Drainage Fund, \$24,590 from the Public Improvement Fund, \$450 from the Parks Fund, \$1,030 from the Parks Greenway Fund, \$13,835 from the Public Buildings Community Investment Fee Fund, \$4,131 from the Downtown development Authority Construction Fund and \$14 from the Fleet Fund. This fund is consolidated with the General Fund for reporting purposes.

G. DDA Building Permits - An amount equal to the revenues from building permits issued in the DDA area is transferred to the Component Unit DDA Building Permit Special Revenue fund by the primary government funds receiving the revenues. The amounts of such transfers during 2017 were \$51,655 from the General Fund, \$82 from the Electric fund, \$180 from the Water Fund, \$415 from the Sewer Fund, and \$28,371 from the Public Improvement Fund.

H Insurance Charges for Services - The Self Insurance Internal Service Fund, the Employee Benefit Internal Service Fund and the Workers' Compensation Insurance Internal Service Fund each charge all of the operating funds an amount for the insurance coverage accounted for in each of the respective funds. The Self Insurance charge is based on the potential for liability claims in each of the departments. The Employee Benefit charge is a percentage of payroll. The Workers Compensation Insurance charge is based on the type of duties each employee performs and is also a percentage of payrolls. The total insurance charges for 2017 from each fund were:

	Self- Insurance	Employee Benefit	Workers' Compensation Insurance	Unemployment Insurance
General Fund	\$ 564,614	\$ 6,380,850	\$ 1,408,416	\$ 71,928
Enterprise Funds:				
Sanitation	56,134	239,676	83,794	2,735
Golf	31,898	110,411	46,769	1,260
Electric & Broadband	183,085	1,233,381	48,837	14,077
Water	147,276	626,463	58,645	7,147
Sewer	175,471	450,377	103,811	5,139
Storm Drainage	17,102	228,757	5,105	2,612
Airport	4,082	15,728	69	180
Internal Service Fund:				
Fleet	9,560	176,217	99,381	2,011
Component Units				
Special Revenue Funds:				
Downtown Development Authority (DDA)	8,300	20,783	-	238
DDA- Authority Arts & Entertainment	395	7,611	-	86
Probation Services	88	9,427	47	107
Community Development	152	73,929	7,013	1,011
Affordable Housing	42	13,087	10,523	149
Downtown Parking	3,755	4,034	-	46
Streets System	148,293	406,682	60,507	4,641
Youth Services	-	7,476	-	84
Museum Services	48	11,367	303	234
Callahan House	185	9,976	495	114
Senior Services	4	-	19	-
Art in Public Places	43	4,748	21	55
Park Improvement	-	-	-	-
Open Space	2,844	36,719	3,862	419
Public Safety Sales Tax	42,008	569,680	167,014	6,499
General Improvement District	4,249	3,545	-	41
TOTAL	\$ 1,399,628	\$ 10,640,924	\$ 2,104,631	\$ 120,813

NOTE 13 – INTERFUND TRANSACTIONS (continued)

Transfers - Other transfers that occurred between funds were as follows:

- The General fund transferred \$84,056 to the Callahan House Special Revenue Fund to fund operations.
- The Electric Enterprise Fund transferred \$23,000 to the General Fund to fund a tree planting project.
- The Sewer Construction Special Revenue Fund transferred \$527,276 to the Sewer Fund to pay current debt service on the sewer loan.
- The Water Enterprise Fund transferred \$12,206, the Sewer Enterprise Fund transferred \$3,357, the Sanitation Enterprise Fund transferred \$1,404, the Golf Enterprise Fund transferred \$549, the Storm Drainage Enterprise Fund transferred \$183, the Fleet Internal Service Fund transferred \$1,587 and the Streets Special Revenue Fund transferred \$549 to the Electric Enterprise Fund to fund their shares of warehouse administrative costs.
- The General Fund transferred \$253,000 to the Public Improvement fund to assist in funding the new auditorium at the Museum.
- The General Fund transferred \$792,315 to the Affordable Housing Fund to fund operating expenses.
- The Library Fund transferred \$18,054 to the General Fund to offset Library program expenses.
- The Electric and Telecommunication Enterprise Fund transferred \$5,000 to the General Fund for Rhythm on the River Sponsorship.
- The Senior Services Special Revenue Fund transferred \$59,769 to the General Fund to assist in the funding of an office assistant position.
- The Enterprise Funds, the Street System, Open Space, Probation Services, Affordable Housing, Public Safety Sales and Use Tax and Art in Public Places Special Revenue Funds, and Fleet Internal Service Funds made payments to the General Fund for capital equipment expenses and to assist in funding of a new Enterprise Resource Planning Software System. The charge is approved by the City Council as part of the appropriation process, and is calculated to cover capital equipment expenses paid by the General Fund on behalf of the above mentioned funds. The total expenses paid by Enterprise Funds to the General Fund were \$22,220 by the Sanitation Fund, \$7,788 by the Golf Fund, \$91,227 by the Electric and Broadband Fund, \$54,313 by the Water Fund, \$43,478 by the Sewer Fund, \$19,330 by the Storm Drainage Fund. Total expenditures paid by Special Revenue Funds in 2017 were \$10,986 by the Street System Fund. Total payment from the Nonmajor Governmental funds were \$364 from the Open Space Fund and \$8,103 from the Public Safety Fund. Total 2017 expenses paid to the General Fund by Internal Service funds were \$7,584 by the Fleet Fund.
- The Public Improvement fund transferred \$115,509 to the Museum fund for construction projects.
- The Water Construction fund transferred \$626,000 to the Water fund for construction projects.
- The Public Safety fund transferred \$77,850 to the Employee Benefit Trust fund for employee physicals.
- The Longmont Urban Renewal Authority made transfers totaling \$1,297,323 to the Village at the Peaks Fund for debt service payments.
- The Streets Fund transferred \$235,623 to the General Fund for the purchase of Rights of Way.
- The Employee Benefit trust transferred \$429,208 to the OPEB Trust Fund for the payment of the 2017 Other Post Employment Benefit contribution.
The Fleet Internal Service Fund loaned the Downtown Development Authority Fund \$268,422 to assist with crosswalk, irrigation and infrastructure improvements.
- The Downtown Development Authority Debt Service Fund repaid the total amount of the loans of \$268,422 to the Fleet Internal Service Fund in 2017.

NOTE 14 – OTHER POSTEMPLOYMENT BENEFITS

Plan Description. City of Longmont Retiree Health Insurance Plan is a single-employer substantive defined benefit plan that provides an implicit medical plan subsidy to participating retirees up to age 63 ½ through blended rates. Standalone Plan Financial Reports are not issued. Medical plan group rates are determined using both retirees and active employees as a group. Plan rates are negotiated annually based on total covered population and are adopted by the City Council as a part of the annual budget. Retirees may enroll in the plan upon retirement and may continue in the plan without interruption until age 63 ½, paying the total premium.

Contributions. The contribution requirements of plan members and the City are established and may be amended by the City Manager. Plan members receiving benefits contributed 100% of their total premiums, through their required contribution of \$414 per month for HMO retiree-only coverage, \$845 per month for HMO retiree plus one coverage, or \$1,657 for HMO retiree plus family coverage. Those respective monthly rates for the POS option were \$532, \$1,086, and \$2,130, respectively. The required contribution is based on projected pay-as-you-go financing. The City contributes \$0 toward the premium payments. The implicit subsidy for the blended rates requires that the City make contributions adequate to finance that implicit subsidy on a sound actuarial basis. An actuarial study is performed biennially using the entry age actuarial cost method. The most recent actuarial study for the Retiree Health Insurance Plan was performed as of January 1, 2016.

Annual OPEB Cost and Net OPEB Obligation. The City's annual other postemployment benefit (OPEB) cost is calculated based on the annual required contribution of the City (ARC), an amount actuarially determined in accordance with GASB 45. The ARC represents a funding level that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liability over a period not to exceed 30 years. Following table shows the components of the City's annual OPEB cost for the year ended December 31, 2017, the amount actually contributed to the plan, and changes in the City's OPEB obligation.

Normal Cost with Interest	\$ 210,615
Amortization of Unfunded AAL	
Over 30 years	<u>214,072</u>
Annual Required Contribution (ARC)	424,687
Interest on NOPEBO	16,793
ARC Adjustment	<u>(8,432)</u>
Annual OPEB Cost	433,048
Contributions Made	<u>(429,208)</u>
Net OPEB Obligation Change	<u>3,840</u>
Net OPEB 12/31/16	<u>419,818</u>
Net OPEB 12/31/17	<u>\$ 423,658</u>

The City's annual OPEB cost, the percentage for annual OPEB cost contributed, and the net OPEB obligation are as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
12/31/13	\$ 421,886	97.8%	\$ 421,886
12/31/14	\$ 477,475	100.0%	\$ 421,886
12/31/15	\$ 475,407	100.4%	\$ 419,818
12/31/16	\$ 429,208	100.0%	\$ 419,818
12/31/17	\$ 429,208	101.3%	\$ 423,658

Funded Status. As of the most recent actuarial valuation date, January 1, 2016, the funded ratio was 33.9%. The actuarial accrued liability for these implicit benefits was \$6,497,784 and the actuarial value of assets was \$2,201,723, leaving the unfunded actuarial accrued liability (UAAL) at \$4,296,061. The covered payroll (annual payroll of active employees covered by the plan) was \$49.6 million, and the ratio of the UAAL to the covered payroll was 8.7 percent.

NOTE 14 – OTHER POSTEMPLOYMENT BENEFITS (continued)

Actuarial Methods and Assumptions. Projections of benefits for financial reporting purposes are based upon the substantive plan (the terms of the medical benefits for retirees as understood by the plan members and the City). In the City's case this is only an implicit subsidy through blended rates for retirees and active employees at the time of the evaluation and the historical pattern of that implicit subsidy to that point. The actuarial methods and assumptions used are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with long-term perspective of the calculations. Actuarially determined amounts are subject to continual revision. The required supplemental information section immediately following the Notes presents a schedule of funding progress for this plan intended to provide multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits

In the most current actuarial valuation, January 1, 2016, the entry age actuarial cost method was used. The actuarial assumptions included a 3.05% investment rate of return, and an annual health care cost trend rate of 6.75% for 2017, decreasing down to 5% over a seven-year period. Both rates include a 3.0% inflation factor. The UAAL is being amortized as a level dollar amount of projected payroll on an open basis. The remaining amortization period at December 31, 2017, was 30 years.

Membership in the plan consists of the following as of December 31, 2017:

Active Members:	865
Inactive Members:	<u>481</u>
Total	1,346

NOTE 15 – SECTION 20 TO ARTICLE X OF THE COLORADO CONSTITUTION (TABOR)

In November, 1992, an amendment to the Colorado Constitution passed by the voters imposed various revenue and expenditure limits on the City. Prior voter approval is necessary to increase the City's real property tax revenues or spending from one year to the next in excess of the rate of inflation plus a "growth factor" based on the net percentage change in the actual value of all real property within the city. Any new tax, tax rate increase, mill levy increase, or extension of an expiring tax that causes a net tax revenue gain requires voter approval. The Colorado Constitution also requires that any revenue collected, kept or spent in excess of these limitations must be refunded with interest. In November 1996, City of Longmont voters approved a "Voter Approved Revenue Change" that allows the City to keep any revenue collected in excess of the 1992 amendment limits. To the best of the City's knowledge, the City is in compliance with all requirements of this amendment, and no refunds are due at December 31, 2017.

The amendment requires local governments to establish Emergency Reserves equal to at least 3% of Fiscal Year Spending as defined in the amendment. These emergency reserves cannot be used to compensate for economic conditions, revenue shortfalls, or salary and benefit increases. At December 31, 2017, the amount required as an Emergency Reserve in compliance with the Amendment is \$4,404,117 for the City; \$3,224 for the GID component unit, and \$33,675 for the DDA component unit. These are shown as restricted fund balance in the General Fund and in the GID and DDA funds, respectively.

NOTE 16 – RETIREMENT COMMITMENTS

The City sponsors, administers and has fiduciary responsibility for three single-employer defined benefit plans: General Employees' Retirement Plan (Employee Retirement), "Old Hire" Firefighters' Pension Plan (Fire Pension), and the "Old Hire" Police Officers' Pension Plan (Police Pension). Standalone Plan Financial Reports are not issued. Each plan is administered by a Boards of Trustees which acts as the administrator of the plan. Although the assets of the plans are commingled for investment purposes, each plan's assets may be used only for the payment of benefits to the members of the plan in accordance with the terms of the plan.

A. Plan Provisions

A brief summary of eligibility and benefits for each plan follows:

	Employee Retirement	Fire Pension	Police Pension
Benefit percent per year of service	2.2% per year at age 65 (age 60 with 5 years of service reduced by 6% each year, age 55 for Pre-2012 members reduced by 3% each year)	2.5% per year up to 20 years (plus 1% per year for each year in excess of 20 before age 50 plus 2% per year in excess of 20 after age 50 but before age 55)	2.5% per year up to 20 years
Average annual compensation	Highest 36 consecutive calendar months	-	-
Average monthly compensation	-	Last full month	Last full month
Years of service required for vesting	5 years	10 years	10 years
Age and year of service eligible for benefit	<u>Member prior to 12/31/2011</u> Age 65 or 25 years and age 55 <u>Member after 12/31/2011</u> Age 65 or 20 years and age 60	Age 50 and 20 years	Age 55 and 20 years or 25 years

NOTE 16 – RETIREMENT COMMITMENTS (continued)

B. Plan Descriptions and Contribution Information

Membership in each plan consisted of the following at January 1, 2017:

	Employee Retirement	Fire Pension	Police Pension
Inactive plan members or beneficiaries currently receiving benefits	306	9	7
Inactive plan members entitled to but not yet receiving benefits	137	-	-
Disabled members	13		
Beneficiaries	27	1	3
Active plan members:			
Fully vested	375	-	-
Partially vested	-	-	-
Non-vested	270	-	-

Employee Retirement Plan

Plan Description. The Employee Retirement plan is a single-employer defined benefit pension plan established through the authority of the City Charter and City ordinances. The Board of Trustees of the General Employees’ Retirement Fund, sometimes hereinafter referred to as the “Employees’ Board,” consists of two citizens at large and three employees of the City of Longmont appointed by City Council, the Finance Director and the City Manager. The Employees Board is responsible for implementing the provisions of the Employees Plan, establishment of investment policies and selection of investment managers for the Employees Fund.

The plan covers all non-uniformed regular employees and provides retirement and death benefits to plan members and their beneficiaries. Cost-of-living adjustments are provided at the discretion of City Council within the restrictions of Article X Section 20 of the Colorado Constitution. Administrative changes to conform to federal legislation were adopted effective January 1, 2014. New hire contribution rates and retirement age eligibility requirements were adopted effective January 1, 2014.

Contributions. Plan members are required to contribute 5.7% for members joining prior to December 31, 2011, and 4.7% for members joining the Plan after December 31, 2011, of their covered salary. The City is required to contribute at a rate that is determined actuarially. The plan requires that the City make contributions adequate to finance the benefits provided by the plan on a sound actuarial basis. An actuarial study is performed annually using the entry age actuarial cost method. The last annual study for the Employees’ Retirement plan was performed as of January 1, 2017. The City currently contributes 6.7% of member’s monthly compensation.

Fire Pension Plan

Plan Description: The Fire Pension plan is a single-employer defined benefit pension plan established under Colorado statutes and governed by City ordinance. The Board of Trustees of the “Old Hire Firefighters’ Pension Fund, sometimes hereinafter referred to as the “Firefighters Board,” consists of the Mayor of Longmont, Colorado, the Finance Director of the City, one City Council member and three eligible active or retiree participants. The Firefighters Board is responsible for implementing the provisions of the Firefighters Plan, establishment of investment policies and selection of investment managers for the Firefighters Fund.

Plan amendments that increase or decrease benefits require consent of 65% of active participants. Firefighters hired before April 8, 1978, are covered either by this plan or have transferred to a defined contribution plan, as detailed in a later section entitled “Participant Changes.” Membership in the Fire Pension plan is limited to employees whose covered employment began prior to April 8, 1978. Administrative changes to conform to federal legislation were adopted effective January 1, 2014.

Contributions: Plan members are required to contribute 10% of their covered salary. The City is required to contribute at a rate that is determined actuarially. The plan requires that the City make contributions adequate to finance the benefits provided by the plan on a sound actuarial basis. An actuarial study is performed biennially using the entry age actuarial cost method. The last annual study for the Fire Pension plan was performed as of January 1, 2017.

NOTE 16 – RETIREMENT COMMITMENTS (continued)**Police Pension Plan**

Plan Description: The Police Pension plan is a single-employer defined benefit pension plan established under Colorado statutes and governed by City ordinance. The Board of Trustees of the “Old Hire” Police Officers’ Pension Fund, sometimes hereinafter referred to as the “Police Board,” consists of the Mayor of Longmont, Colorado, the Finance Director of the City, one City Council member and three eligible active or retiree participants. The Police Board is responsible for implementing the provisions of the Police Plan, establishment of investment policies and selection of investment managers for the Police Fund.

Plan amendments that increase or decrease benefits require consent of 65% of plan members. Police officers hired before April 8, 1978, are covered either by this plan or have transferred to a defined contribution plan, as detailed in a later section entitled “Participant Changes”. Membership in the Police Pension plan is limited to employees whose covered employment began prior to April 8, 1978. Administrative changes to conform to federal legislation were adopted effective January 1, 2012.

Contributions: There are no current employee plan members. The City is required to contribute at a rate that is determined actuarially. The plan requires that the City make contributions adequate to finance the benefits provided by the plan on a sound actuarial basis. An actuarial study is performed biennially using the entry age actuarial cost method. The last annual study for the Police Pension plan was performed as of January 1, 2017.

C. Contributions and Reserves

The Employee Retirement, Fire Pension and Police Pension plans are established through the authority of the City Charter and adopted, by reference, by City ordinances. Plan amendments that increase or decrease benefits require consent of 65% of the members of Fire Pension and Police Pension plans. Obligations to contribute to the plan by plan members and by the City are established by the plans. The required contributions of plan members are established by the plans. The plans require that the City make contributions adequate to finance the benefits provided for the plans on a sound actuarial basis. Required City contributions to the plan must be determined by a competent actuary. An actuarial study is performed annually for the Employee Retirement plan and for the Fire and Police Pension plans. Cost-of-living adjustments may be provided at the discretion of the City Council within the restrictions of Article X Section 20 of the Colorado Constitution. All expenses incurred in administration of the plans are paid from the pension funds when properly authorized.

D. The City does not issue separate financial reports for the individual pension plans, and are presented as follows:

	Employee Pension	Fire Pension	Police Pension	Total
ASSETS				
Equity in pooled cash & cash equivalents	\$ -	\$ -	\$ -	\$ -
Cash and cash equivalents	1,514,774	31,025	14,363	1,560,162
Investments	154,984,917	3,174,305	1,469,594	159,628,816
Total Assets	\$ 156,499,691	\$ 3,205,330	\$ 1,483,957	\$ 161,188,978
LIABILITIES				
Accounts payable	\$ 42,296	\$ 880	\$ 428	\$ 43,604
Loan payable	296,538	50,244	20,276	367,058
Total Liabilities	338,834	51,124	20,704	410,662
NET POSITION				
Held in trust for pension benefits	\$ 156,160,857	\$ 3,154,206	\$ 1,463,253	\$ 160,778,316

NOTE 16 – RETIREMENT COMMITMENTS (continued)**For the Year Ended December 31, 2017**

	Employee Pension	Fire Pension	Police Pension	Total
ADDITIONS				
Contributions				
Employer	\$ 3,005,407	\$ -	\$ 13,810	\$ 3,019,217
Plan members	2,252,205	-	-	2,252,205
Total Contributions	5,257,612	-	13,810	5,271,422
Investment income				
Net appreciation in fair value of investments	19,758,904	421,064	200,675	20,380,643
Interest	2,440,922	51,524	24,407	2,516,853
Dividends	583,383	12,403	5,902	601,688
Less investment expense	(278,105)	(4,291)	(6,554)	(288,950)
Net investment gain (loss)	22,505,104	480,700	224,430	23,210,234
Total additions	27,762,716	480,700	238,240	28,481,656
DEDUCTIONS				
Benefits	6,855,386	299,817	221,899	7,377,102
Refunds of contributions	83,669	-	-	83,669
Administrative expense	144,089	3,089	1,479	148,657
Total deductions	7,083,144	302,906	223,378	7,609,428
Net increase (decrease)	20,679,572	177,794	14,862	20,872,228
Net Position Held In Trust for				
Pension Benefits, January 1	135,481,285	2,976,412	1,448,391	139,906,088
December 31	\$ 156,160,857	\$ 3,154,206	\$ 1,463,253	\$ 160,778,316

E. Summary of Significant Accounting Policies

Basis of Accounting: The City of Longmont's financial statements are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions to each plan are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan.

Method Used to Value Investments: Investments are reported at fair value, amortized cost, or net asset value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Investments that do not have an established market are estimated fair values. Cost of administering the Plans are all financed from contributions and earnings of the Plan.

F. Investment Policy and Concentrations

At December 31, 2017, the market value of pooled plan investments total \$161,188,978. These investments included Mutual Funds account with a market value of \$118,148,523, representing 73.30% of total plan assets; Westfield Capital Management account with a market value of \$21,273,773, representing 13.20% of total plan assets; Diamond Hill account with a market value of \$14,188,711, representing 8.80% of total plan assets; and Cambiar account with a market value of \$7,577,970, representing 4.70% of total plan assets. There are no investments in, loans to, or leases with any City official or other related party in any of the plans.

NOTE 16 – RETIREMENT COMMITMENTS (continued)

Master Trust assets may be invested in publicly traded stocks and fixed income securities, whether interest-bearing or discount instruments, including money market instruments, subject to any restrictions hereinafter specified. Investment in insurance company investment contracts, such as Guaranteed Investment Contracts, is permitted. No other securities are permissible investments without the specific approval of the Employees, Firefighters and Police Boards.

The long-term financial requirements of the Employees, Firefighters and Police Plans and the reasoned preferences of the three boards imply a balanced investment approach.

The following are the adopted asset allocation policies for each plan as of January 1, 2017:

Asset Class	Target Allocation		
	Employee Retirement	Fire Pension	Police Pension
Domestic Large Cap Value	12.5%	12.5%	12.5%
Domestic Large Cap Growth	12.5%	12.5%	12.5%
Mid Cap Equity	2.5%	2.5%	2.5%
Small Cap Equity	7.5%	7.5%	7.5%
International Equity	16%	16%	16%
Emerging Markets	6%	6%	6%
Domestic Fixed Income	18%	18%	18%
Floating Rate Corporate Loans	9%	9%	9%
High Yield	3%	3%	3%
Real Estate	5%	5%	5%
Commodities	3%	3%	3%
Low Correlated Hedge	5%	5%	5%
	100%	100%	100%

Concentrations

None of the Plan's debt securities represent more than 5% of total investments in any one issuer.

Money-weighted Rate of Return on Investments

For the year ended December 31, 2017, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expenses, was 7.6% for the Employee Retirement Plan, 7.8% for the Fire Pension Plan and 7.4% for the Police Pension Plan. The annual money-weighted rate of return expresses investment performance, net of investment expenses.

G. Net Pension Liability

The components of the net pension liability of the Plans as of December 31, 2017, measured at December 31, 2016, were as follows:

	Employee Retirement	Fire Pension	Police Pension
Total Pension Liability	\$ 153,871,700	\$ 2,729,131	\$ 1,561,756
Plan Fiduciary Net Position	135,481,285	2,976,412	1,448,391
Net Pension Liability	\$ 18,390,415	\$ (247,281)	\$ 113,365
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	88.05%	109.06%	92.74%

Generally Accepted Accounting Principles allow a one-year lag between the measurement and the reporting date.

NOTE 16 – RETIREMENT COMMITMENTS (continued)**H. Actuarial Assumptions**

The total pension liability was determined by an actuarial valuation as of January 1, 2016, using the following actuarial assumptions applied to all measurement periods:

	<u>Employee Retirement</u>	<u>Fire Pension</u>	<u>Police Pension</u>
Actuarial valuation date	January 1, 2016	January 1, 2016	January 1, 2016
Actuarial cost method	Entry Age Normal	Entry Age Normal	Entry Age Normal
Amortization method	Closed bases established each year over 20 years. Initial base established January 1, 2015 was over 30 years.	Effective January 1, 2009, the amortization period was changed to the average life expectancy of the remaining group. As of January 1, 2016, the amortization period used is 12 years. As of January 1, 2017, the amortization period used is 12 years.	Effective January 1, 2009, the amortization period was changed to the average life expectancy of the remaining group. As of January 1, 2016, the amortization period used is 10 years. As of January 1, 2017, the amortization period used is 9 years.
Asset valuation method	5- Year smoothed market	Level dollar, open	Level dollar, open
Actuarial Assumptions:			
Investment Rate of Return *	7.50%	7.50%	7.50%
Projected Salary Increases *	3.25-6.50% including inflation	0%	N/A
Mortality Rate	RP-2000 Combined Healthy Mortality Table using generational improvements projected with Scale AA.	RP-2000 Combined Healthy Mortality Table using generational improvements projected with Scale AA.	RP-2000 Combined Healthy Mortality Table using generational improvements projected with Scale AA.
* Includes Inflation rate at	3.25%	0%	0%

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These real rates of return are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. For each major asset class that is included in the pension plan's target asset allocation as of January 1, 2017, these best estimates are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return		
	<u>Employee Retirement</u>	<u>Fire Pension</u>	<u>Police Pension</u>
Large Cap (U.S.)	6.75%	6.75%	6.75%
SmallCap/ Mid Cap	7.25%	7.25%	7.25%
International Equity (Developed)	8.00%	8.00%	8.00%
Emerging Market Equity	9.50%	9.50%	9.50%
Domestic Fixed Income	1.75%	1.75%	1.75%
High Yield	4.50%	4.50%	4.50%
Float Rate Corp Loans	5.25%	5.25%	5.25%
Low Correlated Hedge	5.50%	5.50%	5.50%
Commodities	4.50%	4.50%	4.50%
Real Estate	7.00%	7.00%	7.00%

NOTE 16 – RETIREMENT COMMITMENTS (continued)**I. Single Discount Rate**

A Single Discount Rate of 7.50% was used to measure the total pension liability. This Single Discount Rate was based on the expected rate of return on pension plan investments of 7.50%. The projection of cash flows used to determine this Single Discount Rate assumed that plan member and employer contributions will be made at the current scheduled contribution rates. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

J. Changes in the Net Pension Liability

	Total Pension Liability (a)	Increase (Decrease) Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Employee Retirement			
Balance at 12/31/15	\$ 145,127,196	\$ 127,858,731	\$ 17,268,465
Changes for the Year			
Service Cost	3,667,734	-	3,667,734
Interest	10,841,294	-	10,841,294
Difference Between Expected and Actual Experience	889,586	-	889,586
Contributions - Employer	-	2,657,003	(2,657,003)
Contributions – Employee	-	2,122,119	(2,122,119)
Net Investment Income/(Loss)	-	9,634,181	(9,634,181)
Benefit Payments, Including Refunds	(6,654,110)	(6,654,110)	-
Administrative Expenses	-	(136,639)	136,639
Other Changes	-	-	-
Net Changes	<u>8,744,504</u>	<u>7,622,554</u>	<u>1,121,950</u>
Balance at 12/31/16	<u>\$ 153,871,700</u>	<u>\$ 135,481,285</u>	<u>\$ 18,390,415</u>
Fire Pension			
Balance at 12/31/15	\$ 2,785,345	\$ 3,053,447	\$ (268,102)
Changes for the Year			
Service Cost	-	-	-
Interest	201,052	-	201,052
Difference Between Expected and Actual Experience	42,551	-	42,551
Contributions - Employer	-	-	-
Contributions – Employee	-	-	-
Net Investment Income	-	225,966	(225,966)
Benefit Payments, Including Refunds	(299,817)	(299,817)	-
Administrative Expenses	-	(3,184)	3,184
Other Changes	-	-	-
Net Changes	<u>(56,214)</u>	<u>(77,035)</u>	<u>20,821</u>
Balance at 12/31/16	<u>\$ 2,729,131</u>	<u>\$ 2,976,412</u>	<u>\$ (247,281)</u>
Police Pension			
Balance at 12/31/15	\$ 1,619,420	\$ 1,568,021	\$ 51,399
Changes for the Year			
Service Cost	-	-	-
Interest	116,955	-	116,955
Difference Between Expected and Actual Experience	50,501	-	50,501
Contributions - Employer	-	-	-
Contributions – Employee	-	-	-
Net Investment Income	-	107,100	(107,100)
Benefit Payments, Including Refunds	(225,120)	(225,120)	-
Administrative Expenses	-	(1,610)	1,610
Other Changes	-	-	-
Net Changes	<u>(57,664)</u>	<u>(119,630)</u>	<u>61,966</u>
Balance at 12/31/16	<u>\$ 1,561,756</u>	<u>\$ 1,448,391</u>	<u>\$ 113,365</u>

NOTE 16 – RETIREMENT COMMITMENTS (continued)**K. Sensitivity of Net Pension Liability to Changes in the Single Discount Rate**

The following presents the net pension liability of the Pension Plans calculated using a Single Discount Rate of 7.50%, as well as what the Plan's net pension liability would be if it were calculated using a Single Discount Rate that is one percent lower or one percent higher:

	<u>1% Decrease</u>	<u>Current Rate</u>	<u>1% Increase</u>
<u>Employee Retirement</u>			
Discount Rate	6.50%	7.50%	8.50%
Net Pension Liability	\$ 36,190,011	\$ 18,390,415	\$ 3,355,066
<u>Fire Pension</u>			
Discount Rate	6.50%	7.50%	8.50%
Net Pension Liability	\$ (59,515)	\$ (247,281)	\$ (413,675)
<u>Police Pension</u>			
Discount Rate	6.50%	7.50%	8.50%
Net Pension Liability	\$ 203,294	\$ 113,365	\$ 32,429

L. Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended December 31, 2017, the City recognized pension expense/(income) of \$6,729,378, \$111,754 and \$107,595 for Employee Retirement, Fire Pension and Police Pension, respectively. At December 31, 2017, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Net Deferred Outflows (Inflows) of Resources</u>
<u>Employee Retirement</u>			
Net difference between expected and actual experience	\$ 1,089,775	\$ -	\$ 1,089,775
Net difference between projected and actual earnings on pension plan investments	9,221,435	96,170	9,125,265
Contributions subsequent to the measurement date	<u>3,009,027</u>	<u>-</u>	<u>3,009,027</u>
Total	<u>\$ 13,320,237</u>	<u>\$ 96,170</u>	<u>\$ 13,224,067</u>
<u>Fire Pension</u>			
Net difference between projected and actual earnings on pension plan investments	\$ 227,611	\$ 6,656	\$ 220,955
Total	<u>\$ 227,611</u>	<u>\$ 6,656</u>	<u>\$ 220,955</u>
<u>Police Pension</u>			
Net difference between projected and actual earnings on pension plan investments	\$ 127,566	\$ -	\$ 127,566
Total	<u>\$ 127,566</u>	<u>\$ -</u>	<u>\$ 127,566</u>

The City's contribution's subsequent to the measurement date for December 31, 2017, totaled \$3,009,027. This amount is reported as deferred outflows of resources related to pensions and will be recognized as a decrease in the net pension liability in the year ended December 31, 2018.

NOTE 16 – RETIREMENT COMMITMENTS (continued)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending December 31	Net Deferred Outflows of Resources		
	<u>Employee Retirement</u>	<u>Fire Pension</u>	<u>Police Pension</u>
2018	\$ 3,719,799	\$ 82,613	\$ 47,628
2019	3,719,797	82,615	47,630
2020	2,693,799	57,391	31,909
2021	81,645	(1,664)	399
Total	<u>\$ 10,215,040</u>	<u>\$ 220,955</u>	<u>\$ 127,566</u>

M. Participant Changes

Legislation enacted by the Colorado General Assembly in 1989 allowed firefighters and police officers hired before April 8, 1978, to make an individual choice between the defined benefit plan that they had been participants of or a money purchase plan to provide their retirement benefits. Individual selections were made in November of 1990; 17 of the 23 active participants of the Fire Pension plan and 13 of the 16 active participants of the Police Pension plan chose to enter the money purchase plan.

The City offered these participants the opportunity to enter the Fire and Police Money Purchase Plans, defined contribution plans discussed below. Participants were allowed to withdraw an amount equal to the total of their personal contributions to the plan plus an equal amount representing City contributions. Alternatively, those participants whose accumulated actuarial benefit was greater than the total contributions were allowed to withdraw that amount. Interest was allocated to those amounts based on the estimated historical rates of return on the pension fund investments. For the year ended December 31, 2017, the total amounts transferred for Police and Fire were \$13,810 and \$0, respectively.

Before final approval was given to the withdrawal, actuarial calculations were made to determine the impact of the withdrawals on the defined benefit plans. The result was that the contribution required to amortize the unfunded actuarial accrued liability decreased. Although employee contributions to these plans decreased significantly, the City will be able to maintain sufficient contributions to the plans as the employer contribution requirement contributions previously being made to the defined benefit plans. An actuarial study was made as of January 1, 1991, to provide actual actuarial contribution requirements for the plans in their new conditions. Further actuarial studies have updated those requirements.

