

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

For the year ended
December 31, 2018





*Cover photo: 2018 Airport Expo, Vance Brand Airport
C. Nathan Pulley Photography*

City of Longmont, Colorado

The seal of the City of Longmont, Colorado, is a circular emblem. It features a central landscape with a green evergreen tree on the left, a blue mountain range in the background, and a blue sky. The words "CITY OF LONGMONT" are written in a light blue arc across the top, and "COLORADO" is written in a light blue arc across the bottom.

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

Year Ended December 31, 2018

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



Much progress has been made on restoration of the St. Vrain Greenway following the 2013 flood

COMPREHENSIVE ANNUAL FINANCIAL REPORT

YEAR ENDED DECEMBER 31, 2018

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The outdoor Sunset Pool is a popular spot for summer fun

CITY OF LONGMONT

350 Kimbark Street, Longmont, Colorado 80501



June 11, 2019

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, 2018, 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 30-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 96,192 residents: public safety, highways and streets, culture and recreation, public improvements, planning and zoning, and general administrative services as well as sanitation, electric, broadband, 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 of 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. The 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 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 2018, the City budgeted \$15.7 million for flood recovery efforts, \$4.6 million was spent, and \$2.3 million was received from federal and state grants.

Local Economy . The City's economic picture showed continued growth in 2018 with an increase in sales and use tax and an increase in primary jobs compared to 2017. The area unemployment rate was reported at 2.9% in December 2018, as compared to 3.0% in December 2017.

During 2018, sales and use tax activity increased 11.5% from 2017 with sales tax up 11.33% and use tax up 11.93%. Additionally, 373 building permits were issued for single-family residences, and 244 permits were issued for multifamily units. The City also issued nonresidential permits for a total of 723,827 square feet with a value of \$87.5 million. In 2019, new construction permits for 124 single-family homes, 43 multifamily units, and 2 commercial/industrial properties have been issued through April.

The Longmont Economic Development Partnership (LEDP) 2018 Annual Report reveals a net increase of 0.5%, or 76, primary jobs during 2018. There were 150 new jobs created by new 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. The guiding principles and growth-related goals set forth in the Envision Longmont Multimodal & 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.

Major City Initiatives. The City continues its efforts to improve quality of life and long-term financial interests of the community. Significant accomplishments during 2018 included:

- Won the National Civic League "All-America City" designation.
- Implemented a countywide system to address adult homelessness in partnership with other local governments and service providers. In year one, 2,448 people in Boulder County were screened for services: 75% sought services in Boulder; 25% sought services in Longmont; 188 individuals got into their own housing; 145 people were reunified with social supports; 50 entered other programs such as Ready to Work, the Inn Between of Longmont, and residential substance use treatment; and 383 people (15% of all clients screened) were assisted in getting out of the shelter system.
- Achieved Supporting Action for Mental Health (SAM) education milestones associated with the two-year Colorado Health Foundation grant: trained nearly 1,800 people in Mental Health First Aid and engaged over 2,000 people in community conversations and other educational activities.
- Presented findings of the Resilience for All/Resiliencia para Todos project to nonprofits, institutions, and communities throughout Boulder County and other Colorado communities. This project assessed barriers and offered recommendations to fully engage Spanish-speaking residents in disaster preparedness and recovery efforts.
- Partnered with the Longmont Multicultural Action Committee (LMAC) on several efforts that promote diversity and inclusion throughout the city, including an LGBTQ-pronoun education workshop, two events honoring Dr. Martin Luther King, Jr. (combined attendance of 500), and

an Inclusive Communities Celebration (attendance of 700). LMAC also cosponsored 11 cultural events, four of which were new in 2018.

- Completed remodel of the Lashley Street Station (former Fire Station #3). The building was repurposed with funding from the Colorado Department of Local Affairs, Friends of Longmont Youth, Friends of the Longmont Senior Center, Inc., and the City of Longmont to create a facility to serve multigenerational community members from throughout Longmont.
- Received a \$25,000 out-of-school time grant from the National Recreation and Park Association that helped expand the Community Lunch Program and increase youth access to healthy foods and physical activity.
- Worked with the City Council to design a new Inclusionary Housing Program, which will require 12% of all new residential development to meet the City's affordable housing targets.
- Provided funding to support new affordable housing units leveraging \$15.6 million in private investment:
 - o \$1.475 million in HOME Consortium funds, \$480,000 in HOME State funds, and \$120,000 in Affordable Housing funds were contracted to the Fall River Senior Apartment project (60 units senior housing < 50% AMI) with construction beginning in fall 2018 and anticipated lease up in mid-2019. HCI leveraged over \$15 million in other public/private funding. A total of \$1,902,747 was reimbursed to Longmont Housing Authority for the Fall River project.
 - o \$38,000 to Habitat for Humanity to acquire a lot to build a new affordable for-sale home.
 - o Donated the lot at 50 E. Rogers Road to Habitat for Humanity to build three to four new for-sale homes.
 - o \$700,000 to purchase a vacant parcel at 2000 Sunset (The Suites) for future affordable residential development.
 - o \$287,300 to Inn Between to construct six permanent supportive rental homes.
- Continued management of the CDBG-DR sub-allocation for Boulder County, serving as the Lead Agency in administration and oversight of a \$74.5 million grant. Round 3 funding (\$28,125,089) was added to the grant agreement on May 9, 2018, including \$7.3 million in additional unanticipated funding. There is 79% (\$58.7 million) under contract for 28 infrastructure projects and six housing programs with HCI's Collaborative Partners. Reimbursement totaled \$33,173,391, bringing the program to 45% complete and leaving a balance of \$41,368,036 to spend.
- Construction was completed on four infrastructure projects: Jamestown's rain gauge, the lower Main Street bridge in Longmont, CR-94 repaving, and Lyons' McConnell Bridge. Reimbursements for six projects were completed and closed out in 2018, four projects in infrastructure and two projects in housing. Louisville and Nederland fully completed their CDBG-DR flood recovery efforts in 2018.
- Held a Summer Reading Program Kick-off Party at Sunset Pool with approximately 1,200 attendees. Participants loved the addition of local food trucks to this annual program.
- Increased the number of library cards issued during the summer months by 20% over previous years through outreach to middle school students, advertising at Regal Cinemas, and lawn signs advertising the Summer Reading Program. These advertisements helped the number of Summer Reading participants grow by 13%.
- Curated, designed, and produced WWI: Longmont and the Great War exhibition at the Longmont Museum. Highlighting objects from the Museum's own collection, the exhibit exemplified the amazing talent and strengths of Museum staff. More than 4,000 individuals visited the exhibition; 35% were seniors and 23% attended on a free Saturday. The Museum created large 3D posters that were repurposed in other areas of the City once the exhibition closed.
- Welcomed 13,500 individuals (more than 2,000 were members) to TreeHouses: Look Who's Living in the Trees, making it the Longmont Museum's fourth highest exhibition in attendance and revenue. The Museum borrowed from the collections of the Denver Museum of Nature and Science, added specimens that live in the Longmont area, and created additional hands-on components including a multilevel treehouse, which will be incorporated into the renovation of the Longs Peak Room to give families with young children an area to enjoy year-round.

- Featured 11 altars built by community members at the Museum's annual Day of the Dead exhibition, along with traditional Cartoneria—Monumental Alebrije Xolotl, a 15-foot alebreja (brightly colored Mexican folk art sculptures of fantastical creatures) by Mexican artist Óscar Becerra Mor; 649 people attended the opening.
- Implemented new scheduling software for Longmont Recreation athletic programs that lets users access schedules and standings in a much more user-friendly manner while providing a communication resource to staff.
- Reopened the renovated Twin Peaks Golf Course Clubhouse in July following the October 2017 fire.
- Increased the number of classes and support programs for caregivers of older adults through the Longmont Senior Center, including the Conversation Starter Film series, Conversations on Mental Health, Life Well Lived class, and more such as the Circulo and Storytelling programs offered to Spanish speakers.
- NextLight™ was recognized by PC Magazine as the fastest internet service provider in the United States, and the take rate continued to rise above expectations to 55%, more than 1.5 times above projection. System improvements such as a looped transport network and additional cache servers helped achieve a network reliability of 100%. Switching to a more competitive telephone wholesale provider gave users additional features while saving LPC and residential and commercial subscribers more than \$80,000 annually.
- Received an overall average customer satisfaction rating of 9 out of 10 for both electric and NextLight customer service, sales, installations, reliability, value, and other measures. Implemented a call recording application that assists in training, quality assurance, customer follow-up, and improved customer service for external and internal customers.
- Longmont Power & Communications was ranked 2nd lowest in residential electric rates compared to approximately 50 Colorado providers surveyed. Completed compliance required by the Colorado Public Utility Commission as a qualified retail utility under Colorado's Renewable Energy Standards when electric customer count surpassed 40,000.
- Managed adoption of the Land Development Code and zoning map update.
- Managed adoption of the 2018 International Codes.
- Issued 6,364 building permits; performed 39,630 inspections and 1,282 plan reviews for the year. Of the 6,364 permits issued, 2,143 were issued online.
- Created the Crisis Outreach Response and Engagement (CORE) team consisting of a licensed clinician, a police officer and a paramedic to respond to behavioral health calls for service.
- Implemented the Law Enforcement Assisted Diversion (LEAD) program, a harm reduction-based criminal justice system diversion program for individuals struggling with substance use disorders.
- Initiated the Community Health Program by partnering with Longs Peak Hospital to provide care to individuals with acute medical needs and multiple social barriers to care. This program greatly reduces the number of unnecessary 911 calls from high users of the 911 system.
- Police conducted 6,001 extra patrols and 254 neighborhood walks in our neighborhoods, businesses and parks. Police and Fire helped 76 Angel participants find substance use disorder treatment.
- The Fire Service achieved a 45.6% cardiac arrest survival rate. The national average is 14%.
- Fire and Police services had 25 saves as a result of delivering Narcan for overdoses.
- Successfully entered into agreements with oil and gas operators to accomplish the City Council's goal of eliminating all oil and gas surface operations within city limits. A baseline water quality monitoring program in and around Union Reservoir also was established so that we will understand potential future impacts of oil and gas wells in the vicinity of Union Reservoir.
- Resilient St. Vrain Project - Construction was completed in 2018 on the first phases of creek improvements: Sandstone Ranch Reach (SSR) and City Reach 1 – Left Hand Creek to Main Street. The greenway trail at SSR was reconstructed, and a new pedestrian bridge crossing St. Vrain Creek was opened to the public. In addition, construction of City Reach 2A was initiated, including reconstruction of the S. Pratt Parkway bridge, and design for City Reach 2B continued. City Reach 1 is the first step in fully restoring the St. Vrain Greenway trail and reducing flood risk through the city.

- Conducted a General Municipal Election with three ballot questions and one Special Election for the Ward I council member.
- Started cultural exchange program with the Arapaho Nation.
- Recovered \$5 million for 2013 and 2015 floods, totaling \$34 million to date.
- Issued 109 solicitations, executed 166 new contracts (\$53.7 million value), renewed 172 existing contracts (\$178 million), processed 3,200 purchase orders (\$70.1 million), and facilitated \$9.1 million in P-card spending resulting in \$130,000 in anticipated rebate revenue.
- Sold \$8,150,000 of Open Space Sales and Use Tax Revenue Bonds to finance open space purchases.
- Received voter approval to issue \$32.6 million in bonds for rehabilitation and improvement of City buildings and recreation facilities.
- Prepared and adopted the 2019 Operating Budget and the 2019-2023 Capital Improvement Program and received the GFOA Distinguished Budget Presentation Award for 2018 Budget.
- Prepared the 2017 Comprehensive Annual Financial Report, which received the GFOA Certificate of Achievement Award.

City Council Vision and Work Plan. In May 2018, the City Council met in its annual retreat to establish a vision, goals and ultimate work plan. Their vision for Longmont is as follows:

- Vision for Longmont's people - In 20 years, Longmont will be the world's greatest village, where children are most fortunate to be born and raised, where people will have access to food and shelter, and where everyone has the opportunity to thrive and feel that they belong.
- Vision for Longmont's places - In 20 years, Longmont will have a developed Main Street from Pike Road to Highway 66 and a river corridor that stretches from the sugar mill to the fairgrounds providing a vibrant economic, residential, cultural and entertainment epicenter that is sustainable and respects the natural environment.

In addition to the City Council vision, in 2016 the City Council adopted Envision Longmont, a multimodal and comprehensive plan that provides strategic direction and guidance for Longmont over a period of 10 to 20 years. Both the priority based budgeting process and the Envision Longmont process include community input toward goals and priorities. Envision Longmont includes six guiding principles that reflect key elements of the community's desired future. These guiding principles provide focus in terms of where efforts and resources should be directed over 10 to 20 years to ensure that Longmont remains a livable, prosperous and attractive community. The guiding principles are:

Livable Centers, Corridors, and Neighborhoods

- Embrace a compact and efficient pattern of growth
- Promote a sustainable mix of land uses
- Maintain and enhance the character of established neighborhoods
- Focus infill and redevelopment in centers, corridors, and other areas of change
- Support the continued revitalization of Downtown as a community and regional destination
- Provide, maintain, and enhance public infrastructure, facilities, and services to meet the changing needs of the community
- Reinforce Longmont's unique identity and sense of community
- Create an integrated and quality parks, recreation, greenway, and open space system

A Complete, Balanced, and Connected Transportation System

- Integrate land use and transportation planning to enhance the overall quality of life in the City
- Provide a transportation system that offers safe, healthy, and reliable mobility for people of all ages, income levels, and abilities

- Enhance the transportation system in a manner that improves the economic vitality of the City, while being responsible stewards of limited resources

Housing, Services, Amenities, and Opportunities for All

- Ensure there are affordable and accessible housing options that meet the needs of residents of all ages, abilities, and income levels
- Provide residents in all parts of the City with access to a range of community amenities, including parks, open spaces and recreational opportunities
- Ensure social, health, and human services are accessible to and contribute to the well-being of all residents
- Ensure all Longmont residents have access to arts, cultural, and learning opportunities they need to thrive and prosper
- Protect civil liberties and ensure that all residents have equitable access to resources and opportunities to participate in the community and enjoy life
- Recognize and celebrate the cultural diversity of Longmont's residents

A Safe, Healthy, and Adaptable Community

- Support healthy and active lifestyles among residents of all ages
- Support increased access to affordable, healthy food
- Ensure residents have access to health and human services
- Partner with our community to ensure the best level of proactive, reactive and coactive public safety services are available
- Minimize risks to property, infrastructure, and lives due to natural disasters and other natural or manmade hazards

Responsible Stewardship of Our Resources

- Protect and conserve Longmont's natural resources and environment
- Maintain a quality renewable water supply to meet the long-term needs of the community
- Preserve Longmont's historic and cultural resources
- Preserve Longmont's agricultural resources
- Recognize and enhance the ecological functions of the City's system of parks, open space, greenways, waterways, and urban forest
- Strive to be as efficient and effective as possible as a City organization

Job Growth and Economic Vitality through Innovation and Collaboration

- Recruit, support, incentivize, and retain quality businesses to provide a comprehensive range of job opportunities and promote economic diversity
- Promote and increase opportunities for collaboration, innovation, and entrepreneurship
- Address building space, infrastructure needs, and other considerations of target industries and the workforce
- Foster an educated and skilled workforce that meets the needs of local businesses and increases economic opportunities for residents
- Ensure Longmont is a desirable place to live, work, play, learn, and start a business
- Maintain a safe and efficient airport to meet the City's needs for commerce and recreation aviation

Responsible Internal Operations and Governance

- Deliver responsive, timely, efficient operations that support City services
- Provide assurance of compliance with regulations, mandates, policies and best practices
- Maintain clear, ethical, inclusive, accountable, transparent leadership and collaboration

- Protect, invest in and value the City’s human, physical and technological resources
- Implement sound fiscal policies and enable trust and transparency by ensuring accountability, efficiency, integrity, and best practices in all operations

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 2019-2023 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 71 projects identified as unfunded with an estimated cost of \$448 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	\$ 7,750,000
Downtown Redevelopment.....	2	\$ 130,000
Drainage	6	\$ 17,392,800
Electric	8	\$ 11,271,550
Parks and Recreation	20	\$ 25,555,073
Public Buildings & Facilities.....	24	\$ 20,385,212
Sanitation	1	\$ 1,616,000
Sewer	3	\$ 11,025,000
Transportation.....	14	\$ 53,615,000
Water	14	\$ 69,006,490

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 97 policies organized in the following eight categories:

1. Revenue (12)
2. Operating (23)
3. Fees for Service (6)
4. Investment and Debt (11)
5. Reserves (9)
6. Administrative and Franchise Fees (7)
7. Enterprise Funds (15)
8. Capital improvement (14)

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 2018. 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 2018 were in government agencies and securities. The fair value return on the investment portfolio during the year was 1.48 %.