The Plan was amended and restated effective January 1, 2013, to include new retirement age and contribution rate requirements for members who join the Plan after December 31, 2011. New Plan members who joined after December 31, 2011, must contribute 4.7% of compensation to the Plan and the early retirement age requirement has risen to 60. The Plan contribution rate for members of the Plan prior to December 31, 2011, has been increased to 5.7%.

N. Defined Contribution Plans

The City of Longmont provides defined contribution plans for all regular uniformed and non-uniformed employees as described below.

Fire and Police Money Purchase Plans. The Fire Money Purchase Plan and Police Money Purchase Plan, defined contribution plans, were established effective January 1, 1985, pursuant to state legislation that allowed the City to withdraw from the Fire and Police Pension Association. Under these plans, the City and plan members each contributed 8% of base pay. The City will have no future liability to the plan. Effective January 1, 1998, changes to the plan were adopted to allow daily valuation of accounts. Contribution rates were increased by a vote of the active participants to increase contributions from 8% to 10% of base pay with the City match of 10% effective January 1, 2007. Neither plan includes assets that are investments in, loans to, or leases with any City official or other related party.

Covered payroll for the plan during 2017 was \$19,156,547. Both the City and the participants contributed the required 10% to this money purchase plan in 2017 amounting to \$1,915,655 each from the City and from employees for a total of \$3,831,310 of contributions.

NOTE 16 – RETIREMENT COMMITMENTS (continued)

Vesting schedule for the plan is as follows:

<u>Years of Service</u>	<u>Percentage Vested</u>
less than 3	0%
3	60%
4	80%
5 or more	100%

Money Accumulation Pension Plan. The City provides the Money Accumulation Pension Plan for all regular City employees other than firefighters and police officers. This plan, a defined contribution plan, was adopted on January 1, 1980, in lieu of participation in Social Security. The City has no future liability to this Plan. Administrative changes to conform to federal legislation were adopted effective January 1, 2013. Contributions of 5% of base pay (6% for new members of the Plan after December 31, 2011) are required from all participants and a matching contribution of 5% is made by the City to the Plan. Covered payroll for the plan during 2017 was \$41,765,757. The City contributed the required 5% of base compensation to the plan in 2017 amounting to \$2,088,288 and participants contributed the required 5% (6% for new members of the Plan after December 31, 2011) from employees amounting to \$2,446,409 for a total of \$4,534,697 of contributions. Vesting schedule for the plans is as follows:

<u>Years of Service</u>	<u>Percentage Vested</u>
less than 1	0%
1	25%
2	50%
3 or more	100%

The Money Accumulation Pension, Fire and Police Money Purchase plans are established through the authority of the City Charter and adopted, by reference, by City ordinances. The required contributions of plan members are established by the plans. Plan amendments to the Fire and Police Money Purchase plans require 65% consent of the members. A Retirement Board composed of six (6) members is responsible for the management and administration of the Money Accumulation Pension plan. The Director of Finance, the Human Resources Director and the City Manager, or their designees, shall be members of the board in addition to three (3) active employees who are covered by the Plan. The three (3) active employees shall be appointed by the City Council. A majority of the six (6) members of the Board shall constitute a quorum. All actions taken by the Board shall be approved by a majority vote of all of the members of the Board present.

The City does not issue separate financial reports for individual pension plans, and are presented as combining statements for fiduciary funds.

NOTE 17 – DEFERRED COMPENSATION PLAN

The City offers all of its employees the opportunity to participate in a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The employees are allowed to defer a portion of their salary. The deferred amounts are not available to the employees until termination, retirement, death, or unforeseeable emergency. The International City Management Association administers the plan and holds the assets in trust for the further exclusive benefit of the employee participants. Employees are offered a selection of investment alternatives for the deferred funds including cash, bond and equity funds or a combination thereof.

NOTE 18 – WINDY GAP WATER PROJECT

The City is a participant in the Municipal Subdistrict, Northern Colorado Water Conservancy District (Northern), formed in 1970 under the sponsorship of the cities of Boulder, Longmont, Loveland, Fort Collins and Greeley, and the Town of Estes Park (collectively, the "Six Cities") for the purpose of developing a new and independent supplemental water supply for use by the Six Cities or other subsequent assignees. The City owns 80 of the 480 total units, therefore making the City a 16²/₃% participant in the Subdistrict. The City has neither direct financial responsibility for the costs and operations of the Subdistrict nor any residual interest in the net assets.

This water supply is provided through the Windy Gap Project for water diversion. Through this agreement, the City may receive 8,000 acre feet of water per year. The City may attempt to lease or sell a portion of this water to assist in the payment of its annual assessed contributions to the Subdistrict.

Bonds were issued by the Subdistrict in 1981 to finance the cost of the Windy Gap Project. The \$119,280,000 issue was refinanced in multiple subsequent years to take advantage of more favorable interest rates. The bonds issued by the

NOTE 18 – WINDY GAP WATER PROJECT (continued)

Subdistrict are serviced by Water Allotment contracts entered into with each of the six participants. Therefore, the City is liable only for the annual payment billed under the Water Allotment Contract, which is 16 2/3% of the debt service annual costs related to the Subdistrict's acquisition, construction, operation and maintenance of renewals and replacements to the project. The bonds are secured by a pledge of the revenues of the Subdistrict attributable to the project, including all annual charges to the participating municipalities and any other revenues derived from operations of the project. The bonds are not considered general obligations of the City. The Subdistrict may levy assessments against property owners within the Subdistrict. The schedule includes only the estimated debt service portion. An estimate of other annual costs is unavailable.

In 1993, the City contracted with Northern to participate in a pipeline construction from Carter Lake to Longmont. The project was completed in 1995, providing the City capacity of 13.5 cubic feet per second. In December of 2000, the City authorized an intergovernmental agreement with Northern to build a pumping plant that increased City capacity to 24.3 cubic feet per second.

Construction of the Windy Gap parent project commenced in 1985 and was completed in 2017. The City's total cost of the parent project totaled \$52,752,194. An additional Windy Gap Firming project commenced in 2000. Since 2000, the City has invested \$5,131,173 in the Firming project. Total investment in the Windy Gap Firming project for 2017 totaled \$569,440.

NOTE 19 – JOINT VENTURE PLATTE RIVER POWER AUTHORITY

The City purchased \$48,105,413 of electric power during 2017 from Platte River Power Authority of which \$3,988,153 is outstanding as an account payable of the Electric Enterprise Fund at December 31, 2017.

NOTE 20 – COMMITMENTS

A. At December 31, 2017, there were the following outstanding encumbrances in governmental funds:

Governmental Funds	
General	\$ 1,289,840
Water System Construction Reserve	106,296
Public Improvement Fund	412,873
Community Development Block Grant	405,951
Downtown Parking Fund	29
Streets Systems	701,270
Transportation Community Investment Fee	95,423
Youth Services Fund	4,265
Museum Services	12,528
Senior Services Fund	200
Public Buildings Community Investment Fee	9,643
Open Space	14,677
Public Safety	46,665
Conservation Trust	560
Downtown General Improvement District #1	29
	3,100,249
Component Unit	
Downtown Development Authority	258
Downtown Development Capital Projects	3,402
Downtown Development Building Permits Fund	28,705
Downtown Development Arts & Entertainment Fund	14,991
	47,356
TOTAL COMMITTED ENCUMBRANCES	\$ 3,147,605

NOTE 20 – COMMITMENTS (continued)

B. At December 31, 2017, there were the following uncompleted construction contracts:

Fund	Project Title	Remaining Committed Construction
Enterprise Funds:		
Electric Fund	Broadband - Contracted Fiber Drop Installations	\$ 221,933
	Broadband - FTTP Construction, Phase 1, Main Fiber	316,117
Water Fund	Water Utility Projects	959,424
	Upper North Pipeline Repairs	232,468
	Flood - City Reach 1 Construction	151,645
	Flood - N St Vrain Pipeline Relocation	113,984
	Spillway Bridge Design	27,495
	Building #1 Remodel	24,282
	Restoration at Button Rock	20,602
	Vehicle Wash Bay remodel	15,242
	Sewer Fund	Sewer line rehab
DB WWTP Ammonia-Dewatering Improvement Projects		227,412
Flood - City Reach 1 Construction		200,846
Vehicle Wash Bay remodel		19,762
Storm Drainage Fund	Flood - City Reach 1 Construction	1,513,234
	Lefthand Creek Sediment Project	886,753
	St Vrain Creek Improvements	541,160
	S. Pratt Bridge Replacement	413,160
	Pleasant Valley Reservoir Spillway Improvements	299,771
	BNSF Bridge design	174,782
	Sewer line rehab	42,320
	Water Utility Projects	28,130
	Resilient Saint Vrain Project	23,296
	Vehicle Wash Bay remodel	19,762
	Drainage & Design Spring Gulch 2	2,782
	Sanitation Fund (non-major)	Resilient Saint Vrain Project
St. Vrain Creek Improvements		90,811
Garden Acres Community Park: Phase 2		79,628
Vehicle Wash Bay remodel		69,166
Airport Fund	Airport Improvements	1,151,295
		8,690,892
Capital Project Funds:		
Public Improvement Fund	Garden Acres Community Park: Phase 2	400,318
	Resilient Saint Vrain Project - Sandstone Reach	9,025
	Street Rehab Project	7,141
		416,484
General Fund:	Software & Implementation Services for Enterprise Resource Planning System	595,195
		595,195
Special Revenue Funds:		
Water Construction Fund	Union Pipeline Design	582,944
Street Improvement Fund	S. Pratt Bridge Replacement	5,766,200
	Misc Concrete Repair Program	100,549
	Southwest Longmont Underpass	84,654
	Oligarchy Ditch & Sprin Gulch #1	76,747
	Street Rehab Project	41,940
	Vehicle Wash Bay remodel	49,404
	On Call Transportation Engineering	13,945
	Drainage & Design Spring Gulch 2	9,700
	Sewer Line Rehab	1,721
Transportation Community Investment Fee Fund	SW Longmont Operations Study	317,005
Park Improvement Fund	Garden Acres Community Park: Phase 2	154,053
	Resilient Saint Vrain Project - Sandstone Reach	26,601
Parks/Greenway Fund	Garden Acres Community Park: Phase 2	2,343,635
	Resilient Saint Vrain Project - Sandstone Reach	319,628
	Garden Acres Renewal Plan	23,847
	Sewer Line Rehab	4,015
	Main Street Bridge over the St. Vrain River	3,147
Open Space Fund	St. Vrain River Redevelopment and Creek Improvements	382,787
	Open Space & Trails Master Plan	69,447
	Drainage & Design Spring Gulch 2	27,589
Conservation Trust Fund	Garden Acres Community Park: Phase 2	413,866
	Resilient Saint Vrain Project - Sandstone Reach	211,829
	St. Vrain River Redevelopment and Creek Improvements	69,394
		11,094,647
TOTAL COMMITTED CONSTRUCTION		\$ 20,797,218

In addition to the construction commitments, the City entered into a water trade and delivery agreement with Public Service Company in which Public Service Company's water rights were conveyed to Longmont in exchange for a perpetual contract obligating Longmont to annually deliver to Public Service Company (PSCo) fully consumable water in an amount equivalent to the average annual consumptive use yield of PSCo's Water Rights.

NOTE 21 – FUND BALANCES

GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions," establishes criteria for classifying fund balances into specifically defined classifications and clarifies definition for governmental fund types.

Fund Balances:	General	Streets Systems	Community Development Block Grant	Nonmajor Governmental	Total
Nonspendable:					
Endowments/Donations/Grants	\$ -	\$ -	\$ -	\$ 650,881	\$ 650,881
Prepays	378,804	86,724	-	2,721	468,249
Long-term notes & loan receivables	378,571	-	-	1,124	379,695
Total Nonspendable	757,375	86,724	-	654,726	1,498,825
Restricted:					
Endowments/Donations/Grants	-	-	-	861,282	861,282
Conservation Trust	-	-	-	7,476,116	7,476,116
Capital improvements - Parks	-	-	-	10,738,505	10,738,505
Capital improvements - Transportation	-	-	-	2,738,728	2,738,728
Capital improvements - Public Buildings	-	-	-	1,934,184	1,934,184
Capital improvements - Electric	-	-	-	4,622,778	4,622,778
Capital improvements - Water	-	-	-	34,056,926	34,056,926
Capital improvements - Sewer	-	-	-	5,520,150	5,520,150
District Improvements	-	-	-	90,415	90,415
State imposed Emergencies	4,404,117	-	-	3,224	4,407,341
Historical Preservation	-	-	-	13,429	13,429
Open Space Acquisition	-	-	-	6,051,475	6,051,475
Parks and Greenway Maintenance	-	-	-	4,922,128	4,922,128
Public Safety	-	-	-	1,227,186	1,227,186
Tourism Programs	-	-	-	156,474	156,474
Streets and Highways	-	14,964,388	-	-	14,964,388
Capital Project Construction/Acquisition	-	-	-	5,780,532	5,780,532
Debt Service	-	-	-	4,148,409	4,148,409
Total Restricted	4,404,117	14,964,388	-	90,341,941	109,710,445
Committed:					
Downtown Parking	-	-	-	248,161	248,161
Judicial Programs	-	-	-	6,850	6,850
Youth Services	-	-	-	242,868	242,868
Museum Services	-	-	-	180,103	180,103
Urban Renewal	-	-	-	6,923	6,923
Callahan House	-	-	-	52,482	52,482
Senior Services	-	-	-	246,237	246,237
Parks	-	-	-	616,290	616,290
Affordable Housing	-	-	-	1,582,965	1,582,965
Probation Services	-	-	-	104,121	104,121
Greenway/Izaak Walton	-	-	-	61,899	61,899
Public Safety	-	-	-	30,265	30,265
Water Acquisition	-	-	-	416,173	416,173
Staff Contract	248,778	-	-	-	248,778
Encumbered Contracts from Note 20	211,148	-	-	-	211,148
Future carryover projects	2,809,227	-	-	-	2,809,227
Subsequent years' expenditures	2,362,656	-	-	-	2,362,656
Total Committed	5,631,809	-	-	3,795,337	9,427,146
Assigned:					
Art in Public Places	1,142,322	-	-	-	1,142,322
Air Quality Control	16,268	-	-	-	16,268
Library Services	5,304	-	-	-	5,304
Reimbursement to Developers	558,745	-	-	-	558,745
Gifts/Memorials	1,886	-	-	-	1,886
Academy Leased Resources	36,044	-	-	-	36,044
Fee Waivers	414,034	-	-	-	414,034
Tree Mitigation	304,548	-	-	-	304,548
Historic Eastside	1,618	-	-	-	-
Application Fees	30,000	-	-	-	30,000
Assoc Judge	4,840	-	-	-	4,840
Wildland Fires	106,798	-	-	-	106,798
Flood Recovery	355,487	-	-	-	355,487
Mental Health Initiative	127,293	-	-	-	127,293
Mobile Home Disaster Grant	2,371	-	-	-	2,371
Evidence Drying Cabinets	2,500	-	-	-	2,500
Navigation Services	60,000	-	-	-	60,000
Total Assigned	3,170,058	-	-	-	3,170,058
Unassigned:	7,970,910	-	(128,820)	-	7,842,090
Total Fund Balances	\$ 21,934,269	\$ 15,051,112	\$ (128,820)	\$ 94,792,004	\$ 131,648,564

NOTE 22 – SOLID WASTE FINANCIAL ASSURANCE

The City's Water Utility owns and operates a Water Treatment Facility, which through the treatment process produces solids, and therefore must provide financial assurance of estimates for post closure costs in accordance with regulations pertaining to solid waste sites and facilities (6 CCR 1007-2, Part 1) as set by Colorado Department of Public Health and Environment. The facility is not expected to be closed in the future; however, in the event of closure, the City estimates and provides assurance of total Closure Costs Requirements of \$1,706,727. This estimate is not reported as a liability by the City because the water treatment facility does not meet the definition of landfill contained in GASB Statement No. 18, as defined by the U.S. Environmental Protection Agency.

NOTE 23 – TAX ABATEMENT AGREEMENTS

Under the authority of the City's municipal code section 4.72 – Economic Development Incentives, the City has entered into agreement with three companies that are either expanding business or are relocating to Longmont and will create additional primary jobs in the area. As of December 31, 2017, the City has agreed to waive certain permit fees and use tax for these projects totaling \$822,446. The use tax portion of this total is \$478,391.

NOTE 24 – POSSIBLE VIOLATIONS OF STATE AND LOCAL LAWS

The City is aware that expenditures exceeded appropriations in the Village at the Peaks Special Revenue Fund, which may be a violation of state and local budget laws.

NOTE 25 - RESTATEMENT OF FINANCIAL STATEMENTS

The City's OPEB fund accounts for contributions set aside exclusively for qualifying medical expenses. As the OPEB plan is not administered through a trust, but holds assets accumulated for OPEB purposes in a fiduciary capacity, the OPEB fund is now accounted for as an Agency fund under GASB Statement No. 74, Financial Reporting for Post Employment Benefit Plans Other than Pension Plans. This restatement did not have an impact on beginning net position for the OPEB fund.



The City of Longmont introduced curbside composting service in 2017

REQUIRED SUPPLEMENTARY INFORMATION

The following historic trend information is required supplementary information relating to the Employee Pension, Fire Pension, and Police Pension plans as well as the Retiree Health Insurance Plan. It relates to the retirement plans' progress made in accumulating sufficient assets to pay benefits when due.

EMPLOYEE PENSION PLAN
SCHEDULE OF CHANGES IN THE EMPLOYER'S NET PENSION LIABILITY AND RELATED RATIOS
REQUIRED SUPPLEMENTARY INFORMATION
December 31, 2017

Retirement System - Defined Benefit Plan**Employee Retirement**

Fiscal year ending December 31,	2016	2015	2014
Total Pension Liability			
Service Cost	\$ 3,667,734	\$ 3,445,855	\$ 3,323,050
Interest	10,841,294	10,214,255	9,608,216
Benefit Changes	-	-	-
Difference between Expected and Actual Experience	889,586	711,443	-
Assumption Changes	-	-	-
Benefit Payments	(6,654,110)	(5,954,742)	(5,164,503)
Refunds	-	-	(173,289)
Net Change in Total Pension Liability	8,744,504	8,416,811	7,593,474
Total Pension Liability - Beginning	145,127,196	136,710,385	129,116,911
Total Pension Liability - Ending (A)	\$ 153,871,700	\$ 145,127,196	\$ 136,710,385
Plan Fiduciary Net Position			
Contributions - Employer	\$ 2,657,003	\$ 2,507,778	\$ 2,329,412
Contributions - Employee	2,122,119	2,031,385	1,920,158
Net Investment Income	9,634,181	(2,381,130)	4,814,477
Benefit Payments	(6,654,110)	(5,954,742)	(5,164,503)
Refunds	-	-	(173,289)
Administrative Expense	(136,639)	(72,646)	(36,021)
Net Change in Plan Fiduciary Net Position	7,622,554	(3,869,355)	3,690,234
Plan Fiduciary Net Position - Beginning	127,858,731	131,728,086	128,037,852
Plan Fiduciary Net Position - Ending (B)	\$ 135,481,285	\$ 127,858,731	\$ 131,728,086
Net Pension Liability - Ending (A) - (B)	\$ 18,390,415	\$ 17,268,465	\$ 4,982,299
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	88.05 %	88.10 %	96.36 %
Valuation Payroll	\$ 39,008,695	\$ 36,015,402	\$ 34,228,168
Covered Payroll	\$ 38,863,351	\$ 35,953,272	\$ 34,166,086
Net Pension Liability as a Percentage of Covered Payroll	47.32 %	48.03 %	14.58 %

Additional years will be added to this schedule annually until 10 years of data is presented.

FIRE PENSION PLAN
SCHEDULE OF CHANGES IN THE EMPLOYER'S NET PENSION LIABILITY AND RELATED RATIOS
REQUIRED SUPPLEMENTARY INFORMATION
December 31, 2017

Retirement System - Defined Benefit Plan**Fire Pension**

Fiscal year ending December 31,	2016	2015	2014
Total Pension Liability			
Service Cost	\$ -	\$ -	\$ -
Interest	201,052	204,751	211,130
Benefit Changes	-	-	-
Difference between Expected and Actual Experience	42,551	(21,132)	-
Assumption Changes	-	-	-
Benefit Payments	(299,817)	(293,522)	(261,910)
Refunds	-	-	-
Net Change in Total Pension Liability	(56,214)	(109,903)	(50,780)
Total Pension Liability - Beginning	2,785,345	2,895,248	2,946,028
Total Pension Liability - Ending (A)	\$ 2,729,131	\$ 2,785,345	\$ 2,895,248
Plan Fiduciary Net Position			
Contributions - Employer	\$ -	\$ -	\$ 50,000
Contributions - Employee	-	-	-
Net Investment Income	225,966	(51,367)	127,269
Benefit Payments	(299,817)	(293,522)	(261,910)
Refunds	-	-	-
Administrative Expense	(3,184)	(1,055)	(670)
Net Change in Plan Fiduciary Net Position	(77,035)	(345,944)	(85,311)
Plan Fiduciary Net Position - Beginning	3,053,447	3,399,391	3,484,702
Plan Fiduciary Net Position - Ending (B)	\$ 2,976,412	\$ 3,053,447	\$ 3,399,391
Net Pension Liability - Ending (A) - (B)	\$ (247,281)	\$ (268,102)	\$ (504,143)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	109.06 %	109.63 %	117.41 %
Valuation Payroll	\$ -	\$ -	\$ -
Covered Payroll	\$ -	\$ -	\$ -
Net Pension Liability as a Percentage of Covered Payroll	N/A	N/A	N/A

Additional years will be added to this schedule annually until 10 years of data is presented.

POLICE PENSION PLAN
SCHEDULE OF CHANGES IN THE EMPLOYER'S NET PENSION LIABILITY AND RELATED RATIOS
REQUIRED SUPPLEMENTARY INFORMATION
December 31, 2017

Retirement System - Defined Benefit Plan**Police Pension**

Fiscal year ending December 31,	2016	2015	2014
Total Pension Liability			
Service Cost	\$ -	\$ -	\$ -
Interest	116,955	121,033	125,568
Benefit Changes	-	-	-
Difference between Expected and Actual Experience	50,501	40,695	-
Assumption Changes	-	-	-
Benefit Payments	(225,120)	(226,687)	(230,861)
Refunds	-	-	-
Net Change in Total Pension Liability	(57,664)	(64,959)	(105,293)
Total Pension Liability - Beginning	1,619,420	1,684,379	1,789,672
Total Pension Liability - Ending (A)	\$ 1,561,756	\$ 1,619,420	\$ 1,684,379
Plan Fiduciary Net Position			
Contributions - Employer	\$ -	\$ -	\$ 50,000
Contributions - Employee	-	-	-
Net Investment Income	107,100	(29,189)	60,595
Benefit Payments	(225,120)	(226,687)	(230,861)
Refunds	-	-	-
Administrative Expense	(1,610)	(1,716)	(896)
Net Change in Plan Fiduciary Net Position	(119,630)	(257,592)	(121,162)
Plan Fiduciary Net Position - Beginning	1,568,021	1,825,613	1,946,775
Plan Fiduciary Net Position - Ending (B)	\$ 1,448,391	\$ 1,568,021	\$ 1,825,613
Net Pension Liability - Ending (A) - (B)	\$ 113,365	\$ 51,399	\$ (141,234)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	92.74 %	96.83 %	108.38 %
Valuation Payroll	\$ -	\$ -	\$ -
Covered Payroll	\$ -	\$ -	\$ -
Net Pension Liability as a Percentage of Covered Payroll	N/A	N/A	N/A

Additional years will be added to this schedule annually until 10 years of data is presented.

**EMPLOYEE, FIRE AND POLICE PENSION PLANS
SCHEDULE OF EMPLOYER CONTRIBUTIONS
REQUIRED SUPPLEMENTARY INFORMATION
December 31, 2017**

Retirement System - Defined Benefit Plan

The following information presents a schedule of contributions:

**Employee
Retirement**

Fiscal Year Ended December 31,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
2016	\$ 2,521,512	\$ 2,657,003	\$ (135,491)	\$ 38,863,351	6.84 %
2015	\$ 2,162,221	\$ 2,507,778	\$ (345,557)	\$ 35,953,272	6.98 %
2014	\$ 2,160,600	\$ 2,329,412	\$ (168,812)	\$ 34,166,086	6.82 %

**Fire
Pension**

Fiscal Year Ended December 31,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
2016	\$ -	\$ -	\$ -	\$ -	N/A
2015	\$ -	\$ -	\$ -	\$ -	N/A
2014	\$ -	\$ 50,000	\$ (50,000)	\$ -	N/A

**Police
Pension**

Fiscal Year Ended December 31,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
2016	\$ -	\$ -	\$ -	\$ -	N/A
2015	\$ -	\$ -	\$ -	\$ -	N/A
2014	\$ -	\$ 50,000	\$ (50,000)	\$ -	N/A

Additional years will be added to this schedule annually until 10 years of data is presented.

**EMPLOYEE, FIRE AND POLICE PENSION PLANS
SCHEDULE OF EMPLOYER CONTRIBUTIONS (CONTINUED)
REQUIRED SUPPLEMENTARY INFORMATION
December 31, 2017**

	<u>Employee Retirement</u>	<u>Fire Pension</u>	<u>Police Pension</u>
Actuarial valuation date	January 1, 2016	January 1, 2016	January 1, 2016
Actuarial cost method	Entry Age Normal	Entry Age Normal	Entry Age Normal
Amortization method	Level dollar, Open	Level dollar, Open	Level dollar, Open
Remaining amortization period	20 years	12 years	9 years
Asset valuation method	5-year smoothed market; 20% corridor	market value	market value
Inflation	3.25%	0%	0%
Salary increases	3.25-6.5% including inflation	0%	N/A
Investment rate of return	7.50%	7.50%	7.50%
Retirement age	Experience-based table of rates that are specific to the type of eligibility condition	Age 50 and 20 years of service	N/A
Post-retirement Mortality	RP-2000 Combined Healthy Mortality Table using generational improvements projected with Scale AA.	RP-2000 Combined Healthy Mortality Table using generational improvements projected with Scale AA.	RP-2000 Combined Healthy Mortality Table using generational improvements projected with Scale AA.
Other information	There were no benefit changes during the year.	There were no benefit changes during the year.	There were no benefit changes during the year.

**EMPLOYEE, FIRE AND POLICE PENSION PLANS
SCHEDULE OF EMPLOYER CONTRIBUTIONS
REQUIRED SUPPLEMENTARY INFORMATION
December 31, 2017**

Retirement System - Defined Benefit Plan (Continued)

The following presents the annual money-weighted rate of return, net of investment expenses:

Employee Retirement	
Fiscal Year Ended December 31,	Rate
2016	7.20%
2015	5.80%
2014	3.80%

Fire Pension	
Fiscal Year Ended December 31,	Rate
2016	7.80%
2015	-1.60%
2014	3.80%

Police Pension	
Fiscal Year Ended December 31,	Rate
2016	7.40%
2015	-1.70%
2014	3.30%

Additional years will be added to this schedule annually until 10 years of data is presented.

**RETIREE HEALTH INSURANCE PLAN
REQUIRED SUPPLEMENTARY INFORMATION
December 31, 2017**

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) -- Entry Age (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b - a) / c)
01/01/16	\$ 2,201,723	\$ 6,497,784	\$ 4,296,061	33.9%	\$ 49,663,757	8.7%
01/01/14	1,253,623	5,999,591	4,745,968	20.9	44,829,302	10.6
01/01/12	608,806	3,649,254	3,040,448	16.7	55,011,123	5.5
01/01/10	373,319	2,012,348	1,639,029	18.6	53,402,002	3.1
01/01/08	-	1,592,495	1,592,495	0.0	35,382,364	4.5

Actuarial Methods and Assumptions

Actuarial valuation date: 1/1/16
Method: Entry age actuarial cost
Investment rate of return: 3.05%
Healthcare cost trend rate: 7% with an ultimate rate of 5.0%
Inflation factor: 3.0%
Amortization Method: level dollar amount over a 30-year period

Schedule of Employer Contributions

Year Ended	Employer Contribution	Annual Required Contribution (ARC)	Percentage of Annual Required Contribution	Net OPEB Obligation
12/31/17	\$ 429,208	\$ 424,687	101.06%	\$ 423,658
12/31/16	429,208	437,640	98.07%	419,818
12/31/15	475,407	483,840	98.26%	419,818
12/31/14	477,475	483,840	98.68%	421,886
12/31/13	421,886	418,395	100.83%	421,886
12/31/12	414,744	418,395	99.13%	412,511

GENERAL FUND

The General Fund is used to account for all transactions of a government that are not accounted for in another fund.

The General Fund is used to account for the ordinary operations of a government unit that are financed from taxes and other general revenues.