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 of 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 (4¾ 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 four 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, 2018. 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, 2018. An actuarial study on the Employee Pension Plan is performed annually with the last study performed as of January 1, 2018. 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

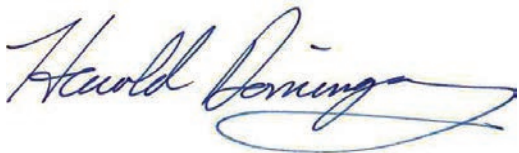
The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Longmont, Colorado, for its comprehensive annual financial report (CAFR) for the fiscal year ended December 31, 2017. The City has been awarded a Certificate of Achievement for 37 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.

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, 2018. 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 Suzie McGinley and Sammi Coleson; Accountants Kim Klug, Karlyn Gonzales, and Haley Burrack; 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



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Longmont
Colorado**

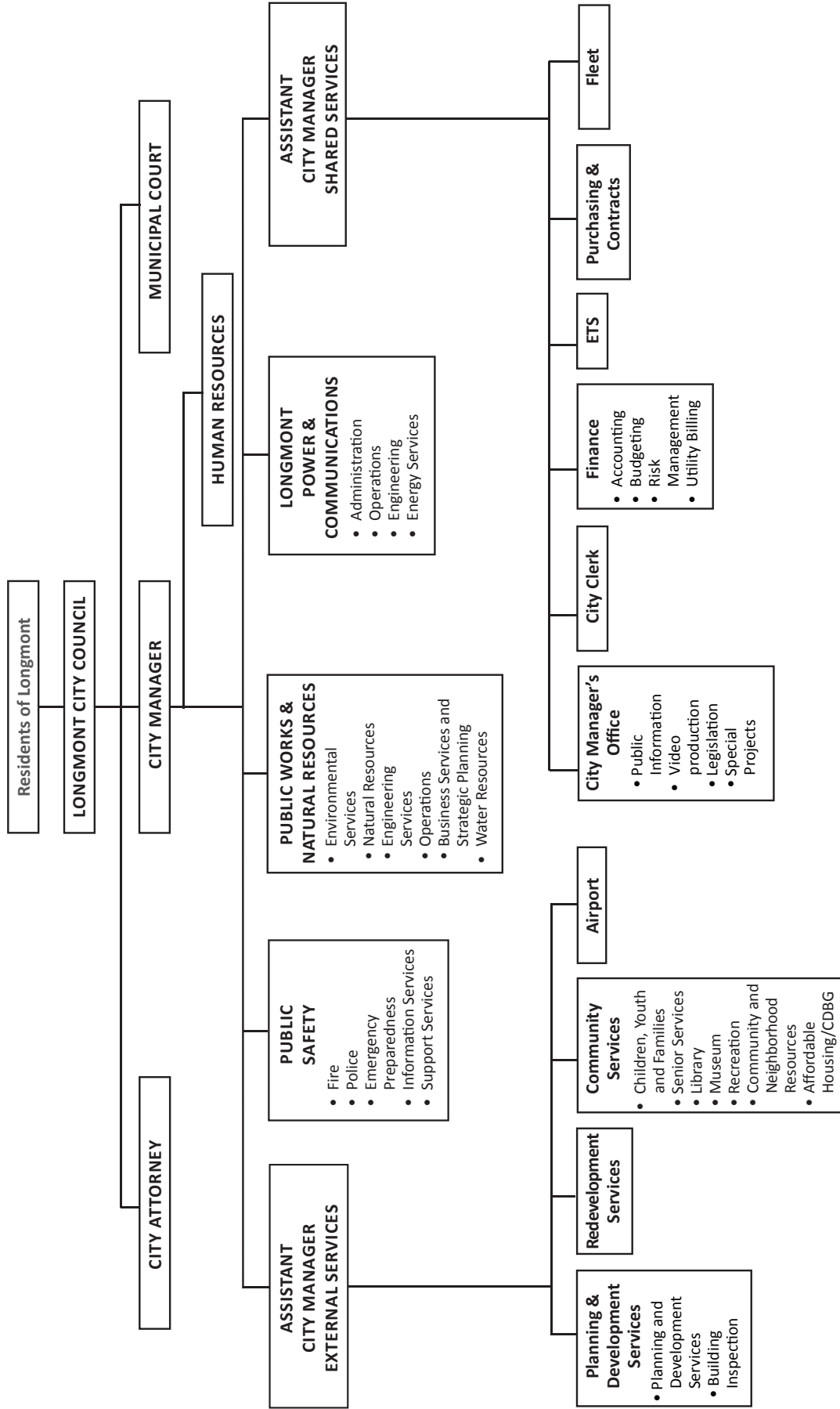
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2017

Christopher P. Morrill

Executive Director/CEO

CITY OF LONGMONT





Several Longmont parks received makeovers, including new playgrounds, in 2018

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
Susan Wisecip Acting General Manager, Power & Communications
Dale Rademacher General Manager, Public Works and Natural Resources
Mike Butler Chief of Public Safety
Eugene T. Mei City Attorney



The biennial Longmont Airport Expo attracted several thousand visitors in 2018



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 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, 2018, 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.

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 discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Longmont as of December 31, 2018, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General Fund and Street Systems Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matters

During the year ended December 31, 2018, the City corrected an error relating to prior periods. As a result, the City reported a restatement which resulted in an increase to accumulated depreciation as of the beginning of fiscal year 2018. See Note 25 for additional disclosure.

For the year ended December 31, 2018, the City adopted the provisions of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. As a result of the implementation of GASB Statement No. 75, the City reported a restatement for the change in accounting principle as of January 1, 2018. See Notes 14 and 25 for further information.

Our opinions were not modified with respect to the restatements.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and GASB required pension and OPEB schedules 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 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.

Honorable Mayor and Members of City Council
City of Longmont

The combining and individual nonmajor fund financial statements, 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 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 4, 2019, 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 results 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 4, 2019



Longmont firefighters hosted a fishing trip for a group from the Longmont Youth Center

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, 2018, 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.

Financial Highlights

- The City's net position of \$1.186 billion is divided between Governmental Activities (\$477 million) and Business-type Activities (\$708 million). Governmental activities showed an increase in net position of \$43.8 million. This was due to an increase in program revenues of \$4.5 million, property taxes showed an increase of \$3.2 million, sales and use taxes had an increase of \$8.8 million and other revenue increased by \$2.5 million. The remaining \$24.8 million is the result of clearing the capital expenditures and increasing the assets. Business type activities showed an increase in net position of \$40.1 million due to an increase in grants and contributions of \$4.3 million, an increase in charges for services of \$6.5 million, and an increase in other revenue of \$2.7 million. The remaining \$26.6 million is the result of clearing the capital expenditures and increasing the assets.
- At December 31, 2018, the City of Longmont's governmental funds balance sheet reported combined ending fund balances of \$153.3 million, a \$21.6 million increase from the prior year. This statement combines 39 funds, including the City's General Fund and Streets Systems Fund. The Park Improvement Fund, Water System Construction Reserve Fund, Sewer Construction fund, Open Space Fund, and Public Safety fund showed an increase in fund balances in excess of \$2.0 million.
- The fund balance within the governmental funds is \$153.3 million. Most of that fund balance, \$127.3 million or 83.08%, is restricted for use for specific purposes as required by external parties. \$95.4 million of this \$127.3 million balance represents reserves built up for capital acquisitions or construction as follows: Water System projects, \$38.5 million; Transportation projects, \$4.4 million; Open Space acquisitions, \$8.0 million; Public Improvement Fund capital projects, \$4.9 million; Conservation Trust capital projects, \$7.8 million; Parks capital projects, \$15.6 million; and various other for \$16.2 million. Additionally, \$4.9 million has been identified for emergencies.
- The unassigned fund balance for the General Fund at the end of the current fiscal year was \$12.0 million, which was 14.27% of total General Fund expenditures.
- The City of Longmont's total debt decreased by \$15.3 million during 2018.

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, culture and recreation, and municipal utilities. 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 39 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 and the Streets Systems Fund, which meet the criteria to be considered major funds of the City under generally accepted accounting principles (GAAP). Financial information from the other 37 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 6 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 62 and 63 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 65 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 130-191 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 \$1.186 billion at December 31, 2018. Governmental activities make up \$447.3 million of the net position, with business-type activities comprising \$708.4 million. Total net position increased by \$83.9 million in 2018. The change comprises the following:

- Governmental activities increased the City's net position by \$43.8 million for 2018. This was due to an increase in program revenues of \$4.5 million, property taxes showed an increase of \$3.2 million, sales and use taxes had an increase of \$8.8 million and other revenue increased by \$2.5 million. The remaining \$24.8 million is the result of clearing the capital expenditures and increasing the assets.
- Business-type net position increased by \$40.1 million in 2018 due to an increase in grants and contributions of \$4.3 million, an increase in charges for services of \$6.5 million, and an increase in other revenue of \$2.7 million. The remaining \$26.6 million is the result of clearing the capital expenditures and increasing the assets.

The largest portion (81%) 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 comprises 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	
	2018	2017	2018	2017	2018	2017
Current and other assets	\$ 236,590,987	\$ 210,052,658	\$ 103,983,773	\$ 98,209,042	\$ 340,574,760	\$ 308,261,700
Capital assets	364,231,278	346,797,565	746,922,742	731,076,420	1,111,154,020	1,077,873,985
Total assets	<u>600,822,265</u>	<u>556,850,223</u>	<u>850,906,515</u>	<u>829,285,462</u>	<u>1,451,728,780</u>	<u>1,386,135,685</u>
Deferred Outflow of Resources	<u>3,671,734</u>	<u>8,859,193</u>	<u>2,173,871</u>	<u>5,058,020</u>	<u>5,845,605</u>	<u>13,917,213</u>
Long-term liabilities	75,491,643	76,467,061	121,727,055	131,429,593	197,218,698	207,896,654
Other liabilities	29,473,349	27,681,176	20,961,207	20,965,266	50,434,556	48,646,442
Total liabilities	<u>104,964,992</u>	<u>104,148,237</u>	<u>142,688,262</u>	<u>152,394,858</u>	<u>247,653,254</u>	<u>256,543,096</u>
Deferred Inflow of Resources	<u>22,250,635</u>	<u>18,856,820</u>	<u>1,978,199</u>	<u>-</u>	<u>24,228,834</u>	<u>18,856,820</u>
Net investment in capital assets	\$ 331,125,256	\$ 317,947,679	\$ 634,873,565	\$ 618,313,194	\$ 965,998,821	\$ 936,260,873
Restricted	129,633,890	109,964,697	1,292,028	808,280	130,925,918	110,772,977
Unrestricted	16,519,226	14,791,983	72,248,332	62,827,149	88,767,559	77,619,132
Total net position	<u>\$ 477,278,372</u>	<u>\$ 442,704,359</u>	<u>\$ 708,413,925</u>	<u>\$ 681,948,623</u>	<u>\$ 1,185,692,298</u>	<u>\$ 1,124,652,982</u>

Governmental Activities. Governmental activities increased the City's net position by \$43.8 million. This was due to an increase in program revenues of \$4.5 million, property taxes showed an increase of \$3.2 million, sales and use taxes had an increase of \$8.8 million and other revenue increased by \$2.5 million. The remaining \$24.8 million is the result of clearing the capital expenditures and increasing the assets.

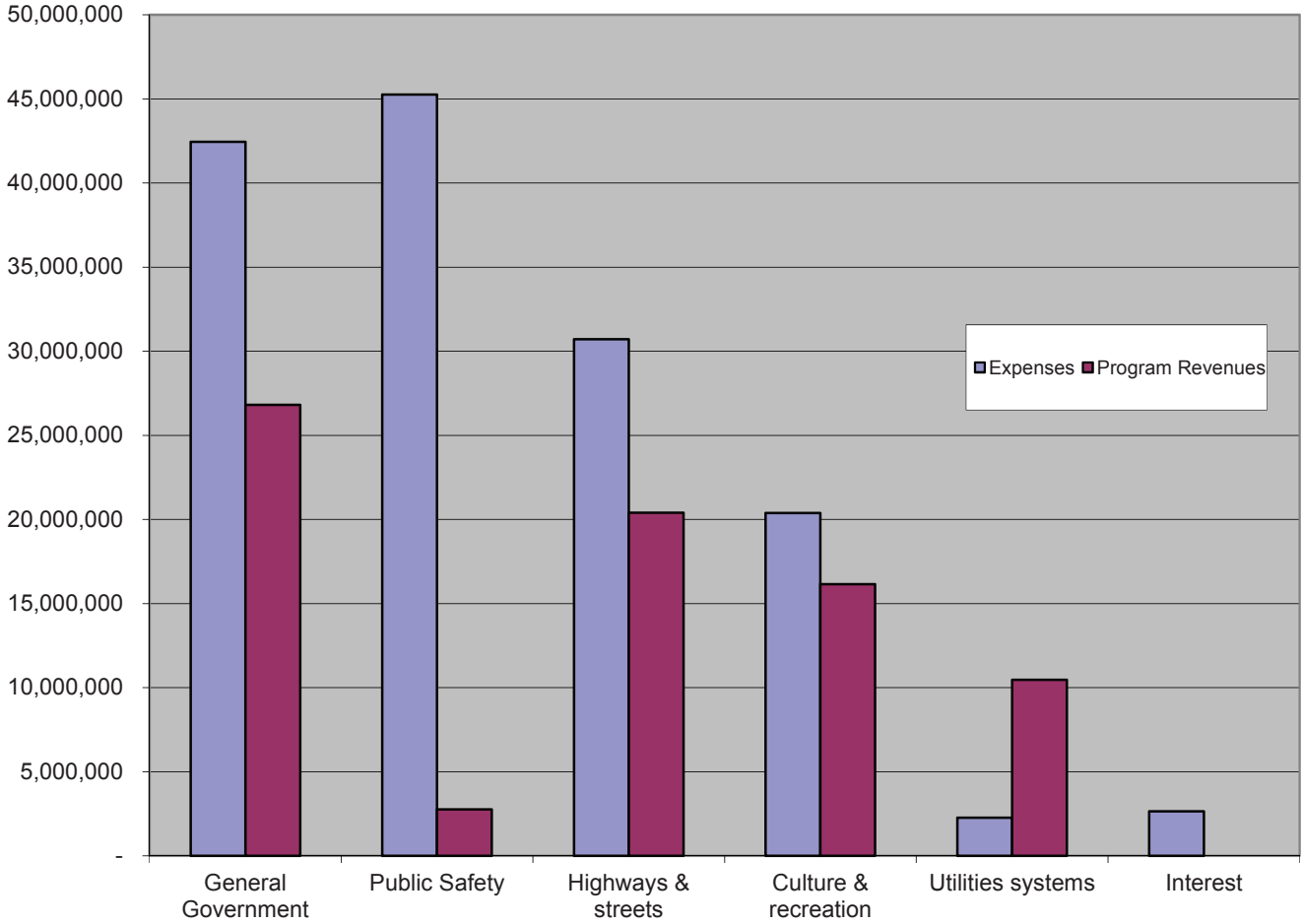
As detailed in Note 2A, program revenues are directly associated with a specific activity and account for \$76.6 million or 40.67% of total revenues related to governmental activities. General revenues, consisting primarily of taxes, are not generally associated directly with any operational governmental 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.