GENERAL FUND
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
COMPARED TO BUDGET (LEGAL BASIS)
Year Ended December 31, 2017

	Budget	Actual	Variance from Final Budget
TAXES			
General property taxes:			
Current	\$ 16,391,761	\$ 16,395,211	\$ 3,450
Prior years	-	(9,384)	(9,384)
General sales and use tax	32,573,882	33,630,501	1,056,619
Selected sales and use tax -			
Cigarette	150,000	155,617	5,617
Franchise taxes:			
Gas	640,000	669,227	29,227
Cable Television	890,000	751,697	(138,303)
Telephone	182,000	186,369	4,369
Electric	5,385,936	5,219,180	(166,756)
Telecommunications	7,812	9,632	1,820
Water	323,906	323,806	(100)
Wastewater	570,164	570,164	-
	57,115,461	57,902,019	786,558
LICENSES AND PERMITS			
Business licenses and permits:			
Liquor	8,000	9,704	1,704
Business	4,700	4,715	15
Sales Tax	28,000	27,575	(425)
Non-Business licenses and permits:			
Building	1,670,691	2,538,615	867,924
Wood burning	-	30	30
Contractor	122,560	120,122	(2,438)
Parade / use of public places	8,400	9,850	1,450
	1,842,351	2,710,611	868,260
INTERGOVERNMENTAL REVENUE			
Federal revenue	671,887	822,406	150,519
State shared revenue:			
Severance tax	40,000	49,823	9,823
Grants	190,642	115,064	(75,578)
Non-grant state revenue	12,000	45,631	33,631
Local government shared revenue:			
Shared Fines	77,000	81,929	4,929
Hazmat Authority	-	6,200	6,200
Grants / School Resource Officer	211,855	500,817	288,962
	1,203,384	1,621,870	418,486

(continued)

GENERAL FUND
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
COMPARED TO BUDGET (LEGAL BASIS)
Year Ended December 31, 2017

	Budget	Actual	Variance from Final Budget
CHARGES FOR SERVICE			
General government:			
Zoning and hearing	\$ 100,432	\$ 131,015	\$ 30,583
Disconnect Tag Fees	650,000	655,550	5,550
Maps and publications	800	726	(74)
Pcard rebate	105,000	110,452	5,452
Cell Phone Rebate	68,800	68,800	-
Print shop charges	-	-	-
Sales tax commission	65,000	106,220	41,220
Liquor Application Fee	29,000	39,925	10,925
Marijuana Application Fee	-	30,000	30,000
Public safety:			
Criminal justice records	23,000	25,510	2,510
Extra duty officer reimbursement	80,000	81,849	1,849
Fire inspection & fireworks fees	90,800	117,552	26,752
Offender registration/impound fees	11,850	14,408	2,558
Emergency dispatch reimbursement	226,993	220,173	(6,820)
Elevator inspection	43,700	47,495	3,795
Highways and streets:			
Work in right of way permit	-	9,246	9,246
Developer Participation	101	101	0
Plan check fees	599,222	831,560	232,338
Variance/Appeals board	1,300	-	(1,300)
Right-of-way maintenance	235,623	235,623	-
Downtown maintenance	25,000	-	(25,000)
Culture and Recreation:			
Recreation center - all fees	1,889,494	1,836,571	(52,923)
Pool fees	523,400	524,213	813
Reservoir fees	360,000	418,414	58,414
Activity fees	1,442,912	1,380,634	(62,278)
Facility use fees	381,640	444,065	62,425
Concessions	78,200	98,026	19,826
Parks maintenance	-	-	-
Senior citizens:			
Activity fees	500	334	(166)
Facility fees	28,000	19,233	(8,767)
Administrative reimbursements:			
Sanitation	585,762	585,762	-
Golf	139,334	139,334	-
Electric	1,649,830	1,649,830	-
Telecommunications	205,451	205,451	-
Water	1,536,776	1,536,776	-
Sewer	879,370	879,370	-
Storm Drainage	455,968	455,968	-
Airport	173,755	173,755	-
Streets	787,315	787,315	-
Open Space	151,049	151,049	-
Fleet	279,453	279,453	-
Self Insurance	112,206	112,206	-
Workers Compensation	129,421	129,421	-
General Improvement District	7,829	7,829	-
	14,154,286	14,541,212	386,926
FINES AND FORFEITS			
Court:			
Parking	142,000	96,660	(45,340)
Other court fines	550,000	398,193	(151,808)
Court fine surcharge	60,000	48,040	(11,960)
Jury fees	-	-	-
Bond forfeitures	20,000	12,283	(7,717)
Court education fees	25,000	17,555	(7,445)
Court costs reimbursements	100,000	62,208	(37,792)
Probation & home detention monitoring fee:	27,500	18,331	(9,169)
Code Enforcement Penalty	5,000	1,100	(3,900)
Tree Mitigation Fine	-	222,055	222,055
Outstanding judgments/warrants	4,000	4,610	610
Library fines	110,000	97,377	(12,623)
False alarm fines	32,000	32,050	50
Weed cutting fines	18,000	14,008	(3,992)
Other fines	750	465	(285)
	1,094,250	1,024,934	(69,316)

GENERAL FUND
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
COMPARED TO BUDGET (LEGAL BASIS)
Year Ended December 31, 2017

	Budget	Actual	Variance from Final Budget
INVESTMENT INCOME AND MISCELLANEOUS REVENUE			
Investment income	\$ 125,000	\$ 149,531	\$ 24,531
Miscellaneous	76,313	84,730	8,417
Private grants/donations	55,171	140,905	85,734
Oil and gas royalties	-	7,648	7,648
	256,484	382,815	126,331
OTHER FINANCING SOURCES			
Transfers in:			
Electric Fund	84,184	84,361	177
Library Services Fund	20,500	18,054	(2,446)
Tree Planting	23,000	23,000	-
Rec Sponsorship	-	5,000	5,000
Senior Services	5,769	59,769	54,000
Sanitation Fund	20,092	22,220	2,128
Golf Fund	2,195	7,788	5,593
Telecommunications Fund	6,856	6,866	10
Water Fund	47,796	54,313	6,517
Sewer Fund	41,892	43,478	1,586
Storm Drainage Fund	18,621	19,330	709
Streets Fund	6,731	10,986	4,255
Open Space Fund	364	364	-
Public Safety Fund	8,103	8,103	-
Fleet Fund	3,176	7,584	4,408
Total other financing sources	289,279	371,216	81,937
Total revenues and other sources (legal basis)	\$ 75,955,495	78,554,677	\$ 2,599,182

RECONCILIATION TO GAAP BASIS

Less - other financing sources	(371,216)
Total revenues (GAAP basis)	\$ 78,183,461

GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
COMPARED TO BUDGET (LEGAL BASIS)
Year Ended December 31, 2017

	Budget	Actual	Variance from Final Budget
NON-DEPARTMENTAL			
CITY COUNCIL	\$ 423,043	\$ 376,033	\$ 47,010
CITY ATTORNEY	1,186,780	1,059,726	127,054
MUNICIPAL COURT			
Courts	546,279	514,868	31,411
Probation	292,278	287,791	4,487
CITY MANAGER			
City Manager	1,292,098	1,237,312	54,786
General Fund Transfers	264,190	253,000	11,190
Non Departmental	732,670	424,479	308,191
Economic Development Contracts	792,944	190,062	602,882
HUMAN RESOURCES	1,056,604	989,599	67,005
	6,586,886	5,332,870	1,254,016
SHARED SERVICES			
Purchasing	608,574	607,077	1,497
Enterprise Technology Services			
ETS one time	21,106	18,950	2,156
PC Replacements	185,573	168,550	17,023
ETS Operations	1,984,908	1,762,766	222,142
ETS Applications	1,689,505	1,374,083	315,422
ETS Telephone	305,019	347,202	(42,183)
Network Replacement	1,431	-	1,431
City Clerk	658,477	516,683	141,794
Election Voter Registration	110,973	119,180	(8,207)
Recovery Office	256,505	171,033	85,472
DOLA	174,725	102,153	72,572
	5,996,796	5,187,677	809,119
FINANCE			
Finance Administration	270,611	267,653	2,958
Sales Tax	316,720	292,680	24,040
Treasury	235,270	192,651	42,619
Information Desk	65,562	84,486	(18,924)
Accounting	924,670	883,876	40,794
Budget	401,342	364,437	36,905
HATS Project	1,384,392	366,416	1,017,976
Risk	299,458	288,892	10,566
Wellness	77,180	84,632	(7,452)
Safety	147,353	134,474	12,879
Utility Billing	1,927,245	1,555,288	371,957
Mail Delivery	65,932	64,623	1,309
	\$ 6,115,735	\$ 4,580,108	\$ 1,535,627

(continued)

GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
COMPARED TO BUDGET (LEGAL BASIS)
Year Ended December 31, 2017

	Budget	Actual	Variance from Final Budget
PUBLIC SAFETY			
Public Safety Chief	\$ 729,745	\$ 708,352	\$ 21,393
Patrol	10,468,600	10,666,386	(197,786)
Detectives	3,031,254	2,897,716	133,538
Special Enforcement Unit	1,030,123	1,003,667	26,456
SWAT Team	437,264	518,331	(81,067)
Animal Control	658,349	657,207	1,142
School Resources Officers	621,498	603,145	18,353
Traffic Unit	1,094,548	1,099,624	(5,076)
Special Operations	506,293	497,313	8,980
Fire Suppression	10,349,382	10,211,274	138,108
Hazmat Team	168,614	138,785	29,829
Technical Rescue Team	51,090	24,440	26,650
Wild land Team	643,759	265,785	377,974
Fire Codes and Planning	427,806	446,712	(18,906)
Fire Investigations	37,946	46,941	(8,995)
Public Safety Info Services	386,292	375,237	11,055
Public Safety Outreach	154,834	108,710	46,124
Emergency Communication Center	1,839,258	1,856,256	(16,998)
Public Safety IT	565,532	506,558	58,974
Records Unit	588,220	566,140	22,080
Click it or Ticket Grant	6,977	6,903	74
Public Safety Volunteers	61,238	59,367	1,871
DUI Grant	29,000	33,824	(4,824)
Restorative Justice Grant	46,980	46,976	4
Public Safety Support Services	734,170	739,194	(5,024)
Extra Duty	80,000	72,406	7,594
Training and Personnel	1,105,605	1,241,616	(136,011)
Emergency Management	136,310	139,662	(3,352)
	35,990,687	35,538,527	452,160
DEVELOPMENT SERVICES			
Development Services	1,789,432	1,632,589	156,843
Building Permits	1,547,753	1,371,503	176,250
Code Enforcement	555,102	498,073	57,029
Graffiti Eradication	44,909	38,207	6,702
Redevelopment	334,829	255,434	79,395
	\$ 4,272,025	\$ 3,795,806	\$ 476,219

(continued)

GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
COMPARED TO BUDGET (LEGAL BASIS)
Year Ended December 31, 2017

	Budget	Actual	Variance from Final Budget
COMMUNITY SERVICES			
Community Services Admin	\$ 1,422,762	\$ 1,296,516	\$ 126,246
Outside Agencies	1,171,982	1,172,200	(218)
Mental Health Community Conversations	205,400	78,107	127,293
Recreation Administration	424,824	427,940	(3,116)
Recreation Aquatics	1,039,468	932,060	107,408
Recreation Athletics	497,602	492,694	4,908
Recreation Concessions	64,526	82,635	(18,109)
Recreation Community Events	251,203	223,555	27,648
Recreation General Programs	832,598	776,253	56,345
Recreation Special Needs	39,253	50,929	(11,676)
Recreation Outdoor Programs	50,602	46,864	3,738
Recreation Ice Rink	158,641	187,708	(29,067)
Recreation Sport Fields Mtce	298,883	276,510	22,373
Recreation Youth Programs	69,625	61,260	8,365
Recreation Center	1,646,957	1,673,956	(26,999)
CNR Administration	358,129	345,008	13,121
Neighborhood Resources	107,536	79,430	28,106
Parking Enforcement	100,571	89,511	11,060
CYF Administration	823,436	714,069	109,367
Library Administration	530,668	490,141	40,527
Library Adult Services	1,042,478	1,022,253	20,225
Library Children and Teens	464,037	491,890	(27,853)
Library Tech Services	717,200	681,502	35,698
Library Circulation	755,085	713,513	41,572
Museum Administration	840,486	843,578	(3,092)
Museum Auditorium	158,666	166,323	(7,657)
Senior Services Administration	860,876	745,861	115,015
	14,933,494	14,162,266	771,228
PUBLIC WORKS NATURAL RESOURCES			
PWNR Engineering and Tech Svcs	543,248	480,696	62,552
PWNR Facilities Operations	1,633,023	1,430,787	202,236
PWNR Facilities Maintenance	1,680,160	1,539,838	140,322
PWNR Parks Maintenance	2,196,542	2,283,778	(87,237)
PWNR Muni Grounds Maintenance	296,265	232,485	63,780
PWNR ROW Maintenance	627,132	517,469	109,663
PWNR Parks Administration	437,227	401,994	35,233
PWNR Parks Development Improvement	229,098	202,604	26,494
PWNR Forestry Maintenance	777,125	750,860	26,265
PWNR Union Reservoir	282,397	278,438	3,959
Natural Resources CIP Projects	184	-	184
	8,702,401	8,118,949	583,451
Total Expenditures (legal basis)	\$ 82,598,024	\$ 76,716,203	\$ 5,881,821
RECONCILIATION TO GAAP BASIS			
Transfers Out:			
Public Improvement Fund		(253,000)	
Affordable Housing Fund		(792,315)	
Callahan House Fund		(84,056)	
Total expenditures (GAAP Basis)		\$ 75,586,832	

NONMAJOR SPECIAL REVENUE FUNDS

Special Revenue Fund types are used to account for revenues from specific taxes or other earmarked revenue sources which, by law, are designated to finance particular functions or activities of the City.

Conservation Fund	This fund was established to account for receipts from the State of Colorado Lottery specifically earmarked for environmental enhancements.
Park Improvement Fund	Permit fees received from subdividers are the chief source of financing for the Park Improvement Fund. These funds are earmarked for the development of new parks.
General Improvement District #1 Operating Fund	The ordinary operations of the General Improvement District #1 are accounted for in this fund. The operations are financed by taxes and other general revenues.
Downtown Parking Fund	The sale of downtown parking permits is the source of revenue for this fund. The revenues generated will be used for improvements to downtown parking.
Judicial Wedding Fee Fund	Fees for wedding services performed by the municipal judge are accumulated in this fund. The revenues are used for defraying the costs of the municipal judicial system.
Police Seizures Fund	Assets seized in drug-related arrests are accounted for in this fund. They are used for Public Safety expenditures.
Prevention/Education Fund	This fund is used to accumulate donations to the Police Department's Drug Prevention and Education program.
Youth Services Fund	Donations specifically earmarked for the use of the Youth Service Division are accounted for in this fund.
Recreations Building Fund	Collection of community investment fees to meet development-created demand for recreation buildings are accounted for in this fund.
Transportation Community Investment Fee Fund	Collection of community investment fees to meet development-created demands for arterial street and intersection improvements are accounted for in this fund.
Public Buildings Community Investment Fee Fund	Collection of community investment fees to meet development-created needs for public facility buildings are accounted for in this fund.
Electric Community Investment Fee Fund	Collection of community investment fees to meet development-created needs for electric system improvements are accounted for in this fund.
Water System Construction Reserve	The Water System Construction Reserve Fund was created to make system improvements funded with development fees.
Water Acquisition Fund	The Water Acquisition Fund was created for the purpose of acquiring additional water rights for the City as needed to support its water enterprise system. The Fund is funded with the cash payments received in lieu of water rights.
Raw Water Storage Reserve Fund	The Raw Water Storage Reserve Fund was created for the purpose of developing the City's winter water supply as part of the City's water enterprise system. The Fund was initially funded with proceeds from the sale of the High Mountain Dams.
Sewer Construction Fund	The Sewer Construction Fund was created for the purpose of making improvements to the City's sewer enterprise system related to growth of the entire system. The fund is funded with applicable development.
Library Services Fund	Donations and grants specifically earmarked for the use of the Library are accounted for in this Fund.
Museum Services Fund	Donations and grants specifically earmarked for the use of the Museum are accounted for in this Fund.

NONMAJOR SPECIAL REVENUE FUNDS (continued)

Historic Preservation Fund	This fund was established to collect monies from the applications for state income tax credits for rehabilitations to qualified historical properties and to carry out related historic preservation activities.
Callahan House Fund	This fund was established in 1995 to account for monies received for the specific use and benefit of the Callahan House, a gift to the City for the use of citizens.
Senior Services Fund	Donations and grants specifically earmarked for Senior Services are accounted for in this fund.
Parks Grants & Donations Fund	This fund was established in 1996 to collect revenues for improvements to existing parks.
Affordable Housing Fund	This fund was established in 1997 to be used for down payment assistance and to implement other affordable housing programs.
Open Space Fund	The Open Space Fund was established to account for sales and use tax revenues specifically earmarked for acquisition, improvement, maintenance and preservation of open space.
Public Safety Fund	This fund was established in 2007 for the purpose of collecting sales and use tax revenues earmarked for public safety expenditures.
Lodgers Tax Fund	This fund was established in 2008 for the purpose of collecting a tax on lodging services to be used to promote tourism.
Probation Services Fund	This fund was established in 2007 for the purpose of collecting a surcharge on all fines to fund court probation services.
Park/Greenway Maintenance Fund	This fund was established to account for fees received for the maintenance of parks and greenways.
Traffic Safety Fund	This fund was established to account for fees received for traffic safety.
Museum Trust Fund	The Museum Trust is administered by the Museum Board and its purpose is to provide funds to restore, rehabilitate, etc., the Longmont Museum & Cultural Center.
Jones Foundation Trust Fund	This fund was established to account for donations received for the purpose of improving the Izaak Walton Pond area and the St. Vrain Greenway.
Longmont Urban Renewal Authority Fund	This fund was established to account for activities provided for the Colorado Urban Renewal Law to remedy deterioration of land use, environment and structures.
Village at the Peaks Fund	This fund was established to account for incremental tax revenues and intergovernmental revenues specifically earmarked for improvements in the Twin Peaks Mall Area Urban Renewal Area.
NONMAJOR CAPITAL PROJECTS FUND	
Public Improvement Fund	The Public Improvement Fund is a capital projects fund financed from sales and/or use tax revenues. The portion of City sales and use tax collected and earmarked for this fund is set annually by City ordinance.
NONMAJOR PERMANENT FUND	
Mosher/Kanemoto/Stewart Trust Fund	This fund was established to account for monies provided by private donors to finance library and park improvements. The principal amounts of the gifts must remain intact while interest earnings can be used for the improvements.

COMBINING BALANCE SHEET
Nonmajor Governmental Funds
December 31, 2017

	Conservation	Park Improvement	General Improvement District #1 Operating
ASSETS			
Equity in pooled cash & cash equivalents	\$ 8,219,050	\$ 10,716,309	\$ 96,307
Cash and cash equivalents	-	-	-
Receivables (net of allowance for uncollectibles):			
Accounts	-	-	-
Taxes	-	-	125,542
Grants	-	-	-
Loans	-	-	-
Accrued Interest	19,071	24,446	228
Prepays	-	-	-
Due from other governments	-	-	577
Restricted assets:			
Cash and cash equivalents	-	-	-
Total assets	\$ 8,238,121	\$ 10,740,755	\$ 222,654
LIABILITIES			
Accounts payable	\$ 669,226	\$ -	\$ 2,320
Construction contracts payable	92,779	2,250	-
Accrued liabilities	-	-	1,153
Due to other funds	-	-	-
Deposits	-	-	-
Total liabilities	762,005	2,250	3,473
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue-property taxes	-	-	125,542
Unavailable revenue-grants	-	-	-
Total deferred inflows of resources	-	-	125,542
FUND BALANCES			
Nonspendable	-	-	-
Restricted	7,476,116	10,738,505	93,639
Committed	-	-	-
Total fund balances	7,476,116	10,738,505	93,639
Total liabilities, deferred inflows of resources and fund balances	\$ 8,238,121	\$ 10,740,755	\$ 222,654

Special Revenue Funds

Downtown Parking	Judicial Wedding Fee	Police Seizures	Prevention/ Education	Youth Services	Recreations Building	Transportation Community Investment Fee
\$ 248,503	\$ 6,834	\$ 20,044	\$ 137,179	\$ 193,865	\$ 632,400	\$ 2,873,754
-	-	-	-	-	-	-
504	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	12,519	106,421	-	-
-	-	-	-	-	-	-
542	16	-	319	508	1,400	6,511
-	-	-	-	-	-	-
-	-	-	-	-	-	-
\$ 249,549	\$ 6,850	\$ 20,044	\$ 150,017	\$ 300,794	\$ 633,800	\$ 2,880,265
\$ 395	\$ -	\$ -	\$ 15,935	\$ 19,392	\$ -	\$ 58,768
-	-	-	-	-	-	82,769
993	-	-	1,874	5,166	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
1,388	-	-	17,809	24,558	-	141,537
-	-	-	-	-	-	-
-	-	-	-	33,368	-	-
-	-	-	-	33,368	-	-
-	-	-	-	-	-	-
-	-	20,044	115,622	-	633,800	2,738,728
248,161	6,850	-	16,586	242,868	-	-
248,161	6,850	20,044	132,208	242,868	633,800	2,738,728
\$ 249,549	\$ 6,850	\$ 20,044	\$ 150,017	\$ 300,794	\$ 633,800	\$ 2,880,265

(continued)

COMBINING BALANCE SHEET
Nonmajor Governmental Funds
December 31, 2017

	Public Buildings Community Investment Fee	Electric Community Investment Fee	Water System Construction Reserve	Water Acquisition
ASSETS				
Equity in pooled cash & cash equivalents	\$ 1,717,839	\$ 4,612,270	\$ 27,246,941	\$ 6,790,137
Cash and cash equivalents	-	-	-	-
Receivables (net of allowance for uncollectibles):				
Accounts	-	-	-	100
Taxes	-	-	-	-
Grants	-	-	-	-
Loans	-	-	-	-
Accrued Interest	5,104	10,508	62,016	15,568
Prepays	-	-	-	-
Due from other governments	-	-	-	-
Restricted assets:				
Cash and cash equivalents	-	-	-	-
Total assets	\$ 1,722,943	\$ 4,622,778	\$ 27,308,957	\$ 6,805,805
LIABILITIES				
Accounts payable	\$ 340,438	\$ -	\$ 24,158	\$ 1,183
Construction contracts payable	82,124	-	32,495	-
Accrued liabilities	-	-	-	-
Due to other funds	-	-	-	-
Deposits	-	-	-	-
Total liabilities	422,562	-	56,653	1,183
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue-property taxes	-	-	-	-
Unavailable revenue-grants	-	-	-	-
Total deferred inflows of resources	-	-	-	-
FUND BALANCES				
Nonspendable	-	-	-	-
Restricted	1,300,381	4,622,778	27,252,304	6,804,622
Committed	-	-	-	-
Total fund balances	1,300,381	4,622,778	27,252,304	6,804,622
Total liabilities, deferred inflows of resources and fund balances	\$ 1,722,943	\$ 4,622,778	\$ 27,308,957	\$ 6,805,805

Special Revenue Funds

Raw Water Storage Reserve	Sewer Construction	Library Services	Museum Services	Historic Preservation	Callahan House	Senior Services	Parks Grants & Donations
\$ 415,221	\$ 6,060,119	\$ 89,973	\$ 144,021	\$ 13,398	\$ 57,103	\$ 262,992	\$ 617,946
-	-	88,227	-	-	-	-	-
-	205	387	-	-	-	-	650
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	122	-	-	-	-	-	-
952	13,946	199	356	31	128	675	1,416
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
\$ 416,173	\$ 6,074,392	\$ 178,786	\$ 144,377	\$ 13,429	\$ 57,231	\$ 263,667	\$ 620,012
\$ -	\$ 436,151	\$ 175	\$ 5,121	\$ -	\$ 1,985	\$ 8,329	\$ -
-	117,968	-	-	-	-	-	-
-	-	-	2,459	-	2,764	1,824	-
-	-	-	-	-	-	-	-
-	-	-	2,981	-	-	7,277	-
-	554,119	175	10,561	-	4,749	17,430	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	122	-	-	-	-	-	-
-	5,520,151	178,611	-	13,429	-	-	3,723
416,173	-	-	133,816	-	52,482	246,237	616,289
416,173	5,520,273	178,611	133,816	13,429	52,482	246,237	620,012
\$ 416,173	\$ 6,074,392	\$ 178,786	\$ 144,377	\$ 13,429	\$ 57,231	\$ 263,667	\$ 620,012

(continued)

COMBINING BALANCE SHEET
Nonmajor Governmental Funds
December 31, 2017

	Affordable Housing	Open Space	Public Safety	Lodgers Tax	Probation Services
ASSETS					
Equity in pooled cash & cash equivalents	\$ 1,583,149	\$ 5,673,984	\$ 1,071,223	\$ 145,435	\$ 104,947
Cash and cash equivalents	-	-	-	-	-
Receivables (net of allowance for uncollectibles):					
Accounts	-	-	1,582	-	-
Taxes	-	428,635	696,531	10,700	-
Grants	-	173,023	32,752	-	-
Loans	3,955,463	-	1,002	-	-
Accrued Interest	3,745	18,431	2,250	340	241
Prepays	-	-	2,721	-	-
Due from other governments	-	-	-	-	-
Restricted assets:					
Cash and cash equivalents	-	3,581,963	-	-	-
Total assets	\$ 5,542,357	\$ 9,876,036	\$ 1,808,061	\$ 156,475	\$ 105,188
LIABILITIES					
Accounts payable	\$ -	\$ 60,464	\$ 17,166	\$ -	\$ -
Construction contracts payable	-	151,095	-	-	-
Accrued liabilities	3,929	11,244	182,505	-	1,067
Due to other funds	-	-	367,026	-	-
Deposits	-	9,794	-	-	-
Total liabilities	3,929	232,597	566,697	-	1,067
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue-property taxes	-	-	-	-	-
Unavailable revenue-grants	3,955,463	10,000	30,500	-	-
Total deferred inflows of resources	3,955,463	10,000	30,500	-	-
FUND BALANCES					
Nonspendable	-	-	3,723	-	-
Restricted	-	9,633,439	1,207,141	156,475	-
Committed	1,582,965	-	-	-	104,121
Total fund balances	1,582,965	9,633,439	1,210,864	156,475	104,121
Total liabilities, deferred inflows of resources and fund balances	\$ 5,542,357	\$ 9,876,036	\$ 1,808,061	\$ 156,475	\$ 105,188

Special Revenue Funds

Park/ Greenway Maintenance	Traffic Safety	Museum Trust	Jones Foundation Trust	Longmont Urban Renewal Authority	Village at the Peaks	TOTALS
\$ 4,911,500	\$ 13,649	\$ 45,530	\$ 61,758	\$ 6,908	\$ 170,515	\$ 84,960,803
-	-	-	-	-	-	88,227
69,811	-	650	-	-	-	73,889
-	-	-	-	-	-	1,261,408
174,860	-	-	-	-	-	499,575
-	-	-	-	-	-	3,956,587
11,107	30	107	142	15	566	200,914
-	-	-	-	-	-	2,721
-	-	-	-	-	2,075	2,652
-	-	-	-	-	393,290	3,975,253
<u>\$ 5,167,278</u>	<u>\$ 13,679</u>	<u>\$ 46,287</u>	<u>\$ 61,900</u>	<u>\$ 6,923</u>	<u>\$ 566,446</u>	<u>\$ 95,022,029</u>
\$ 36,361	\$ -	\$ -	\$ -	\$ -	\$ -	1,697,567
208,789	-	-	-	-	-	770,269
-	-	-	-	-	-	214,978
-	-	-	-	-	-	367,026
-	-	-	-	-	-	20,052
<u>245,150</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,069,892</u>
-	-	-	-	-	-	125,542
-	-	-	-	-	-	4,029,331
-	-	-	-	-	-	4,154,873
-	-	-	-	-	-	3,845
4,922,128	-	-	-	-	566,446	83,998,082
-	13,679	46,287	61,900	6,923	-	3,795,337
<u>4,922,128</u>	<u>13,679</u>	<u>46,287</u>	<u>61,900</u>	<u>6,923</u>	<u>566,446</u>	<u>87,797,264</u>
<u>\$ 5,167,278</u>	<u>\$ 13,679</u>	<u>\$ 46,287</u>	<u>\$ 61,900</u>	<u>\$ 6,923</u>	<u>\$ 566,446</u>	<u>\$ 95,022,029</u>

(continued)

COMBINING BALANCE SHEET
Nonmajor Governmental Funds
December 31, 2017

	Capital Projects Fund	Permanent Fund	
	Public Improvement Capital Projects	Mosher/ Kanemoto/ Stewart Trust	Total Nonmajor Governmental Funds
ASSETS			
Equity in pooled cash & cash equivalents	\$ 7,371,725	\$ 1,211,431	\$ 93,543,959
Cash and cash equivalents	-	-	88,227
Receivables (net of allowance for uncollectibles):			
Accounts	-	-	73,889
Taxes	521,018	-	1,782,426
Grants	-	-	499,575
Loans	-	-	3,956,587
Accrued Interest	16,833	2,775	220,522
Prepays	-	-	2,721
Due from other governments	-	-	2,652
Restricted assets:			
Cash and cash equivalents	-	-	3,975,253
Total assets	7,909,576	\$ 1,214,206	\$ 104,145,811
LIABILITIES			
Accounts payable	\$ 251,021	\$ -	\$ 1,948,588
Construction contracts payable	17,825	-	788,094
Accrued liabilities	-	-	214,978
Due to other funds	1,860,196	-	2,227,222
Deposits	-	-	20,052
Total liabilities	2,129,042	-	5,198,934
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue-property taxes	-	-	125,542
Unavailable revenue-grants	-	-	4,029,331
Total deferred inflows of resources	-	-	4,154,873
FUND BALANCES			
Nonspendable	-	650,881	654,726
Restricted	5,780,534	563,325	90,341,941
Committed	-	-	3,795,337
Total fund balances	5,780,534	1,214,206	94,792,004
Total liabilities, deferred inflows of resources and fund balances	\$ 7,909,576	\$ 1,214,206	\$ 104,145,811

**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES**

**Nonmajor Governmental Funds
For the Year Ended December 31, 2017**

Special Revenue Funds

	Conservation	Park Improvement	General Improvement District #1	Downtown Parking	Judicial Wedding Fees
REVENUES					
Taxes	\$ -	\$ -	\$ 106,431	\$ -	\$ -
Licenses and permits	-	2,624,027	-	88,665	-
Developer/owner participation	-	-	-	-	-
Intergovernmental	917,985	-	-	-	-
Charges for services	-	-	-	-	1,701
Fines and forfeits	-	-	-	-	-
Investment income	47,914	49,592	805	1,128	32
Private grants/donations	-	-	-	-	-
Miscellaneous	-	-	215	15	-
Total revenues	965,899	2,673,619	107,451	89,808	1,733
EXPENDITURES					
Current:					
General governmental	-	-	108,033	45,712	1,339
Public safety	-	-	-	-	-
Highways and streets	-	-	-	-	-
Culture and recreation	7,860	444	-	-	-
Municipal utility system	-	-	-	-	-
Capital Outlay	1,973,684	46,045	-	-	-
Debt service:					
Bond principal retired	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	1,981,544	46,489	108,033	45,712	1,339
Excess of revenues over (under) expenditures	(1,015,645)	2,627,130	(582)	44,096	394
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	-
Transfers out	-	(450)	-	-	-
Total other financing sources (uses)	-	(450)	-	-	-
Excess of revenues and other sources over Net change in fund balances	(1,015,645)	2,626,680	(582)	44,096	394
FUND BALANCES, January 1	8,491,761	8,111,825	94,221	204,065	6,456
FUND BALANCES, December 31	\$ 7,476,116	\$ 10,738,505	\$ 93,639	\$ 248,161	\$ 6,850

(continued)

**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES**
Nonmajor Governmental Funds
For the Year Ended December 31, 2017

	Police Seizures	Prevention Education	Youth Services	Recreation Buildings	Transportation Community Investment Fee	Public Buildings Community Investment Fee
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	-	\$ -
Licenses and permits	-	-	-	-	1,203,843	-
Developer/owner participation	-	-	-	494,271	-	331,158
Intergovernmental	7,378	76,722	298,585	-	-	-
Charges for services	-	16,412	12,134	-	-	-
Fines and forfeits	-	-	-	-	-	-
Investment income	20	797	1,308	1,295	12,010	18,429
Private grants/donations	-	15,836	137,284	-	-	-
Miscellaneous	-	-	12,329	-	-	-
Total revenues	7,398	109,767	461,640	495,566	1,215,853	349,587
EXPENDITURES						
Current:						
General governmental	-	-	-	-	-	850
Public safety	12,789	107,393	-	-	-	-
Highways and streets	-	-	-	-	-	-
Culture and recreation	-	-	333,977	-	-	-
Municipal utility system	-	-	-	-	-	-
Capital Outlay	-	-	105,524	-	346,743	1,749,810
Debt service:						
Bond principal retired	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
Total expenditures	12,789	107,393	439,501	-	346,743	1,750,660
Excess of revenues over (under) expenditures	(5,391)	2,374	22,139	495,566	869,110	(1,401,073)
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	(13,835)
Total other financing sources (uses)	-	-	-	-	-	(13,835)
Excess of revenues and other sources over Net change in fund balances	(5,391)	2,374	22,139	495,566	869,110	(1,414,908)
FUND BALANCES, January 1	25,435	129,834	220,729	138,234	1,869,618	2,715,289
FUND BALANCES, December 31	\$ 20,044	\$ 132,208	\$ 242,868	\$ 633,800	\$ 2,738,728	\$ 1,300,381

Electric Community Investment Fee	Water System Construction Reserve	Water Acquisition	Raw Water Storage Reserve	Sewer Construction
\$ -	\$ -	\$ -	\$ -	\$ -
1,085,117	4,006,767	-	-	2,234,310
-	-	-	-	14,690
-	-	-	-	-
-	-	580,091	-	-
-	-	-	-	-
21,985	139,114	34,028	2,271	35,565
-	-	-	-	-
-	-	-	-	-
<u>1,107,102</u>	<u>4,145,881</u>	<u>614,119</u>	<u>2,271</u>	<u>2,284,565</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
(54)	3,329	29,227	-	1,454
341,535	479,565	-	-	2,359,368
-	-	-	-	-
-	-	-	-	-
<u>341,481</u>	<u>482,894</u>	<u>29,227</u>	<u>-</u>	<u>2,360,822</u>
765,621	3,662,987	584,892	2,271	(76,257)
-	-	-	-	-
-	(627,039)	-	-	(546,279)
-	(627,039)	-	-	(546,279)
765,621	3,035,948	584,892	2,271	(622,536)
3,857,157	24,216,356	6,219,730	413,902	6,142,809
<u>\$ 4,622,778</u>	<u>\$ 27,252,304</u>	<u>\$ 6,804,622</u>	<u>\$ 416,173</u>	<u>\$ 5,520,273</u>

**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES**
Nonmajor Governmental Funds
For the Year Ended December 31, 2017

	Library Services	Museum Services	Historic Preservation	Callahan House	Senior Services
REVENUES					
Taxes	\$ -	\$ -	-	\$ -	-
Licenses and permits	-	-	1,500	-	-
Developer/owner participation	-	-	-	-	-
Intergovernmental	23,184	29,850	-	-	-
Charges for services	-	128,710	-	65,889	229,468
Fines and forfeits	-	-	-	-	-
Investment income	391	612	69	249	1,528
Private grants	64,887	83,018	-	573	129,519
Miscellaneous	13,959	1,692	-	-	2,329
Total revenues	102,421	243,882	1,569	66,711	362,844
EXPENDITURES					
Current:					
General governmental	-	-	-	-	-
Public safety	-	-	-	-	-
Highways and streets	-	-	-	-	-
Culture and recreation	70,901	235,853	-	131,287	331,763
Municipal utility system	-	-	-	-	-
Capital Outlay	-	-	-	-	-
Debt service:					
Bond principal retired	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	70,901	235,853	-	131,287	331,763
Excess of revenues over (under) expenditures	31,520	8,029	1,569	(64,576)	31,081
OTHER FINANCING SOURCES (USES)					
Transfers in	-	115,509	-	84,056	-
Transfers out	(18,054)	-	-	-	(59,769)
Total other financing sources (uses)	(18,054)	115,509	-	84,056	(59,769)
Excess of revenues and other sources over Net change in fund balances	13,466	123,538	1,569	19,480	(28,688)
FUND BALANCES, January 1	165,145	10,278	11,860	33,002	274,925
FUND BALANCES, December 31	\$ 178,611	\$ 133,816	\$ 13,429	\$ 52,482	\$ 246,237

Special Revenue Funds

Parks Grants & Donations	Affordable Housing	Open Space	Public Safety	Lodgers Tax	Probation Services	Park/Greenway Maintenance
\$ -	\$ -	\$ 4,156,190	\$ 6,753,823	\$ 419,936	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	2,677,164	470,343	-	-	2,196,861
-	75	-	43,761	-	-	991,791
-	-	-	-	-	41,695	-
3,408	50,922	54,592	5,993	185	564	21,548
2,600	-	-	-	-	-	-
-	118,034	73,413	6,278	-	-	-
6,008	169,031	6,961,359	7,280,198	420,121	42,259	3,210,200
-	284,817	-	-	-	37,530	-
-	-	-	7,092,432	-	-	-
-	-	-	-	-	-	-
8,284	-	829,967	174,743	387,550	-	37,212
-	-	-	-	-	-	-
-	-	2,589,161	118,600	-	-	2,688,813
-	-	1,170,000	-	-	-	-
-	-	975,414	-	-	-	-
8,284	284,817	5,564,541	7,385,775	387,550	37,530	2,726,025
(2,276)	(115,786)	1,396,818	(105,577)	32,571	4,729	484,175
-	792,315	-	-	-	-	-
-	-	(364)	(85,952)	-	-	(1,030)
-	792,315	(364)	(85,952)	-	-	(1,030)
(2,276)	676,529	1,396,454	(191,529)	32,571	4,729	483,145
622,288	906,436	8,236,985	1,402,393	123,904	99,392	4,438,983
\$ 620,012	\$ 1,582,965	\$ 9,633,439	\$ 1,210,864	\$ 156,475	\$ 104,121	\$ 4,922,128

(continued)

**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES**
Nonmajor Governmental Funds
For the Year Ended December 31, 2017

	Special Revenue Funds					TOTALS
	Traffic Safety	Museum Trust	Jones Foundation Trust	Longmont Urban Renewal Authority	Village at the Peaks	
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ 2,475,663	\$ 228,753	\$ 14,140,796
Licenses and permits	-	-	-	-	-	11,244,229
Developer/owner participation	-	-	-	-	-	840,119
Intergovernmental	-	-	-	-	-	6,698,072
Charges for services	11,142	31,381	-	-	-	2,112,555
Fines and forfeits	-	-	-	-	-	41,695
Investment income	79	194	338	1,232	7,643	515,840
Private grants	-	2,600	-	-	-	436,317
Miscellaneous	-	1,468	-	-	-	229,732
Total revenues	11,221	35,643	338	2,476,895	236,396	36,259,355
EXPENDITURES						
Current:						
General governmental	-	-	-	278,357	3,291	759,929
Public safety	15,366	-	-	-	-	7,227,980
Highways and streets	-	-	-	-	-	-
Culture and recreation	-	30,495	-	-	-	2,580,336
Municipal utility system	-	-	-	-	-	33,956
Capital Outlay	-	-	-	-	-	12,798,849
Debt service:						
Bond principal retired	-	-	-	-	595,000	1,765,000
Interest and fiscal charges	-	-	-	-	1,272,455	2,247,869
Total expenditures	15,366	30,495	-	278,357	1,870,746	27,413,919
Excess of revenues over (under) expenditures	(4,145)	5,148	338	2,198,538	(1,634,350)	8,845,436
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	2,197,323	3,189,203
Transfers out	-	-	-	(2,197,323)	-	(3,550,095)
Total other financing sources (uses)	-	-	-	(2,197,323)	2,197,323	(360,892)
Excess of revenues and other sources over Net change in fund balances	(4,145)	5,148	338	1,215	562,973	8,484,544
FUND BALANCES, January 1	17,824	41,139	61,562	5,708	3,473	79,312,720
FUND BALANCES, December 31	\$ 13,679	\$ 46,287	\$ 61,900	\$ 6,923	\$ 566,446	\$ 87,797,264

Capital Projects Fund	Permanent Fund	Total Nonmajor Governmental Funds
Public Improvement Capital Projects	Mosher/Kanemoto/ StewartTrust	
\$ 6,639,848	\$ -	\$ 20,780,644
-	-	11,244,229
-	-	840,119
188,889	-	6,886,961
-	-	2,112,555
-	-	41,695
31,786	6,563	554,189
9,330	40,000	485,647
300	-	230,032
<u>6,870,153</u>	<u>46,563</u>	<u>43,176,071</u>
2,664,021	-	3,423,950
-	-	7,227,980
-	-	-
-	-	2,580,336
-	-	33,956
1,457,025	-	14,255,874
2,370,000	-	4,135,000
400,993	-	2,648,862
<u>6,892,039</u>	<u>-</u>	<u>34,305,958</u>
<u>(21,886)</u>	<u>46,563</u>	<u>8,870,113</u>
253,000	-	3,442,203
<u>(129,344)</u>	<u>-</u>	<u>(3,679,439)</u>
<u>123,656</u>	<u>-</u>	<u>(237,236)</u>
<u>101,770</u>	<u>46,563</u>	<u>8,632,877</u>
<u>5,678,764</u>	<u>1,167,643</u>	<u>86,159,127</u>
<u>\$ 5,780,534</u>	<u>\$ 1,214,206</u>	<u>\$ 94,792,004</u>

CONSERVATION SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL
For the Year Ended December 31, 2017

	Final Budget	Actual	Variance From Final Budget
REVENUES			
Intergovernmental	\$ 800,000	\$ 917,985	\$ 117,985
Investment income	10,680	47,914	37,234
Miscellaneous	-	-	-
Total revenues	810,680	965,899	155,219
EXPENDITURES			
Culture and recreation	25,000	7,860	17,140
Capital Outlay	7,309,331	1,973,684	5,335,647
Total Expenditures	7,334,331	1,981,544	5,352,787
Net change in fund balance	(6,523,651)	(1,015,645)	5,508,006
FUND BALANCE, January 1	8,491,761	8,491,761	-
FUND BALANCE, December 31	\$ 1,968,110	\$ 7,476,116	\$ 5,508,006

PARK IMPROVEMENT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP) BASIS AND ACTUAL
For the Year Ended December 31, 2017

	Final Budget	Actual	Variance From Final Budget
REVENUES			
Licenses and permits	\$ 1,846,350	\$ 2,624,027	\$ 777,677
Intergovernmental	-	-	-
Investment income	26,704	49,592	22,888
Private grants/donations	-	-	-
Total revenues	1,873,054	2,673,619	800,565
EXPENDITURES			
Culture and recreation	24,079	444	23,635
Capital Outlay	2,483,340	46,045	2,437,295
Total Expenditures	2,507,419	46,489	2,460,930
Excess of revenues over expenditures	(634,365)	2,627,130	3,261,495
OTHER FINANCING (USES)			
Transfer in			
Transfer out	(16,350)	(450)	15,900
Total other financing (uses)	(16,350)	(450)	15,900
Net change in fund balance	(650,715)	2,626,680	3,277,395
FUND BALANCE, January 1	8,111,825	8,111,825	-
FUND BALANCE, December 31	\$ 7,461,110	\$ 10,738,505	\$ 3,277,395

GENERAL IMPROVEMENT DISTRICT #1 SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP) BASIS AND ACTUAL
For the Year Ended December 31, 2017

	Final Budget	Actual	Variance From Final Budget
REVENUES			
Taxes	\$ 108,000	\$ 106,431	\$ (1,569)
Investment income	600	805	205
Miscellaneous	-	215	215
Total revenues	108,600	107,451	(1,149)
EXPENDITURES			
General government	120,398	108,033	12,365
Net change in fund balance	(11,798)	(582)	11,216
FUND BALANCE, January 1	94,221	94,221	-
FUND BALANCE, December 31	\$ 82,423	\$ 93,639	11,216

DOWNTOWN PARKING SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP) BASIS AND ACTUAL
For the Year Ended December 31, 2017

	Final Budget	Actual	Variance From Final Budget
REVENUES			
Licenses and permits	\$ 80,000	\$ 88,665	\$ 8,665
Investment income	500	1,128	628
Miscellaneous	-	15	15
Total revenues	80,500	89,808	9,308
EXPENDITURES			
General government	60,871	45,712	15,159
Capital Outlay	30,000	-	30,000
Total Expenditures	90,871	45,712	45,159
Excess of revenues over (under) expenditures	(10,371)	44,096	54,467
OTHER FINANCING SOURCES			
Transfer in General Fund	5,000	-	(5,000)
Total other financing sources	5,000	-	(5,000)
Net change in fund balance	(5,371)	44,096	49,467
FUND BALANCE, January 1	204,065	204,065	-
FUND BALANCE, December 31	\$ 198,694	\$ 248,161	\$ 49,467

JUDICIAL WEDDING FEE SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP) BASIS AND ACTUAL
For the Year Ended December 31, 2017

	Final Budget	Actual	Variance From Final Budget
REVENUES			
Charges for services	\$ 800	\$ 1,701	\$ 901
Investment income	-	32	32
Total revenues	800	1,733	933
EXPENDITURES			
General government	2,500	1,339	1,161
Excess of revenues (under) expenditures	(1,700)	394	2,094
Net change in fund balance	(1,700)	394	2,094
FUND BALANCE, January 1	6,456	6,456	-
FUND BALANCE, December 31	\$ 4,756	\$ 6,850	\$ 2,094

POLICE SEIZURES SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP) BASIS AND ACTUAL
For the Year Ended December 31, 2017

	Final Budget	Actual	Variance From Final Budget
REVENUES			
Intergovernmental	\$ -	\$ 7,378	\$ 7,378
Investment income		20	20
Total revenues	-	7,398	7,398
EXPENDITURES			
Public safety	12,795	12,789	6
Excess of revenues (under) expenditures	(12,795)	(5,391)	7,404
Net change in fund balance	(12,795)	(5,391)	7,404
FUND BALANCE, January 1	25,435	25,435	-
FUND BALANCE, December 31	\$ 12,640	\$ 20,044	\$ 7,404

PREVENTION/EDUCATION SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP) BASIS AND ACTUAL
For the Year Ended December 31, 2017

	Final Budget	Actual	Variance From Final Budget
REVENUES			
Charges for services	\$ 6,403	\$ 16,412	\$ 10,009
Intergovernmental	164,079	76,722	(87,357)
Investment income	-	797	797
Private grants/donations	25,957	15,836	(10,121)
Total revenues	196,439	109,767	(86,672)
EXPENDITURES			
Public safety	237,148	107,393	129,755
Excess of revenues over (under) expenditures	(40,709)	2,374	43,083
Net change in fund balance	(40,709)	2,374	43,083
FUND BALANCE, January 1	129,834	129,834	-
FUND BALANCE, December 31	\$ 89,125	\$ 132,208	\$ 43,083

YOUTH SERVICES SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP) BASIS AND ACTUAL
For the Year Ended December 31, 2017

	Final Budget	Actual	Variance From Final Budget
REVENUES			
Charges for services	\$ -	\$ 12,134	\$ 12,134
Intergovernmental	712,027	298,585	(413,442)
Investment income	-	1,308	1,308
Private grant	139,197	137,284	(1,913)
Miscellaneous	21	12,329	12,308
Total revenues	851,245	461,640	(389,605)
EXPENDITURES			
Culture and recreation	580,289	333,977	246,312
Capital Outlay	538,110	105,524	432,586
Total Expenditures	1,118,399	439,501	678,898
Excess of revenues over (under) expenditures	(267,154)	22,139	289,293
Net change in fund balance	(267,154)	22,139	(289,293)
FUND BALANCE, January 1	220,729	220,729	-
FUND BALANCE, December 31	\$ (46,425)	\$ 242,868	(289,293)

RECREATION BUILDINGS FEE SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP) BASIS AND ACTUAL
For the Year Ended December 31, 2017

	Final Budget	Actual	Variance From Final Budget
REVENUES			
Developer participation	\$ -	\$ 494,271	\$ 494,271
Investment income	-	1,295	1,295
Total revenues	-	495,566	495,566
Net change in fund balance	-	495,566	495,566
FUND BALANCE, January 1	138,234	138,234	-
FUND BALANCE, December 31	\$ 138,234	\$ 633,800	\$ 495,566

TRANSPORTATION COMMUNITY INVESTMENT FEE SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP) BASIS AND ACTUAL
For the Year Ended December 31, 2017

	Final Budget	Actual	Variance From Final Budget
REVENUES			
Licenses and permits	\$ 663,250	\$ 1,203,843	\$ 540,593
Investment income	2,984	12,010	9,026
Total revenues	666,234	1,215,853	549,619
EXPENDITURES			
Capital Outlay	841,236	346,743	494,493
Total Expenditures	841,236	346,743	494,493
Net change in fund balance	(175,002)	869,110	1,044,112
FUND BALANCE, January 1	1,869,618	1,869,618	-
FUND BALANCE, December 31	\$ 1,694,616	\$ 2,738,728	\$ 1,044,112

PUBLIC BUILDINGS COMMUNITY INVESTMENT FEE SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP) BASIS AND ACTUAL
For the Year Ended December 31, 2017

	Final Budget	Actual	Variance From Final Budget
REVENUES			
Developer participation	\$ 330,317	\$ 331,158	\$ 841
Investment income	-	18,429	18,429
Total revenues	330,317	349,587	19,270
EXPENDITURES			
General Government	-	850	(850)
Capital Outlay	2,823,850	1,749,810	1,074,040
Total expenditures	2,823,850	1,750,660	1,073,190
Excess of revenues over expenditures	(2,493,533)	(1,401,073)	1,092,460
OTHER FINANCING (USES)			
Transfer out			
Art in Public Places fund	(34,191)	(13,835)	20,356
Net change in fund balance	(2,527,724)	(1,414,908)	1,112,816
FUND BALANCE, January 1	2,715,289	2,715,289	-
FUND BALANCE, December 31	\$ 187,565	\$ 1,300,381	\$ 1,112,816

ELECTRIC COMMUNITY INVESTMENT FEE SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP) BASIS AND ACTUAL
For the Year Ended December 31, 2017

	Final Budget	Actual	Variance From Final Budget
REVENUES			
Licenses and permits	\$ 388,000	\$ 1,085,117	\$ 697,117
Investment income	15,000	21,985	6,985
Total revenues	403,000	1,107,102	704,102
EXPENDITURES			
Municipal utility systems	153,180	(54)	153,234
Capital Outlay	737,669	341,535	396,134
Total Expenditures	890,849	341,481	549,368
Excess of revenues over expenditures	249,820	765,621	1,253,470
Net change in fund balance	249,820	765,621	1,253,470
FUND BALANCE, January 1	3,857,157	3,857,157	-
FUND BALANCE, December 31	\$ 3,369,308	\$ 4,622,778	\$ 1,253,470

**WATER SYSTEM CONSTRUCTION RESERVE SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP) BASIS AND ACTUAL
For the Year Ended December 31, 2017**

	Final Budget	Actual	Variance From Final Budget
REVENUES			
Licenses and permits	\$ 2,143,100	\$ 4,006,767	\$ 1,863,667
Investment income	92,100	139,114	47,014
Total revenues	2,235,200	4,145,881	1,910,681
EXPENDITURES			
Municipal utility systems	2,500	3,329	(829)
Capital Outlay	1,882,907	479,565	1,403,342
Total Expenditures	1,885,407	482,894	1,402,513
Excess of revenues over expenditures	349,793	3,662,987	3,313,194
OTHER FINANCING (USES)			
Transfer out	(632,927)	(627,039)	5,888
Net change in fund balance	(283,134)	3,035,948	3,319,082
FUND BALANCE, January 1	24,216,356	24,216,356	-
FUND BALANCE, December 31	\$ 23,933,222	\$ 27,252,304	\$ 3,319,082

WATER ACQUISITION SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP) BASIS AND ACTUAL
For the Year Ended December 31, 2017

	Final Budget	Actual	Variance From Final Budget
REVENUES			
Charges for services	\$ 5,000	\$ 580,091	\$ 575,091
Investment income	25,200	34,028	8,828
<hr/>			
Total revenues	30,200	614,119	583,919
EXPENDITURES			
Municipal utility systems	168,614	29,227	139,387
Net change in fund balance	(138,414)	584,892	723,306
<hr/>			
FUND BALANCE, January 1	6,219,730	6,219,730	-
<hr/>			
FUND BALANCE, December 31	\$ 6,081,316	\$ 6,804,622	\$ 723,306

RAW WATER STORAGE RESERVE SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP) BASIS AND ACTUAL
For the Year Ended December 31, 2017

	Final Budget	Actual	Variance From Final Budget
REVENUES			
Investment income	\$ 1,500	\$ 2,271	771
Net change in fund balance	1,500	2,271	771
FUND BALANCE, January 1	413,902	413,902	-
FUND BALANCE, December 31	\$ 415,402	\$ 416,173	771

SEWER CONSTRUCTION SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP) BASIS AND ACTUAL
For the Year Ended December 31, 2017

	Final Budget	Actual	Variance From Final Budget
REVENUES			
Licenses and permits	\$ 1,529,900	\$ 2,234,310	\$ 704,410
Developer participation	-	14,690	14,690
Investment income	10,200	35,565	25,365
Total revenues	1,540,100	2,284,565	744,465
EXPENDITURES			
Municipal utility systems	2,600	1,454	1,146
Capital Outlay	3,142,102	2,359,368	782,734
Total Expenditures	3,144,702	2,360,822	783,880
Excess of revenues over (under) expenditures	(1,604,602)	(76,257)	1,528,345
OTHER FINANCING (USES)			
Transfer out			
Sewer Fund	(527,276)	(527,276)	-
Art in Public Places fund	(31,733)	(19,003)	12,730
Total other financing (uses)	(559,009)	(546,279)	12,730
Net change in fund balance	(2,163,611)	(622,536)	1,541,075
FUND BALANCE, January 1	6,142,809	6,142,809	-
FUND BALANCE, December 31	\$ 3,979,198	\$ 5,520,273	\$ 1,541,075

LIBRARY SERVICES SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP) BASIS AND ACTUAL
For the Year Ended December 31, 2017

	Final Budget	Actual	Variance From Final Budget
REVENUES			
Intergovernmental	\$ 67,046	\$ 23,184	(43,862)
Investment income	450	391	(59)
Private grants/donations	69,000	64,887	(4,113)
Miscellaneous	20,000	13,959	(6,041)
Total revenues	156,496	102,421	(54,075)
EXPENDITURES			
Culture and recreation	95,045	70,901	24,144
Excess revenues over expenditures	61,451	31,520	(29,931)
OTHER FINANCING (USES)			
Transfer out General fund	(20,500)	(18,054)	2,446
Net change in fund balance	40,951	13,466	(27,485)
FUND BALANCE, January 1	165,145	165,145	-
FUND BALANCE, December 31	\$ 206,096	\$ 178,611	(27,485)

MUSEUM SERVICES SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP) BASIS AND ACTUAL
For the Year Ended December 31, 2017

	Final Budget	Actual	Variance From Final Budget
REVENUES			
Intergovernmental	\$ 181,218	\$ 29,850	\$ (151,368)
Charges for services	103,000	128,710	25,710
Investment income	-	612	612
Private grants/donations	90,450	83,018	(7,432)
Miscellaneous	4,000	1,692	(2,308)
Total revenues	378,668	243,882	(134,786)
EXPENDITURES			
Culture and recreation	408,370	235,853	172,517
Capital Outlay	89,922	-	89,922
Total Expenditures	498,292	235,853	262,439
Excess revenues over (under) expenditures	(29,702)	8,029	37,731
OTHER FINANCING (USES)			
Transfer in	100,193	115,509	(15,316)
Total other financing sources (uses)	100,193	115,509	(15,316)
Net change in fund balance	70,491	123,538	53,047
FUND BALANCE, January 1	10,278	10,278	-
FUND BALANCE, December 31	\$ 80,769	\$ 133,816	\$ 53,047

HISTORICAL PRESERVATION SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP) BASIS AND ACTUAL
For the Year Ended December 31, 2017

	Final Budget	Actual	Variance From Final Budget
REVENUES			
Licenses and permits	\$ -	\$ 1,500	\$ 1,500
Investment income	-	69	69
<hr/>			
Total revenues	-	1,569	1,569
Net change in fund balance	-	1,569	1,569
<hr/>			
FUND BALANCE, January 1	11,860	11,860	-
<hr/>			
FUND BALANCE, December 31	\$ 11,860	\$ 13,429	\$ 1,569

CALLAHAN HOUSE SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP) BASIS AND ACTUAL
For the Year Ended December 31, 2017

	Final Budget	Actual	Variance From Final Budget
REVENUES			
Charges for services	\$ 47,900	\$ 65,889	\$ 17,989
Investment income	200	249	49
Private grants/donations	-	573	573
Total revenues	48,100	66,711	18,611
EXPENDITURES			
Culture and recreation	141,703	131,287	10,416
Excess of revenues (under) expenditures	(93,603)	(64,576)	29,027
OTHER FINANCING SOURCES			
Transfer in General fund	84,056	84,056	-
Net change in fund balance	(9,547)	19,480	29,027
FUND BALANCE, January 1	33,002	33,002	-
FUND BALANCE, December 31	\$ 23,455	\$ 52,482	\$ 29,027

SENIOR SERVICES SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP) BASIS AND ACTUAL
For the Year Ended December 31, 2017

	Final Budget	Actual	Variance From Final Budget
REVENUES			
Charges for services	\$ 207,500	\$ 229,468	\$ 21,968
Investment income	-	1,528	1,528
Private grants/donations	171,471	129,519	(41,952)
Miscellaneous	5,500	2,329	(3,171)
Total revenues	384,471	362,844	(21,627)
EXPENDITURES			
Culture and recreation	340,231	331,763	8,468
Excess of revenues over expenditures	44,240	31,081	(13,159)
OTHER FINANCING (USES)			
Transfer out	(59,769)	(59,769)	-
Net change in fund balance	(15,529)	(28,688)	(13,159)
FUND BALANCE, January 1	274,925	274,925	-
FUND BALANCE, December 31	\$ 259,396	\$ 246,237	(13,159)

PARKS GRANTS AND DONATIONS SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP) BASIS AND ACTUAL
For the Year Ended December 31, 2017

	Final Budget	Actual	Variance From Final Budget
REVENUES			
Intergovernmental	\$ 657,044	\$ -	(657,044)
Investment income	-	3,408	3,408
Private grants/donations	2,600	2,600	-
Total revenues	659,644	6,008	(653,636)
EXPENDITURES			
Culture and recreation	9,167	8,284	883
Capital Outlay	657,044	-	657,044
Total Expenditures	666,211	8,284	657,927
Net change in fund balance	(6,567)	(2,276)	4,291
Excess of revenues over (under) expenditures and other financing uses	(6,567)	(2,276)	4,291
FUND BALANCE, January 1	622,288	622,288	-
FUND BALANCE, December 31	\$ 615,721	\$ 620,012	\$ 4,291

AFFORDABLE HOUSING SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP) BASIS AND ACTUAL
For the Year Ended December 31, 2017

	Final Budget	Actual	Variance From Final Budget
REVENUES			
Investment income	\$ -	\$ 50,922	\$ 50,922
Charges for services	-	75	75
Miscellaneous	125,000	118,034	(6,966)
Total revenues	125,000	169,031	44,031
EXPENDITURES			
General government	1,133,324	284,817	848,507
Excess of revenues (under) expenditures	(1,008,324)	(115,786)	892,538
OTHER FINANCING SOURCES			
Transfer in			
General fund	792,315	792,315	-
Total other financing sources	792,315	792,315	-
Net change in fund balance	(216,009)	676,529	892,538
FUND BALANCE, January 1	906,436	906,436	-
FUND BALANCE, December 31	\$ 690,427	\$ 1,582,965	\$ 892,538

OPEN SPACE SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP) BASIS AND ACTUAL
For the Year Ended December 31, 2017

	Final Budget	Actual	Variance From Final Budget
REVENUES			
Taxes	\$ 3,982,559	\$ 4,156,190	\$ 173,631
Intergovernmental	3,686,514	2,677,164	(1,009,350)
Investment income	6,953	54,592	47,639
Miscellaneous	220,324	73,413	(146,911)
Total revenues	7,896,350	6,961,359	(934,991)
EXPENDITURES			
Current:			
Culture and Recreation	934,282	829,967	104,315
Capital Outlay	9,269,889	2,589,161	6,680,728
Debt Service:			
Bond principal retired	1,170,000	1,170,000	-
Interest and fiscal charges	975,414	975,414	-
Total expenditures	12,349,585	5,564,541	6,785,044
Excess of revenues over (under) expenditures	(4,453,235)	1,396,818	5,850,053
OTHER FINANCING SOURCES (USES)			
Transfers out			
Art in Public Places Fund	(41,270)	-	41,270
General Fund	(364)	(364)	-
Total other financing sources (uses)	(41,634)	(364)	41,270
Net changes in fund balance	(4,494,869)	1,396,454	5,891,323
FUND BALANCE, January 1	8,236,985	8,236,985	-
FUND BALANCE, December 31	\$ 3,742,116	\$ 9,633,439	\$ 5,891,323

PUBLIC SAFETY SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP) BASIS AND ACTUAL
For the Year Ended December 31, 2017

	Final Budget	Actual	Variance From Final Budget
REVENUES			
Taxes	\$ 6,471,659	\$ 6,753,823	\$ 282,164
Intergovernmental	320,723	470,343	149,620
Charges for service	69,300	43,761	(25,539)
Investment income	11,634	5,993	(5,641)
Miscellaneous	705	6,278	5,573
Total revenues	6,874,021	7,280,198	406,177
EXPENDITURES			
Current:			
Public Safety	6,719,852	7,092,432	(372,580)
Culture and recreation	213,573	174,743	38,830
Capital Outlay	981,307	118,600	862,707
Total expenditures	7,914,732	7,385,775	528,957
Excess of revenues over (under) expenditures	(1,040,711)	(105,577)	935,134
OTHER FINANCING SOURCES (USES)			
Transfers out			
Art in Public Places fund	(138)	-	138
General Fund	(8,103)	(8,102)	1
Other funds	-	(77,850)	(77,850)
Proceeds from Advance	383,485	-	(383,485)
Total other financing sources (uses)	375,244	(85,952)	(461,196)
Net changes in fund balance	(665,467)	(191,529)	473,938
FUND BALANCE, January 1	1,402,393	1,402,393	-
FUND BALANCE, December 31	\$ 736,926	\$ 1,210,864	\$ 473,938

LODGERS' TAX SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP) BASIS AND ACTUAL
For the Year Ended December 31, 2017

	Final Budget	Actual	Variance From Final Budget
REVENUES			
Taxes	\$ 381,549	\$ 419,936	\$ 38,387
Investment income	-	185	185
Total revenues	381,549	420,121	38,572
EXPENDITURES			
Culture and recreation	387,550	387,550	-
Capital Outlay	72,144	-	72,144
Total Expenditures	459,694	387,550	72,144
Excess of revenues over (under) expenditures	(78,145)	32,571	110,716
OTHER FINANCING (USES)			
Transfers out			
Art in Public Places fund	(726)	-	726
Net changes in fund balance	(78,871)	32,571	111,442
FUND BALANCE, January 1	123,904	123,904	-
FUND BALANCE, December 31	\$ 45,033	\$ 156,475	\$ 111,442

PROBATION SERVICES SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP) BASIS AND ACTUAL
For the Year Ended December 31, 2017

	Final Budget	Actual	Variance From Final Budget
REVENUES			
Fines and forfeits	\$ 50,000	\$ 41,695	\$ (8,305)
Investment income	400	564	164
Total revenues	50,400	42,259	(8,141)
EXPENDITURES			
General government	83,680	37,530	46,150
Excess of revenues over (under) expenditures	(33,280)	4,729	38,009
Net changes in fund balance	(33,280)	4,729	38,009
FUND BALANCE, January 1	99,392	99,392	-
FUND BALANCE, December 31	\$ 66,112	\$ 104,121	\$ 38,009

PARK/GREENWAY MAINTENANCE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP) BASIS AND ACTUAL
For the Year Ended December 31, 2017

	Final Budget	Actual	Variance From Final Budget
REVENUES			
Charges for service	\$ 923,438	\$ 991,791	\$ 68,353
Intergovernmental	2,276,466	2,196,861	(79,605)
Investment income	1,225	21,548	20,323
Total revenues	3,201,129	3,210,200	9,071
EXPENDITURES			
Culture and recreation	2,641,623	37,212	2,604,411
Capital Outlay	4,168,750	2,688,813	1,479,937
Total Expenditures	6,810,373	2,726,025	4,084,348
Excess of revenues (under) expenditures	(3,609,244)	484,175	4,093,419
OTHER FINANCING (USES)			
Transfers out			
Art in Public Places fund	(26,586)	(1,030)	25,556
Total other financing sources (uses)	(26,586)	(1,030)	25,556
Net change in fund balance	(3,635,830)	483,145	4,118,975
FUND BALANCE, January 1	4,438,983	4,438,983	-
FUND BALANCE, December 31	\$ 803,153	\$ 4,922,128	\$ 4,118,975

TRAFFIC SAFETY SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP) BASIS AND ACTUAL
For the Year Ended December 31, 2017

	Final Budget	Actual	Variance From Final Budget
REVENUES			
Charges for services	\$ 17,824	\$ 11,142	\$ (6,682)
Investment income	-	79	79
Total revenues	17,824	11,221	(6,603)
EXPENDITURES			
Public safety	27,312	15,366	11,946
Net change in fund balance	(9,488)	(4,145)	5,343
FUND BALANCE, January 1	17,824	17,824	-
FUND BALANCE, December 31	\$ 8,336	\$ 13,679	\$ 5,343

MUSEUM TRUST SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP) BASIS AND ACTUAL
For the Year Ended December 31, 2017

	Final Budget	Actual	Variance From Final Budget
REVENUES			
Charges for services	\$ 36,000	\$ 31,381	\$ (4,619)
Investment income	-	194	194
Private grants/donations	-	2,600	2,600
Miscellaneous	-	1,468	1,468
Total revenues	36,000	35,643	(358)
EXPENDITURES			
Culture and recreation	36,000	30,495	5,505
Excess of revenues over expenditures	-	5,148	5,148
FUND BALANCE, January 1	41,139	41,139	-
FUND BALANCE, December 31	\$ 41,139	\$ 46,287	\$ 5,148

JONES FOUNDATION TRUST SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP) BASIS AND ACTUAL
For the Year Ended December 31, 2017

	Final Budget	Actual	Variance From Final Budget
REVENUES			
Investment income	\$ -	\$ 338	\$ 338
Net change in fund balance	-	338	338
FUND BALANCE, January 1	61,562	61,562	-
FUND BALANCE, December 31	\$ 61,562	\$ 61,900	338

LONGMONT URBAN RENEWAL AUTHORITY FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP) BASIS AND ACTUAL
For the Year Ended December 31, 2017

	Final Budget	Actual	Variance From Final Budget
REVENUES			
Taxes	\$ 1,493,220	\$ 2,475,663	\$ 982,443
Investment income	-	1,232	1,232
Total revenues	1,493,220	2,476,895	983,675
EXPENDITURES			
General government	101,501	278,357	(176,856)
Excess of revenues over expenditures	1,391,719	2,198,538	806,819
OTHER FINANCING SOURCES			
Transfers out	(2,400,000)	(2,197,323)	202,677
Total other financing sources	(2,400,000)	(2,197,323)	202,677
Net change in fund balance	(1,008,281)	1,215	1,009,496
FUND BALANCE, January 1	5,708	5,708	-
FUND BALANCE, December 31	\$ (1,002,573)	\$ 6,923	\$ 1,009,496

VILLAGE AT THE PEAKS SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP) BASIS AND ACTUAL
For the Year Ended December 31, 2017

	Final Budget	Actual	Variance From Final Budget
REVENUES			
Taxes	\$ 436,811	\$ 228,753	\$ (208,058)
Investment income	-	7,643	7,643
Total revenues	436,811	236,396	(200,415)
EXPENDITURES			
Current:			
General government	250	3,291	(3,041)
COP Principal Payment	595,000	595,000	-
Interest on Lease payments	1,272,455	1,272,455	-
Total expenditures	1,867,705	1,870,746	(3,041)
Excess of revenues over (under) expenditures	(1,430,894)	(1,634,350)	(203,456)
OTHER FINANCING SOURCES (USES)			
Transfers in	1,469,237	2,197,323	728,086
Total other financing sources (uses)	1,469,237	2,197,323	728,086
Net changes in fund balance	38,343	562,973	524,630
FUND BALANCE, January 1	3,473	3,473	-
FUND BALANCE, December 31	\$ 41,816	\$ 566,446	\$ 524,630

MOSHER/KANEMOTO/STEWART TRUST PERMANENT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP) BASIS AND ACTUAL
For the Year Ended December 31, 2017

	Final Budget	Actual	Variance From Final Budget
REVENUES			
Investment income	\$ -	\$ 6,563	6,563
Private donations		40,000	40,000
<hr/>			
Net change in fund balance	-	46,563	46,563
<hr/>			
FUND BALANCE, January 1	1,167,643	1,167,643	-
<hr/>			
FUND BALANCE, December 31	\$ 1,167,643	\$ 1,214,206	46,563



The Longmont Museum and Stewart Auditorium

CAPITAL PROJECTS FUND

Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary Funds and Trust Funds).

Public Improvement Fund The Public Improvement Fund is financed from sales tax revenues. The portion of City sales tax collected and earmarked for this fund is accomplished by City ordinance. Various capital projects are financed by the Public Improvement Fund.