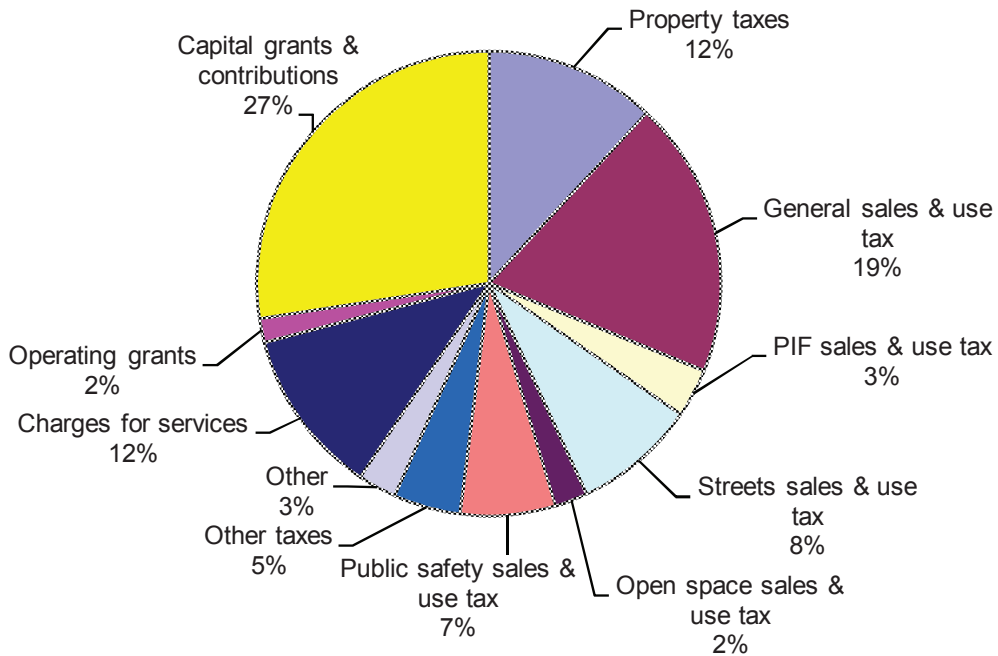
In order to understand the Governmental Funds in detail, Exhibit 4, the Statement of Revenues, Expenditures and Changes in Fund Balances, is useful. Major governmental funds are analyzed later in this discussion.

Changes in Net Position						
(in thousands)						
	Governmental activities		Business-type activities		Total	
	2018	2017	2018	2017	2018	2017
Revenues:						
Program revenues:						
Charges for services	\$ 22,089	\$ 20,859	\$ 134,106	\$ 127,609	\$ 156,195	\$ 148,468
Operating grants & contributions	3,136	2,058	2,814	11,242	5,950	13,300
Capital grants & contributions	51,391	49,164	26,516	13,771	77,907	62,935
General revenues:						
Property taxes	22,349	19,189	-	-	22,349	19,189
Sales & use taxes	75,848	68,057	-	-	75,848	68,057
Other taxes	8,461	8,306	-	-	8,461	8,306
Other	5,035	2,546	3,448	722	8,483	3,268
Total revenues	188,309	170,179	166,884	153,344	355,193	323,523
Expenses:						
General government	40,603	46,848	-	-	40,603	46,848
Public Safety	45,449	42,949	-	-	45,449	42,949
Highways & streets	30,946	21,764	-	-	30,946	21,764
Culture & recreation	21,607	19,411	-	-	21,607	19,411
Municipal utilities systems	2,259	3,214	-	-	2,259	3,214
Interest on long-term debt	2,639	2,654	-	-	2,639	2,654
Sanitation	-	-	6,968	6,448	6,968	6,448
Golf	-	-	2,484	2,293	2,484	2,293
Electric & Broadband	-	-	78,430	72,647	78,430	72,647
Water	-	-	17,133	15,792	17,133	15,792
Sewer	-	-	14,340	10,844	14,340	10,844
Storm drainage	-	-	7,739	5,441	7,739	5,441
Airport	-	-	684	665	684	665
Total expenses	143,503	136,840	127,778	114,130	271,281	250,970
Excess before special items and transfers	44,806	33,339	39,106	39,214	83,912	72,553
Transfers	(992)	(405)	992	405	-	-
Increase in net position	\$ 43,814	\$ 32,934	\$ 40,098	\$ 39,619	\$ 83,912	\$ 72,553
Net position - January 1	442,704	409,770	681,949	642,330	1,124,653	1,052,100
Cumulative effect of correction to Prior Period	(9,238)	-	(13,633)	-	(22,871)	-
Restated Net Position	433,466	409,770	668,316	642,330	1,101,782	1,052,100
Net position - December 31	477,280	442,704	708,414	681,949	1,185,694	1,124,653

Expenses and Program Revenues - Governmental Activities

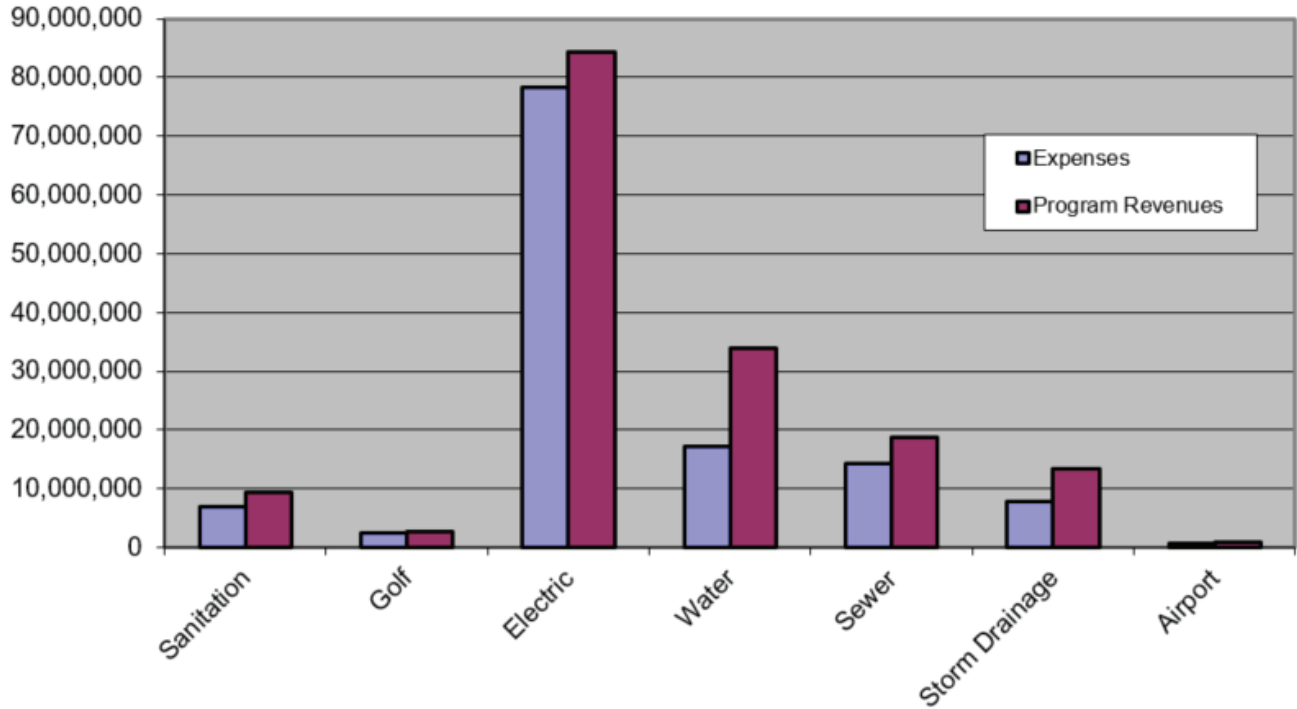


Revenues by Source - Governmental Activities

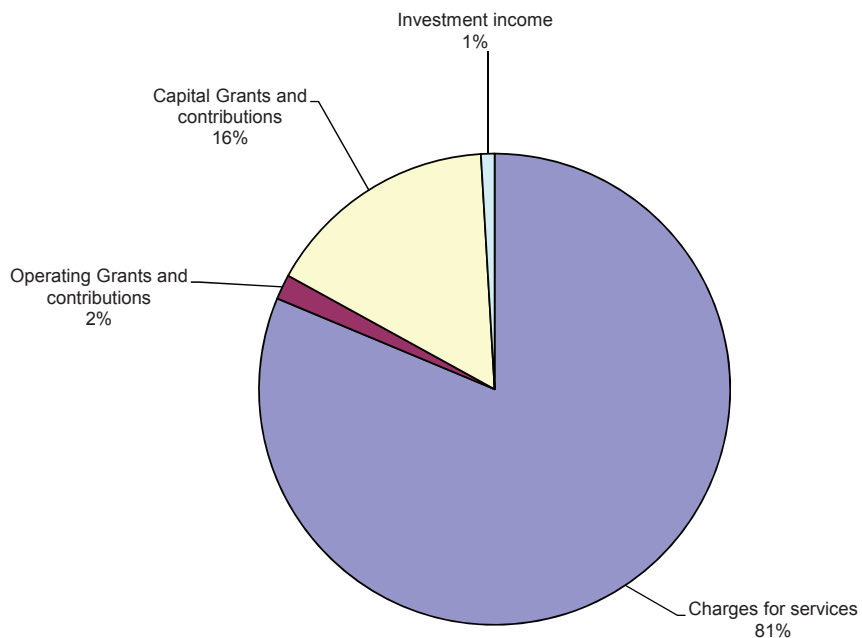


Business-type Activities. Business-type net position increased by \$40.1 million in 2018. The 2018 increase is due to an increase in grants and contributions of \$4.3 million, an increase in charges for services of \$6.5 million, and an increase in other revenue of \$2.7 million. The remaining \$26.6 million is the result of clearing the capital expenditures and increasing the assets.

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.

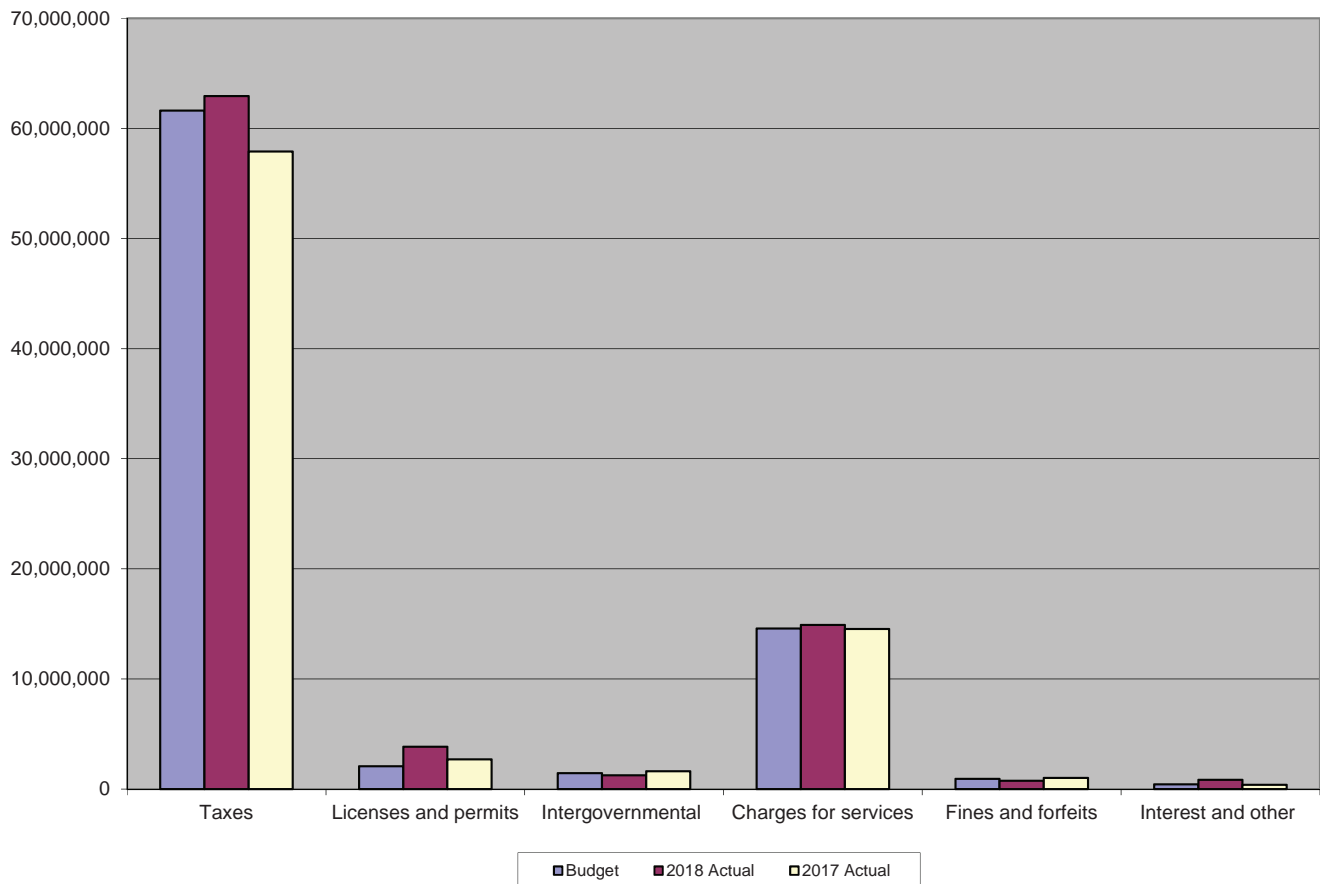
Governmental funds. The focus of the City of Longmont's *governmental funds* is to provide information on short-term inflows, outflows, and balances of spendable resources. This information is necessary to assess the City's financing requirements. At December 31, 2018, unassigned fund balances in the major operating funds met or exceeded levels required statutorily or by financial policies established by City Council.

GENERAL FUND

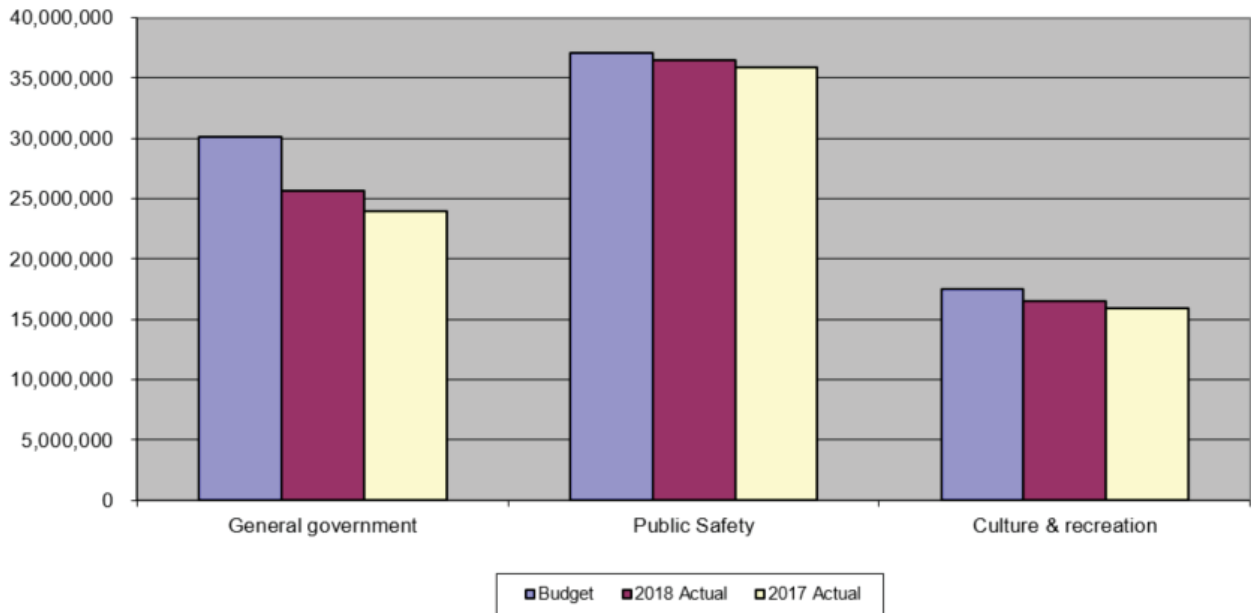
The general fund unassigned fund balance of \$12,020,187 increased by more than \$4.5 million from the prior year.

The 2018 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 or capital acquisitions. This practice was formally adopted by the City Council in 1989.

Budget and Actual Revenue by Source - General Fund



Budget and Actual Expenditures by Function - General Fund



The original budget in the General Fund was \$81,753,932. Supplemental appropriations were primarily for encumbrances and carryover of uncompleted capital projects for a final budget of \$87,826,331. Actual General Fund expenditures totaled \$79,303,265, and there were no significant budget to actual variations.

Revenues and other financing sources in the general fund totaled \$85,118,041 in 2018, an increase of 7.57%, or \$6,029,605, over 2017. This change is primarily due to an increase in taxes of \$5.04 million, or 6.47%.

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 2018, the City reported a combined fund balance of \$153.3 million of which \$24.6 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 spending only for the purpose specifically identified by the restriction.