**PUBLIC IMPROVEMENT CAPITAL PROJECTS FUND
PROJECT-LENGTH SCHEDULE OF CONSTRUCTION PROJECTS
Beginning of Projects to December 31, 2017**

Project Number	Project	Appropriations	
		Budget Carryforward	2017
TRANSFERS			
	DDA Building Permits	\$ 9,577	\$ 3,000
	Art Transfers	48,046	32,771
		57,623	35,771
PUBLIC IMPROVEMENTS CAPITAL PROJECTS			
	Debt Service - Principal	29,270,230	2,370,010
	Debt Service - Interest	25,182,803	378,103
	Fiscal Charges	60,435	1,550
	Neighborhood Improvement Program	980,000	40,000
	Economic Development Incentives	37,748	
PBF001	Municipal Building Roof Improvements	4,171,774	261,223
PBF002	ADA Facility Improvements	1,452,820	207,241
PBF037	Fire Stations-Heat & Exhaust	1,071,239	245,500
PBF080	Municipal Building Boilers	1,153,788	112,270
PBF082	Municipal Buildings HVAC	3,649,486	364,620
PBF109	Parking Lot Rehabilitation	895,337	121,770
PBF119	Municipal Buildings Carpet	1,451,940	216,000
PBF145	Specialized Equipment Replacement	1,944,920	204,630
PBF153	Museum Auditorium	5,557,269	
PBF160	Municipal Buildings Auto Door Gate	60,000	10,000
PBF163	Municipal Buildings Keyless Entry		13,000
PBF165	Municipal Buildings Emergency Generator	177,600	
PBF181	UPS Repair/Replacement	211,614	24,450
PBF185	Rec Center Facility Imprvmt	136,350	
PBF189	Municipal Buildings Exterior Maintenance	106,800	17,500
PBF190	Municipal Buildings Interior Maintenance	148,924	35,400
PBF200	Civic Center Rehabilitation	950,000	1,611,538
PBF207	Museum Collection Storage Facility	901,750	
PRO056	Park Bldg Rehab Replace	484,459	
PRO102	Swimming and Wading Pool Improvements	5,521,365	272,916
PRO113	Park Irrigation Pumps	1,048,750	55,000
PRO121	Parks Ponds Dredging	49,490	82,500
PRO136	Parks Bridge Replacement	508,077	
PRO143	Garden Acres Park Renewal		
PRO186	Sport Court Reconstruction	1,314,617	366,934
PRO192	Park Greenway Misc Asset Renewal		
TRP128	County Rd 26 Improvements County Line to Union		110,000
TRP131	1st & Main Transit Station Area Imp		
WTR173	Raw Water Irrigation Planning and Construction		48,090
	Public Safety Radios	1,860,196	2,317,250
	Completed Projects	37,347,893	-
		127,707,674	9,487,495
CAPITAL PROJECTS FUND TOTAL		\$ 127,765,297	\$ 9,523,266

Transfers (to) from					
Other Projects	Fund Balance	Expenditures Prior	2017	Unexpended Balance	
\$ 48,225	\$ 261,860	\$ 294,291	\$ 28,371	\$ -	
446,288	6,811	500,445	13,835	19,636	
494,513	268,671	794,736	42,206	19,636	
14,990	-	29,285,230	2,370,000	-	
3,253	(915,493)	24,270,553	378,113	-	
22,276	(21,211)	40,020	23,030	-	
11,347	(50,000)	879,916	26,774	74,657	
(15,231)	25,813	20,498	23,550	4,282	
(83,144)	(470,972)	3,074,935	51,896	752,050	
115,637	(25,000)	1,257,358	12,535	480,805	
(13,034)	(71,995)	980,206	110,357	141,147	
(128,858)	(195,512)	818,615	71,753	51,320	
(312,272)	(258,369)	2,957,603	350,428	135,434	
(46,910)	(90,155)	742,532	15,194	122,316	
(111,158)	(166,743)	1,260,012	96,134	33,893	
(132,326)	(90,975)	1,568,227	140,342	217,680	
194,994	(1,692,367)	3,929,387		130,509	
(15,339)	-	34,310	9,805	10,546	
			2,780	10,220	
(32,086)	-	145,514		-	
(11,463)	(62,620)	130,821	15,074	16,086	
42,616	-	133,886		45,080	
(10,920)	-	94,562	18,624	194	
(12,518)	-	136,406	19,628	15,772	
681,230	949,178	120,429	443,611	3,627,906	
(857,121)	-	44,629		-	
6,328	-	474,781	15,166	840	
(101,675)	(423,505)	4,813,283	258,934	196,884	
94,699	(54,850)	963,417	158,975	21,207	
-	(881)	48,609	47,794	34,706	
(61,263)	(95,021)	232,708		119,085	
194,319			58,511	135,808	
(213,127)	9,330	1,285,739	71,900	120,115	
	69,300		50,363	18,937	
			91,700	18,300	
857,121				857,121	
(48,090)				-	
	(2,246,745)	-	1,930,701	-	
(32,275)	(13,274,118)	24,041,500		-	
-	(19,152,911)	103,785,686	6,863,672	7,392,900	
\$ 494,513	\$ (18,884,240)	\$ 104,580,422	\$ 6,905,878	\$ 7,412,536	



Twin Peaks Golf Course

NONMAJOR ENTERPRISE FUNDS

These funds are established to finance and account for the acquisition, operation and maintenance of governmental facilities and services that are entirely or predominantly self-supporting from user charges. The Nonmajor Enterprise Funds consist of the Sanitation, Golf, and Airport Funds.

**COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS
December 31, 2017**

	Sanitation	Golf	Airport	TOTALS
ASSETS				
Current assets:				
Equity in pooled cash & cash equivalents	\$ 3,597,716	\$ 1,763,159	\$ 328,651	\$ 5,689,526
Cash and cash equivalents	262,955	-	-	262,955
Accounts receivable (net of allowance for doubtful accounts)	1,115,632	2,337	-	1,117,969
Grants receivable	173,023	-	-	173,023
Loans receivable	-	-	-	-
Accrued interest receivable	8,174	4,283	766	13,223
Advance to other funds	-	-	-	-
Prepaid expenses	219	-	-	219
Total current assets	5,157,719	1,769,779	329,417	7,256,915
Property, plant and equipment:				
Land and water rights	559,413	8,323,594	3,137,748	12,020,755
Construction in progress	4,216,530	238,598	278,102	4,733,230
Buildings	1,424,083	1,826,029	124,362	3,374,474
Improvements (other than buildings)	600,824	1,045,511	3,959,082	5,605,417
Equipment	3,090,031	218,219	13,994	3,322,244
Total property and equipment	9,890,881	11,651,951	7,513,288	29,056,120
Less - accumulated depreciation	3,785,936	1,448,562	1,843,298	7,077,796
Net property and equipment	6,104,945	10,203,389	5,669,990	21,978,324
Total assets	11,262,664	11,973,168	5,999,407	29,235,239
DEFERRED OUTFLOW OF RESOURCES				
City Contributions Subsequent to the Measurement Date	97,972	42,196	7,075	147,243
Investment Earnings less than Expected	292,620	131,331	21,691	445,642
Actual experience less than expected experience	34,946	15,684	2,590	53,220
Total deferred outflows of resources	425,538	189,211	31,356	646,105
Total assets and deferred outflows of resources	\$ 11,688,202	\$ 12,162,379	\$ 6,030,763	\$ 29,881,344

(continued)

COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS
December 31, 2017

	Sanitation	Golf	Airport	TOTALS
LIABILITIES AND NET POSITION				
Current liabilities:				
Payable from current assets:				
Accounts payable	\$ 227,763	\$ 73,914	\$ 2,912	\$ 304,589
Construction contracts payable	145,885	-	923	146,808
Accrued liabilities	65,336	23,474	4,370	93,180
Accrued sick and vacation - current portion	17,901	15,643	1,107	34,651
Advances from other funds - current portion	-	177,054	-	177,054
Total current liabilities	456,885	290,085	9,312	756,282
Long-term liabilities:				
Net other post employment benefit obligation	9,498	4,918	679	15,095
Net pension liability	600,328	268,771	42,677	911,776
Accrued sick and vacation	101,439	88,641	6,270	196,350
Advances from other funds	-	588,015	-	588,015
Net long-term liabilities	711,265	950,345	49,626	1,711,236
Total liabilities	1,168,150	1,240,430	58,938	2,467,518
Net position:				
Net investment in capital assets	5,959,060	10,203,389	5,669,067	21,831,516
Unrestricted	4,560,992	718,560	302,758	5,582,310
Total net position	10,520,052	10,921,949	5,971,825	27,413,826
Total liabilities and net position	\$ 11,688,202	\$ 12,162,379	\$ 6,030,763	\$ 29,881,344

**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
NONMAJOR ENTERPRISE FUNDS
Year Ended December 31, 2017**

	Sanitation	Golf	Airport	TOTALS
OPERATING REVENUES				
Charges for services	\$ 8,406,781	\$ 2,779,528	\$ 420,228	\$ 11,606,537
OPERATING EXPENSES				
Administration	315,336	159,497	167,742	642,575
Maintenance/development	-	1,987,660	62,678	2,050,338
Trash collection	5,937,196	-	-	5,937,196
Landfill	29,435	-	-	29,435
Depreciation	52,579	85,033	263,681	401,293
Administrative fees	585,762	139,334	173,755	898,851
Total operating expenses	6,920,308	2,371,524	667,856	9,959,688
Operating income (loss)	1,486,473	408,004	(247,628)	1,646,849
NON-OPERATING REVENUES (EXPENSES)				
Investment income	9,936	8,731	1,675	20,342
Miscellaneous	52,350	12	12,504	64,866
Intergovernmental	2,467,387	-	-	2,467,387
Interest expense	-	(11,588)	-	(11,588)
Net non-operating revenues (expenses)	2,529,673	(2,845)	14,179	2,541,007
Change in net position before transfers and capital contributions	4,016,146	405,159	(233,449)	4,187,856
CAPITAL CONTRIBUTIONS	-	-	27,185	27,185
TRANSFERS				
Transfers out	(26,388)	(8,583)	-	(34,971)
Change in net position	3,989,758	396,576	(206,264)	4,180,070
TOTAL NET POSITION-January 1	6,530,294	10,525,373	6,178,089	23,233,756
TOTAL NET POSITION-December 31	\$ 10,520,052	\$ 10,921,949	\$ 5,971,825	\$ 27,413,826

COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
For the Year Ended December 31, 2017

	Sanitation	Golf	Airport	TOTALS
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers	\$ 10,452,232	\$ 2,777,953	\$ 433,692	\$ 13,663,877
Cash paid to suppliers	(4,349,963)	(1,065,720)	(255,095)	(5,670,778)
Cash paid to employees	(2,218,025)	(1,126,917)	(141,667)	(3,486,609)
Net cash provided by operating activities	3,884,244	585,316	36,930	4,506,490
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES				
Transfers out	(26,388)	(8,583)	-	(34,971)
Repayment of advances	-	(177,082)	-	(177,082)
Net cash (used) by non-capital financing activities	(26,388)	(185,665)	-	(212,053)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition and construction of capital assets	(2,947,745)	(178,111)	(279,665)	(3,405,521)
Lease/loan interest paid	-	(11,588)	-	(11,588)
Contributed capital received	-	-	260,310	260,310
Net cash provided (used) by capital and related financing activities	(2,947,745)	(189,699)	(19,355)	(3,156,799)
CASH FLOWS FROM INVESTING ACTIVITIES				
Investment income received (paid)	7,552	8,166	1,473	17,191
Net cash provided by investing activities	7,552	8,166	1,473	17,191
Net increase (decrease) in cash and cash equivalents	917,663	218,118	19,048	1,154,829
CASH AND CASH EQUIVALENTS, January 1	2,943,008	1,545,041	309,603	4,797,652
CASH AND CASH EQUIVALENTS, December 31	\$ 3,860,671	\$ 1,763,159	\$ 328,651	\$ 5,952,481

(continued)

**COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
For the Year Ended December 31, 2017**

	Sanitation	Golf	Airport	TOTALS
RECONCILIATION OF NET OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES				
Net operating income (loss)	\$ 1,486,473	\$ 408,004	\$ (247,628)	\$ 1,646,849
Adjustments to reconcile net operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	52,579	85,033	263,681	401,293
Miscellaneous income (expense)	52,350	12	12,504	64,866
Intergovernmental operating income	2,467,387	-	-	2,467,387
Change in assets and liabilities:				
(Increase) decrease in accounts receivable	(317,594)	(1,587)	960	(318,221)
(Increase) decrease in intergovernmental receivable	(156,692)	-	-	(156,692)
(Increase) decrease in prepaid expense	283,124	-	-	283,124
Increase (decrease) in deferred outflow- Contributions after the measurement date	(12,461)	(3,818)	(737)	(17,016)
Increase (decrease) in accounts payable	(127,146)	62,197	(3,901)	(68,850)
Increase (decrease) in accrued liabilities	4,767	(2,152)	226	2,841
Increase (decrease) in accrued sick and vacation - current portion	3,164	(3,132)	325	357
Increase (decrease) in net other post employment benefit obligation	86	40	6	132
Increase (decrease) in net pension liability	264,300	114,399	11,845	390,544
Increase (decrease) in actual experience greater/less than expected	15,529	7,147	1,477	24,153
Increase (decrease) in investment earnings greater/less than expected	(149,550)	(63,074)	(3,664)	(216,288)
Increase (decrease) in accrued sick and vacation - long-term portion	17,928	(17,753)	1,836	2,011
Increase (decrease) in deposits/unearned revenue			-	-
Total adjustments	2,397,771	177,312	284,558	2,859,641
Net cash provided by operating activities	\$ 3,884,244	\$ 585,316	\$ 36,930	\$ 4,506,490
RECONCILIATION OF CASH AND CASH EQUIVALENTS PER STATEMENT OF CASH FLOWS TO THE STATEMENT OF NET POSITION				
Per Statement of net position:				
Equity in pooled cash and cash equivalents	\$ 3,860,671	\$ 1,763,159	\$ 328,651	\$ 5,952,481
Cash and Cash Equivalents per statement of cash flows	\$ 3,860,671	\$ 1,763,159	\$ 328,651	\$ 5,952,481
NON-CASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES				
The following non-cash transactions occurred during 2017:				
Change in contracts payable for purchase of capital assets	(92,353)	1,517	(256,919)	(347,755)
Total non-cash transactions	\$ (226,374)	\$ (54,410)	\$ (259,106)	\$ (539,890)

**SANITATION ENTERPRISE FUND
SCHEDULE OF REVENUES AND EXPENSES -
BUDGET (LEGAL BASIS) AND ACTUAL
For the Year Ended December 31, 2017**

	Budget	Actual	Variance From Budget
REVENUES			
Charges for services	\$ 8,568,000	\$ 8,406,781	\$ (161,219)
Intergovernmental	2,798,350	2,467,387	(330,963)
Investment income	11,363	9,936	(1,427)
Miscellaneous	46,000	52,350	6,350
Total revenues	11,423,713	10,936,454	(487,259)
EXPENSES			
Administration	329,281	315,336	13,945
Landfill operations	15,450	29,435	(13,985)
Trash removal	3,914,871	4,207,245	(292,374)
Special trash pickup	1,027,067	1,018,174	8,893
Curbside recycling	1,340,890	1,297,539	43,351
Transfers out	27,527	26,388	1,139
Total operations	6,655,086	6,894,117	(239,031)
Capital outlay	4,020,930	2,855,391	1,165,539
Total expenses	10,676,016	9,749,508	926,508
Excess of revenues over (under) expenses	\$ 747,697	1,186,946	\$ 439,249
RECONCILIATION TO NET (LOSS) (GAAP BASIS)			
Add: Additions to plant and equipment			
Capital outlay		2,855,391	
Less: Depreciation		52,579	
Net income (GAAP basis)		\$ 3,989,758	

GOLF ENTERPRISE FUND
SCHEDULE OF REVENUES AND EXPENSES -
BUDGET (LEGAL BASIS) AND ACTUAL
For the Year Ended December 31, 2017

	Budget	Actual	Variance From Budget
REVENUES			
Charges for services	\$ 2,560,300	\$ 2,779,528	\$ 219,228
Investment income	3,300	8,731	5,431
Miscellaneous	-	12	12
Total revenues	2,563,600	2,788,271	224,671
EXPENSES			
Administration	324,832	298,831	26,001
Course maintenance/development	2,016,060	1,987,660	28,400
Transfers out	13,559	8,583	4,976
Total operations	2,354,451	2,295,074	59,377
Debt service	194,658	188,671	5,987
Capital outlay	455,266	176,594	278,672
Total expenses	3,004,375	2,660,339	344,036
Excess of revenues (under) expenses	\$ (440,775)	127,932	\$ 568,707
RECONCILIATION TO NET INCOME (GAAP BASIS)			
Add: Additions to plant and equipment			
Capital outlay		176,594	
Principal payments capital leases		177,083	
		353,677	
Less: Depreciation		85,033	
Net income (GAAP basis)		\$ 396,576	

AIRPORT ENTERPRISE FUND
SCHEDULE OF REVENUES AND EXPENSES -
BUDGET (LEGAL BASIS) AND ACTUAL
For the Year Ended December 31, 2017

	Budget	Actual	Variance From Budget
REVENUES			
Charges for services	\$ 541,990	\$ 420,228	\$ (121,762)
Intergovernmental	32,576	27,185	(5,391)
Investment income	-	1,675	1,675
Miscellaneous	8,000	12,504	4,504
Total revenues	582,566	461,592	(120,974)
EXPENSES			
Administration	330,931	341,497	(10,565)
Maintenance	79,700	62,678	17,022
Transfers out	2,850	-	2,850
Total operations	413,481	404,175	9,306
Capital outlay	41,084	22,746	18,338
Total expenses	454,565	426,921	27,644
Excess of revenue over (under) expenses	\$ 128,001	34,671	\$ (93,330)
RECONCILIATION TO NET INCOME (GAAP BASIS)			
Add: Capital outlay		22,746	
Less: Depreciation		263,681	
Net income (GAAP basis)		\$ (206,264)	

MAJOR ENTERPRISE FUNDS

These funds are established to finance and account for the acquisition, operation and maintenance of governmental facilities and services that are entirely or predominantly self-supporting by user charges. The Major Enterprise Funds are the Electric and Broadband, Water, Sewer, and Storm Drainage funds.

ELECTRIC AND BROADBAND ENTERPRISE FUND
SCHEDULE OF REVENUES AND EXPENSES -
BUDGET (LEGAL BASIS) AND ACTUAL
For the Year Ended December 31, 2017

	Budget	Actual	Variance From Budget
REVENUES			
Charges for services	\$ 80,840,290	\$ 76,895,890	\$ (3,944,400)
Intergovernmental	-	101,200	101,200
Investment income	65,000	81,719	16,719
Miscellaneous	93,272	124,219	30,947
Aid to underground installation	4,400,000	3,509,517	(890,483)
Other sales	81,000	90,730	9,730
Transfers in	19,835	19,835	-
Total revenues	78,234,397	80,823,110	2,588,713
EXPENSES			
Administration	6,390,869	5,808,676	582,193
Power purchased	49,962,373	48,120,219	1,842,154
Distribution	11,808,582	10,076,832	1,731,750
Franchise fee	5,393,748	5,228,811	164,937
Transfers out	149,411	517,167	(367,756)
Total operations	73,704,983	69,751,705	3,953,278
Debt service	3,717,013	1,397,512	2,319,501
Capital outlay	15,982,042	13,575,797	2,406,245
Total expenses	93,404,038	84,725,014	8,679,025
Excess of revenues (under) expenses	\$ (15,169,641)	(3,901,904)	\$ 11,267,737
RECONCILIATION TO NET INCOME (GAAP BASIS)			
Add: Additions to plant and equipment			
Capital outlay		13,575,797	
Capitalized salaries and expenses		184,126	
Capitalized interest		1,397,380	
Capital contributions		341,535	
		15,498,838	
		15,498,838	
Less: Depreciation		3,919,443	
		3,919,443	
Net income (GAAP basis)		\$ 7,677,491	

**WATER ENTERPRISE FUND
SCHEDULE OF REVENUES AND EXPENSES -
BUDGET (LEGAL BASIS) AND ACTUAL
For the Year Ended December 31, 2017**

	Budget	Actual	Variance From Budget
REVENUES			
Charges for services	\$ 16,145,296	\$ 17,671,740	\$ 1,526,444
System development fees	-	626,696	626,696
Development fee surcharge	473,900	845,040	371,140
Intergovernmental	5,104,548	2,281,282	(2,823,266)
Investment income - operating	87,600	121,779	34,179
Miscellaneous	45,000	(346,180)	(391,180)
Transfer in	626,696	626,696	-
Total revenues	22,483,040	21,827,053	(655,987)
EXPENSES			
Administration	4,322,964	4,006,433	316,531
Water resources	3,234,153	2,446,794	787,359
Transmission/distribution	2,386,448	2,376,744	9,704
Treatment plant	3,033,448	2,837,839	195,609
Transfer out	105,694	78,223	27,471
Total operations	13,082,707	11,746,033	1,336,674
Debt service	1,183,613	1,334,103	(150,490)
Capital outlay	16,668,348	5,659,382	11,008,966
Total expenses	30,934,668	18,739,518	12,195,150
Excess of revenue over (under) expenses	\$ (8,451,628)	3,087,535	\$ 11,539,163
RECONCILIATION TO NET INCOME (GAAP BASIS)			
Add: Additions to plant and equipment			
Capital outlay		5,659,382	
Capital contributions		3,148,030	
		8,807,412	
Principal retired		1,061,417	
		9,868,829	
Less: Depreciation		4,040,484	
		4,040,484	
Net income (GAAP basis)		\$ 8,915,880	

SEWER ENTERPRISE FUND
SCHEDULE OF REVENUES AND EXPENSES -
BUDGET (LEGAL BASIS) AND ACTUAL
For the Year Ended December 31, 2017

	Budget	Actual	Variance From Budget
REVENUES			
Charges for services	\$ 14,251,100	\$ 14,486,062	\$ 234,962
Intergovernmental	162,076	662,443	500,367
Investment income	30,600	218,714	188,114
Miscellaneous	3,000	63,214	60,214
Transfers in	527,276	527,276	-
Total revenues	14,974,052	15,957,709	983,657
EXPENSES			
Administration	3,037,238	2,655,200	382,038
Sewer collection system	1,495,938	1,170,209	325,729
Sewer disposal plant	4,461,913	3,899,651	562,262
Transfers out	211,707	115,022	96,685
Total operations	9,206,796	7,840,082	1,366,714
Debt service	3,625,293	3,482,443	142,850
Capital outlay	22,119,538	8,499,809	13,619,729
Total expenses	34,951,627	19,822,334	15,129,293
Excess of revenues (under) expenses	\$ (19,977,575)	(3,864,625)	\$ 16,112,950
RECONCILIATION TO NET INCOME (GAAP BASIS)			
Add: Additions to plant and equipment			
Capital outlay		8,499,809	
Capital contributions		3,536,162	
Capitalized interest		1,591,265	
		13,627,236	
Principal retired		1,735,000	
		15,362,236	
Less: Depreciation		3,136,126	
		3,136,126	
Net income (GAAP basis)		\$ 8,361,485	

**STORM DRAINAGE ENTERPRISE FUND
SCHEDULE OF REVENUES AND EXPENSES -
BUDGET (LEGAL BASIS) AND ACTUAL
For the Year Ended December 31, 2017**

	Budget	Actual	Variance From Budget
REVENUES			
Charges for services	\$ 6,729,251	\$ 6,858,415	\$ 129,164
Plant investment fee	230,408	568,223	337,815
Intergovernmental	13,570,246	5,730,043	(7,840,203)
Investment income	15,526	125,541	110,015
Miscellaneous	33,800	247,875	214,075
Total revenues	20,579,231	13,530,097	(7,049,134)
EXPENSES			
Administration	1,955,135	1,597,129	358,006
Engineering	925,975	1,330,519	(404,544)
Maintenance	1,085,378	810,584	274,794
Transfers out	29,614	23,922	5,692
Total operations	3,996,102	3,762,154	233,948
Debt service	2,535,845	2,381,041	154,804
Capital outlay	28,366,904	11,218,185	17,148,719
Total expenses	34,898,851	17,361,380	17,537,471
Excess of revenues over (under) expenses	\$ (14,319,620)	(3,831,283)	\$ 10,488,337
RECONCILIATION TO NET INCOME (GAAP BASIS)			
Add: Additions to plant and equipment			
Capital outlay		11,218,185	
Capitalized interest		819,357	
Capital contributions		1,168,330	
		13,205,872	
Principal retired		1,450,000	
		14,655,872	
Less: Depreciation		1,677,140	
		1,677,140	
Net income (GAAP basis)		\$ 9,147,449	

INTERNAL SERVICE FUNDS

Warehouse Fund	The Warehouse Fund was established to finance and account for the purchase and warehousing of equipment, materials and supplies required by other funds. Amounts expended by this fund are restored when the goods are drawn from inventory or by means of an operating subsidy from the General Fund.
Fleet Fund	The Fleet Fund was established to account for citywide costs related to vehicle purchases and fleet services. All departments using the fleet pay a fleet lease charge that is based on the actual usage of the department.
Self Insurance Fund	The Self Insurance Fund was established to account for the cost of fire, casualty and liability insurance coverage for the City and to pay small claims court judgments against the City on a self-insured basis.
Employee Benefit Fund	The Employee Benefit Fund was established to provide health insurance coverage for municipal employees as well as to account for the cost of long-term disability and life insurance benefits provided to the City's employees.
Workers' Compensation Insurance Fund	The Workers' Compensation Insurance Fund was established by City Council resolution to accumulate and expend funds for Workers' Compensation Insurance premiums and to accumulate dividends received on such premiums.
Unemployment Insurance Fund	The Unemployment Insurance Fund was established to accumulate and expend funds for unemployment benefits paid by the State of Colorado.

COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
December 31, 2017

	Warehouse	Fleet	Self-Insurance
ASSETS			
Current assets:			
Equity in pooled cash & cash equivalents	\$ -	\$ 16,258,884	\$ 3,669,528
Accounts receivable	-	100	-
Accrued interest receivable	-	36,340	8,120
Inventory of materials and supplies	5,572,207	551,559	-
Advance to other funds	-	3,864,468	-
Restricted equity in pooled cash & cash equivalents	-	-	-
Prepaid expenses	-	-	301,610
Total current assets	5,572,207	20,711,351	3,979,258
Loan receivable-component unit	-	146,000	-
Property, plant and equipment:			
Land and water rights	-	401,495	-
Construction in progress	-	2,975,610	-
Buildings	-	1,532,152	-
Improvements (other than buildings)	-	247,493	-
Equipment	-	40,919,476	-
Total property and equipment	-	46,076,226	-
Less - accumulated depreciation	-	25,772,470	-
Net property, plant and equipment	-	20,303,756	-
Total assets	5,572,207	\$ 41,161,107	\$ 3,979,258
DEFERRED OUTFLOWS OF RESOURCES			
City contributions subsequent to the measurement date	-	75,842	-
Investment earnings less than expected	-	227,128	-
Actual experience less than expected experience	-	27,124	-
Total deferred outflows of resources	-	330,094	-
Total assets and deferred outflows of resources	\$ 5,572,207	\$ 41,491,201	\$ 3,979,258
LIABILITIES AND NET POSITION			
Current liabilities:			
Accounts payable	\$ 37,612	\$ 66,323	\$ 181,199
Accrued liabilities	-	49,545	-
Due to other funds	5,534,595	-	-
Claims payable - current portion	-	-	-
Accrued sick and vacation - current portion	-	28,664	-
Total current liabilities	5,572,207	144,532	181,199
Long-term liabilities:			
Net pension liability	-	458,875	-
Net other post employment benefit obligation	-	7,115	-
Claims payable	-	-	612,871
Accrued sick and vacation	-	162,432	-
Net long-term liabilities	-	628,422	612,871
Total liabilities	5,572,207	772,954	794,070
Net position:			
Invested in capital assets	-	20,303,756	-
Restricted for workers' compensation	-	-	-
Restricted for long-term disability	-	-	-
Unrestricted	-	20,414,491	3,185,188
Total net position	-	40,718,247	3,185,188
Total liabilities and net position	\$ 5,572,207	\$ 41,491,201	\$ 3,979,258

Employee Benefit	Workers' Compensation Insurance	Unemployment Insurance	TOTALS
\$ 7,583,042	\$ 1,591,905	\$ 506,533	\$ 29,609,892
1,518	100	-	1,718
16,674	9,456	1,150	71,740
-	-	-	6,123,766
-	-	-	3,864,468
-	2,577,190	-	2,577,190
6,000	94,064	-	401,674
<u>7,607,234</u>	<u>4,272,715</u>	<u>507,683</u>	<u>42,650,448</u>
-	-	-	146,000
-	-	-	401,495
-	-	-	2,975,610
-	-	-	1,532,152
-	-	-	247,493
-	-	-	40,919,476
-	-	-	46,076,226
-	-	-	25,772,470
-	-	-	20,303,756
<u>7,607,234</u>	<u>4,272,715</u>	<u>507,683</u>	<u>63,100,204</u>
-	-	-	75,842
-	-	-	227,128
-	-	-	27,124
-	-	-	330,094
<u>\$ 7,607,234</u>	<u>\$ 4,272,715</u>	<u>\$ 507,683</u>	<u>\$ 63,430,298</u>
\$ 100,975	\$ 18,979	\$ 9,333	\$ 414,421
-	-	-	49,545
-	-	-	5,534,595
-	210,541	-	210,541
-	-	-	28,664
<u>100,975</u>	<u>229,520</u>	<u>9,333</u>	<u>6,237,766</u>
-	-	-	458,875
-	-	-	7,115
-	1,872,022	-	2,484,893
-	-	-	162,432
-	1,872,022	-	3,113,315
<u>100,975</u>	<u>2,101,542</u>	<u>9,333</u>	<u>9,351,081</u>
-	-	-	20,303,756
-	2,577,190	-	2,577,190
325,000	-	-	325,000
<u>7,181,259</u>	<u>(406,017)</u>	<u>498,350</u>	<u>30,873,271</u>
7,506,259	2,171,173	498,350	54,079,217
<u>\$ 7,607,234</u>	<u>\$ 4,272,715</u>	<u>\$ 507,683</u>	<u>\$ 63,430,298</u>

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
December 31, 2017

	Warehouse	Fleet	Self- Insurance
OPERATING REVENUES			
Charges for services	\$ -	\$ 9,196,841	\$ 1,399,628
Warehouse sales	6,831,500	-	-
Contributions	-	-	-
Total operating revenues	6,831,500	9,196,841	1,399,628
OPERATING EXPENSES			
Administration	-	-	13,262
Cost of sales/premiums	6,831,500	-	420,622
Fleet services	-	3,347,874	-
Depreciation	-	4,165,279	-
Administrative fees	-	279,453	112,206
Benefit payments	-	-	-
Claims	-	-	913,228
Total operating expenses	6,831,500	7,792,606	1,459,318
Operating income (loss)	-	1,404,235	(59,690)
NON-OPERATING REVENUES			
Investment income	-	124,063	19,290
Miscellaneous	-	7,400	-
Intergovernmental	-	-	-
Insurance recoveries	-	-	265,970
Gain on disposal of assets	-	588,971	-
Net non-operating revenues	-	720,434	285,260
Income (loss) before transfers	-	2,124,669	225,570
CAPITAL CONTRIBUTIONS			
	-	466,849	-
TRANSFERS			
Transfers in	-	-	-
Transfers out	-	(9,185)	-
Net operating transfers	-	(9,185)	-
Change in net position	-	2,582,333	225,570
TOTAL NET POSITION-January 1	-	38,135,914	2,959,619
TOTAL NET POSITION-December 31	\$ -	\$ 40,718,247	\$ 3,185,189

Employee Benefit	Workers' Compensation Insurance	Unemployment Insurance	TOTALS
\$ 10,640,924	\$ 2,104,631	\$ 120,813	\$ 23,462,837
-	-	-	6,831,500
2,987,712	-	-	2,987,712
<hr/>	<hr/>	<hr/>	<hr/>
13,628,636	2,104,631	120,813	33,282,049
<hr/>	<hr/>	<hr/>	<hr/>
105,082	85,633	-	203,977
12,390,627	145,491	-	19,788,240
-	-	-	3,347,874
-	-	-	4,165,279
-	129,421	-	521,080
458,592	-	-	458,592
-	981,734	17,605	1,912,567
<hr/>	<hr/>	<hr/>	<hr/>
12,954,301	1,342,279	17,605	30,397,609
<hr/>	<hr/>	<hr/>	<hr/>
674,335	762,352	103,208	2,884,440
<hr/>	<hr/>	<hr/>	<hr/>
32,803	20,312	2,308	198,776
79,145	-	-	86,545
21,539	-	-	21,539
-	-	-	265,970
-	-	-	588,971
<hr/>	<hr/>	<hr/>	<hr/>
133,487	20,312	2,308	1,161,801
<hr/>	<hr/>	<hr/>	<hr/>
807,822	782,664	105,516	4,046,241
<hr/>	<hr/>	<hr/>	<hr/>
-	-	-	466,849
<hr/>	<hr/>	<hr/>	<hr/>
77,850	-	-	77,850
-	-	-	(9,185)
<hr/>	<hr/>	<hr/>	<hr/>
77,850	-	-	68,665
<hr/>	<hr/>	<hr/>	<hr/>
885,672	782,664	105,516	4,581,755
<hr/>	<hr/>	<hr/>	<hr/>
6,620,586	1,388,509	392,834	49,497,462
<hr/>	<hr/>	<hr/>	<hr/>
\$ 7,506,258	\$ 2,171,173	\$ 498,350	\$ 54,079,217

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
Year Ended December 31, 2017

	Warehouse	Fleet	Self- Insurance
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers	\$ 9,779,064	\$ 9,204,142	\$ 1,665,596
Cash paid to suppliers	(9,779,064)	(294,258)	(374,520)
Cash paid to employees	-	(1,631,368)	-
Claims/Benefits paid	-	-	(797,456)
Net cash provided by operating activities	-	7,278,516	493,620
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES			
Repayment of advances	-	294,905	-
Loan to discretely presented component unit	-	(268,422)	-
Loan repayments from discretely presented component unit	-	268,422	-
Transfers in	-	-	-
Transfers out	-	(9,185)	-
Net cash (used) by non-capital financing activities	-	285,720	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition and construction of capital assets	-	(4,267,542)	-
Contributed capital received	-	466,849	-
Proceeds from sale of equipment	-	464,609	-
Net cash (used) by capital and related financing activities	-	(3,336,084)	-
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment income received	-	114,347	18,630
Net cash provided by investing activities	-	114,347	18,630
Net increase (decrease) in cash and cash equivalents	-	4,342,499	512,250
CASH AND CASH EQUIVALENTS - January 1	-	11,916,385	3,157,278
CASH AND CASH EQUIVALENTS - December 31	\$ -	\$ 16,258,884	\$ 3,669,528

Employee Benefit	Workers' Compensation Insurance	Unemployment Insurance	TOTALS
\$ 13,727,802 (12,853,325)	\$ 2,105,392 (364,358)	\$ 120,813 -	\$ 36,602,809 (23,665,525)
-	-	-	(1,631,368)
-	(1,246,335)	(12,985)	(2,056,776)
874,477	494,699	107,828	9,249,140
-	-	-	294,905
-	-	-	(268,422)
-	-	-	268,422
77,850	-	-	77,850
-	-	-	(9,185)
77,850	-	-	363,570
-	-	-	(4,267,542)
-	-	-	466,849
-	-	-	464,609
-	-	-	(3,336,084)
29,728	19,045	1,990	183,740
29,728	19,045	1,990	183,740
982,055	513,744	109,818	6,460,366
6,600,987	3,655,351	396,715	25,726,716
\$ 7,583,042	\$ 4,169,095	\$ 506,533	\$ 32,187,082

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
Year Ended December 31, 2017

	Warehouse	Fleet	Self-Insurance
Reconciliation of net operation income to net cash provided (used) by operating activities			
Net operating income (loss)	\$ -	\$ 1,404,235	\$ (59,690)
Adjustments to reconcile net operating income (loss) to net cash provided (used) by operating activities			
Depreciation	-	4,165,279	-
Miscellaneous income	-	7,401	265,968
Change in assets and liabilities:			
(Increase) decrease in accounts receivable	-	(100)	-
(Increase) decrease in inventory of materials and supplies	1,317,057	(74,498)	-
(Increase) decrease in prepaid expenses	-	1,630,566	3,075
Increase (decrease) in deferred outflow-Contributions after the measurement date	-	(9,471)	-
Increase (decrease) in accounts payable	(184,028)	39,836	168,495
Increase (decrease) in accrued liabilities	-	2,556	-
Increase (decrease) in due to other funds	(1,133,029)	-	-
Increase (decrease) in accrued sick and vacation - current portion	-	1,728	-
Increase (decrease) in claims payable - current portion	-	-	(413,912)
Increase (decrease) in net pension liability	-	8,810	-
Increase (decrease) in actual experience greater/less than expected	-	12,889	-
Increase (decrease) in investment earnings greater/less than expected	-	97,044	-
Increase (decrease) in net other post employment benefit obligation	-	64	-
Increase (decrease) in claims payable - long-term portion	-	-	529,684
Increase (decrease) in accrued sick and vacation - long-term portion	-	9,797	-
Total adjustments	-	5,874,281	553,310
Net cash provided by operating activities	\$ -	\$ 7,278,516	\$ 493,620
NON-CASH INVESTING, CAPITAL AND FINANCING ACTIVITIES			
The following non-cash transactions occurred during 2017:			
Transfer of assets from other funds	\$ -	\$ 466,849	-
Capital asset deletions	-	3,050,021	-

Employee Benefit	Workers' Compensation Insurance	Unemployment Insurance	TOTALS
\$ 674,335	\$ 762,352	\$ 103,208	\$ 2,884,440
-	-	-	4,165,279
100,684	-	-	374,053
(1,518)	761	-	(857)
-	-	-	1,242,559
-	2,018	-	1,635,659
-	-	-	(9,471)
465	(5,831)	4,620	23,557
-	-	-	2,556
100,511	-	-	(1,032,518)
-	-	-	1,728
-	(334,865)	-	(748,777)
-	-	-	8,810
-	-	-	12,889
-	-	-	97,044
-	-	-	64
-	70,264	-	599,948
-	-	-	9,797
200,142	(267,653)	4,620	6,364,700
\$ 874,477	\$ 494,699	\$ 107,828	\$ 9,249,140

\$ -	\$ -	\$ -	\$ 466,849
-	-	-	3,050,021

**FLEET INTERNAL SERVICE FUND
SCHEDULE OF REVENUES AND EXPENSES -
BUDGET (LEGAL BASIS) AND ACTUAL
Year Ended December 31, 2017**

	Budget	Actual	Variance From Final Budget
REVENUES			
Charges for services	\$ 9,196,835	\$ 9,196,841	\$ 6
Investment income	106,229	124,063	17,834
Miscellaneous	450,000	596,371	146,371
Total revenues	9,753,064	9,917,275	164,211
EXPENSES			
Operations:			
Personal services	1,548,330	1,630,800	(82,470)
Operating & maintenance	2,257,240	1,996,527	260,713
Transfers out	9,171	9,185	(14)
Total operations	3,814,741	3,636,512	178,229
Capital outlay	4,164,891	3,965,894	198,997
Total expenses	7,979,632	7,602,406	377,226
Excess of revenues (under) expenses	\$ 1,773,432	2,314,869	\$ 541,437
RECONCILIATION TO NET INCOME (GAAP BASIS)			
Add: Additions to plant and equipment			
Capital outlay		3,965,894	
Property and equipment transferred from other funds		466,849	
		4,432,743	
Less: Depreciation		4,165,279	
Net income (GAAP basis)		\$ 2,582,333	

FIDUCIARY FUNDS

PENSION TRUST FUNDS

Employee Pension Fund	This fund was established to provide benefits upon retirement to all eligible City Employees (except fire and police) and/or their spouses.
Fire Pension Fund	This fund was established to provide benefits upon retirement to firefighters and/or their spouses.
Police Pension Fund	This fund was established to provide benefits upon retirement to police officers and/or their spouses.

**COMBINING STATEMENT OF NET POSITION
FIDUCIARY FUNDS
December 31, 2017**

	Employee Retirement Plans			Total Fiduciary Funds
	Employee Pension	Fire Pension	Police Pension	
ASSETS				
Cash and cash equivalents	\$ 1,514,774	\$ 31,025	\$ 14,363	\$ 1,560,162
Investments	154,984,917	3,174,305	1,469,594	159,628,816
Total Assets	\$ 156,499,691	\$ 3,205,330	\$ 1,483,957	\$ 161,188,978
 LIABILITIES				
Accounts payable	\$ 42,296	\$ 880	\$ 428	\$ 43,604
Loan payable	296,538	50,244	20,276	367,058
Total Liabilities	338,834	51,124	20,704	410,662
 NET POSITION				
Held in trust for pension and OPEB benefits	\$ 156,160,857	\$ 3,154,206	\$ 1,463,253	\$ 160,778,316

**COMBINING STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUNDS
For the Year Ended December 31, 2017**

	Employee Retirement Plans			Total Fiduciary Funds
	Employee Pension	Fire Pension	Police Pension	
ADDITIONS				
Contributions				
Employer	\$ 3,005,407	\$ -	\$ 13,810	\$ 3,019,217
Plan members	2,252,205	-	-	2,252,205
Total Contributions	5,257,612	-	13,810	5,271,422
Investment income				
Net appreciation in fair value of investments	19,758,904	421,064	200,675	20,380,643
Interest	2,440,922	51,524	24,407	2,516,853
Dividends	583,383	12,403	5,902	601,688
Less investment expense	(278,105)	(4,291)	(6,554)	(288,950)
Net investment gain	22,505,104	480,700	224,430	23,210,234
Total additions	27,762,716	480,700	238,240	28,481,656
DEDUCTIONS				
Benefits	6,855,386	299,817	221,899	7,377,102
Refunds of contributions	83,669	-	-	83,669
Administrative expense	144,089	3,089	1,479	148,657
Total deductions	7,083,144	302,906	223,378	7,609,428
Net increase	20,679,572	177,794	14,862	20,872,228
NET POSITION HELD IN TRUST FOR				
PENSION AND OPEB BENEFITS, January 1	135,481,285	2,976,412	1,448,391	139,906,088
December 31	\$ 156,160,857	\$ 3,154,206	\$ 1,463,253	\$ 160,778,316

AGENCY FUND

OTHER POST-EMPLOYMENT BENEFITS FUND

The Other Post-Employment Benefits Fund was established to account for the funds set aside for the future liability associated with other post-employment benefits.

STATEMENT OF CHANGES IN NET POSITION
AGENCY FUND
For the Year Ended December 31, 2017

Other Post-employment Benefits

	OPEB
ADDITIONS	
Contributions	
Employer	\$ 429,208
Plan members	-
Total Contributions	429,208
Investment income	
Interest	12,760
Net investment gain (loss)	12,760
Total additions	441,968
DEDUCTIONS	
Administrative expense	4,928
Total deductions	4,928
Net increase (decrease)	437,040
NET POSITION HELD FOR	
OPEB BENEFITS, January 1	2,630,089
December 31	\$ 3,067,129

DOWNTOWN DEVELOPMENT AUTHORITY COMPONENT UNIT

Downtown Development Authority General Fund	The operations of the Downtown Development Authority are accounted for in this fund. A tax levy finances the operations of the fund.
Downtown Development Building Permit Fund	This fund is used to account for the revenues generated from building permits issued for construction in the area of the Downtown Development Authority. The funds are transferred from the individual funds initially receiving the permit revenues.
Downtown Development Façade Improvement Fund	This fund was established in 2008 for the purpose of expending the proceeds of a \$300,000 loan from the City Fleet Fund for the purpose of downtown façade improvement grants.
Downtown Development Arts and Entertainment Fund	This fund was established in 2011 for the purpose of accounting for arts and entertainment activities.
Downtown Development Authority Debt Service Fund	Long-term debt of the Downtown Development Authority is paid with monies accumulated in this fund.
Downtown Development Authority Construction	This fund is used to account for the capital improvements to the Downtown area.

**DOWNTOWN DEVELOPMENT AUTHORITY COMPONENT UNIT
COMBINING BALANCE SHEET
December 31, 2017**

	General	Special Revenue	Debt Service	Capital Projects	Totals
ASSETS					
Equity in pooled cash & cash equivalents	\$ 247,263	\$ 1,157,035	\$ 3,446,663	711,984	\$ 5,562,945
Cash and cash equivalents	-	93,152	-	-	93,152
Receivables (net of allowance for uncollectibles):					
Taxes	217,273	-	855,565	-	1,072,838
Accounts	87	1,064	-	-	1,151
Accrued interest	548	2,691	7,903	1,735	12,877
Due from other governments	1,621	-	2,010	-	3,631
Total Assets	\$ 466,792	\$ 1,253,942	\$ 4,312,141	713,719	\$ 6,746,594
LIABILITIES					
Accounts payable	\$ 883	\$ 7,768	-	\$ 16,731	\$ 25,382
Construction contracts payable	-	-	-	5,107	5,107
Accrued liabilities	5,773	2,709	-	-	8,482
Total liabilities	6,656	10,477	-	21,838	38,971
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property taxes	217,273	-	855,565	-	1,072,838
Total deferred inflows of resources	217,273	-	855,565	-	1,072,838
FUND BALANCES					
Fund balances:					
Restricted	5,734	7,356	20,399	186	33,675
Committed	-	1,236,109	3,436,177	691,695	5,363,981
Unassigned	237,129	-	-	-	237,129
Total fund balance	242,863	1,243,465	3,456,576	691,881	5,634,785
Total liabilities, deferred inflows of resources and fund balances	\$ 466,792	\$ 1,253,942	\$ 4,312,141	713,719	\$ 6,746,594

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	6,325,314
Long-term liabilities, including compensated absences, are not due and payable in the current period and therefore are not reported in the funds.	(41,000)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	(146,000)
Net position of component unit	<u>\$ 11,773,099</u>

DOWNTOWN DEVELOPMENT AUTHORITY COMPONENT UNIT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
Year Ended December 31, 2017

	General	Special Revenue	Debt Service	Capital Projects	Totals
REVENUES					
Taxes	\$ 189,011	\$ -	\$ 662,126	\$ -	\$ 851,137
Intergovernmental	-	10,428	-	-	10,428
Investment income	1,849	6,259	17,830	6,206	32,144
Charges for service	-	223,486	-	-	223,486
Donations	-	5,000	-	-	5,000
Miscellaneous	285	-	-	-	285
Total revenues	191,145	245,173	679,956	6,206	1,122,480
EXPENDITURES					
Current:					
General government	215,547	285,973	-	805,709	1,307,229
Debt service:					
Principal retired	-	-	268,422	-	268,422
Interest and fiscal charges	-	-	1,808	-	1,808
Total expenditures	215,547	285,973	270,230	805,709	1,577,459
Excess of revenues over (under) expenditures	(24,402)	(40,800)	409,726	(799,503)	(454,979)
OTHER FINANCING SOURCES (USES)					
Proceeds from advance	-	-	-	268,422	268,422
Transfers in	40,660	-	-	-	40,660
Transfers out	-	(2,500)	-	(38,160)	(40,660)
Total other financing sources (uses)	40,660	(2,500)	-	230,262	268,422
Net changes in fund balances	16,258	(43,300)	409,726	(569,241)	(186,557)
FUND BALANCES, January 1	226,605	1,286,765	3,046,850	1,261,122	5,821,342
FUND BALANCE, December 31	\$ 242,863	\$ 1,243,465	\$ 3,456,576	\$ 691,881	\$ 5,634,785

Net change in fund balance - component unit \$ (186,557)
Amounts reported for governmental activities in the statement
are different because:

Governmental funds report capital outlays as expenditures. However,
in the statement of activities the cost of those assets is allocated
over their estimated useful lives and reported as depreciation
expense. This is the amount by which depreciation exceeded
capital outlays in the current period. 136,338

The issuance of debt provides current financial resources to
governmental funds, while repayment of the principal of debt
consumes current financial resources of the governmental funds.
Neither transaction has any effect on net position.

Loan proceeds 268,422
Principal repayments on loans (268,422)

Net adjustment to fund balance -

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 component unit funds. (1,214)
Change in net position of component unit activities \$ (51,433)

DOWNTOWN DEVELOPMENT AUTHORITY COMPONENT UNIT
COMBINING BALANCE SHEET
SPECIAL REVENUE FUNDS
December 31, 2017

	Downtown Development Bldg Permit	Downtown Development Façade Improvement	Art and Entertainment	Totals
ASSETS				
Equity in pooled cash & cash equivalents	\$ 297,881	\$ 778,785	\$ 80,369	\$ 1,157,035
Cash and cash equivalents	-	-	93,152	93,152
Receivables (net of allowance for uncollectibles):				
Accounts	-	-	1,064	1,064
Accrued interest	690	1,786	215	2,691
Total assets	\$ 298,571	\$ 780,571	\$ 174,800	\$ 1,253,942
LIABILITIES				
Accounts payable	\$ -	-	\$ 7,768	\$ 7,768
Accrued liabilities	-	-	2,709	2,709
Total liabilities	-	-	10,477	10,477
FUND BALANCE				
Fund balances:				
Restricted	5,476	128	1,752	7,356
Committed	293,095	780,443	162,571	1,236,109
Total fund balance	298,571	780,571	164,323	1,243,465
Total liabilities and fund balance	\$ 298,571	\$ 780,571	\$ 174,800	\$ 1,253,942

DOWNTOWN DEVELOPMENT AUTHORITY COMPONENT UNIT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
SPECIAL REVENUE FUNDS
Year Ended December 31, 2017

	Downtown Development Bldg Permit	Downtown Development Façade Improvement	Art and Entertainment	Totals
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 10,428	\$ 10,428
Investment income	796	4,257	1,206	6,259
Charges for service	181,723	-	41,763	223,486
Donations	-	-	5,000	5,000
Total revenues	182,519	4,257	58,397	245,173
EXPENDITURES				
General Governmental	41,690	-	244,283	285,973
Excess of revenues over (under) expenditures	140,829	4,257	(185,886)	(40,800)
OTHER FINANCING SOURCES (USES)				
Transfers out	(2,500)	-	-	(2,500)
Total other financing sources (uses)	(2,500)	-	-	(2,500)
Net changes in fund balances	138,329	4,257	(185,886)	(43,300)
FUND BALANCES, January 1	160,242	776,314	350,209	1,286,765
FUND BALANCES, December 31	\$ 298,571	\$ 780,571	\$ 164,323	\$ 1,243,465

DOWNTOWN DEVELOPMENT AUTHORITY COMPONENT UNIT
DOWNTOWN DEVELOPMENT AUTHORITY GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL
December 31, 2017

	Budget	Actual	Variance From Final Budget
REVENUES			
Taxes	\$ 188,899	\$ 189,011	\$ 112
Investment income	1,200	1,849	649
Miscellaneous	-	285	285
Total revenues	190,099	191,145	1,046
EXPENDITURES			
General government	233,960	215,547	18,413
Excess of revenues (under) expenditures	(43,861)	(24,402)	19,459
OTHER FINANCING SOURCES			
Transfers in	40,660	40,660	-
Net changes in fund balances	(3,201)	16,258	19,459
FUND BALANCE, January 1	226,605	226,605	-
FUND BALANCE, December 31	\$ 223,404	\$ 242,863	\$ 19,459

**DOWNTOWN DEVELOPMENT AUTHORITY COMPONENT UNIT
BUILDING PERMIT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL
Year Ended December 31, 2017**

	Budget	Actual	Variance From Final Budget
REVENUES			
Investment income	\$ -	\$ 796	\$ 796
Charges for service	480,000	181,723	(298,277)
Total revenues	480,000	182,519	(297,481)
EXPENDITURES			
General government	514,783	41,690	473,093
Excess of revenues over (under) expenditures	(34,783)	140,829	175,612
OTHER FINANCING SOURCES (USES)			
Transfers out	(2,500)	(2,500)	-
Net changes in fund balances	(37,283)	138,329	175,612
FUND BALANCE, January 1	160,242	160,242	-
FUND BALANCE, December 31	\$ 122,959	\$ 298,571	\$ 175,612

**DOWNTOWN DEVELOPMENT AUTHORITY COMPONENT UNIT
 FAÇADE IMPROVEMENT PROGRAM
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
 BUDGET (GAAP BASIS) AND ACTUAL
 Year Ended December 31, 2017**

	Budget	Actual	Variance From Final Budget
REVENUES			
Investment income	\$ -	\$ 4,257	\$ 4,257
Total revenues	-	-	-
EXPENDITURES			
General government	300,000	-	300,000
Excess of revenues over (under) expenditures	(300,000)	4,257	304,257
Net changes in fund balances	(300,000)	4,257	304,257
FUND BALANCE, January 1	776,314	776,314	-
FUND BALANCE, December 31	\$ 476,314	\$ 780,571	\$ 304,257

**DOWNTOWN DEVELOPMENT AUTHORITY COMPONENT UNIT
ARTS AND ENTERTAINMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL
Year Ended December 31, 2017**

	Budget	Actual	Variance From Final Budget
REVENUES			
Intergovernmental revenue	\$ -	\$ 10,428	\$ 10,428
Charges for service	10,000	41,763	31,763
Donations	30,000	5,000	(25,000)
Investment income	-	1,206	1,206
Total revenues	40,000	58,397	18,397
EXPENDITURES			
General government	282,679	244,283	38,396
Excess of revenues (under) expenditures	(242,679)	(185,886)	56,793
FUND BALANCE, January 1	350,209	350,209	-
FUND BALANCE, December 31	\$ 107,530	\$ 164,323	\$ 56,793

**DOWNTOWN DEVELOPMENT AUTHORITY COMPONENT UNIT
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
Year Ended December 31, 2017**

	Budget	Actual	Variance From Final Budget
REVENUES			
Taxes	\$ 688,492	\$ 662,126	\$ (26,366)
Investment income	-	17,830	17,830
Total revenues	688,492	679,956	(8,536)
EXPENDITURES			
Principal retired	268,422	268,422	-
Interest and fiscal charges	5,000	1,808	3,192
Total expenditures	273,422	270,230	3,192
Net changes in fund balances	415,070	409,726	(5,344)
FUND BALANCE, January 1	3,046,850	3,046,850	-
FUND BALANCE, December 31	\$ 3,461,920	\$ 3,456,576	\$ (5,344)

**DOWNTOWN DEVELOPMENT AUTHORITY COMPONENT UNIT
CONSTRUCTION CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL
Year Ended December 31, 2017**

	Budget	Actual	Variance From Final Budget
REVENUES			
Investment income	\$ -	\$ 6,206	\$ 6,206
Total revenues	-	6,206	6,206
EXPENDITURES			
General government	1,433,304	805,709	627,595
Excess of revenues (under) expenditures	(1,433,304)	(799,503)	633,801
OTHER FINANCING SOURCES (USES)			
Loan proceeds	268,422	268,422	-
Transfers out	-	(38,160)	(38,160)
Total other financing sources (uses)	268,422	230,262	(38,160)
Net changes in fund balances	(1,164,882)	(569,241)	595,641
FUND BALANCE, January 1	1,261,122	1,261,122	-
FUND BALANCE, December 31	\$ 96,240	\$ 691,881	\$ 595,641

**STATISTICAL SCHEDULES
INDEX**

December 31, 2017

The City of Longmont's statistical schedules present detailed information as a context for understanding what the information presented in the financial statements, note disclosures and required supplementary information says about the City's overall financial health.

Financial Trends..... 216

These schedules contain trend information to ease understanding of the City's financial position and changes over time.

- Net Position by Component
- Changes in Net Position
- Fund Balances - Governmental Funds
- Changes in Fund Balances - Governmental Funds

Revenue Capacity..... 224

These schedules contain information to understand the City's most significant local revenue sources, property tax and sales and use tax.

- Assessed and Estimated Actual Value of Taxable Property
- Property Tax Rates and Tax Levies - Direct and Overlapping Governments
- Principal Property Taxpayers
- Property Tax Levies and Collections
- Sales and Use Tax Revenue by Type of Industry
- Direct and Overlapping Sales Tax Rates
- Principal Sales and Use Taxpayers

Debt Capacity..... 238

These schedules offer demographic and economic indicators to help understand the socioeconomic environment within which the City operates.

- Ratios of Outstanding Debt by Type
- Ratio of Net General Obligation Bonded Debt to Assessed Value and Net Bonded Debt Per Capita
- Direct and Overlapping Governmental Activities Debt
- Legal Debt Margin Information
- Pledged Revenue Bond/Loan Coverage

Operating Information 245

These schedules contain service and infrastructure data to enhance understanding of the services provided by the City.

- Demographic and Economic Statistics
- Principal Employers
- Full-time Equivalent Employees by Function/Program
- Operating Indicators by Function/Program
- Capital Assets Statistics by Function

**NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS**

	2008	2009	2010	2011
Governmental activities				
Net investment in capital assets	\$ 258,841,455	\$ 268,747,804	\$ 270,382,692	\$ 275,902,207
Restricted	67,045,402	56,858,647	66,741,761	69,059,013
Unrestricted	36,524,738	40,365,372	32,146,885	30,916,114
Total governmental activities net position	\$ 362,411,595	\$ 365,971,823	\$ 369,271,338	\$ 375,877,334
Business-type activities				
Net investment in capital assets	\$ 489,038,783	\$ 493,511,315	\$ 507,056,869	\$ 521,558,060
Restricted	-	9,167,995	18,817,163	19,421,825
Unrestricted	167,593,678	157,873,139	146,541,477	145,887,387
Total business-type activities net position	\$ 656,632,461	\$ 660,552,449	\$ 672,415,509	\$ 686,867,272
Primary government				
Net investment in capital assets	\$ 747,880,238	\$ 762,259,119	\$ 777,439,561	\$ 797,460,267
Restricted	67,045,402	66,026,642	85,558,924	88,480,838
Unrestricted	204,118,416	198,238,511	178,688,362	176,803,501
Total primary government net position	\$ 1,019,044,056	\$ 1,026,524,272	\$ 1,041,686,847	\$ 1,062,744,606

2012	2013	2014	2015	2016	2017
\$ 281,989,606	\$ 280,876,469	\$ 274,626,844	\$ 289,135,313	\$ 304,616,626	\$ 317,947,679
67,157,981	75,323,135	97,314,176	81,806,810	95,386,575	111,941,609
31,926,358	35,810,330	23,991,124	11,517,574	9,767,415	12,815,071
<u>\$ 381,073,945</u>	<u>\$ 392,009,934</u>	<u>\$ 395,932,144</u>	<u>\$ 382,459,697</u>	<u>\$ 409,770,616</u>	<u>\$ 442,704,359</u>
\$ 524,809,966	\$ 520,033,029	\$ 529,204,937	\$ 572,508,835	\$ 588,305,281	\$ 618,313,194
14,472,701	9,662,221	1,904,853	2,286,609	2,038,868	808,280
35,837,666	39,832,309	53,727,320	50,026,092	51,986,051	62,827,149
<u>\$ 575,120,333</u>	<u>\$ 569,527,559</u>	<u>\$584,837,110</u>	<u>\$ 624,821,536</u>	<u>\$ 642,330,200</u>	<u>\$ 681,948,623</u>
\$ 806,799,572	\$ 800,909,498	\$ 803,831,781	\$ 861,644,148	\$ 892,921,907	\$ 936,260,873
81,630,682	84,985,356	99,219,029	84,093,419	97,425,443	112,749,889
67,764,024	75,642,639	77,718,444	61,543,666	61,753,466	75,642,220
<u>\$ 956,194,278</u>	<u>\$ 961,537,493</u>	<u>\$ 980,769,254</u>	<u>\$ 1,007,281,233</u>	<u>\$ 1,052,100,816</u>	<u>\$ 1,124,652,982</u>

**CHANGES IN NET POSITION
LAST TEN FISCAL YEARS**

	2008	2009	2010	2011
Expenses				
Governmental activities:				
General government	\$ 25,433,222	\$ 18,772,527	\$ 21,237,772	\$ 24,377,612
Public Safety	31,049,011	32,842,216	33,562,076	35,173,865
Highways & Streets	14,947,947	17,180,057	14,191,614	14,171,432
Culture & Recreation	15,665,711	16,073,099	16,138,524	15,484,551
Municipal utilities systems	100,345	174,499	82,033	105,992
Interest and fiscal charges on long-term debt	1,949,198	2,302,996	1,542,188	2,153,318
Total governmental activities expenses	\$ 89,145,434	\$ 87,345,394	\$ 86,754,207	\$ 91,466,770
Business-type activities:				
Sanitation	\$ 5,500,624	\$ 5,358,336	\$ 5,713,703	\$ 5,683,344
Golf	2,286,369	2,185,459	2,084,456	2,188,918
Electric	46,779,652	47,780,116	51,614,473	55,928,077
Telecommunications	166,219	164,129	194,834	218,722
Water	12,799,254	12,975,167	12,648,106	13,417,307
Sewer	8,277,407	8,368,101	8,690,949	8,625,100
Storm Drainage	2,533,933	3,085,889	3,134,594	3,334,858
Airport	291,899	328,375	400,939	405,307
Total business-type activities expenses	\$ 78,635,357	\$ 80,245,572	\$ 84,482,054	\$ 89,801,633
Total primary government expenses	\$ 167,780,791	\$ 167,590,966	\$ 171,236,261	\$ 181,268,403
Program Revenues				
Governmental activities:				
Charges for services				
General Government	\$ 6,993,588	\$ 6,965,851	\$ 8,324,058	\$ 8,342,658
Public Safety	1,297,757	1,039,975	1,223,119	1,266,512
Highways & Streets	706,732	649,631	620,595	785,188
Culture & Recreation	4,681,964	5,171,304	5,947,012	6,032,378
Municipal utilities systems	-	-	-	-
Operating grants and contributions	5,147,423	5,770,130	5,051,949	6,845,819
Capital grants and contributions	3,495,473	7,124,956	5,177,181	4,793,222
Total governmental activities program revenues	\$ 22,322,937	\$ 26,721,847	\$ 26,343,914	\$ 28,065,777
Business-type activities:				
Charges for services				
Sanitation	\$ 5,169,059	\$ 5,105,311	\$ 5,265,217	\$ 5,235,308
Golf	2,597,381	2,460,988	2,220,975	2,262,563
Electric	44,201,753	44,547,396	49,487,659	53,924,965
Telecommunications	216,387	238,663	293,519	282,208
Water	13,748,106	11,936,337	12,757,083	13,247,962
Sewer	7,121,233	7,352,469	7,846,470	8,249,362
Storm Drainage	3,434,723	3,469,114	3,420,656	3,395,622
Airport	251,284	251,376	239,006	220,441
Operating grants and contributions	327,993	547,269	513,732	1,406,669
Capital grants and contributions	8,740,582	6,394,173	8,962,852	14,473,936
Total business-type activities program revenues	\$ 85,808,501	\$ 82,303,096	\$ 91,007,169	\$ 102,699,036
Total primary government program revenues	\$ 108,131,438	\$ 109,024,943	\$ 117,351,083	\$ 130,764,813
Net (Expenses)/Revenue				
Governmental activities	\$ (66,822,497)	\$ (60,623,547)	\$ (60,410,293)	\$ (63,400,993)
Business-type activities	7,173,144	2,057,524	6,525,115	12,897,403
Total primary government net expense	\$ (59,649,353)	\$ (58,566,023)	\$ (53,885,178)	\$ (50,503,590)
General Revenues and Other Changes in Net Position				
Governmental activities:				
Taxes				
Property taxes	\$ 15,493,699	\$ 15,539,641	\$ 15,357,141	\$ 15,280,446
General government sales and use taxes	24,207,871	22,751,072	23,640,672	24,562,915
Public improvement sales and use taxes	3,952,522	3,316,107	3,581,110	4,261,032
Streets sales and use taxes	10,560,147	9,775,192	10,208,168	10,808,980
Open space sales and use taxes	2,816,040	2,606,718	2,722,178	2,882,395
Public safety sales and use taxes	4,576,063	4,235,917	4,423,539	4,683,891
Urban Renewal sales and use taxes	-	-	-	-
Lodgers taxes	307,877	244,527	263,041	257,566
Cigarette taxes	199,546	185,093	185,916	180,436
Franchise taxes	4,849,024	5,269,452	6,314,911	6,677,207
Investment income	6,369,843	1,526,527	1,241,858	1,150,812
Miscellaneous	57,837	16,433	19,354	21,280
Gain (loss) from Impairment	-	-	-	-
Transfers	(3,720,173)	(1,282,904)	(4,248,080)	(759,971)
Total governmental activities	\$ 69,670,296	\$ 64,183,775	\$ 63,709,808	\$ 70,006,989
Business-type activities:				
Miscellaneous	\$ -	\$ -	\$ 589,572	\$ 379,225
Investment income	2,806,744	579,560	500,293	415,164
Transfers	3,720,173	1,282,904	4,248,080	759,971
Gain (loss) from Impairment	-	-	-	-
Total business-type activities	\$ 6,526,917	\$ 1,862,464	\$ 5,337,945	\$ 1,554,360
Total primary government	\$ 76,197,213	\$ 66,046,239	\$ 69,047,753	\$ 71,561,349
Change in Net Position				
Governmental activities	\$2,847,799	\$ 3,560,228	\$ 3,299,515	\$ 6,605,996
Business-type activities	13,700,061	3,919,988	11,863,060	14,451,763
Total primary government	\$ 16,547,860	\$ 7,480,216	\$ 15,162,575	\$ 21,057,759