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 3/4-cent sales tax increase. The revenues from the sales tax increase are for use exclusively 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 \$17.5 million of tax revenues in 2018, an increase of \$612,736 from 2017. At December 31, 2018, the fund balance of the fund was \$13.8 million. Of this amount \$65,413 is non-spendable. The remaining is restricted specifically for the purpose of streets and highways expenditures. The total fund balance decreased by \$1,261,755 from 2017.

PUBLIC IMPROVEMENT CAPITAL PROJECTS FUND

The Public Improvement Capital Projects Fund is used to account for financial resources used for the acquisition and construction of major capital facilities and improvements of the primary government except those financed by the Enterprise Funds. At December 31, 2018, the fund has a fund balance of \$4.9 million, all of which is restricted for construction of public projects and payment of debt service.

The primary revenue for the Public Improvement Capital Projects Fund (use tax) decreased approximately \$283,000 in 2018. 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, decreased to 85.24% in 2017, and decreased to 15.0% in 2018, but 15% of the 2.0 cents of sales tax was allocated also. This allocation is described further in Note 4. 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 2018 but is included in this narrative discussion through management choice.

ELECTRIC/BROADBAND UTILITY FUND

The City's electric/broadband utility increased operating revenues by 4.86% over 2017. The operating income in 2018 is \$3,372,415 compared to \$3,926,035 in 2017. Operating revenue went up by \$3.7 million during 2018, due primarily to an increase in broadband revenue of 26.8%. Operating expenses rose 3.3% 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, increased by 5.8% in 2016, and increased by 2.1% in 2017. The fund remains in good financial condition with current assets exceeding current liabilities by \$6.08 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 complete by the end of 2018 at a cost of \$66.2 million.

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

Electric/Broadband Utility Fund

	2018	2017	2016	2015	2014
Operating revenues	\$ 80,634,329	\$ 76,895,890	\$ 68,768,327	\$ 65,218,411	\$ 63,773,864
Operating income (loss)	3,373,415	3,926,035	(1,775,878)	(421,076)	1,266,245
Change in net position	6,082,418	7,677,491	1,797,477	2,377,227	3,429,993

WATER UTILITY FUND

Operating revenues increased by 9.91% from 2017 as a result of increased water consumption during 2018. Operating income for 2018 was \$2,383,937, compared to operating income of \$1,963,446 in 2017. Operating expenses increased by 8.4% to \$17,039,556 in 2018. Unrestricted working capital in excess of \$34.9 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 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 2018 contributions were \$2,021,351 compared to \$4,619,766 in 2017. The increase in net position in 2018 resulted primarily from developer capital contributions of water totaling \$8.7 million.

Water Utility Fund

	2018	2017	2016	2015	2014
Operating revenues	\$19,423,493	\$ 17,671,740	\$ 16,271,251	\$ 14,230,955	\$ 12,981,041
Operating income (loss)	2,383,937	1,963,446	1,764,052	983,082	(2,428,220)
Change in net position	19,065,478	8,915,880	9,561,931	6,064,986	5,556,395

SEWER UTILITY FUND

Sewer Fund operating revenues increased 1.26% over 2017. Sewer rates are based on winter water usage. Operating income for 2018 was \$1,861,543, compared to \$3,624,876 in 2017. Operating expenses increased by 17.91% to \$12,806,945 in 2018. The fund increased its unrestricted working capital by \$2,244,873 in 2018. The net position increased by \$5,197,862, due primarily to capital contributions of \$3.7 million.

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

Sewer Utility Fund

	2018	2017	2016	2015	2014
Operating revenues	\$14,668,577	\$ 14,486,062	\$ 13,432,618	\$ 13,085,133	\$ 11,686,986
Operating income (loss)	1,861,543	3,624,876	2,397,055	2,079,462	832,353
Change in net position	5,197,862	8,361,484	4,962,356	3,643,746	666,486

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 \$197,181 or 2.88% in 2018. Operating income was just over \$159,000, a decrease from 2017. 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 below.

Storm Drain Utility Fund

	2018	2017	2016	2015	2014
Operating revenues	\$7,055,596	\$ 6,858,415	\$ 6,730,428	\$ 6,644,935	\$ 6,579,550
Operating income (loss)	159,017	1,443,043	1,592,106	2,555,896	2,180,905
Change in net position	6,113,562	9,147,449	3,736,892	3,509,266	4,463,299

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, 2018, 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 84-85 of this report, as well as in the transmittal letter.

Long-term Debt. As of December 31, 2018, the City of Longmont had total bonded debt outstanding of \$141,910,000. As of December 31, 2018, there is no debt backed by the full faith and credit of the City, or general obligation debt. \$31,420,000 of the City of Longmont's debt represents revenue bonds secured solely by sales and use taxes. The final \$110,490,000 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 2018, this debt limit amounted to \$386,285,395. The total amount of debt applicable to the debt limit is \$0 leaving a legal debt margin of \$386,285,395. Additional information on the City's long-term debt can be found in Note 8 on pages 80-83.

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 Storm water refunding bonds received a rating of AA from Standard and Poor's. The 2018 Open Space Sales and Use Tax Revenue Bonds received a rating of A 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 2018 budget amendments will have no significant impact on future services.

The 2019 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



Longmont's Pavement Management Program keeps the city's 350-plus centerline miles of paved streets in good condition

STATEMENT OF NET POSITION
December 31, 2018

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	
ASSETS				
Current assets:				
Equity in pooled cash & cash equivalents	\$ 185,120,079	\$ 70,831,637	\$ 255,951,716	\$ 6,165,319
Cash and cash equivalents	129,717	262,955	392,672	107,506
Receivables (net of allowance for uncollectibles):	40,818,993	15,280,952	56,099,945	1,987,317
Internal balances	(5,069,396)	5,069,396	-	-
Inventory of materials and supplies	6,333,795	-	6,333,795	-
Restricted equity in pooled cash & cash equivalents	-	1,292,396	1,292,396	-
Restricted cash and cash equivalents	6,743,190	11,096,561	17,839,751	-
Prepaid expenses	1,791,612	149,876	1,941,488	-
Total current assets	235,867,990	103,983,773	339,851,763	8,260,142
Noncurrent assets:				
Loan receivable-component unit	146,000	-	146,000	-
Net pension asset	576,997	-	576,997	-
Capital Assets				
Land and water rights	81,579,109	230,937,527	312,516,636	786,921
Construction in progress	23,957,621	43,684,292	67,641,913	-
Depreciable buildings, property, and equipment, net	258,694,548	472,300,923	730,995,471	5,226,820
Total noncurrent assets	364,954,275	746,922,742	1,111,877,017	6,013,741
Total assets	600,822,265	850,906,515	1,451,728,780	14,273,883
DEFERRED OUTFLOWS OF RESOURCES				
Related to OPEB	139,863	87,052	226,915	797
Deferred charge on refunding	179,289	-	179,289	-
City contributions subsequent to the measurement date	2,124,277	1,322,180	3,446,457	-
Investment earnings less than expected	-	-	-	-
Actual experience less than expected experience	1,228,305	764,639	1,992,944	22,830
Total deferred outflows of resources	3,671,734	2,173,871	5,845,605	23,627
LIABILITIES				
Current liabilities:				
Accounts payable and accrued expenses	10,166,351	10,597,352	20,763,703	64,151
Accrued interest	1,160,113	581,402	1,741,515	-
Unearned revenues	-	741,360	741,360	-
Deposits	10,580,083	1,230,716	11,810,799	-
Current portion of long-term obligations	7,566,802	7,810,377	15,377,179	7,801
Total current liabilities	29,473,349	20,961,207	50,434,556	71,952
Noncurrent liabilities:				
Noncurrent portion of long-term obligations	75,491,643	121,727,055	197,218,698	243,612
Total liabilities	104,964,992	142,688,262	247,653,254	315,564
DEFERRED INFLOWS OF RESOURCES				
Related to OPEB	617,760	384,502	1,002,262	3,521
Related to pension	2,655,387	1,593,697	4,249,084	17,518
Property taxes	18,977,488	-	18,977,488	1,969,426
Total deferred inflows of resources	22,250,635	1,978,199	24,228,834	1,990,465
NET POSITION				
Net investment in capital assets	331,125,256	634,873,565	965,998,821	6,013,741
Restricted for:				
Construction/acquisition	93,818,540	1,292,028	95,110,568	5,899,587
Transportation improvements	18,103,563	-	18,103,563	-
Public safety	5,341,443	-	5,341,443	-
Debt Service	3,023,193	-	3,023,193	-
Permanent fund				
Expendable	584,289	-	584,289	-
Nonexpendable	650,881	-	650,881	-
Net Pension Asset	576,997	-	576,997	-
Statutory emergency requirement	4,857,013	-	4,857,013	54,350
Other purposes	2,677,971	-	2,677,971	-
Unrestricted	16,519,226	72,248,332	88,767,559	23,803
TOTAL NET POSITION	\$ 477,278,372	\$ 708,413,925	\$ 1,185,692,297	\$ 11,991,481

These financial statements should be read only in conjunction with the accompanying notes to financial statements

CITY OF LONGMONT, COLORADO

STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2018

	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Functions/Programs				
PRIMARY GOVERNMENT				
Governmental activities:				
General Government	\$ 40,602,784	\$ 12,800,692	\$ 211,197	\$ 13,612,810
Public Safety	45,449,015	663,822	2,056,638	32,011
Highways & Streets	30,946,052	1,550,511	-	19,081,737
Culture & Recreation	21,606,778	6,540,657	868,222	8,737,786
Municipal utilities systems	2,258,930	533,000	-	9,926,773
Interest and Fiscal charges on long-term debt	2,639,314	-	-	-
Total governmental activities	143,502,873	22,088,682	3,136,057	51,391,117
Business-type activities:				
Sanitation	6,968,193	9,026,887	293,655	-
Golf	2,483,503	2,758,926	-	-
Electric	78,430,314	80,706,502	750	3,653,546
Water	17,132,688	19,423,493	193,495	14,261,169
Sewer	14,340,243	14,668,488	305,409	3,714,553
Storm Drainage	7,738,825	7,055,596	2,020,525	4,385,069
Airport	684,283	466,491	-	501,971
Total business-type activities	127,778,049	134,106,383	2,813,834	26,516,308
Total Primary Government	\$ 271,280,922	\$ 156,195,065	\$ 5,949,891	\$ 77,907,425
Component unit:				
Downtown Development Authority	\$ 1,545,091	\$ 70,630	\$ 561,441	-

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

 Total General Revenues & Transfers

 Change in Net Position

 Net Position - Beginning January 1
 Cumulative effect of correction
 to prior period
 Restated net position

 Net Position - Ending December 31

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

		Primary Government					
Governmental		Business-type		Component			
Activities		Activities	Total	Unit			
\$	(13,978,085)	\$	- \$	(13,978,085)	\$	-	
	(42,696,544)		-	(42,696,544)		-	
	(10,313,804)		-	(10,313,804)		-	
	(5,460,113)		-	(5,460,113)		-	
	8,200,843		-	8,200,843		-	
	(2,639,314)		-	(2,639,314)		-	
	(66,887,017)		-	(66,887,017)		-	
	-		-	-		-	
	-	2,352,349	2,352,349	-	-	-	
	-	275,423	275,423	-	-	-	
	-	5,930,484	5,930,484	-	-	-	
	-	16,745,469	16,745,469	-	-	-	
	-	4,348,207	4,348,207	-	-	-	
	-	5,722,365	5,722,365	-	-	-	
	-	284,179	284,179	-	-	-	
	-	35,658,476	35,658,476	-	-	-	
	(66,887,017)	35,658,476	(31,228,541)	-	-	-	
	-	-	-	-	(913,020)	-	
	22,349,418	-	22,349,418	1,068,867	-	-	
	36,290,653	-	36,290,653	-	-	-	
	6,356,829	-	6,356,829	-	-	-	
	16,113,411	-	16,113,411	-	-	-	
	4,296,909	-	4,296,909	-	-	-	
	12,468,351	-	12,468,351	-	-	-	
	321,613	-	321,613	-	-	-	
	9,399	-	9,399	-	-	-	
	467,209	-	467,209	-	-	-	
	160,120	-	160,120	-	-	-	
	7,824,757	-	7,824,757	-	-	-	
	3,386,099	1,530,342	4,916,441	107,247	-	-	
	1,646,206	1,917,556	3,563,762	668	-	-	
	(991,624)	991,624	-	-	-	-	
	110,699,350	4,439,522	115,138,872	1,176,782	-	-	
	43,812,333	40,097,998	83,910,331	263,762	-	-	
	442,704,359	681,948,623	1,124,652,982	11,773,099	-	-	
	(9,238,320)	(13,632,696)	(22,871,016)	(45,380)	-	-	
	433,466,039	668,315,927	1,101,781,966	11,727,719	-	-	
\$	477,278,372	\$	708,413,925	\$	1,185,692,297	\$	11,991,481

CITY OF LONGMONT, COLORADO

BALANCE SHEET
GOVERNMENTAL FUNDS
 December 31, 2018

	General	Streets Systems	Other Governmental Funds	TOTAL Governmental Funds
ASSETS				
Equity in pooled cash & cash equivalents	\$ 27,668,129	\$ 14,001,619	\$ 110,267,901	\$ 151,937,649
Cash and cash equivalents	35,242	-	94,475	129,717
Receivables (net of allowance for uncollectibles):				
Accounts	-	-	92,281	92,281
Taxes	22,688,506	1,689,209	2,585,348	26,963,063
Miscellaneous	1,285,866	-	-	1,285,866
Grants	23,378	922,038	4,419,692	5,365,108
Loans	11,004	-	5,456,296	5,467,300
Fees	282,012	-	-	282,012
Accrued interest	76,578	33,907	282,773	393,258
Due from other funds	8,540,943	-	1,085	8,542,028
Due from other governments	18,651	298,365	6,446	323,462
Prepaid items	540,971	65,413	80,554	686,938
Restricted assets:				
Cash and cash equivalents	-	-	4,166,000	4,166,000
Total assets	\$ 61,171,280	\$ 17,010,551	\$ 127,452,851	\$ 205,634,682

CITY OF LONGMONT, COLORADO

BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2018

Exhibit 3

	General	Streets Systems	Other Governmental Funds	TOTAL Governmental Funds
LIABILITIES				
Accounts payable	\$ 2,222,262	\$ 1,361,473	\$ 2,014,624	\$ 5,598,359
Construction contracts payable	-	500,599	563,650	1,064,249
Accrued liabilities	2,293,344	154,103	362,805	2,810,252
Due to other funds	-	-	4,508,485	4,508,485
Advances from other funds	755,120	-	-	755,120
Deposits	10,546,816	-	33,267	10,580,083
Total liabilities	15,817,542	2,016,175	7,482,831	25,316,548
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue-property taxes	18,855,713	-	121,775	18,977,488
Unavailable revenue-other	-	1,205,019	6,877,604	8,082,623
Total deferred inflows of resources	18,855,713	1,205,019	6,999,379	27,060,111
FUND BALANCES				
Nonspendable	551,975	65,413	672,831	1,290,219
Restricted	4,858,326	13,723,944	108,747,429	127,329,699
Committed	4,115,551	-	4,251,413	8,366,964
Assigned	4,951,986	-	-	4,951,986
Unassigned	12,020,187	-	(701,032)	11,319,155
Total fund balances	26,498,025	13,789,357	112,970,641	153,258,023
Total liabilities, deferred inflows of resources and fund balances	\$ 61,171,280	\$ 17,010,551	127,452,851	\$ 205,634,682

(continued)

**Reconciliation of the Balance Sheet
to the Statement of Net Position
December 31, 2018**

Total Governmental Fund Balances	\$	153,258,023
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		103,189,549
Capital assets being depreciated		228,669,853
Contributed Capital		11,353,424
Other long-term assets are not available to pay for current-period expenditures and therefore are not reported in the funds.		
Unavailable Revenue		8,082,623
Deferred refunding		179,289
Deferred outflows - pensions		3,229,109
Deferred outflows - OPEB		134,711
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.		
Net pension asset		576,997
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		(2,506,841)
Revenue bonds payable		(31,420,000)
Certificates of Participation payable		(28,005,000)
Unamortized premiums		(1,601,204)
Net pension liability		(4,672,418)
Deferred inflows related to pension		(2,561,125)
Deferred inflows related to OPEB		(595,005)
Compensated absences		(7,965,092)
Net other post employment benefit obligation		(3,468,180)
Accrued interest		(1,160,113)
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.		
		58,215,194
Internal service fund allocated to business type activities		<u>(5,655,422)</u>
Net position of governmental activities	\$	<u><u>477,278,372</u></u>



Longmont's Art in Public Places Program manages more than 80 permanent and temporary works of art, including "Shock Art" switchgear boxes throughout the city

CITY OF LONGMONT, COLORADO

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES-
GOVERNMENTAL FUNDS**
Year Ended December 31, 2018

	General	Streets Systems	Other Governmental Funds	TOTAL Governmental Funds
REVENUES				
Taxes	\$ 62,944,236	\$ 17,482,310	\$ 26,232,122	\$ 106,658,668
Licenses and permits	3,840,157	241,834	17,527,496	21,609,487
Developer/owner participation	-	841,466	1,320,359	2,161,825
Intergovernmental	1,248,900	4,602,974	16,916,065	22,767,939
Charges for services	15,143,106	-	1,953,177	17,096,283
Fines and forfeits	764,100	-	41,650	805,750
Investment income	574,032	256,078	1,963,707	2,793,817
Miscellaneous	275,971	18,674	1,351,550	1,646,195
Total revenues	84,790,502	23,443,336	67,306,126	175,539,964
EXPENDITURES				
Current:				
General government	25,324,353	-	14,890,489	40,214,842
Public safety	36,132,437	-	9,160,156	45,292,593
Highways and streets	-	15,829,831	611,555	16,441,386
Municipal utility systems	-	-	237,579	237,579
Culture and recreation	16,485,519	-	3,065,805	19,551,324
Capital outlay	736,903	8,861,896	22,388,143	31,986,942
Debt service:				
Principal retired	593,192	-	4,620,000	5,213,192
Interest and fiscal charges	30,861	-	2,461,624	2,492,485
Total expenditures	79,303,266	24,691,727	57,435,351	161,430,343
Excess of revenues over (under) expenditures	5,487,236	(1,248,391)	9,870,775	14,109,621
OTHER FINANCING SOURCES (USES)				
Transfers in	327,539	-	3,045,906	3,373,445
Transfers out	(1,251,020)	(13,364)	(3,088,973)	(4,353,357)
Proceeds from Bonds	-	-	8,150,000	8,150,000
Premium on issuance of long-term debt	-	-	329,749	329,749
Total other financing sources (uses)	(923,481)	(13,364)	8,436,682	7,499,837
Net change in fund balances	4,563,756	(1,261,755)	18,307,457	21,609,458
FUND BALANCES, January 1	21,934,269	15,051,112	94,663,184	131,648,564
FUND BALANCES, December 31	\$ 26,498,025	\$ 13,789,357	\$ 112,970,641	\$ 153,258,023

**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, 2018**

Net change in fund balances - total governmental funds	\$ 21,609,458
<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	(17,809,312)
Capitalized assets acquired	28,937,542
Loss on disposal of assets	(157,977)
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.	11,353,424
<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	821,149
Proceeds from Bonds are reported as revenue in the governmental funds, but it increases long-term debt in the statement of net position	(8,150,000)
<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	4,620,000
Capital leases	593,192
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>	
	(139,585)
<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	(90,210)
Accrued interest	(171,657)
Other post employment benefits	(160,396)
<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	(755,134)
<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>	
	4,315,861
Change in internal service funds allocated to business-type activities.	(838,685)
Changes in Net Position of Governmental Activities	<u>\$ 43,812,333</u>

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
GENERAL (LEGAL BASIS) FUND
Year Ended December 31, 2018

	Budget		Actual (Legal Basis)	Variance From Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 61,597,249	\$ 61,622,249	\$ 62,944,236	\$ 1,321,987
Licenses and permits	2,065,686	2,065,686	3,840,157	1,774,471
Intergovernmental	648,976	1,456,449	1,248,900	(207,549)
Charges for services	7,325,633	14,824,180	15,143,106	318,926
Fines and forfeits	924,250	924,250	764,100	(160,150)
Investment income	277,600	277,600	574,032	296,432
Miscellaneous	50,245	151,404	275,971	124,567
Total revenues	72,889,639	81,321,818	84,790,502	3,468,684
EXPENDITURES				
Current:				
General government	27,126,043	29,814,663	25,324,353	4,490,310
Public safety	35,874,296	36,801,124	36,132,437	668,687
Culture and recreation	17,175,325	17,490,728	16,485,519	1,005,209
Capital outlay	855,076	2,996,624	736,903	2,259,721
Debt Service:				
Bond principal retired	723,192	723,192	593,192	130,000
Interest and fiscal charges	-	-	30,861	(30,861)
Total expenditures	81,753,932	87,826,331	79,303,265	8,523,066
Excess of revenues over (under) expenditures	(8,864,293)	(6,504,513)	5,487,237	11,991,750
OTHER FINANCING SOURCES				
Transfers in	7,680,395	384,148	327,539	(56,609)
Transfers out	(1,260,061)	(1,273,637)	(1,251,020)	22,617
Total other financing sources	6,420,334	(889,489)	(923,481)	(33,992)
Net changes in fund balances	(2,443,959)	(7,394,002)	4,563,756	11,957,758
FUND BALANCE, January 1	21,934,269	21,934,269	21,934,269	-
FUND BALANCE, December 31	\$ 19,490,310	\$ 14,540,267	\$ 26,498,025	\$ 11,957,758

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
STREETS SYSTEMS FUND
Year Ended December 31, 2018

	Original Budget	Final Budget	Actual	Variance From Final Budget
REVENUES				
Taxes	\$ 16,358,208	\$ 16,358,208	\$ 17,482,310	\$ 1,124,102
Licenses and permits	15,000	15,000	241,834	226,834
Developer/owner participation	650,000	1,150,000	841,466	(308,534)
Intergovernmental	3,418,426	5,430,778	4,602,974	(827,804)
Investment income	26,335	26,335	256,078	229,743
Miscellaneous	10,000	10,000	18,674	8,674
Total revenues	20,477,969	22,990,321	23,443,336	453,015
EXPENDITURES				
Highways and streets	10,132,730	10,795,138	15,829,831	(5,034,693)
Capital outlay	12,004,280	23,315,430	8,861,896	14,453,534
Total expenditures	22,137,010	34,110,568	24,691,727	9,418,841
Excess of revenues over (under) expenditures	(1,659,041)	(11,120,247)	(1,248,391)	9,871,856
OTHER FINANCING USES				
Transfers out				
General fund	(1,515)	(3,354)	(13,364)	(10,010)
Total other financing sources (uses)	(1,515)	(3,354)	(13,364)	(10,010)
Net changes in fund balances	(1,660,556)	(11,123,601)	(1,261,755)	9,861,846
FUND BALANCE, January 1	15,051,112	15,051,112	15,051,112	-
FUND BALANCE, December 31	\$ 13,390,557	\$ 3,927,511	\$ 13,789,357	\$ 9,861,846

CITY OF LONGMONT, COLORADO

STATEMENT OF NET POSITION
PROPRIETARY FUNDS

December 31, 2018

	Electric and Broadband	Water	Sewer
ASSETS			
Current assets:			
Equity in pooled cash & cash equivalents	\$ 9,282,932	\$ 35,368,402	\$ 13,883,003
Cash and cash equivalents	-	-	-
Accounts receivable (net of allowance for uncollectibles)	8,449,445	1,611,390	1,647,522
Intergovernmental receivable	-	353,005	249,850
Loans receivable	4,229	7,233	-
Interest receivable	29,143	87,956	33,444
Inventory of materials and supplies	-	-	-
Advance to other funds, current portion	-	-	-
Prepaid expenses	90,030	23,410	26,917
Total unrestricted current assets	17,855,779	37,451,396	15,840,736
Restricted assets:			
Bond debt service:			
Equity in pooled cash & cash equivalents	420,679	-	639,626
Interest receivable	-	-	4,846
Workers' Compensation			
Equity in pooled cash & cash equivalents	-	-	-
Electric/Storm Drainage/Sewer Construction:			
Equity in pooled cash & cash equivalents	-	-	-
Cash and cash equivalents	-	-	4,933,620
Interest receivable	579	-	1,868
Total restricted current assets	421,258	-	5,579,960
Total current assets	18,277,037	37,451,396	21,420,696
Noncurrent assets:			
Loan receivable-component unit	-	-	-
Capital assets:			
Land and water rights	1,609,104	210,416,595	1,651,215
Buildings	4,844,914	31,949,831	42,529,024
Improvements (other than buildings)	167,049,490	199,949,289	149,779,455
Equipment	4,665,376	2,355,999	3,721,504
Construction in progress	-	10,010,941	4,657,320
Total capital assets	178,168,884	454,682,655	202,338,518
Less - accumulated depreciation	64,676,762	76,393,338	58,259,353
Net capital assets	113,492,122	378,289,317	144,079,165
Total noncurrent assets	113,492,122	378,289,317	144,079,165
Total assets	131,769,159	415,740,713	165,499,861
DEFERRED OUTFLOW OF RESOURCES			
Related to OPEB	36,170	19,162	13,159
City Contributions Subsequent to the Measurement Date	549,367	291,042	199,868
Actual experience less than expected experience	317,582	168,297	115,666
Total deferred outflows of resources	903,119	478,501	328,693
Total assets and deferred outflows of resources	\$ 132,672,278	\$ 416,219,214	\$ 165,828,554

	Storm Drainage	Other Enterprise Funds	TOTALS	Internal Service Funds
\$	4,724,247	\$ 7,573,053	70,831,637	\$ 33,182,430
	-	262,955	262,955	-
	849,615	1,080,484	13,638,456	542,527
	687,310	152,739	1,442,904	-
	-	-	11,462	-
	11,244	18,760	180,547	86,584
	-	-	-	6,333,795
	-	-	-	3,049,644
	7,834	1,685	149,876	1,104,674
	6,280,250	9,089,676	86,517,837	44,299,654
	231,723	-	1,292,028	-
	289	-	5,135	-
	-	-	-	2,577,190
	368	-	368	-
	6,162,941	-	11,096,561	-
	1	-	2,448	-
	6,395,322	-	12,396,540	2,577,190
	12,675,572	9,089,676	98,914,377	46,876,844
	-	-	-	146,000
	15,434,178	1,826,435	230,937,527	333,200
	1,838,928	4,272,844	85,435,541	1,735,705
	80,378,401	15,824,951	612,981,586	3,087,845
	250,426	3,408,597	14,401,902	44,335,300
	23,667,898	5,348,133	43,684,292	2,013,980
	121,569,831	30,680,960	987,440,848	51,506,030
	23,904,140	17,284,513	240,518,106	30,487,579
	97,665,691	13,396,447	746,922,742	21,018,451
	97,665,691	13,396,447	746,922,742	21,164,451
	110,341,263	22,486,123	845,837,119	68,041,295
	7,121	11,439	87,052	5,152
	108,162	173,741	1,322,180	78,247
	62,636	100,458	764,639	45,226
	177,919	285,638	2,173,871	128,625
\$	110,519,182	\$ 22,771,761	848,010,990	\$ 68,169,920

CITY OF LONGMONT, COLORADO

STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 December 31, 2018

	Electric and Broadband	Water	Sewer
LIABILITIES AND NET POSITION			
Current liabilities:			
Payable from current assets:			
Accounts payable	\$ 4,667,212	\$ 447,620	\$ 290,010
Construction contracts payable	-	117,713	164,277
Accrued liabilities	698,154	221,240	153,936
Due to other funds	-	-	-
Accrued sick and vacation - current portion	140,679	90,300	52,475
Unearned revenue	741,360	-	-
Advances from other funds - current portion	-	-	-
Loans payable - current portion	-	1,105,643	-
Claims payable - current portion	-	-	-
Accrued interest	-	90,333	-
Customer deposits	1,201,650	28,921	-
Total current liabilities (payable from current assets)	7,449,055	2,101,770	660,698
Payable from restricted assets:			
Accounts payable	-	-	666,672
Construction contracts payable	-	-	215,971
Accrued interest	120,750	-	292,178
Bonds payable - current portion	3,010,000	-	1,840,000
Total current liabilities (payable from restricted assets)	3,130,750	-	3,014,821
Total current liabilities	10,579,805	2,101,770	3,675,519
Long-term liabilities:			
Loan payable	-	4,802,564	-
Long-term construction liability	-	182,148	-
Claims payable	-	-	-
Accrued sick and vacation	797,182	511,699	297,355
Net other post employment benefit obligation	926,993	495,156	340,127
Net Pension Liability	1,243,226	658,823	452,794
Advances from other funds	-	-	-
Bonds payable	39,161,111	-	44,553,495
Net long-term liabilities	42,128,512	6,650,390	45,643,771
Total liabilities	52,708,317	8,752,160	49,319,290
Deferred inflows of resources:			
Related to Pension	661,920	350,772	241,077
Related to OPEB	159,761	84,638	58,123
Total Deferred inflows of resources	821,681	435,410	299,200
Net position:			
Net Investment in capital assets	71,321,011	372,081,249	102,239,042
Water acquisition/capital grants			
Subdividers			
System development			
Restricted for construction	-	-	-
Restricted for debt service	420,679	-	639,626
Restricted for workers' compensation	-	-	-
Restricted for long-term disability	-	-	-
Unrestricted	7,400,590	34,950,396	13,331,396
Total net position	79,142,280	407,031,645	116,210,064
Total liabilities and net position	\$ 132,672,278	\$ 416,219,215	\$ 165,828,554

Storm Drainage	Other Enterprise Funds	TOTALS	Internal Service Funds
\$ 1,166,166	\$ 584,719	\$ 7,155,727	\$ 619,218
629,871	45,275	957,136	11,547
74,970	131,909	1,280,209	62,726
-	-	-	5,724,508
22,918	43,362	349,734	26,368
-	-	741,360	-
-	177,054	177,054	-
-	-	1,105,643	-
-	-	-	726,991
-	-	90,333	-
145	-	1,230,716	-
<u>1,894,070</u>	<u>982,319</u>	<u>13,087,912</u>	<u>7,171,358</u>
321,637	-	988,309	-
-	-	215,971	-
78,141	-	491,069	-
<u>1,505,000</u>	<u>-</u>	<u>6,355,000</u>	<u>-</u>
1,904,778	-	8,050,349	-
<u>3,798,848</u>	<u>982,319</u>	<u>21,138,261</u>	<u>7,171,358</u>
-	-	4,802,564	-
-	-	182,148	-
-	-	-	2,209,856
129,871	245,714	1,981,821	149,417
181,352	295,951	2,239,579	130,035
245,199	393,257	2,993,299	177,044
-	408,972	408,972	-
<u>25,813,038</u>	<u>-</u>	<u>109,527,644</u>	<u>-</u>
<u>26,369,460</u>	<u>1,343,894</u>	<u>122,136,027</u>	<u>2,666,352</u>
<u>30,168,308</u>	<u>2,326,213</u>	<u>143,274,288</u>	<u>9,837,709</u>
130,549	209,379	1,593,697	94,262
31,455	50,526	384,502	22,755
<u>162,004</u>	<u>259,904</u>	<u>1,978,199</u>	<u>117,017</u>
75,881,091	13,351,172	634,873,565	21,018,451
-	-	-	-
231,723	-	1,292,028	-
-	-	-	2,577,190
-	-	-	325,000
<u>4,076,057</u>	<u>6,834,472</u>	<u>66,592,911</u>	<u>34,294,553</u>
<u>80,188,871</u>	<u>20,185,644</u>	<u>702,758,504</u>	<u>58,215,194</u>
<u>\$ 110,519,183</u>	<u>\$ 22,771,761</u>	<u>\$ 848,010,991</u>	<u>\$ 68,169,920</u>