2012	2013	2014	2015	2016	2017
\$ 24,309,220	\$ 23,402,845	\$ 39,410,084	\$ 52,629,760	\$ 41,120,838	\$ 46,848,271
36,268,842	37,546,039	38,416,984	38,796,540	39,569,020	42,949,310
15,852,244	16,881,092	22,589,058	12,518,752	29,738,598	21,764,241
17,284,703	17,127,905	13,883,071	14,922,444	8,786,156	19,410,623
55,025	48,260	45,871	109,431	159,595	3,214,424
2,186,966	2,488,204	2,405,958	2,921,678	2,933,731	2,654,438
\$ 95,957,000	\$ 97,494,345	\$ 116,751,026	\$ 121,898,605	\$ 122,307,938	\$ 136,841,307
\$ 5,731,916	\$ 5,716,575	\$ 5,713,661	\$ 5,306,091	\$ 5,988,048	\$ 6,447,649
2,041,225	2,076,148	2,325,070	2,155,951	2,250,256	2,293,384
57,649,118	60,237,764	62,428,256	65,458,384	70,336,083	72,647,003
393,902	801,013	-	-	-	-
13,814,391	14,226,561	15,740,172	13,407,301	14,657,099	15,791,965
8,881,680	10,267,292	10,813,201	10,801,047	11,045,868	10,844,197
3,405,295	3,755,498	4,420,557	4,148,107	5,191,222	5,441,103
437,068	515,668	556,171	563,520	621,332	665,316
\$ 92,354,595	\$ 97,596,519	\$ 101,997,088	\$ 101,840,401	\$ 110,089,908	\$ 114,130,617
\$ 188,311,595	\$ 195,090,864	\$ 218,748,114	\$ 223,739,006	\$ 232,397,846	\$ 250,971,924
\$ 8,212,442	\$ 8,745,048	\$ 9,025,285	\$ 8,896,582	\$ 9,664,229	\$ 11,934,265
1,551,831	1,636,769	1,900,659	2,555,145	3,438,026	640,905
740,477	787,118	838,087	1,345,104	1,164,918	1,425,515
6,362,496	6,043,561	6,866,923	7,295,109	7,314,628	6,278,239
-	-	-	697,560	1,000,095	580,091
6,241,265	6,021,175	9,266,563	9,391,420	14,462,257	2,058,108
6,479,562	8,247,611	13,506,619	18,191,498	25,510,915	49,164,246
\$ 29,588,073	\$ 31,481,282	\$ 41,404,136	\$ 48,372,419	\$ 62,555,068	\$ 72,081,369
\$ 5,676,335	\$ 5,676,697	\$ 6,152,091	\$ 6,168,889	\$ 6,561,590	\$ 8,406,781
2,640,817	2,357,757	2,452,630	2,576,473	2,568,982	2,779,528
57,233,475	60,957,632	63,884,921	65,300,201	68,850,353	76,986,620
290,774	316,941	-	-	-	-
14,513,221	12,735,470	12,981,041	14,230,955	16,271,251	17,671,740
8,634,634	9,740,105	11,686,986	13,085,133	13,432,618	14,486,062
3,835,700	4,027,152	6,579,550	6,644,935	6,730,428	6,858,415
258,643	277,449	288,089	403,334	429,141	420,228
3,342,077	562,042	5,919,672	3,046,578	4,139,885	11,242,355
3,447,605	4,321,616	7,160,769	5,200,782	10,324,791	13,770,718
\$ 99,873,281	\$ 100,972,861	\$ 117,105,749	\$ 116,657,280	\$ 129,309,039	\$ 152,622,447
\$ 129,461,354	\$ 132,454,143	\$ 158,509,885	\$ 165,029,699	\$ 191,864,107	\$ 224,703,816
\$ (66,368,927)	\$ (66,013,063)	\$ (75,346,890)	\$ (73,526,187)	(59,752,870)	\$ (64,759,938)
7,518,686	3,376,342	15,108,661	14,816,879	19,219,131	38,491,830
\$ (58,850,241)	\$ (62,636,721)	\$ (60,238,229)	\$ (58,709,308)	\$ (40,533,739)	\$ (26,268,108)
\$ 14,760,834	\$ 14,766,570	\$ 14,946,758	\$ 15,424,266	\$ 17,821,402	19,188,939
26,106,434	27,883,056	29,890,913	30,834,514	31,180,859	33,630,501
3,999,340	4,068,199	4,471,068	4,544,053	6,204,559	6,639,848
11,289,666	11,981,718	12,885,741	13,266,963	14,161,758	15,585,721
3,010,577	3,195,124	3,436,196	3,537,857	3,776,469	4,156,190
4,892,188	5,192,082	5,583,826	5,749,017	6,136,761	6,753,823
-	-	-	-	379,271	1,291,587
283,947	346,352	364,767	365,300	369,731	419,936
171,029	147,338	157,523	156,535	160,933	155,617
6,874,941	7,342,848	7,678,732	7,780,475	7,697,786	7,730,074
787,171	16,428	985,788	721,565	834,596	1,013,531
5,908	9,633	15,656	-	-	1,532,418
-	714,300	-	-	-	-
(616,497)	1,285,404	(1,147,868)	(68,436)	(1,660,336)	(404,504)
\$ 71,565,538	\$ 76,949,052	\$ 79,269,100	\$ 82,312,109	\$ 87,063,789	\$ 97,693,681
\$ 371,403	389,865	(1,408,853)	\$ 2,700,196	\$ 639,132	153,994
286,509	(63,402)	461,875	450,849	636,394	568,095
616,497	(1,285,404)	1,147,868	68,436	1,660,336	404,504
-	(8,010,175)	-	-	-	-
\$ 1,274,409	\$ (8,969,116)	\$ 200,890	\$ 3,219,481	\$ 2,935,862	\$ 1,126,593
\$ 72,839,947	\$ 67,979,936	\$ 79,469,990	\$ 85,531,590	\$ 89,999,651	\$ 98,820,274
\$ 5,196,611	\$ 10,935,989	\$ 3,922,210	\$ 8,785,922	\$ 27,310,919	\$ 32,933,743
8,793,095	(5,592,774)	15,309,551	18,036,360	22,154,993	39,618,423
\$ 13,989,706	\$ 5,343,215	\$ 19,231,761	\$ 26,822,282	\$ 49,465,912	\$ 72,552,166

**FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS**

	2008	2009	2010	2011 (a)
General Fund				
Nonspendable	\$ -	\$ -	\$ 211,490	\$ 161,082
Restricted	-	-	3,436,907	3,025,111
Committed			4,698,499	4,978,762
Assigned	-	-	995,711	853,145
Unassigned	-	-	5,858,268	5,884,527
Reserved	5,095,369	4,075,650	-	-
Unreserved	6,568,529	8,065,091	-	-
Total general fund	<u>\$ 11,663,898</u>	<u>\$ 12,140,741</u>	<u>\$ 15,200,875</u>	<u>\$ 14,902,627</u>
All Other Governmental Funds				
Nonspendable	\$ -	\$ -	\$ 48,596	\$ 58,461
Restricted	-	-	62,458,573	66,036,493
Committed	-	-	3,528,546	2,748,623
Assigned	-	-	-	-
Unassigned	-	-	-	-
Reserved	32,476,928	26,385,055	-	-
Unreserved, reported in:				
Special revenue funds	30,664,909	27,193,080	-	-
Capital projects funds	4,967,815	4,033,587	-	-
Total all other governmental funds	<u>\$ 68,109,652</u>	<u>\$ 57,611,722</u>	<u>\$ 66,035,715</u>	<u>\$ 68,843,577</u>

(a) The City adopted GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions," for fiscal year 2011. This statement changed the fund balance categories reported for governmental funds retroactively to 2010.

2012	2013	2014	2015	2016	2017
\$ 327,709	\$ 204,490	\$ 150,911	\$ 152,075	\$ 302,380	\$ 757,375
3,224,558	3,345,167	4,397,047	3,559,526	3,943,296	4,404,117
4,785,126	6,232,102	6,206,280	4,224,470	4,527,777	5,631,809
889,790	928,368	1,000,109	2,221,764	2,391,669	3,170,058
6,153,177	6,846,316	6,563,798	8,468,460	8,619,008	7,970,910
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 15,380,360</u>	<u>\$ 17,556,443</u>	<u>\$ 18,318,145</u>	<u>\$ 18,626,295</u>	<u>\$ 19,784,130</u>	<u>\$ 21,934,269</u>
\$ 39,718	\$ 38,963	\$ 688,654	\$ 697,200	\$ 698,720	\$ 741,450
63,894,630	69,569,526	90,105,866	77,459,016	89,517,773	105,306,328
2,219,873	3,144,472	3,684,420	3,097,417	2,922,371	3,795,337
-	-	-	-	-	-
(84,392)	(307,976)	-	(693,162)	(1,220,775)	(128,820)
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 66,069,829</u>	<u>\$ 72,444,985</u>	<u>\$ 94,478,940</u>	<u>\$ 80,560,471</u>	<u>\$ 91,918,089</u>	<u>\$ 109,714,295</u>

**CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS**

	2008	2009	2010	2011
Revenues				
Taxes	\$ 66,962,789	\$ 63,923,719	\$ 66,696,676	\$ 69,594,868
Licenses and permits	2,785,437	1,519,378	3,149,131	2,852,843
Developer/owner participation	629,496	2,533,001	1,143,047	634,951
Intergovernmental	5,649,691	7,530,226	5,354,292	9,658,445
Charges for services	10,572,260	10,914,591	13,070,916	12,749,635
Fines and forfeits	1,140,815	1,479,993	1,551,177	1,461,305
Investment income	4,899,613	1,148,839	915,661	872,429
Other revenues	1,260,921	862,381	756,224	1,432,450
Total revenues	\$ 93,901,022	\$ 89,912,128	\$ 92,637,124	\$ 99,256,926
Expenditures				
General government	\$ 24,066,704	\$ 19,772,116	\$ 19,157,561	\$ 21,838,334
Public safety	32,278,720	34,855,013	33,073,119	35,454,207
Highways and streets	15,407,398	17,685,686	13,345,985	15,201,301
Culture and recreation	15,526,255	21,097,271	22,624,470	16,166,215
Municipal utility systems	4,231,950	1,689,899	3,707,650	452,416
Capital outlay	1,524,043	2,733,830	893,318	2,193,219
Interest on lease payments	-	-	-	-
Debt Service				
Principal retired	2,620,000	2,725,000	1,690,000	2,840,000
Bond issuance costs	-	-	408,421	-
Interest and fiscal charges	1,919,846	1,761,168	1,362,961	2,112,015
Total expenditures	\$ 97,574,916	\$ 102,319,983	\$ 96,263,485	\$ 96,257,707
Excess of revenues over (under) expenditures	\$ (3,673,894)	\$ (12,407,855)	\$ (3,626,361)	\$ 2,999,219
Other Financing Sources (Uses)				
Proceeds from leases	\$ -	\$ -	\$ 74,088	\$ -
Transfers in	822,968	1,990,519	669,210	1,207,868
Transfers out	(832,508)	(1,885,997)	(847,551)	(1,697,473)
Issuance of certificates of participation	-	-	-	-
Premium on issuance of COPs	-	-	-	-
Payment to bond refunding escrow agent	-	-	(14,732,432)	-
Proceeds from issuance of long-term debt	3,160,000	2,282,246	29,770,000	-
Premium on issuance of long-term debt	-	-	177,173	-
Total other financing sources (uses)	\$ 3,150,460	\$ 2,386,768	\$ 15,110,488	\$ (489,605)
Net change in fund balances	\$ (523,434)	\$ (10,021,087)	\$ 11,484,127	\$ 2,509,614
Debt service as a percentage of noncapital expenditures	6%	6%	3%	6%

2012	2013	2014	2015	2016	2017
\$ 71,388,956	\$ 74,923,287	\$ 79,415,524	\$ 81,658,981	\$ 87,889,529	\$ 95,552,237
5,140,350	4,580,507	7,172,900	8,226,038	16,840,035	14,292,683
1,233,382	1,261,004	1,262,254	628,376	1,692,735	1,107,555
6,563,036	6,759,018	10,801,693	14,081,297	20,074,184	35,727,821
13,327,419	13,317,119	14,928,434	16,609,514	17,756,019	16,653,767
1,523,237	1,116,600	1,279,841	1,124,622	949,580	1,066,629
603,458	8,256	753,871	565,227	671,358	814,755
1,395,962	2,787,902	2,401,080	1,607,323	2,421,344	1,532,418
<u>\$ 101,175,800</u>	<u>\$ 104,753,693</u>	<u>\$ 118,015,597</u>	<u>\$ 124,501,378</u>	<u>\$ 148,294,784</u>	<u>\$ 166,747,865</u>
\$ 25,480,536	\$ 22,090,958	\$ 37,776,012	\$ 51,653,312	\$ 40,148,151	\$ 44,889,738
36,097,088	37,310,096	38,657,499	39,290,571	40,479,061	43,143,219
17,659,757	13,699,379	19,695,403	20,975,175	31,515,507	8,057,557
18,572,576	17,122,413	22,219,018	14,285,410	13,563,601	18,464,878
841,556	379,386	564,272	564,370	1,462,139	33,956
3,375,563	2,382,196	3,201,073	4,699,351	2,482,886	24,942,965
-	-	424,151	1,272,455	-	-
2,975,000	3,130,000	3,225,000	3,320,000	3,425,000	4,135,000
-	-	-	-	-	-
1,927,339	1,807,239	1,703,339	1,595,739	2,765,961	2,661,039
<u>\$ 106,929,415</u>	<u>\$ 97,921,667</u>	<u>\$ 127,465,767</u>	<u>\$ 137,656,383</u>	<u>\$ 135,842,306</u>	<u>\$ 146,328,352</u>
\$ (5,753,615)	\$ 6,832,026	\$ (9,450,170)	\$ (13,155,005)	\$ 12,452,478	\$ 20,419,513
\$ 3,195,823	\$ -	\$ -	\$ -	\$ -	\$ -
1,953,999	3,874,917	3,841,432	1,410,012	3,290,585	4,347,178
(1,692,222)	(2,155,704)	(2,421,669)	(1,865,325)	(3,227,611)	(4,820,245)
-	-	29,475,000	-	-	-
-	-	1,351,064	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 3,457,600</u>	<u>\$ 1,719,213</u>	<u>\$ 32,245,827</u>	<u>\$ (455,313)</u>	<u>\$ 62,974</u>	<u>\$ (473,169)</u>
<u>\$ (2,296,015)</u>	<u>\$ 8,551,239</u>	<u>\$ 22,795,657</u>	<u>\$ (13,610,318)</u>	<u>\$ 12,515,452</u>	<u>\$ 19,946,344</u>
6%	5%	5%	4%	5%	5%

**ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS**

FISCAL YEAR (a)	REAL PROPERTY		PERSONAL PROPERTY			TOTAL		RATIO OF TOTAL ASSESSED VALUE/ TOTAL ESTIMATED ACTUAL VALUE	TOTAL DIRECT TAX RATE (MILs)
	ASSESSED VALUE	ESTIMATED ACTUAL VALUE	ASSESSED VALUE	ESTIMATED ACTUAL VALUE	ASSESSED VALUE	ESTIMATED ACTUAL VALUE (a)	ESTIMATED ACTUAL VALUE		
2008	\$ 976,640,240	\$ 8,592,074,025	\$ 112,164,150	\$ 386,769,608	\$1,088,804,390	\$8,978,843,633	12.13	(b)	13.42
2009	990,470,460	8,699,987,296	107,780,920	371,654,356	1,098,251,380	9,071,641,652	12.11	(b)	13.42
2010	981,368,440	8,428,256,374	112,986,090	389,601,388	1,094,354,530	8,817,857,762	12.41	(b)	13.42
2011	985,108,469	8,457,768,723	103,526,022	356,980,221	1,088,634,491	8,814,748,944	12.35	(b)	13.42
2012	940,246,709	8,108,353,367	107,629,550	371,135,305	1,047,876,259	8,479,488,672	12.36	(b)	13.42
2013	942,230,839	8,127,437,767	103,430,610	356,657,178	1,045,661,449	8,484,094,945	12.32	(b)	13.42
2014	938,236,967	8,141,817,112	111,665,173	385,051,965	1,049,902,140	8,526,869,077	12.31	(b)	13.42
2015	945,981,003	8,215,683,207	129,677,536	447,163,687	1,075,658,539	8,662,846,894	12.42	(b)	13.42
2016	1,117,294,789	9,872,607,343	124,768,199	430,234,511	1,242,062,988	10,302,841,854	12.06	(b)	13.42
2017	1,132,037,404	9,994,840,957	124,365,772	428,848,403	1,256,403,176	10,423,689,360	12.05	(b)	13.42

(a) Tax collection year values are based on the prior year county abstract of assessments.

(b) For tax levy years 2006 through 2016, collection years 2007 through 2017, residential property was assessed at 7.96% of actual value while commercial property remained at 29% of actual value.

Source: Boulder and Weld counties assessors' offices



Golden Ponds Nature Area

**PROPERTY TAX RATES AND TAX LEVIES - DIRECT AND OVERLAPPING GOVERNMENTS
(PER \$1000 OF ASSESSED VALUE)
LAST TEN FISCAL YEARS**

LEVY YEAR	COLLECTION YEAR	GENERAL FUND	COMPONENT UNIT SPECIAL REVENUE FUNDS	COMPONENT UNIT (DEBT SERVICE)
2007	2008	13.420	10.108	81.680
2008	2009	13.420	10.108	90.764
2009	2010	13.420	10.108	91.337
2010	2011	13.420	10.108	92.884
2011	2012	13.420	10.108	93.661
2012	2013	13.420	10.108	100.201
2013	2014	13.420	11.798	100.201
2014	2015	13.420	11.798	99.869
2015	2016	13.420	11.798	97.885
2016	2017	13.420	11.798	102.383
2007	2008	\$14,461,571	\$180,854	\$ 987,419
2008	2009	14,568,772	183,782	1,138,267
2009	2010	14,504,735	137,562	1,226,379
2010	2011	14,441,941	144,963	1,141,317
2011	2012	13,902,245	134,350	1,274,966
2012	2013	13,885,060	130,809	1,098,513
2013	2014	13,993,740	255,392	481,607
2014	2015	14,324,084	248,022	595,114
2015	2016	16,548,496	284,889	623,999
2016	2017	16,620,387	284,719	681,124

NOTES TO THIS SCHEDULE

1. Taxes are due January 1, half of which become delinquent March 1 and half on June 15. Interest on the delinquent first half is 1% for each month or fraction thereof. Interest on delinquent second half is 8% per annum on the total amount delinquent. Counties retain 1% for tax collection effort.
2. Under Colorado law, the DDA has the ability to use tax increment financing. All taxes levied on the increased valuation of property within the DDA area over the 1983 base valuation are distributed to the Authority.

SCHOOL DISTRICT	BOULDER COUNTY	ST. VRAIN LEFT HAND WATER	NO. COLO. WATER CONS.	LONGMONT RURAL FIRE
TAX	RATES (a)			
37.798	22.467	0.197	1.000	7.937
46.285	23.067	0.194	1.000	11.747
46.268	23.667	0.184	1.000	11.747
46.837	24.645	0.184	1.000	11.747
47.614	24.645	0.184	1.000	11.747
53.500	24.645	0.184	1.000	11.747
53.679	25.120	0.184	1.000	11.747
53.679	24.794	0.184	1.000	11.747
53.887	22.624	0.156	1.000	11.747
56.945	24.064	0.156	1.000	11.747
TAX	LEVIES			
\$ 82,991,157	\$124,745,065	\$285,477	\$5,062,766	\$2,802,166
103,735,943	129,119,905	283,148	5,146,619	4,265,886
109,750,435	137,564,655	269,174	5,347,290	4,609,169
109,549,655	142,564,068	267,964	5,322,753	4,390,298
111,206,275	138,085,156	254,892	5,164,277	4,216,529
129,967,590	139,022,459	254,801	5,173,950	4,186,954
129,522,650	144,037,143	257,152	5,273,967	4,118,852
128,536,897	143,254,180	259,171	5,346,845	4,174,499
157,064,037	155,177,134	253,106	6,364,089	4,777,662
171,542,021	165,014,873	254,376	6,370,318	4,774,321

(a) Figure represents a specific mill levy.

**PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND TEN YEARS AGO**

Taxpayer	2017			2008		
	2016 Assessed Value	Rank	Percentage of Total Assessed Value	2007 Assessed Value	Rank	Percentage of Total Assessed Value
Amgen Inc	\$19,691,183	1	1.58%	\$35,984,390	1	3.59%
Longmont Diagonal Investments LP	16,496,453	2	1.31			
Xilinx Inc	14,977,575	3	1.19	8,808,540	6	0.88
Seagate Technology LLC	14,116,624	4	1.12	22,066,420	3	2.20
NMMS Twin Peaks LLC	13,785,174	5	1.10			
Ramco-Gershenson Properties LP	12,678,508	6	1.01			
Hub Properties Trust	12,584,957	7	1.00			
Public Service CO of Colorado	11,083,051	8	0.88			
Seagate Technology	9,260,661	9	0.74			
DigitalGlobe, Inc	8,271,012	10	0.66			
Circle Capital LLC				22,625,540	2	2.26
Maxtor Corporation				9,347,630	4	0.93
Longmont Square Plaza				8,848,540	5	0.88
Longmont Springcrest LLC				8,808,740	7	0.88
Longmont Sandstone LLC				8,808,740	8	0.88
Longmont Woodhaven LLC				8,808,740	9	0.88
Twin Peaks Mall				8,351,770	10	0.83
<hr/>						
Total Taxable Assessed Value of 10 Largest Taxpayers	\$ 132,945,198		10.58	\$ 142,459,050		14.22
<hr/>						
Total Taxable Assessed Value of Other Taxpayers	1,123,457,978		89.42	859,430,480		85.78
<hr/>						
Total Taxable Assessed Value All Taxpayers	<u>\$1,256,403,176</u>		100%	<u>\$1,001,889,530</u>		100%

Source: Boulder County and Weld County assessors' offices



The Tower of Compassion in Kanemoto Park

**PROPERTY TAX LEVIES AND COLLECTIONS
GENERAL FUND
LAST TEN FISCAL YEARS**

LEVY YEAR	COLLECTION YEAR	TOTAL TAX LEVY	CURRENT TAX COLLECTIONS	PERCENT OF LEVY COLLECTED	DELINQUENT TAX COLLECTIONS	
2007	2008	\$ 14,461,571	\$ 14,274,137	98.7	\$ (21,130)	(b)
2008	2009	14,568,772	14,398,968	98.8	3,587	
2009	2010	14,504,735	14,297,043	98.6	(204)	(b)
2010	2011	14,441,941	14,263,350	98.8	(7,257)	(b)
2011	2012	13,902,245	13,709,639	98.6	(3,527)	(b)
2012	2013	13,885,060	13,712,024	98.8	(20,700)	(b)
2013	2014	13,993,740	13,800,707	98.6	(11,229)	(b)
2014	2015	14,324,084	14,112,717	98.5	(11,567)	(b)
2015	2016	16,548,496	16,323,756	98.6	(10,133)	(b)
2016	2017	16,620,387	16,395,211	98.6	(9,384)	(b)

**Component Units Levies and Collections
Last Ten Fiscal Years**

LEVY YEAR	COLLECTION YEAR	TOTAL COMPONENT UNITS LEVY	CURRENT COMPONENT UNITS COLLECTIONS	PERCENT OF LEVY COLLECTED	DELINQUENT COMPONENT UNITS COLLECTIONS	
2007	2008	\$ 1,168,273	\$ 1,139,951	97.6	\$ (3,538)	(b)
2008	2009	1,322,049	1,305,319	98.7	15,317	
2009	2010	1,363,941	1,394,925	102.3	1,388	
2010	2011	1,286,280	1,323,392	102.9	(8,302)	(b)
2011	2012	1,409,316	1,268,133	90.0	856	
2012	2013	1,229,322	1,230,435	100.1	(2,539)	(b)
2013	2014	736,999	763,931	103.7	(5,686)	(b)
2014	2015	843,136	861,307	102.2	(2,551)	(b)
2015	2016	908,888	971,080	106.8	(4,099)	(b)
2016	2017	965,843	937,788	97.1	179	

- (a) Property taxes are assessed by Boulder and Weld counties and, after collection and deduction of 1% as a collection fee, are remitted to the City. Outstanding delinquent taxes, although relatively minor, are not known by the City and are assumed to be negligible.
- (b) Refunds exceeded delinquent collection.

	TOTAL TAX COLLECTIONS	COLLECTIONS AS % OF CURRENT LEVY	OUTSTANDING DELINQUENT TAXES (a)
\$	14,253,007	98.6	-
	14,402,555	98.9	-
	14,296,839	98.6	-
	14,256,093	98.7	-
	13,706,112	98.6	-
	13,691,324	98.6	-
	13,789,478	98.5	-
	14,101,150	98.4	-
	16,313,622	98.6	-
	16,385,827	98.6	-

	TOTAL COMPONENT UNITS COLLECTIONS	COLLECTIONS AS % OF CURRENT LEVY	OUTSTANDING DELINQUENT COMPONENT UNITS (a)
\$	1,136,413	97.3	-
	1,320,636	99.9	-
	1,396,313	102.4	-
	1,315,091	102.2	-
	1,268,989	90.0	-
	1,227,896	99.9	-
	758,245	102.9	-
	858,757	101.9	-
	966,980	106.4	-
	937,967	97.1	-

**SALES AND USE TAX REVENUE BY TYPE OF INDUSTRY
LAST TEN FISCAL YEARS**

Fiscal Year	Apparel	Automotive	Food	Home Furnishings	General	Lodging	Lumber
2008	\$ 811,706	\$ 3,076,830	\$ 12,351,545	\$ 1,487,700	\$ 8,102,502	\$ 575,018	\$ 4,153,626
2009	769,069	2,807,423	12,088,918	1,437,616	7,720,534	448,409	3,217,098
2010	746,975	2,945,326	12,476,116	1,373,172	7,942,717	473,031	3,761,323
2011	774,340	3,067,736	13,003,218	1,477,811	8,152,274	461,948	3,485,393
2012	815,281	3,303,338	14,000,534	1,461,608	8,232,207	509,432	4,629,605
2013	832,078	3,627,934	15,242,816	1,444,851	8,210,791	608,842	4,916,728
2014	836,095	3,838,379	16,233,232	1,587,417	8,119,395	652,703	5,818,483
2015	949,499	4,159,892	17,203,836	1,570,836	8,251,006	649,678	7,442,208
2016	1,000,550	4,425,931	18,313,769	1,713,204	9,473,372	678,460	8,918,363
2017	1,078,676	4,503,925	19,513,469	1,820,630	10,177,267	810,752	9,845,879

Source: City of Longmont sales and use tax reports and general ledger

(1) Corrected 2006 through 2012 to remove accidental double recording of accruals and make post-close adjustments.

(2) Corrected totals for 2006 through 2012.

Professional	Public Utility	Unclassified	Home Occupation	Manufacturing	Motor Vehicle Use Tax	Accrual(1)	Total Sales and Use Tax(2)	Total Direct Tax Rate
\$ 904,306	\$ 4,425,770	\$ 4,785,132	\$ 154,285	\$ 2,927,119	\$ 2,458,566	\$ (101,463)	46,112,642	3.275
1,155,241	4,327,560	4,253,903	139,145	2,266,143	2,053,947	-	42,685,006	3.275
1,246,112	4,611,287	4,890,472	133,207	1,835,299	2,140,629	-	44,575,666	3.275
1,763,230	4,931,980	5,260,810	153,155	2,280,349	2,386,969	-	47,199,213	3.275
1,152,575	4,878,682	4,889,490	165,709	2,575,958	2,683,787	-	49,298,206	3.275
1,154,604	5,019,774	5,533,752	153,548	2,635,130	2,939,328	-	52,320,176	3.275
1,612,227	5,156,841	6,242,788	206,783	2,816,419	3,146,983	-	56,267,745	3.275
1,579,979	4,961,207	5,062,575	209,384	2,290,516	3,601,790	-	57,932,406	3.275
1,314,501	4,921,292	5,698,977	256,459	1,457,168	3,667,630	-	61,839,677	3.275
2,522,958	4,852,127	6,931,523	290,812	1,875,480	3,834,170	-	68,057,668	3.275

**DIRECT AND OVERLAPPING SALES TAX RATES
LAST TEN FISCAL YEARS**

Fiscal Year	City Direct Rate	Overlapping Rates					Total Direct & Overlapping Sales Tax Rate
	City of Longmont	State of Colorado	Boulder County	Regional Transportation District	Scientific and Cultural Facilities District	Metropolitan Sports Stadium District	
2008	3.275	2.900	0.650	1.000	0.100	0.100	8.025
2009	3.275	2.900	0.650	1.000	0.100	0.100	8.025
2010	3.275	2.900	0.650	1.000	0.100	0.100	8.025
2011	3.275	2.900	0.800	1.000	0.100	0.100	8.175
2012	3.275	2.900	0.800	1.000	0.100	0.000	8.075
2013	3.275	2.900	0.800	1.000	0.100	0.000	8.075
2014	3.275	2.900	0.800	1.000	0.100	0.000	8.075
2015	3.275	2.900	0.985	1.000	0.100	0.000	8.260
2016	3.275	2.900	0.985	1.000	0.100	0.000	8.260
2017	3.275	2.900	0.985	1.000	0.100	0.000	8.260

Sources: City of Longmont sales and use tax reports



The City of Longmont's Senior Services provides many health and fitness programs, including trips to local ski areas.

**PRINCIPAL SALES AND USE TAXPAYERS
LAST TEN FISCAL YEARS**

	Fiscal Year			
	2008	2009	2010	2011
Aggregate top ten filers ⁽¹⁾	\$14,314,666	\$12,735,201	\$13,768,827	\$14,396,809
Aggregate all other filers ⁽²⁾	<u>31,797,977</u>	<u>29,949,805</u>	<u>30,806,839</u>	<u>32,802,404</u>
Total sales and use tax ⁽³⁾	<u>\$46,112,643</u>	<u>\$42,685,006</u>	<u>\$44,575,666</u>	<u>\$47,199,213</u>
Top ten filers as a percentage of total tax	31.04%	29.84%	30.89%	30.50%

(1) Colorado state statutes and City of Longmont ordinances prohibit disclosure of individual sales and use tax returns; therefore, the current year top 10 filers are listed in alphabetical order as follows: City of Longmont Building Permits, Boulder County, Walmart #5370, Walmart #905, King Soopers #80, City of Longmont Utilities, Home Depot #1521, Target Stores, King Soopers #102, Sam's Club

(2) Corrected 2006 through 2012 to remove double recording of accruals and add post-close adjustments.

(3) Corrected totals for 2006 through 2012.

Source: City of Longmont sales and use tax reports and general ledger

Fiscal Year					
2012	2013	2014	2015	2016	2017
\$15,894,438	\$17,214,271	\$18,298,951	\$19,916,128	\$21,056,860	\$23,571,469
<u>33,403,768</u>	<u>35,105,905</u>	<u>37,968,794</u>	<u>38,016,277</u>	<u>40,782,817</u>	<u>44,486,200</u>
<u>\$49,298,206</u>	<u>\$52,320,176</u>	<u>\$56,267,745</u>	<u>\$57,932,405</u>	<u>\$61,839,677</u>	<u>\$68,057,669</u>
32.24%	32.90%	32.52%	34.38%	34.05%	34.63%

**RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS**

Fiscal Year	Governmental Activities				Business-Type Activities			Total Primary Government	(1)	(1)
	General Obligation Bonds	Sales & Use Tax Revenue Bonds	Certificates of Participation	Capital Leases	Revenue Bonds	Loans Payable	Capital Leases		% of Personal Income	Per Capita
2008	\$ 4,480,000	\$ 33,905,000	\$ -	\$ 8,800,964	\$ 14,540,000	\$ 16,438,464	\$ 2,346,180	\$ 80,510,608	1.9%	934
2009	3,425,000	32,235,000	-	10,277,050	14,030,000	15,536,963	1,919,455	77,423,468	1.9%	897
2010	2,325,000	47,145,000	-	5,057,886	26,900,000	14,381,439	-	95,809,325	2.1%	1,095
2011	1,185,000	45,445,000	-	4,767,754	26,095,000	13,210,950	-	90,703,704	2.0%	1,032
2012	-	43,655,000	-	5,438,502	25,200,000	12,079,147	-	86,372,649	1.9%	983
2013	-	41,328,020	-	5,028,388	32,386,910	11,144,353	-	89,887,671	1.9%	996
2014	-	37,979,360	30,801,939	4,578,024	92,888,721	10,132,504	-	176,380,548	3.2%	1,900
2015	-	34,535,700	30,744,039	4,125,942	123,640,956	9,109,599	-	202,156,236	3.7%	2,177
2016	-	30,987,040	30,686,139	3,673,527	121,251,431	8,064,581	-	194,662,718	3.4%	2,072
2017	-	27,323,380	30,033,239	3,100,033	123,117,460	6,997,450	-	190,571,562	3.2%	2,011

Note: (1) See schedule 17 for personal income and population data used in calculation these ratios.

**RATIOS OF NET GENERAL OBLIGATION (G/O) BONDED DEBT TO ASSESSED VALUE
AND NET BONDED DEBT PER CAPITA
LAST TEN FISCAL YEARS**

FISCAL YEAR	POPULATION (a)	ASSESSED VALUE (b)	GROSS BONDED DEBT (c)	LESS: DEBT PAYABLE FROM ENTERPRISE REVENUES	NET GOVERNMENTAL GENERAL OBLIGATION BONDED DEBT	RATIO OF NET G/O BONDED DEBT TO ASSESSED VALUE	NET G/O BONDED DEBT PER CAPITA
2008	86,194	\$ 1,088,804,390	\$ 4,480,000	\$ -	4,480,000	0.0041	51.98
2009	86,303	1,098,251,380	3,425,000	-	3,425,000	0.0031	39.69
2010	87,461	1,094,354,530	2,325,000	-	2,325,000	0.0021	26.58
2011	87,850	1,088,634,491	1,185,000	-	1,185,000	0.0011	13.49
2012	87,854	1,047,876,259	-	-	-	-	-
2013	90,219	1,045,661,449	-	-	-	-	-
2014	91,911	1,049,902,140	-	-	-	-	-
2015	92,852	1,075,658,539	-	-	-	-	-
2016	93,933	1,242,062,988	-	-	-	-	-
2017	94,777	1,256,403,176	-	-	-	-	-

(a) Bureau of Census; City of Longmont Department of Planning & Development Services

(b) Source: Boulder and Weld counties assessors' offices.