\$ 5,655,421

\$ 708,413,925

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, 2018

	Electric and Broadband	Water	Sewer
OPERATING REVENUES			
Charges for services	\$ 80,634,329	\$ 19,423,493	\$ 14,668,488
Warehouse sales	-	-	-
Contributions	-	-	-
Total operating revenues	80,634,329	19,423,493	14,668,488
OPERATING EXPENSES			
Administration	4,324,066	4,451,493	1,676,611
Purchased power/cost of sales/premiums	49,634,480	-	-
Transmission/distribution	12,092,357	3,079,178	1,545,715
Maintenance/development	-	-	-
Trash collection	-	-	-
Landfill	-	-	-
Treatment/disposal	-	3,171,472	3,945,472
Fleet services	-	-	-
Depreciation	4,005,405	4,489,168	4,146,464
Administrative fees	1,892,712	1,482,097	909,683
Franchise fee	5,312,894	366,148	583,000
Benefit payments	-	-	-
Claims	-	-	-
Total operating expenses	77,261,914	17,039,556	12,806,945
Operating income (loss)	3,372,415	2,383,937	1,861,543
NON-OPERATING REVENUES (EXPENSES)			
Investment income (loss)	242,457	538,917	408,539
Miscellaneous	183,093	1,353,757	111,267
Intergovernmental	750	193,495	305,409
Other sales	72,173	-	-
Gain (Loss) on disposal of assets	(23,846)	(3,749)	(0)
Interest expense	(1,388,525)	(233,953)	(1,682,725)
Net non-operating revenues (expenses)	(913,898)	1,848,467	(857,510)
Change in net position before transfers and capital contributions	2,458,517	4,232,403	1,004,033
CAPITAL CONTRIBUTIONS	3,653,546	14,261,169	3,714,553
SPECIAL ITEM			
Insurance recoveries	-	-	-
TRANSFERS			
Transfers in	29,710	626,696	524,922
Transfers out	(59,355)	(54,791)	(45,646)
Change in net position	6,082,418	19,065,478	5,197,862
TOTAL NET POSITION-January 1	74,016,470	389,481,902	111,839,676
Cumulative effect of correction to prior period	(956,605)	(1,515,734)	(827,477)
Restated Total Net Position	73,059,865	387,966,168	111,012,199
TOTAL NET POSITION-December 31	\$ 79,142,280	\$ 407,031,645	\$ 116,210,064

	Storm Drainage	Other Enterprise Funds	Totals	Governmental Activities- Internal Service Funds
\$	7,055,596	\$ 12,252,304	\$ 134,034,210	\$ 23,938,181
	-	-	-	4,905,189
	-	-	-	3,282,582
	7,055,596	12,252,304	134,034,210	32,125,952
	1,587,078	814,008	12,853,256	291,863
	-	-	49,634,480	18,686,457
	-	-	16,717,250	-
	2,936,798	2,233,252	5,170,050	-
	-	5,978,498	5,978,498	-
	-	13,324	13,324	-
	-	-	7,116,944	-
	-	-	-	3,735,685
	1,834,208	471,852	14,947,097	4,667,307
	538,495	902,141	5,725,128	542,036
	-	-	6,262,042	-
	-	-	-	397,687
	-	-	-	1,840,480
	6,896,579	10,413,075	124,418,070	30,161,515
	159,017	1,839,229	9,616,140	1,964,437
	221,828	118,601	1,530,342	592,282
	218,225	78,807	1,945,149	1,477
	2,020,525	293,655	2,813,834	18,910
	-	-	72,173	-
	-	-	(27,596)	-
	(883,362)	(10,099)	(4,198,664)	-
	1,577,216	480,964	2,135,238	612,669
	1,736,233	2,320,193	11,751,379	2,577,106
	4,385,069	501,971	26,516,308	1,217,264
	-	-	-	533,203
	-	-	1,181,328	-
	(7,740)	(22,173)	(189,704)	(11,712)
	6,113,562	2,799,991	39,259,310	4,315,861
	74,380,014	27,413,826	677,131,888	54,079,217
	(304,705)	(10,028,174)	(13,632,696)	(179,885)
	74,075,309	17,385,652	663,499,193	53,899,332
	-	-	-	-
\$	80,188,871	\$ 20,185,644	702,758,505	\$ 58,215,193

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.

838,687

40,097,998

Change in net position of business-type activities

CITY OF LONGMONT, COLORADO

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended December 31, 2018

	Electric and Broadband	Water	Sewer
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers	\$ 80,794,997	\$ 19,618,341	\$ 14,521,709
Cash paid to suppliers	(62,969,697)	(7,401,588)	(5,336,160)
Cash paid to employees	(9,875,768)	(5,363,991)	(3,710,759)
Claims/Benefits paid	-	-	-
Net cash provided by operating activities	7,949,532	6,852,763	5,474,789
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES			
Transfers in	29,710	626,696	524,922
Transfers out	(64,459)	(54,791)	(45,646)
Advances to other funds	-	-	-
Advances from other funds	-	-	-
Net cash provided (used) by non-capital financing activities	(34,749)	571,905	479,276
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition and construction of capital assets	(6,253,879)	(2,413,299)	(5,497,336)
Bond/loan/lease principal paid	(2,880,000)	(1,083,530)	(1,780,000)
Bond/loan/lease interest paid	(1,399,650)	(250,286)	(1,695,133)
Proceeds from issuance of debt	(182,850)	(5,714)	(132,387)
Proceeds from sale of equipment	-	1,028,637	701
Contributed capital received	3,225,156	1,405,399	388,665
Net cash (used) by capital and related financing activities	(7,491,223)	(1,318,793)	(8,715,490)
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment income received (paid)	233,645	517,568	397,200
Net cash provided (used) by investing activities	233,645	517,568	397,200
Net increase (decrease) in cash and cash equivalents	657,205	6,623,443	(2,364,224)
CASH AND CASH EQUIVALENTS, January 1	9,046,407	28,744,959	21,820,473
CASH AND CASH EQUIVALENTS, December 31	\$ 9,703,611	\$ 35,368,402	\$ 19,456,249

Storm Drainage	Other Enterprise Funds	TOTALS	Governmental Activities- Internal Service Funds
\$ 8,062,874	\$ 12,304,153	\$ 135,302,074	\$ 33,013,990
(2,293,417)	(6,100,738)	(84,101,601)	(23,059,843)
(1,964,638)	(3,430,458)	(24,345,613)	(1,485,636)
	-	-	(1,698,640)
<hr/>	<hr/>	<hr/>	<hr/>
3,804,819	2,772,957	26,854,860	6,769,871
-	-	1,181,328	-
(7,740)	(22,173)	(194,808)	(380,310)
-	(179,043)	(179,043)	-
-	-	-	814,825
<hr/>	<hr/>	<hr/>	<hr/>
(7,740)	(201,216)	807,477	434,515
(5,516,181)	(1,649,895)	(21,330,589)	(4,212,540)
(1,450,000)	-	(7,193,530)	-
(823,086)	(10,099)	(4,178,255)	-
(164,901)	-	(485,852)	-
-	-	1,029,338	-
2,020,525	811,079	7,850,824	3,255
<hr/>	<hr/>	<hr/>	<hr/>
(5,933,644)	(848,915)	(24,308,064)	(4,209,285)
219,939	160,701	1,529,052	577,439
<hr/>	<hr/>	<hr/>	<hr/>
219,939	160,701	1,529,052	577,439
<hr/>	<hr/>	<hr/>	<hr/>
(1,916,625)	1,883,527	4,883,325	3,572,541
<hr/>	<hr/>	<hr/>	<hr/>
13,035,904	5,952,481	78,600,226	32,187,080
<hr/>	<hr/>	<hr/>	<hr/>
\$ 11,119,279	7,836,008	\$ 83,483,549	\$ 35,759,620

(continued)

CITY OF LONGMONT, COLORADO

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended December 31, 2018

	Electric and Broadband	Water	Sewer
RECONCILIATION OF NET OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Net operating income (loss)	\$ 3,372,415	\$ 2,383,937	\$ 1,861,543
Adjustments to reconcile net operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	4,005,405	4,489,169	4,146,463
Miscellaneous income	255,287	252,519	27,399
Intergovernmental operating income	-	-	-
Change in assets and liabilities:			
(Increase) decrease in accounts receivable	149,796	(57,748)	28,307
(Increase) decrease in intergovernmental receivable	-	-	(202,233)
(Increase) decrease in inventory of materials	-	-	-
(Increase) decrease in prepaid expenses	(11,116)	3,067	(8,944)
Increase (decrease) in deferred outflow-pension	1,278,925	669,570	414,686
Increase (decrease) in deferred outflow-OPEB	(36,170)	(19,162)	(13,159)
Increase (decrease) in accounts payable	(123,822)	(181,755)	(650,084)
Increase (decrease) in accrued liabilities	76,935	27,559	37,370
Increase (decrease) in deferred revenue	10,009	-	-
Increase (decrease) in due to other funds	-	-	-
Increase (decrease) in deposits	(112,665)	-	-
Increase (decrease) in accrued sick and vacation	(2,177)	(234,036)	88,927
Increase (decrease) in claims payable - current portion	-	-	-
Increase (decrease) in net other post employment benefit obligation	(39,292)	(20,816)	(14,295)
Increase (decrease) in net pension liability	(1,695,680)	(894,951)	(540,391)
Increase (decrease) in in deferred inflows pension	661,920	350,772	241,077
Increase (decrease) in in deferred inflows OPEB	159,761	84,638	58,123
Increase (decrease) in claims payable -			
Total adjustments	4,577,118	4,468,825	3,613,246
Net cash provided (used) by operating activities	\$ 7,949,532	\$ 6,852,763	\$ 5,474,789
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	\$ 9,282,932	\$ 35,368,402	\$ 13,883,003
Restricted equity in pooled cash and cash equivalents	420,679	-	639,626
Restricted cash and cash equivalents	-	-	4,933,620
Cash and Cash Equivalents per statement of cash flows	\$ 9,703,611	\$ 35,368,402	\$ 19,456,249
NON-CASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES			
The following non-cash transactions occurred during 2018:			
Contributed capital from developers	\$ -	\$ 13,238,564	\$ 3,714,553
Contributed capital from other funds	-	-	-
Transfers of assets to other funds	-	-	-
Transfers of assets from other funds	-	-	-
Capital asset deletions	(34,284)	(980)	(289)
Lease proceeds	-	-	-
Total non-cash transactions	\$ (34,284)	\$ 13,237,584	\$ 3,714,264

CITY OF LONGMONT, COLORADO

Exhibit 9
(continued)

Storm Drainage	Other Enterprise Funds	Totals	Governmental Activities- Internal Service Funds
159,017	\$ 1,839,229	\$ 9,616,140	\$ 1,964,437
1,834,208	471,853	14,947,098	4,667,307
218,385	78,808	832,398	550,336
686,588	-	686,588	-
(5,179)	37,486	152,661	(164,839)
128,557	20,284	(53,392)	-
-	-	-	(217,401)
1,424	(1,466)	(17,035)	(703,000)
236,112	371,907	2,971,200	206,622
(7,121)	(11,439)	(87,052)	(5,152)
604,896	132,613	(218,152)	216,345
14,573	38,729	195,166	13,181
-	-	10,009	-
-	-	-	189,913
-	-	(112,665)	-
77,089	58,075	(12,122)	(15,312)
-	-	-	241,414
(7,736)	(42,180)	(124,318)	(9,164)
(297,997)	(480,844)	(3,909,863)	(281,831)
130,549	209,379	1,593,697	94,262
31,455	50,526	384,502	22,755
3,645,802	933,729	17,238,720	4,805,436
3,804,819	\$ 2,772,957	\$ 26,854,860	\$ 6,769,871
4,724,247	\$ 7,836,008	\$ 71,094,592	\$ 33,182,430
232,091	-	1,292,396	2,577,190
6,162,941	-	11,096,561	-
11,119,279	\$ 7,836,008	\$ 83,483,549	\$ 35,759,620
3,698,481	\$ -	\$ 20,651,597	\$ -
-	-	-	-
-	-	-	-
(243)	(55)	(35,851)	1,217,264
-	-	-	-
3,698,238	\$ (55)	\$ 20,615,746	\$ 1,217,264

CITY OF LONGMONT, COLORADO
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
 December 31, 2018

Exhibit 10

	Employee Retirement Plans
<hr/>	
ASSETS	
Equity in pooled cash & cash equivalents	\$ 338,308
Cash and cash equivalents	1,025,018
Investments	
Common stock	33,967,215
Corporate bonds	111,150,822
<hr/>	
Total Assets	146,481,363
LIABILITIES	
Accounts payable	36,378
Loans payable	17,532
<hr/>	
Total Liabilities	53,910
<hr/>	
NET POSITION	
Held in trust for pension benefits	\$ 146,427,453
<hr/> <hr/>	

CITY OF LONGMONT, COLORADO
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
Year Ended December 31, 2018

Exhibit 11

	Employee Retirement Plans
<hr/>	
ADDITIONS	
Contributions	
Employer	\$ 3,405,016
Plan members	2,410,833
<hr/>	
Total Contributions	5,815,849
<hr/>	
Investment income	
Net appreciation in fair value of investments	(14,547,237)
Interest	2,676,825
Dividends	611,379
<hr/>	
Less investment expense	(283,317)
<hr/>	
Net investment gain	(11,542,350)
<hr/>	
Total additions	(5,726,501)
<hr/>	
DEDUCTIONS	
Benefits	8,311,490
Refunds of contributions	155,980
Administrative expense	156,892
<hr/>	
Total deductions	8,624,362
<hr/>	
Net increase (decrease)	(14,350,863)
<hr/>	
NET POSITION HELD IN TRUST FOR PENSION BENEFITS, January 1	160,778,316
<hr/>	
December 31	\$ 146,427,453
<hr/> <hr/>	

STATEMENT OF NET POSITION
AGENCY FUND
December 31, 2018

	Other Post Employment Benefits
<hr/>	
ASSETS	
Cash and cash equivalents	\$ 3,474,680
<hr/>	
Total Assets held for OPEB benefits	\$ 3,474,680
<hr/> <hr/>	
LIABILITIES	
OPEB Liabilities	\$ 3,474,680
<hr/>	
Total Liabilities OPEB	\$ 3,474,680
<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. 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 interfund 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.

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.

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 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 that are both readily convertible to cash and that generally mature within three months from the purchase date.

City and component unit investments are reported in accordance with GASB Statement 72, as amended.

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 uncollectible. 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, 2018.

In the City's Affordable Housing, HOME, 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.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3. Inventories and prepaid items

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 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 asset life are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. The City has implemented GASB 89, therefore any interest incurred during the construction phase of capital assets of business-type activities was not included in the capitalized value of assets constructed.

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 reports 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/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. Two items are pension related and one item is related to OPEB.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Pension contributions after the measurement date will decrease the pension liability in future years so they are deferred in the current year. Actual experience was less than the actuarial expected experience and is deferred over a 3.4652 year period as of December 31, 2018. The proprietary funds have these same categories for deferred outflows of resources.

Deferred outflows for OPEB, a result of changes in assumptions are amortized over eight years with seven years remaining as of December 31, 2018. The proprietary funds have the 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 three types of items 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.

Deferred inflows related to pension and OPEB are reported on the government-wide statement of net position and are a result of change in experience. These amounts are deferred and recognized as an inflow of resources in future periods.

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. The City policy is to include committed, assigned and unassigned balances in the calculation of the minimum unrestricted fund balance.

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 \$4,166,000 and \$11,739,424, 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 include \$96,841,733 for construction, acquisitions, and debt service; \$18,103,563 for transportation improvements; \$5,341,443 for public safety projects; \$4,857,013 for statutory emergency requirement, and \$4,490,138 for other purposes. The city applies expenditures against restricted fund balance, committed fund balance, assigned fund balance, and unassigned fund balance at the end of the fiscal year in that order.

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 Park, 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 resident 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	\$ 82,693,636	\$ 6,018,687	\$ 88,712,323
Art in Public Places Subfund	320,395	67,250	387,645
Special Revenue Funds:			
Electric CIF Fund	1,300,000	854,367	2,154,367
Water Construction Fund	1,676,096	1,854,340	3,530,436
Water Acquisition Fund	5,935,000	-	5,935,000
Raw Water Storage Fund	415,000	-	415,000
Sewer Construction Fund	924,622	801,464	1,726,086
Probation Services Fund	86,728	-	86,728
Judicial Wedding Fund	2,000	-	2,000
Police Seizure Fund	-	4,854	4,854
Police Preven Education Fund	-	63,022	63,022
CDBG Fund	603,636	51,343,555	51,947,191
Home Fund	17,021	610,071	627,092
Home Consortium Fund	9,497	1,475,789	1,485,286
Affordable Housing Fund	1,107,035	648,742	1,755,777
Downtown Parking Fund	97,802	30,029	127,831
Street Improvement Fund	22,138,588	11,975,334	34,113,922
Transportation CIF Fund	1,500,000	794,760	2,294,760
Youth Recreation Fund	-	5,000	5,000
Youth Services Fund	107,807	851,157	958,964
Library Services Fund	69,000	101,560	170,560
Museum Services Fund	191,233	184,551	375,784
Callahan House Fund	144,037	-	144,037
Senior Services Fund	360,957	69,043	430,000
Park Improvement Fund	5,854,440	2,204,439	8,058,879
Park Grants Donations Fund	-	29,202	29,202
Park Greenway Mtce Fund	1,015,398	2,673,684	3,689,082
Park Greenway Mtce Flood Fund	-	2,107,946	2,107,946
Public Buildings CIF Fund	-	1,304,381	1,304,381
Open Space Fund	4,056,099	12,780,319	16,836,418
Public Safety Fund	7,398,586	6,601,717	14,000,303
Lodgers Tax Fund	474,616	120,662	595,278
Urban Renewal Fund	2,079,844	220,000	2,299,844
Traffic Safety Fund	-	13,920	13,920
Village at the Peaks Fund	-	-	-
Village at the Peaks Debt Service	2,129,855	3,250	2,133,105
General Imprvmnt District Fund	114,015	-	114,015
Conservation Trust Fund	1,165,750	4,490,286	5,656,036
Museum Trust Fund	29,000	-	29,000
Permanent Fund:			
Moshier/Kanemoto Trust Fund	-	-	-
Capital Projects Funds:			
Public Improvement Fund	6,625,149	79,901	6,705,050
Enterprise Funds:			
Sanitation Fund	10,294,160	3,573,580	13,867,740
Golf Fund	2,973,590	276,220	3,249,810
Electric/Broadband Fund	85,160,620	4,948,475	90,109,095
Water Fund	20,566,768	10,263,947	30,830,715
Sewer Fund	15,665,612	13,853,293	29,518,905
Storm Drainage Fund	16,393,707	18,369,343	34,763,050
Airport Fund	758,954	241,704	1,000,658
Fleet Internal Service Fund	10,946,285	1,150,216	12,096,501
Component Unit-DDA			
Development Authority			
Operations	266,593	258	266,851
Debt Service	645,089	-	645,089
Capital Construction	584,684	589,435	1,174,119
Building permit	52,500	473,094	525,594
CDBG Grant	-	-	-
Façade Improvement	-	300,000	300,000
Arts and Entertainment	280,335	14,991	295,326
	\$ 315,231,739	\$ 164,437,838	\$ 479,669,577

Note: The Marijuana Tax was instituted in the latter part of 2018; therefore, a budget for this fund was not adopted until the 2019 fiscal year.

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 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. The sales tax and 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 2018:

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 1.700%
- Public Improvement Capital Projects Fund 0.300%

General Use Tax

- General Fund 1.700%
- Public Improvement Capital Projects Fund 0.300%

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:

- FDIC-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:

	Total
Statement of Net Position:	
Equity in pooled cash and cash equivalents-primary government	\$ 255,951,716
Equity in pooled cash and cash equivalents-restricted	1,292,396
Cash and cash equivalents-primary government	392,672
Cash and cash equivalents-restricted	17,839,751
	\$ 275,476,535

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, 2018, the City’s deposits had a bank balance of \$10,408,750 with a corresponding book balance of \$9,661,159.

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 or net asset value 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 CSAFE 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 asset value. There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period for ColoTrust or CSAFE CORE.

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, 2018, was 1.32 years. The City's investment policy does not otherwise limit interest rate risk.

As of December 31, 2018, the City had the following investments:

Investment Type	Fair Value	Weighted Average Market Duration (in years)	S & P Rating	% of Portfolio
U.S. Treasuries	\$ 56,483,247	0.87	AA+	21.25
U.S. Instrumentality-FNMA	25,488,768	1.58	AA+	9.59
U.S. Instrumentality-FHLMC	22,756,889	1.57	AA+	8.56
U.S. Instrumentality-FHLB	29,113,388	1.14	AA+	10.95
U.S. Instrumentality-FFCB	35,158,833	1.84	AA+	13.23
Money Market Funds	5,730,705	n/a	M	2.16
Local Investment Pools	<u>91,083,546</u>	n/a	M	34.27
Total fair value	<u>\$ 265,815,376</u>			
Portfolio duration		1.32		
Percentage of Portfolio				100.00

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, 19% in Domestic Fixed Income and 3% in High Yield Credit, 3% in Commodities, 5% in Low Correlated Hedges, 4% in Global REITs and 9% in Floating Rate Corporate Loans. As of December 31, 2018, 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 3.75% 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 2018, the actual return for the plan was a loss of 7.51%.

As of December 31, 2018, the Fiduciary Funds had the following investments.

Employee, Police and Fire Pension Plans:

Investment Type	Fair Value	% of Portfolio	Rating
Domestic Equities	\$ 48,224,123	33.00%	Not available
International Equities	28,769,856	19.70%	Not available
Domestic Fixed Income	21,949,484	15.03%	Not available
Corporate Loans	10,502,518	7.19%	Not available
High Yield Credit	7,434,325	5.09%	Not available
Commodities	9,964,410	6.82%	Not available
Global REITs	7,882,928	5.40%	Not available
Hedge Funds	10,853,915	7.43%	Not available
Other	561,496	0.34%	Not available
Total	\$ 146,143,055	100.00%	

OPEB Agency Fund:

Investment Type	Fair Value	% of Portfolio	Rating
Cash & Cash Equivalents	\$ 3,106,082	100.00%	Not available
Total	\$ 3,106,082	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, 2018.

As of December 31, 2018, the City had the following investments:

	12/31/2018	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	\$ 56,483,247	\$ 56,483,247	\$ -	\$ -
FNMA	25,488,768	-	25,488,768	-
FHLMC	22,756,889	-	22,756,889	-
FHLB	29,113,388	-	29,113,388	-
FFCB	35,158,833	-	35,158,833	-
Total investments by fair value level	169,001,125	<u>\$ 56,483,247</u>	<u>\$ 112,517,878</u>	<u>\$ -</u>
Investments Measured at net asset value (NAV)				
ColoTrust	37,542,891			
CSAFE CORE	41,484,974			
Total investments measured at NAV	79,027,866			
Investments not leveled and measured at Amortized Cost				
Money market	5,730,705			
Local investment pool	12,055,680			
	17,786,385			
Total Investments measured at fair value	<u>\$ 265,815,376</u>			

NOTE 4 – DEPOSITS AND INVESTMENTS (continued)

As of December 31, 2018, the Fiduciary Funds had the following investments:

	12/31/2018	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	\$ 10,502,518	\$ 10,502,518	\$ -	\$ -
Total debt securities	10,502,518	10,502,518	-	-
Equity Securities				
Financial services industry- Large Cap Value	17,387,904	-	17,387,904	-
Financial services industry- Large Cap Growth	17,081,715	-	17,081,715	-
Financial services industry- Mid Cap	4,253,461	-	4,253,461	-
Financial services industry- Small Cap	9,501,043	-	9,501,043	-
International equity	28,769,856	-	28,769,856	-
Emerging Markets	9,964,410	-	9,964,410	-
High yield	7,434,325	-	7,434,325	-
Domestic fixed income	21,949,484	-	21,949,484	-
Other	561,495	-	561,495	-
Total equity securities	116,903,693	-	116,903,693	-
Total investments by fair value level	127,406,211	\$ 10,502,518	\$ 116,903,693	\$ -
Investments Measured at net asset value (NAV)				
Low correlated hedge funds	10,853,915			
Real estate	7,882,928			
Total investments measured at NAV	18,736,843			
Total Investments measured at fair value	\$ 146,143,054			

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 \$870, \$543,369 and \$595, 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, 2018:

Governmental Activities

Terry St. Fire Station	\$ 2,640,094
Energy Equipment Lease, Phase 1	1,895,969
Energy Equipment Lease, Phase 2	1,003,761
Total Governmental Activities	\$ 5,539,824

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, 2018:

Governmental Activities

Year	Principal	Interest	Total
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	317,618	10,460	328,078
2024	324,017	4,060	328,077
Total	\$ 2,506,841	\$ 157,294	\$ 2,664,135

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, 2018, \$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 governmentwide state of net assets. As of December 31, 2018, \$1,760,000 of the Series 2001 Sales and Use Tax Revenue Bonds outstanding are considered defeased.

The balance of defeased bonds outstanding at December 31, 2018, is \$10,470,000.

NOTE 8 – LONG-TERM LIABILITIES

Long-term liability activity for the year end December 31, 2018, was as follows:

	Beginning Balance (as restated)	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Bonds Payable:					
Revenue Bond	\$ 27,015,000	\$ 8,150,000	\$ (3,745,000)	\$ 31,420,000	\$ 4,105,000
Amortization of discount/premium	308,380	329,749	(132,264)	505,865	-
Total bonds payable	<u>27,323,380</u>	<u>8,479,749</u>	<u>(3,877,264)</u>	<u>31,925,865</u>	<u>4,105,000</u>
Capital Leases	3,100,033	-	(593,192)	2,506,841	613,679
Certificates of Participation	28,880,000	-	(875,000)	28,005,000	900,000
Amortization of COP premium	1,153,239	-	(57,900)	1,095,339	-
Claims (see Note 11)	2,695,434	1,795,243	(1,553,830)	2,936,847	726,991
Net OPEB Obligation	3,907,277	-	(309,062)	3,598,215	-
Net Pension Liability	11,562,945	6,198,365	(12,911,847)	4,849,463	-
Compensated Absences	<u>8,065,978</u>	<u>7,850,584</u>	<u>(7,775,684)</u>	<u>8,140,877</u>	<u>1,221,132</u>
Governmental activity long-term liabilities	<u>\$ 86,688,286</u>	<u>\$ 24,323,941</u>	<u>\$ (27,953,779)</u>	<u>\$ 83,058,447</u>	<u>\$ 7,566,802</u>
Business-type Activities:					
Revenue Bonds Payable	\$ 116,600,000	\$ -	\$ (6,110,000)	\$ 110,490,000	\$ 6,355,000
Amortization of bond premium	6,517,460	-	(480,139)	6,037,321	-
Amortization of prepaid interest	(709,144)	-	64,468	(644,676)	-
Compensated Absences	2,343,677	2,346,517	(2,358,639)	2,331,555	349,734
Loans payable	6,965,550	-	(1,083,530)	5,882,020	1,105,643
Amortization of loan discount/ premium	31,900	-	(5,714)	26,186	-
Net OPEB Obligation	2,334,144	12,113	(106,679)	2,239,579	-
Net Pension Liability	6,940,835	3,825,899	(7,773,435)	2,993,299	-
Construction contracts	<u>\$ 182,148</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 182,148</u>	<u>-</u>
	<u>\$ 141,206,570</u>	<u>\$ 6,184,529</u>	<u>\$ (17,853,668)</u>	<u>\$ 129,537,432</u>	<u>\$ 7,810,377</u>
Component Unit :					
Loans payable - primary government	\$ 146,000	\$ 640,089	\$ (640,089)	\$ 146,000	\$ -
Net OPEB Obligation	-	23,084	(2,580)	20,504	-
Net Pension Liability	-	42,054	(9,152)	32,902	-
Compensated Absences	<u>\$ 41,000</u>	<u>44,801</u>	<u>(33,794)</u>	<u>52,007</u>	<u>7,801</u>
	<u>\$ 171,106</u>	<u>\$ 750,028</u>	<u>\$ (685,615)</u>	<u>\$ 251,413</u>	<u>\$ 7,801</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 \$98,462). Total principal and interest remaining to be paid is \$2,786,150 and is expected to require less than 10% of pledged revenue. Total payment in 2018 was \$2,799,100 and pledged revenue was \$42,647,482. \$ 2,705,000

\$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 \$86,258). Total principal and interest remaining to be paid is \$11,773,098 and is expected to require less than 65% of pledged revenue. Total payment in 2018 was \$1,588,516 and pledged revenue was \$4,296,909. 10,125,000

\$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 \$171,175,148 and is expected to require less than 65% of pledged revenue. Total payment in 2018 was \$556,898 and pledged revenue was \$4,156,190. 10,440,000

\$8,150,000 2018 Open Space Sales and Use Tax Revenue Bonds due in annual installments of \$195,000 to \$965,000 through November 15, 2033; interest rates range from 3.0 to 4.0 percent with a 35% interest rate subsidy under the Build America Bonds program. Total principal and interest remaining to be paid is \$10,798,807 and is expected to require less than 65% of pledged revenue. There were no payments made in 2018 and pledged revenue was \$4,156,190. 8,150,000

\$ 31,420,000

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	
2019	4,105	1,329	(195)	5,239
2020	1,510	1,140	(195)	2,455
2021	1,560	1,091	(195)	2,456
2022	1,610	1,038	(195)	2,453
2023	1,670	981	(195)	2,456
2024-2028	9,350	3,900	(947)	12,303
2029-2033	11,615	1,634	(436)	12,813
	<u>\$ 31,420</u>	<u>\$ 11,113</u>	<u>\$ (2,358)</u>	<u>\$ 40,175</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 \$42,331,265. Total payment in 2018 was \$2,129,605. \$ 28,005,000

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
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	1,115	1,071	2,186
2024-2028	6,460	4,610	11,070
2029-2033	8,245	3,016	11,261
2034-2037	8,230	919	9,149
	<u>\$ 28,005</u>	<u>\$ 14,326</u>	<u>\$ 42,331</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, 2018.

Capital Lease

Lease obligations per Note 6. Payable from General Fund and Public Safety Fund	\$ 2,506,841
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Net Other Post Employment Benefit Obligation

Implicit Subsidy for blended rate retiree healthcare	\$ 3,598,215
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Net Pension Liability

Actuarially determined net pension liability	\$ 4,849,463
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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	\$ 8,140,877
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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 2018 was \$707,200 compared to net pledged fees of \$2,566,164. 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.	\$ -
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\$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 2018 was \$1,079,495 compared to net pledged fees of \$6,964,142. 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.	9,275,000
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\$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 2018 was \$562,200 compared to pledged fees of \$6,964,142. 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).	6,125,000
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\$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 2018 was \$3,714,763 compared to net pledged fees of \$11,681,755. 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).	33,435,000
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\$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 2018 was \$1,447,888 compared to net pledged fees of \$2,566,164. 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).	17,540,000
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\$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 2018 was \$1,965,825 compared to net pledged fees of \$6,964,142. 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).	28,845,000
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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 2018 was \$282,900 compared to net pledged fees of \$2,566,164. 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 2018 was \$747,738 compared to net pledged fees of \$11,681,755. 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). 6,740,000

\$ 110,490,000

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	
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	7,470	3,002	(113)	10,359
2024-2028	41,880	10,411	(380)	51,911
2029-2033	25,780	3,748	(50)	29,478
2034-2035	8,320	409	-	8,729
Total	\$ 110,490	\$ 32,464	\$ (1,098)	\$ 141,856

Accrued Sick and Vacation

Accrual of compensated absences per Note 2-C7.