(c) Gross bonded debt includes all long-term general obligation debt

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
As of December 31, 2017

Governmental Unit	Direct Debt Outstanding	Percentage Applicable To City of Longmont (a)	Estimated Share of Overlapping Debt
Overlapping:			
St. Vrain Valley School District ¹	\$ 531,080,000	38.66%	\$ 205,315,528
Northern Colorado Water Conservancy District ²	3,607,098	7.00%	<u>252,497</u>
Subtotal, overlapping debt			205,568,025
City of Longmont	60,456,652	100.00%	<u>60,456,652</u>
Total Direct & Overlapping Debt			<u>\$ 266,024,677</u>

(a) City assessed valuation as a percentage of the total assessed valuation of the overlapping government.

Sources:

- (a) St. Vrain Valley School District
- (b) Northern Colorado Water Conservancy District



City surveyors work at the site of Dickens Farm Nature Area, scheduled to open in 2018

**LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS**

	Fiscal Year				
	2008	2009	2010	2011	2012
Debt Limit	\$ 269,365,309	\$ 272,149,250	\$ 264,574,063	\$ 264,875,278	\$ 254,458,859
Total net debt applicable to limit	<u>4,480,000</u>	<u>3,425,000</u>	<u>2,325,000</u>	<u>1,185,000</u>	<u>-</u>
Legal debt margin	<u>\$ 264,885,309</u>	<u>\$ 268,724,250</u>	<u>\$ 262,249,063</u>	<u>\$ 263,690,278</u>	<u>\$ 254,458,859</u>
Total net debt applicable to the limit as a percentage of debt limit	1.66%	1.26%	0.88%	0.45%	0.00%

Legal Debt Margin Calculation for Fiscal Year 2017:

Estimated actual value	<u>\$10,423,689,360</u>
Debt limit (3% of actual value)	312,710,681
Debt applicable to limit:	
General Obligation Bonds	<u>\$0</u>
Legal Debt Margin	312,710,681

		Fiscal Year				
		2013	2014	2015	2016	2017
\$	254,406,723	\$ 255,775,308	\$ 259,885,407	\$ 309,085,256	\$ 312,710,681	
	-	-	-	-	-	
\$	<u>254,406,723</u>	<u>\$ 255,775,308</u>	<u>\$ 259,885,407</u>	<u>\$ 309,085,256</u>	<u>\$ 312,710,681</u>	
	0.00%	0.00%	0.00%	0.00%	0.00%	

PLEGGED REVENUE BOND/LOAN COVERAGE
Last Ten Fiscal Years

FISCAL YEAR	GROSS RESOURCES (a)	EXPENSES (b)	AVAILABLE FOR DEBT SERVICE (c)	PRINCIPAL		INTEREST		TOTAL	COVERAGE
ELECTRIC AND BROADBAND UTILITY ENTERPRISE REVENUE BONDS									
2014	\$ 65,841,451	\$ 54,939,311	\$ 10,902,140	\$ -	\$ 887,296	\$ 887,296			12.29
2015	68,470,990	57,818,312	10,652,678	-	1,472,013	1,472,013			7.24
2016	72,127,200	62,415,469	9,711,731	-	1,472,013	1,472,013			6.60
2017	80,701,988	63,821,601	16,880,387	2,245,000	1,553,064	3,798,064			4.44
SEWER REVENUE BONDS									
2008	\$ 7,850,829	\$ 5,905,831	\$ 1,944,998	\$ 197,401	\$ 75,946	\$ 273,347			7.12
2009	7,703,486	5,994,889	1,708,597	200,973	65,403	266,376			6.41
2010	8,497,487	6,274,255	2,223,232	204,672	256,277 (e)	460,949			4.82
2011	8,927,366	6,213,740	2,713,626	483,579	587,113 (e)	1,070,692			2.53
2012	9,674,771	6,420,819	3,253,952	503,838	564,636	1,068,474			3.05
2013	10,806,883	7,498,334	3,308,549	550,000	640,917	1,190,917			2.78
2014	13,002,567	8,178,180	4,824,387	870,000	778,608	1,648,608			2.93
2015	14,943,654	8,100,714	6,842,940	885,000	761,208	1,646,208			4.16
2016	16,400,257	8,025,134	8,375,123	1,545,000	2,026,932	3,571,932			2.34
2017	17,215,217	7,725,060	9,490,157	1,735,000	1,890,293	3,625,293			2.62
WATER LOAN									
2008	\$ 17,232,818	\$ 8,416,214	\$ 8,816,604	\$ 685,530	\$ 523,082	\$ 1,208,612			7.29
2009	12,859,723	8,607,929	4,251,794	700,528	508,877	1,209,405			3.52
2010	13,467,464	8,391,999	5,075,465	950,853	489,439	1,440,292			3.52
2011	13,581,304	9,160,147	4,421,157	961,909	463,514	1,425,423			3.10
2012	14,797,928	9,524,927	5,273,001	989,550	456,063	1,445,613			3.65
2013	12,874,408	9,753,022	3,121,386	989,551	427,463	1,417,014			2.20
2014	13,515,192	11,333,712	2,181,480	1,006,135	398,375	1,404,510			1.55
2015	14,912,596	9,815,086	5,097,510	1,017,191	368,800	1,385,991			3.68
2016	16,608,135	10,779,446	5,828,689	1,039,304	332,000	1,371,304			4.25
2017	18,907,230	11,667,810	7,239,420	1,061,417	294,400	1,355,817			5.34
STORM DRAINAGE BONDS									
2008	\$ 3,504,313	\$ 1,587,036	\$ 1,917,277	\$ -	\$ 424,710 (e)	\$ 424,710			4.51
2009	3,459,768	2,137,552	1,322,216	510,000	577,519 (e)	1,087,519			1.22
2010	3,541,274	2,163,466	1,377,808	520,000	561,431 (e)	1,081,431			1.27
2011	3,488,953	2,209,759	1,279,194	530,000	545,019 (e)	1,075,019			1.19
2012	3,999,567	2,159,066	1,840,501	565,000	536,406	1,101,406			1.67
2013	4,173,492	2,311,825	1,861,667	565,000	518,531	1,083,531			1.72
2014	6,815,082	3,002,966	3,812,116	1,885,000	498,756	2,383,756			1.60
2015	6,947,077	2,565,357	4,381,720	2,615,000	1,219,803	3,834,803			1.14
2016	7,258,176	3,536,679	3,721,497	1,360,000	1,059,351	2,419,351			1.54
2017	7,426,638	3,738,232	3,688,406	1,450,000	1,036,688	2,486,688			1.48
OPEN SPACE SALES AND USE TAX REVENUE BONDS									
		Open Space Sales and Use Tax Revenues		Maximum Annual Debt Service on Bonds		Coverage			
2007	\$	2,853,231	\$	1,848,000		1.54			
2008		2,816,039		1,848,000		1.52			
2009		2,606,718		1,848,000		1.41			
2010		2,722,178		2,056,507 (d)		1.32			
2011		2,882,395		2,056,507		1.40			
2012		3,010,578		2,041,300 (f)		1.47			
2013		3,195,124		2,023,400		1.58			
2014		3,436,196		2,010,400		1.71			
2015		3,537,857		1,992,200		1.78			
2016		3,776,468		1,973,899		1.91			
2017		4,156,190		1,950,500		2.13			
SALES AND USE TAX REFUNDING REVENUE BONDS									
		Pledged Sales and Use Tax Revenues		Maximum Annual Debt Service on Bonds		Coverage			
2007	\$	28,532,328	\$	2,799,100 (h)		10.19			
2008		28,160,393 (g)		2,799,100		10.06			
2009		26,067,719		2,799,100		9.31			
2010		27,221,782		2,799,100		9.73			
2011		28,823,947		2,799,100		10.30			
2012		30,105,775		2,799,100		10.76			
2013		31,951,254		2,799,100		11.41			
2014		34,361,981		2,799,100		12.28			
2015		35,378,567		2,799,100		12.64			
2016		37,385,418		2,799,100		13.36			
2017		40,270,349		2,799,100		14.39			

See notes on next page.

DEMOGRAPHIC AND ECONOMIC STATISTICS
Last Ten Fiscal Years

Fiscal Year	(1) Population	Personal Income (thousands of dollars)	(3) Per Capita Income	(1) Median Age	(4) School Enrollment	(2) Unemployment Rate (%)
2008	86,194	\$ 4,165,239	\$ 48,324	34.3	25,751	5.0
2009	86,303	4,549,808	52,719	34.3	26,724	6.0
2010	87,461	4,153,435	47,489	34.4	27,379	6.8
2011	87,850	4,453,731	50,697	36.6	28,109	6.1
2012	87,854	4,559,008	51,893	35.9	29,382	5.5
2013	90,219	4,851,256	53,772	35.6	30,195	4.4
2014	91,911	5,052,164	54,968	36.0	31,076	3.1
2015	92,852	5,443,634	58,627	36.5	31,777	2.6
2016	93,933	5,656,645	60,220	36.60	32,171	2.2
2017	94,777	6,037,958	63,707	36.90	32,421	2.6

Source: (1) City of Longmont Department of Planning & Development Services

(2) U.S. Bureau of Labor Statistics

(3) U.S. Bureau of Economic Analysis

(4) St. Vrain Valley School District Data Specialist

(5) U.S. Census Bureau

NOTES TO PLEDGED REVENUE BOND/LOAN COVERAGE on previous page

- (a) Gross resources include operating revenues, miscellaneous revenue and interest income. Also included are annexation fees, plant investment fees, system development fees, developer participation, and cash received in lieu of water which are classified as capital contributions under generally accepted accounting principles.
- (b) Expenses include all operating expenses except depreciation. Excludes operating transfers to other funds. Excludes franchise fees in Electric & Broadband as the obligation to pay franchise fees is subordinate to debt service on the bonds.
- (c) Gross resources in column (2) minus expenses in column (3).
- (d) Open Space Sales and Use Tax Revenue Bonds were partially refunded in 2010.
- (e) Interest restated to eliminate capitalization as previously reported.
- (f) Correction to tie the maximum annual debt service for the Series 2010 Open Space Refunding Bonds to the Official Statement and the Continuing Disclosure Tables
- (g) The 2009-2013 previously reported CAFR tables overstated the accrual reduction for 2008 as (\$698,377). The correct accrual reduction was (\$61,962). This correction increases the 2008 pledged revenues by \$636,415 to \$28,160,393 for 2008.
- (h) Correction to tie the maximum annual debt service for the Series 2006 Sales and Use Tax Refunding Bonds to the Official Statement and the Continuing Disclosure Tables.

PRINCIPAL EMPLOYERS
Current Fiscal Year and Ten Years Ago

Employer	2017			2008		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
St. Vrain Valley Schools	3,543	1	6.8%	3,812	1	8.6%
City of Longmont	1,625	2	3.1%	820	4	1.9%
Seagate Technology	1,379	3	2.7%	1,463	2	3.3%
Longmont United Hospital	862	4	1.7%	1,366	3	3.1%
West Safety Svcs Division	674	5	1.3%			0.0%
UC Health Longs Peak Hospital	618	6	1.2%			
Circle Graphics	560	7	1.1%			0.0%
McLane Western	446	8	0.9%	500	8	1.1%
Federal Aviation Administration	444	9	0.9%	503	7	1.1%
Crocs	375	10	0.7%			0.0%
Amgen				750	5	1.7%
DigitalGlobe			0.0%	450	9	1.0%
Butterball, LLC				443	10	1.0%
Intrado				722	6	1.6%
Total	10,526		20.3%	10,829		24.4%

Sources: Longmont Economic Development Partnership
Bureau of Labor Statistics
2007 CAFR

FULL-TIME EQUIVALENT EMPLOYEES BY FUNCTION/PROGRAM
Last Ten Fiscal Years

<u>Function/Program</u>	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Government										
City Administration	35	36	30	31	31	40	41	42	0	7
Mayor and Council									7	7
City Manager									7	8
City Attorney									7	
Human Resources									8	8
Municipal Court									9	9
Shared Services & Finance	81	80	86	88	88	81	81	80	85	91
Public Safety									296	302
Police	179	185	173	171	171	171	171	174	0	
Fire	97	96	92	91	91	91	91	91	0	
Shared	22	23	30	29	31	31	32	33	0	
External Services									145	153
Parks, Open Space and Public Works	80	78	75	59	59	59	58	58	0	
Planning	11	11	14	14	14	14	13	13	0	
Development and Building Inspection	13	12	11	13	12	12	12	14	0	
Library	39	39	39	37	37	37	37	37	0	
Museum	8	8	7	7	7	7	7	8	0	
Recreation	21	22	21	21	21	21	23	34	0	
Senior Services	7	7	7	7	7	7	8	8	0	
Children and Youth Services	7	6	6	8	8	8	8	9	0	
Community Services Administration	12	12	11	12	13	13	16	16	0	
Public Works and Natural Resources	169	163	157	169	168	167	165	165	224	233
Power and Communications	71	70	73	73	73	73	73	92	99	100
Downtown Development Authority										3
Total	850	846	832	829	831	832	836	873	887	921

Source: City of Longmont Budget Office

Note: Updated Schedule 19 to align with adopted budget. Realignment has occurred over several years. In 2013, Shared Services and Finance replaced Support Services.

OPERATING INDICATORS BY FUNCTION/PROGRAM
Last Ten Fiscal Years

<u>Function/Program</u>	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Police										
DUI Arrests	317	270	288	268	329	243	256	281	376	343
Traffic Violations	9,261	10,524	11,132	9,163	8,903	6,984	7,748	5,821	6,230	6,576
Case Clearance Rate	68%	65%	42%	44%	40%	39%	40%	40%	48%	37%
Fire										
Emergency Responses	6,638	6,772	7,007	6,788	7,918	8,262	8,279	6,574	9,983	10,584
Inspections	1,206	1,429	1,336	277	2,360	1,538	1,916	1,595	3,857	4,141
Fires Extinguished	228	72	156	102	190	202	152	138	218	240
Call Response Time										
< 5 mins	75%	51%	0%	67%	47%	50%	58%	61%	60%	55%
> 5 mins	25%	49%	0%	33%	53%	50%	42%	39%	40%	45%
Public Works										
Streets Resurfaced (miles)	8.10	10.54	8.75	8.90	15.90	10.86	14.10	13.95	16.38	14.09
Parks and Recreation										
Library										
Total Circulation	1,041,788	1,081,428	1,125,345	1,086,394	1,195,726	1,262,198	1,209,723	1,235,696	967,026	937,692
Total Items Added	24,330	22,170	22,933	19,502	18,084	18,837	16,694	15,733	17,603	21,112
Patron Visits	458,469	580,767	531,139	584,119	650,526	611,262	621,074	508,424	600,174	801,701
Museum										
Total People Served	71,831	71,443	70,009	71,077	62,024	65,137	47,177	60,414	62,652	62,693
Golf										
Rounds of Golf	100,488	96,108	89,517	88,607	100,958	87,620	90,402	90,963	92,410	101,232
Water										
New connections	116	506	-	62	330	116	140	281	545	372
Water main breaks	23	23	25	26	38	30	29	16	26	26
Average daily consumption (mgd)	15.95	13.66	14.51	15.53	15.45	13.49	13.12	13.37	14.20	13.96
Wastewater										
Average daily sewage treatment (mgd)	7.63	7.31	7.22	6.97	6.71	7.21	6.91	7.24	7.12	7.01
Power and Communications										
Customers	36,231	36,383	36,683	36,809	37,107	37,360	37,751	38,229	38,508	39,216
Meter Reading Accuracy	99.94%	99.94%	99.90%	99.90%	99.90%	99.90%	99.90%	99.97%	99.96%	99%

Source: Various City of Longmont departments

(a) Change in calculation method due to implementation of a new information management system

CAPITAL ASSETS STATISTICS BY FUNCTION
Last Ten Fiscal Years

<u>Function/Program</u>	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol vehicles	68	70	63	63	62	62	62	73	73	74
Fire										
Stations	5	5	5	5	6	6	6	6	6	6
Public Works										
Streets (miles)	315	319	319	330	330	330	334	337	337	342
Traffic Signals	7,204	7,228	7,228	7,355	7,402	7,415	7,467	7,480	7,534	7,609
Parks and Recreation										
Parks	44	44	44	44	47	47	47	47	46	44
Park, trail and open space acreage	3,727	5,213	5,213	5,213	4,676	4,715	4,719	4,719	4,715	6,414
Libraries	1	1	1	1	1	1	1	1	1	1
Number of volumes	295,723	292,299	283,758	277,279	270,176	267,769	266,082	267,769	274,542	273,622
Museum	1	1	1	1	1	1	1	1	1	1
Swimming Pools	5	5	5	5	5	4	4	4	4	4
Golf Courses	3	3	3	3	3	3	3	3	3	3
Water										
Water mains (miles)	441	442	441	443	443	443	447	450	452	456
Water connections	26,035	26,541	-	26,603	26,933	27,049	27,189	27,470	27,768	28,140
Wastewater										
Sanitary sewer (miles)	328	328	326	328	328	329	331	333	335	338
Wastewater connections	25,795	26,147	-	25,875	26,067	26,132	26,163	26,455	26,919	27,284
Power and Communications										
Substations	7	7	7	7	7	7	7	7	7	7

Source: Various City of Longmont departments

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended December 31, 2017

	Federal CFDA Number	Grant Number	Program or Award Amount	Expenditures passed through to Subrecipients	Federal Expenditures
Department of Housing and Urban Development					
Community Development					
2014	14.218	14-MC-08-0011	\$ 580,094	\$ -	\$ 18,292
2015	14.218	15-MC-08-0011	587,833	5,343	4,615
2016	14.218	16-MC-08-0011	603,958	23,930	192,062
2017	14.218	17-MC-08-0011	617,129	49,130	172,469
				78,403	387,437
<i>Passed through the Colorado Department of Local Affairs</i>					
CDBG-DR Longmont Resiliency for All	14.269	CDBG-DR-P16-012	77,000		42,094
CDBG-DR Grant (Boulder County Collaborative)	14.269	#84365	46,416,338	15,782,178	16,757,419
CDBG-DR Resiliency Staffing Grant	14.269	P15-052	377,799		68,645
CDBG-DR Aquatic Restoration of Button Rock Preserve are of the North St. Vrain Creek	14.269	CDBG-DR-WI 15-120	150,000		131,307
				15,782,178	16,999,465
Total Community Development Block Grant				15,860,581	17,386,902
<i>Passed through the City of Boulder, Colorado</i>					
HOME Consortium Grant 2017	14.239	M-17-DC-08-0202	1,426,940		9,878
Total HOME Grants					9,878
TOTAL Department of Housing and Urban Development				15,860,581	17,396,780
US Department of the Interior					
<i>Subgrant from the State of Colorado Department of Parks and Wildlife</i>					
Fishing is Fun	15.605	F17AF00027 (CO#F-656-D)	84,000		48,033
Total US Department of the Interior					48,033
US Department of Justice					
Equitable Sharing Agreement - Asset Forfeiture Program (Justice Seizure Fund)					
	16.922	CO0070400	12,397		12,452
<i>Passed through the Colorado Department of Public Safety</i>					
JAG - Project Pinwheel (year 4)	16.738	2016-DJ-16-013733-03-4	21,440		21,433
JAG - Rest. Practices in in Schools Training and Technical Asst. (year 4)	16.738	2016-MU-BX-0115	46,980		46,980
JAG - Coordinated Response & Assist. to Domestic Violence Crime Victims (Year 2) (2015)	16.738	2015-MU-BX-0390	12,488		2,906
JAG - Coordinated Response & Assist. to Domestic Violence Crime Victims (Year 3) (2016)	16.738	2016-DJ-16-013731-07-3	14,050		11,650
JAG - Domestic and Dating Violence Prevention and Education (year 3)	16.738	2016-DJ-16-013732-03-3	13,823		11,044
JAG - Domestic and Dating Violence Prevention and Education (year 4)	16.738	2014-DJ-17-03-9-4	7,465		-
<i>Passed through the City of Boulder</i>					
Edward Byrne Grant Award IGA with City of Boulder - Project Coordinator	16.738	2014-DJ-BX-0944	25,384		3,182
Edward Byrne Grant Award IGA with City of Boulder - Project Coordinator	16.738	2016-H3000-CO-DJ	25,994		23,566
Edward Byrne Grant Award IGA with City of Boulder - Project Coordinator	16.738	2017-H2589-CO-DOJ	26,835		-
					120,761
<i>Passed through the City of Colorado Springs, Colorado</i>					
Internet Crimes Against Children	16.543	2015-MC-FX-K030	3,950		3,950
<i>Passed through the Colorado Department of Public Safety</i>					
Victims of Crime Act - VOCA	16.575	2015-VA-16-013669-20	39,007		39,007
St. Vrain Family Center - S.A.F.E. Services Program Grant	16.527	2013-FL-AX-K001	382,607		89,714
2015 Bullet Vest Proof Partnership	16.607		8,611		8,611
Total US Department of Justice					274,495
Museums of America					
Institute of Museum and Library Services					
	45.301	MA-30-17-0533-17	148,718		3,695
Total Museum of Americas					3,695
US Department of Transportation					
<i>Passed through the Denver Regional Council of Governance and RTD</i>					
Station Area Master Plan (STAMP)- Main Street Corridor Plan	20.507	CO-2017-030	200,000		-
<i>Passed through the Colorado Department of Transportation</i>					
Federal Highway Administration (FHWA)- Study for Intersection Improvements in SW Longmont	20.205	17-HA4-XC-00098	300,000		47,265
<i>Passed through the Colorado Department of Transportation</i>					
CDOT- Hover Street Underpass	20.205	16-HA4-ZH-00118	2,581,000		803,294
					803,294
<i>Passed through the Colorado Department of Transportation</i>					
FAA Grant - Vance Brand Airport Rehabilitate Taxiways/Apron design only	20.106	16-HAV-ZL-00287	253,429		32,573
					32,573
<i>Passed through the Colorado Department of Transportation</i>					
Click It or Ticket	20.616	CDOT PO # 4110012708	6,600		6,600
Total US Department of Transportation					889,732
US Department of the Treasury					
Eq. Sharing Agreement - Treasury Forfeiture Program (Treasury Seizure Fund)					
	21.000	CO0070400	390		335
Total US Department of Treasury					335
US Department of Homeland Security					
<i>Passed through the Colorado Department of Public Safety- Homeland Security</i>					
Emergency Management Performance Grant (2016)	97.042	16EM-16-128	46,000		11,500
Emergency Management Performance Grant (2017)	97.042	16EM-17-128	46,000		34,500
Emergency Management Performance Grant (2018)	97.042	17EM-18-128	46,000		-
					46,000
<i>Passed through the Colorado Department of Public Safety- Homeland Security</i>					
FEMA - Federal Emergency Management Award	97.036	DR-4229-CO	1,057,247		45,395
FEMA - Federal Emergency Management Award	97.036	DR-4145-CO	41,441,082		13,866,297
FEMA - Federal Emergency Management Award (HMGP)	97.036	DR-4145-CO	1,401,671		833,909
					14,745,601
Total US Department of Homeland Security					14,791,601
Total Federal Assistance					\$ 33,404,671

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended December 31, 2017**

NOTE 1: BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of the City of Longmont under programs of the federal government for the year ended December 31, 2017. The information in this Schedule is presented in accordance with the requirements of 2 CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the City.

NOTE 2: BASIS OF ACCOUNTING

The Schedule is presented using the same basis of accounting as that used in reporting the expenditures of the related funds in the City's fund financial statements. The basis of accounting used for each fund type is described in Note 2B of the City's financial statements.

NOTE 3: INDIRECT COST RATE

The City has elected to use the 10% de minimus cost rate for the CDBG Disaster Recovery Grants, but has elected not to use the de minimus cost rate for the CDBG Entitlement grant.

NOTE 4: INSURANCE

Expenditures offset by insurance proceeds were not included as Federal expenditures on the Schedule of Expenditures of Federal Awards.

Expenses offset by insurance proceeds were as follows:

97.036 FEMA - Federal Emergency Management Award DR 4145-CO	\$ 180,320
	<u>\$ 180,320</u>

NOTE 5: PROGRAM INCOME

Program income for the year ended December 31, 2017 is as follows:

12.239 HOME Consortium	\$ 15,461
12.239 Home State	25,003
14.218 CDBG	68,081
	<u>\$ 108,545</u>

NOTE 6: LOANS AND LOAN GUARANTEES

CDBG Loan Balances outstanding at 12/31/2017:

CDBG- Entitlement Grant	\$ 1,316,206
CDBG- Disaster Recovery	2,323,090
HOME Consortium Fund	190,990
	<u>3,830,285</u>
Less: Allowance for uncollectible	<u>(2,996,032)</u>
	<u>\$ 834,253</u>

NOTE 7: PRIOR YEAR EXPENSES INCLUDED AS 2017 SEFA EXPENDITURES

	<u>Year Incurred</u>	<u>Amount</u>
14.269 CDBG-DR Grant (Resiliency Planning)	2016	\$ 2,943
97.036 FEMA - Federal Emergency Management Award DR 4229-CO	2016	\$ 4,346
97.036 FEMA - Federal Emergency Management Award DR 4145-CO	2013	\$ 156,746
	2014	394,827
	2015	364,089
	2016	615,434
		<u>\$ 1,531,096</u>

NOTE 8: PRIOR YEAR OVERREPORTED EXPENSES

Expenses listed below were reported as Federal expenditures in prior years. The amounts listed below have subsequently been deemed ineligible for Federal reimbursement:

	<u>Year Reported</u>	<u>Amount</u>
97.036 FEMA - Federal Emergency Management Award DR 4145-CO	2013	\$ 183,197
	2014	296,321
	2015	1,125,493
	2016	166,985
		<u>\$ 1,771,996</u>

**CITY OF LONGMONT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED DECEMBER 31, 2017**

The City of Longmont respectfully submits the following summary schedule of prior audit findings for the year ended December 31, 2017.

Audit period: Year ended December 31, 2017

The findings from the prior audit's schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the prior year.

FINDINGS—FINANCIAL STATEMENT AUDIT

2016 – 001 Capital Assets

Condition: Through current year review of capital asset balances, including accumulated depreciation, it was identified that the accumulated depreciation balance associated with the Water Fund was materially misstated as of December 31, 2015.

Status: Through audit procedures performed during 2017, the City has established procedures to review and ensure capital assets in the new information technology system are recorded properly within governmental and business-type activities.



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

The Honorable Mayor, Members of City Council and Management
City of Longmont
Longmont, Colorado

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Longmont, as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the City of Longmont's basic financial statements, and have issued our report thereon dated June 26, 2018.

Internal Control Over Financial Reporting

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

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

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

The Honorable Mayor, Members of City Council and Management
City of Longmont

Compliance and Other Matters

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

Purpose of this Report

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



CliftonLarsonAllen LLP

Greenwood Village, Colorado
June 26, 2018



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**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR
FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY THE UNIFORM GUIDANCE**

The Honorable Mayor, Members of City Council and Management
City of Longmont
Longmont, Colorado

Report on Compliance for Each Major Federal Program

We have audited the City of Longmont's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the City of Longmont's major federal program for the year ended December 31, 2017. The City of Longmont's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance of the City of Longmont's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of Longmont's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of the City of Longmont's compliance.

Opinion on Each Major Federal Program

In our opinion, the City of Longmont complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the major federal program for the year ended December 31, 2017.

The Honorable Mayor, Members of City Council and Management
City of Longmont

Other Matters

The results of our auditing procedures disclosed no instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance.

Report on Internal Control Over Compliance

Management of the City of Longmont is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City of Longmont's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Longmont's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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



CliftonLarsonAllen LLP

Greenwood Village, Colorado
June 26, 2018

**CITY OF LONGMONT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2017**

Section I – Summary of Auditors’ Results

Financial Statements

1. Type of auditors’ report issued: Unmodified
2. Internal control over financial reporting:
- Material weakness(es) identified? _____ yes x no
 - Significant deficiency(ies) identified? _____ yes x none reported
3. Noncompliance material to financial statements noted? _____ yes x no

Federal Awards

1. Internal control over major federal programs:
- Material weakness(es) identified? _____ yes x no
 - Significant deficiency(ies) identified? _____ yes x none reported
2. Type of auditors’ report issued on compliance for major federal programs: Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? _____ yes x no

Identification of Major Federal Programs

CFDA Number(s)

14.269

Name of Federal Program or Cluster

Community Development Block Grant – Disaster Recovery

Dollar threshold used to distinguish between Type A and Type B programs:

\$ 1,002,140

Auditee qualified as low-risk auditee?

_____ yes x no

**CITY OF LONGMONT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2017**

Section II – Financial Statement Findings

Our audit did not disclose any matters required to be reported in accordance with *Government Auditing Standards*.

Section III – Findings and Questioned Costs – Major Federal Programs

Our audit did not disclose any matters required to be reported in accordance with 2 CFR 200.516(a).



City of Longmont streetlight technicians at work

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

LOCAL HIGHWAY FINANCE REPORT	City or County:	City of Longmont
	YEAR ENDING :	December 2017

This Information From The Records Of (example - City of _ or County of City of Longmont)	Prepared By:	Ben MacDonald
	Phone:	(303) 774-3578

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

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT	ITEM	AMOUNT
A. Receipts from local sources:		A. Local highway disbursements:	
1. Local highway-user taxes		1. Capital outlay (from page 2)	14,882,462
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	6,406,265
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	1,179,298
2. General fund appropriations	4,307,904	b. Snow and ice removal	623,759
3. Other local imposts (from page 2)	18,224,597	c. Other	0
4. Miscellaneous local receipts (from page 2)	3,254,615	d. Total (a. through c.)	1,803,057
5. Transfers from toll facilities	0	4. General administration & miscellaneous	227,707
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	4,309,104
a. Bonds - Original Issues	0	6. Total (1 through 5)	27,628,595
b. Bonds - Refunding Issues	0	B. Debt service on local obligations:	
c. Notes	0	1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	0
7. Total (1 through 6)	25,787,116	b. Redemption	0
B. Private Contributions	4,478,232	c. Total (a. + b.)	0
C. Receipts from State government		2. Notes:	
(from page 2)	3,602,569	a. Interest	0
D. Receipts from Federal Government		b. Redemption	0
(from page 2)	2,332,028	c. Total (a. + b.)	0
E. Total receipts (A.7 + B + C + D)	36,199,945	3. Total (1.c + 2.c)	0
		C. Payments to State for highways	0
		D. Payments to toll facilities	0
		E. Total disbursements (A.6 + B.3 + C + D)	27,628,595

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

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

V. LOCAL ROAD AND STREET FUND BALANCE

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	8,849,355	36,199,945	27,628,595	17,420,705	0

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT		STATE:	
		Colorado	
		YEAR ENDING (mm/yy):	
		December 2017	
II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL			
ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assessments	0	a. Interest on investments	58,512
b. Other local imposts:		b. Traffic Fines & Penalties	0
1. Sales Taxes	15,585,721	c. Parking Garage Fees	0
2. Infrastructure & Impact Fees	1,556,636	d. Parking Meter Fees	0
3. Liens	0	e. Sale of Surplus Property	0
4. Licenses	0	f. Charges for Services	0
5. Specific Ownership &/or Other	1,082,240	g. Other Misc. Receipts	3,196,103
6. Total (1. through 5.)	18,224,597	h. Other	0
c. Total (a. + b.)	18,224,597	i. Total (a. through h.)	3,254,615
	(Carry forward to page 1)		(Carry forward to page 1)
III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL			
ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes	2,928,508	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	
a. State bond proceeds		b. FEMA	398,386
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	321,554	d. Federal Transit Admin	1,884,176
d. Other (Specify) - DOLA Grant	0	e. U.S. Corps of Engineers	
e. Other (Specify) - Grnts/Rehab Pjct	352,507	f. Other Federal	49,466
f. Total (a. through e.)	674,061	g. Total (a. through f.)	2,332,028
4. Total (1. + 2. + 3.f)	3,602,569	3. Total (1. + 2.g)	
			(Carry forward to page 1)
		ON NATIONAL HIGHWAY SYSTEM	OFF NATIONAL HIGHWAY SYSTEM
		(a)	(b)
		TOTAL	
		(c)	
A.1. Capital outlay:			
a. Right-Of-Way Costs		0	43,362
b. Engineering Costs		0	523,400
c. Construction:			
(1). New Facilities		0	37,638
(2). Capacity Improvements		0	7,583,553
(3). System Preservation		0	6,386,811
(4). System Enhancement & Operation		0	307,698
(5). Total Construction (1) + (2) + (3) + (4)		0	14,315,700
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)		0	14,882,462
			(Carry forward to page 1)
Notes and Comments:			