Payable from the Enterprise Funds \$ 2,331,555

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). \$ 5,882,020

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

Year Ending December 31	Principal	Interest	Total
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	\$ 5,882	\$ 667	\$ 6,549

Net Other Post Employment Benefit Obligation

Implicit Subsidy for blended rate retiree healthcare - Primary Government \$ 2,219,075
 Implicit Subsidy for blended rate retiree healthcare - Downtown Development Authority \$ 20,504

Net Pension Liability

Actuarially determined net pension liability - Primary Government \$ 2,960,397
 Actuarially determined net pension liability - Downtown Development Authority \$ 32,902

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, 1.48% in 2018; \$2,166.64 interest accrued at 12/31/18 \$ 146,000

Accrual of compensated absences per Note 2-C7. \$ 52,007

NOTE 9 – CHANGES IN CAPITAL ASSETS

	Beginning Balance (As Restated)	Additions	Deletions	Impairments/ Transfers	Ending Balance
Governmental activities:					
Capital assets, not being depreciated:					
Land, Art, and Water Rights	\$ 84,970,425	\$ 2,487,381	\$ (6,074)	\$ (5,872,622)	\$ 81,579,110
Construction in progress	18,735,651	14,744,934	(9,259,595)	(263,370)	23,957,621
Total capital assets, not being depreciated	103,706,076	17,232,315	(9,265,669)	(6,135,992)	105,536,730
Capital assets, being depreciated:					
Buildings	78,068,641	8,581,128	(123,300)	-	86,526,469
Improvements other than buildings	414,061,506	24,284,904	(158,511)	6,135,992	444,323,891
Equipment	56,476,609	4,882,017	(653,396)	-	60,705,230
Equipment under capital leases	3,438,049	-	-	-	3,438,049
Total capital assets, being depreciated	552,044,805	37,748,048	(935,207)	6,135,992	594,993,639
Less accumulated depreciation for:					
Buildings	(28,534,026)	(1,640,656)	26,263	-	(30,148,419)
Improvements other than buildings	(248,494,840)	(15,269,734)	103,638	-	(263,660,936)
Equipment	(37,005,563)	(5,498,292)	653,396	-	(41,850,460)
Equipment under capital leases	(571,339)	(67,937)	-	-	(639,276)
Total accumulated depreciation	(314,605,768)	(22,476,619)	783,297	-	(336,299,091)
Total capital assets, being depreciated, net	237,439,037	15,271,430	(151,910)	6,135,992	258,694,548
Governmental activities capital assets, net	\$ 341,145,113	\$ 32,503,745	\$ (9,417,579)	\$ -	\$ 364,231,278

	Beginning Balance (As Restated)	Additions	Deletions	Impairments/ Transfers	Ending Balance
Business-type activities:					
Capital assets, not being depreciated:					
Land and water rights	\$ 235,910,700	\$ 9,454,469	\$ (4,966)	\$ (14,422,676)	\$ 230,937,527
Construction in progress	68,474,866	11,979,723	(34,321,587)	(2,448,711)	43,684,292
Total capital assets, not being depreciated	304,385,566	21,434,192	(34,326,553)	(16,871,387)	274,621,819
Capital assets, being depreciated:					
Buildings	83,288,698	864,057	(228)	1,283,014	85,435,541
Improvements other than buildings	543,818,002	53,687,502	(35,623)	15,511,705	612,981,586
Equipment	13,767,289	557,946	-	76,667	14,401,902
Total capital assets, being depreciated	640,873,989	55,109,505	(35,850)	16,871,387	712,819,030
Less accumulated depreciation for:					
Buildings	(33,977,297)	(1,691,099)	89	-	(35,668,307)
Improvements other than buildings	(178,467,762)	(12,936,032)	12,812	-	(191,390,982)
Equipment	(13,138,853)	(319,963)	-	-	(13,458,816)
Total accumulated depreciation	(225,583,912)	(14,947,094)	12,901	-	(240,518,105)
Total capital assets, being depreciated, net	415,290,077	40,162,411	(22,949)	16,871,387	472,300,925
Business-type activities capital assets, net	\$ 719,675,642	\$ 61,596,603	\$ (34,349,502)	\$ -	\$ 746,922,742

NOTE 9 – CHANGES IN CAPITAL ASSETS (continued)

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

Governmental activities:	
General government	\$ 6,275,787
Public safety	666,641
Highway and streets	14,443,318
Culture and recreation	<u>1,090,873</u>
Total depreciation expense - governmental activities	<u>\$ 22,476,619</u>
Business-type activities:	
Sanitation	\$ 75,542
Golf	97,141
Electric	2,280,883
Broadband	1,724,520
Water	4,489,168
Sewer	4,146,464
Storm drainage	1,834,208
Airport	<u>299,168</u>
Total depreciation expense - business-type activities	<u>\$ 14,947,094</u>

Discretely presented component unit

	Beginning Balance (as restated)	Additions	Deletions	Transfers	Ending Balance
Downtown development authority:					
Capital assets, not being depreciated:					
Land and water rights	\$ 786,921	\$ -	\$ -	\$ (25,280)	\$ 761,641
Total capital assets, not being depreciated	<u>786,921</u>	<u>-</u>	<u>-</u>	<u>(25,280)</u>	<u>761,641</u>
Capital assets, being depreciated:					
Buildings	80,454	-	-	-	80,454
Improvements other than buildings	9,215,140	5,492	-	25,280	9,245,912
Equipment	425	-	-	-	425
Total capital assets, being depreciated	<u>9,296,019</u>	<u>5,492</u>	<u>-</u>	<u>25,280</u>	<u>9,326,791</u>
Less accumulated depreciation for:					
Buildings	(38,768)	(1,619)	-	-	(40,387)
Improvements other than buildings	(3,741,876)	(292,003)	-	-	(4,033,879)
Equipment	(425)	-	-	-	(425)
Total accumulated depreciation	<u>(3,781,069)</u>	<u>(293,622)</u>	<u>-</u>	<u>-</u>	<u>(4,074,691)</u>
Total capital assets, being depreciated, net	<u>5,514,949</u>	<u>(288,129)</u>	<u>-</u>	<u>25,280</u>	<u>5,252,100</u>
Downtown development authority capital assets, net	<u>\$ 6,301,870</u>	<u>\$ (288,129)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,013,741</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 area, whichever is greatest. The City recognized \$59,908 of expenditures for this recreational purpose lease during 2018.

The future minimum lease payments as of December 31, 2018, are:

Year Ending December 31	Amount
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 Self Insurance Fund, the 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 \$2,936,847 reported in these funds at December 31, 2018, 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 2018 and 2017 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>
2018				
Self Insurance	\$ 612,871	\$ 867,484	\$ 850,650	\$ 629,705
Workers' Compensation	2,082,563	927,759	703,180	2,307,142
	<u>\$ 2,695,434</u>	<u>\$ 1,795,243</u>	<u>\$ 1,553,829</u>	<u>\$ 2,936,847</u>

NOTE 12 – OTHER REQUIRED INDIVIDUAL FUND DISCLOSURES

Interfund receivable and payable balances at December 31, 2018, were:

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Governmental:		
General	\$ 8,540,943	\$ 772,653
Nonmajor Governmental		
CDBG Fund	-	2,798,903
Public Safety	-	220,696
Public Improvement	-	1,487,801
Village at the Peaks	1,085	
Urban Renew Authority		1,085
Proprietary:		
Nonmajor Enterprise		
Golf (Advances)	-	586,026
Internal Service:		
Fleet (Advances)	3,049,644	-
Warehouse	-	5,724,508
	<u>\$ 11,591,672</u>	<u>\$ 11,591,672</u>

Advances from other funds have formal payback arrangements.

NOTE 13 – INTERFUND TRANSACTIONS

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

Transfers between funds for the year ended December 31, 2018 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	\$ -	\$ 1,251,020	\$ -	\$ -	\$ -	\$ -	\$ 1,251,020
Streets Systems Fund	13,364	-	-	-	-	-	13,364
Nonmajor Governmental Funds	140,142	1,794,886	2,327	626,696	524,922	-	3,088,972
Electric Fund	59,355	-	-	-	-	-	59,355
Water Fund	41,785	-	13,006	-	-	-	54,791
Sewer Fund	41,470	-	4,176	-	-	-	45,646
Storm Drainage Fund	6,249	-	1,491	-	-	-	7,740
Nonmajor Enterprise Funds	17,102	-	5,071	-	-	-	22,173
Internal Service Funds	8,073	-	3,639	-	-	-	11,712
	<u>\$ 327,539</u>	<u>\$ 3,045,906</u>	<u>\$ 29,710</u>	<u>\$ 626,696</u>	<u>\$ 524,922</u>	<u>\$ -</u>	<u>\$ 4,554,772</u>

A. Administrative Fee - The Enterprise Funds; the Street System, Open Space and General Improvement District #1 Special Revenue Funds; and 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 \$611,671 by the Sanitation Fund, \$196,496 by the Golf Fund, \$1,892,712 by the Electric and Broadband Fund, \$1,506,895 by the Water Fund, \$917,949 by the Sewer Fund, \$538,495 by the Storm Drainage Fund and \$93,974 by the Airport Fund. Total administrative fees paid by Special Revenue Funds in 2016 were \$916,640 by the Street System Fund, \$181,032 by the Open Space Fund and \$9,263 by the General Improvement District #1 Fund. Total 2018 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 \$300,409 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 \$5,306,054 in 2018. The broadband fee is .05% of the current year portion of the broadband revenues, or \$6,840 in 2018. The Water Fund franchise fee approximates 2% of the fund's current year budgeted revenues, or \$366,148 in 2018. The Sewer Fund franchise fee approximates 4% of the fund's current year budgeted revenues, or \$583,000 in 2018.

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 2018 were \$3,364,043 by the General Fund, \$1,222,228 by the Street System Fund, \$2,037,709 by the Sanitation Fund, \$304,198 by the Golf Fund, \$795,788 by the Electric and Broadband Fund, \$514,407 by the Water Fund, \$386,882 by the Sewer Fund, \$304,121 by the Storm Drainage Fund, \$671 by the Airport Fund, \$393,083 by the Public Safety Sales Tax Special Revenue Fund, \$16,641 by the Senior Services Fund, \$13,758 by the Youth Services Fund and \$62,873 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 2018 were \$416,298 from the General Fund, \$147,504 from the Electric Fund, \$16,711 from the Water Fund, \$25,000 from the Airport, \$301,496 from the Streets Special Revenue Funds, \$17,125 from the Open Space Special Revenue Fund, and \$293,129 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 2018 were \$1,250 from the Sanitation Fund, \$598 from the Golf Fund, \$17,366 from the Electric and Broadband Fund, \$11,951 from the Water Fund, \$6,518 from the Water Construction Fund, \$11,630 from the Sewer Fund, \$21,065 from the Sewer 2015 Bond Fund, \$13,285 from the Sewer Construction Fund, \$1,352 from the Storm Drainage Fund, \$1,967 from the Storm Drainage Bond Fund, \$32,902 from the Public Improvement Fund, \$4,059 from the Youth Services Fund, \$216 from the Senior Services Fund, \$1,592 from the Park Improvement Fund, \$25,265 from the Park and Greenway Maintenance Fund, \$4,222 from the Public Buildings Community Investment Fee Fund, and \$2 from the Downtown Development Authority Construction 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 2018 were \$499,587 from the General Fund, \$771 from the Electric Fund, \$1,050 from the Water Fund, \$450 from the Sewer Fund, and \$54,583 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 2018 from each fund are on the next page.

Transfers - Other transfers that occurred between funds were:

- 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 \$626,696 to the Sewer Fund to pay current debt service on the sewer loan.
- The Water Enterprise Fund transferred \$13,006, the Sewer Enterprise Fund transferred \$4,176, the Sanitation Enterprise Fund transferred \$2,446, the Golf Enterprise Fund transferred \$2,625, the Storm Drainage Enterprise Fund transferred \$1,491, the Fleet Internal Service Fund transferred \$3,639, and the Streets Special Revenue Fund transferred \$2,327 to the Electric Enterprise Fund to fund their shares of warehouse administrative costs.
- The General Fund transferred \$1,159,815 to the Affordable Housing Fund to fund operating expenses.
- The Library Fund transferred \$18,091 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.

NOTE 13 – INTERFUND TRANSACTIONS (continued)

	Self- Insurance	Employee Benefit	Workers' Compensation Insurance	Unemployment Insurance
General Fund	\$ 571,651	\$ 6,421,151	\$ 1,370,432	\$ 29,009
Enterprise Funds:				
Sanitation	68,152	253,914	76,044	1,117
Golf	37,159	111,310	61,018	495
Electric & Broadband	193,970	1,180,449	104,097	5,142
Water	141,252	630,521	65,290	2,881
Sewer	167,580	458,350	108,886	2,044
Storm Drainage	14,298	233,351	6,541	1,023
Airport	4,371	15,597	57	69
Internal Service Fund:				
Fleet	9,839	182,617	78,288	804
Component Units				
Special Revenue Funds:				
Downtown Development Authority (DDA)	7,405	21,504	-	96
DDA- Authority Arts & Entertainment	750	7,928	-	35
Probation Services	410	9,246	43	41
Community Development	144	42,827	6,530	74
Affordable Housing	120	38,020	9,319	837
Downtown Parking	3,371	4,529	-	20
Streets System	139,469	420,583	79,774	1,945
Youth Services	-	10,050	-	45
Museum Services	108	8,678	301	38
Callahan House	174	9,915	961	44
Senior Services	39	4,768	16	22
Art in Public Places	302	4,655	17	21
Park Improvement	-	-	-	-
Open Space	2,099	41,444	4,495	211
Public Safety Sales Tax	33,441	814,103	131,833	5,004
General Improvement District	3,896	2,375	-	11
TOTAL	\$ 1,400,000	\$ 10,927,885	\$ 2,103,942	\$ 51,028

- The Senior Services Special Revenue Fund transferred \$26,085 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 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 \$3,860 by the Sanitation Fund, \$1,924 by the Golf Fund, \$18,782 by the Electric and Broadband Fund, \$29,834 by the Water Fund, \$9,163 by the Sewer Fund, and \$2,930 by the Storm Drainage Fund. Total expenditures paid by Special Revenue Funds in 2018 were \$11,307 by the Street System Fund and \$1,402 by the Downtown Development Authority Fund. Total payments from the Nonmajor Governmental funds were \$270 from the Open Space Fund and \$10,082 from the Public Safety Fund. Total 2018 expenses paid to the General Fund by Internal Service funds were \$8,073 by the Fleet Fund.
- The Water Construction fund transferred \$626,000 to the Water Fund for construction projects.
- The Longmont Urban Renewal Authority made transfers totaling \$1,758,872 to the Village at the Peaks Fund for debt service payments.
- The Streets Fund transferred \$223,774 to the General Fund for the purchase of rights of way.
- The Employee Benefit Trust transferred \$368,598 to the OPEB Trust Fund for the payment of the 2018 Other Post Employment Benefit contribution.

NOTE 14 – OTHER POST EMPLOYMENT BENEFITS

The City of Longmont Retiree Health Insurance Plan is a single-employer substantive defined benefit plan that provides an implicit medical plan subsidy to participating eligible retirees of the City of Longmont, the Primary Governmental Component and the Downtown Development Authority Component, a separate employer, up to age 65 through blended rates. This liability, the Other Post Employment Benefit (OPEB) liability, is reported in compliance with GASB Statement No. 75, which became effective for fiscal years with a beginning date after June 15, 2017.

A. Plan Provisions

	Employee & DDA OPEB	New Hire OPEB Fire and Police	Old Hire Fire OPEB
Benefit	Retirees under age 65 eligible for medical, dental and vision plans with retirees and qualified dependents paying 100% of the active premium	Retirees under age 65 eligible for medical, dental and vision plans with retirees and qualified dependents paying 100% of the active premium	Retirees under age 65 eligible for medical, dental and vision plans with retirees and qualified dependents paying 100% of the active premium
Disability	Former employees receiving long-term disability benefits from a City Plan or FPPS Statewide Death & Disability Plan and not eligible for Medicare	Former employees receiving long-term disability benefits from a City Plan or FPPS Statewide Death & Disability Plan and not eligible for Medicare	Former employees receiving long-term disability benefits from a City Plan or FPPS Statewide Death & Disability Plan and not eligible for Medicare
Years of service required for benefit	5 years	5 years	5 years
Age and year of service eligible for benefit	<u>Hired on or before 12/31/11</u> Age 55 <u>Member on or after 1/1/2012</u> Age 60 General Employees Retirement Plan Participants	Age 50	<u>Hired on or before 4/8/1978</u> IF eligible for monthly benefit based on years of service or based on a combination of age and service
	Age 50 and qualify for Rule of 80 when 55		

B. Plan Descriptions and Contribution Information

Membership in the plan consisted of the following at December 31, 2018, and does not include spouses. Also, the count of active employees does not include those who waived medical coverage:

	Employee Retirement	Downtown Development Authority
Retired employees currently receiving benefit payments	59	0
Active employees	900	3

NOTE 14 – OTHER POST EMPLOYMENT BENEFITS (continued)**Employee Other Post Employment Benefit Plan**

The City provides medical benefits for retirees and eligible dependents under age 65 that are the same as those provided for active employees. The contribution requirements of plan members and the City are established and may be amended by the City Manager. Retirees pay 100% of the active premium. Premiums for the 2018 plan year are:

Coverage Tier	Kaiser HMO	Medical Triple Option	Dental	Vision Exam Only	Vision Exam + Materials
EE	\$437	\$562	\$33	\$2	\$13
EE + One	\$891	\$1,146	\$67		
EE + Family	\$1,748	\$2,247	\$140	\$6	\$31

C. Contributions and Reserves

The City makes contributions to the OPEB plan as determined by a competent actuary. An actuarial study is performed annually for the City of Longmont and the Downtown Development Authority. All expenses incurred in administration of the plans are paid from the OPEB funds when properly authorized.

D. The City does not issue separate financial reports for the Other Post Employment Benefit Plan and is presented as follows:

	Employee Pension
ADDITIONS	
Contributions	
Employer	\$ 368,598
Plan members	-
Total Contributions	368,598
Investment income	
Interest	45,046
Dividends	-
Less investment expense	-
Net investment gain (loss)	45,046
Total additions	413,644
DEDUCTIONS	
Net decrease in fair value of investments	-
Benefits	-
Refunds of contributions	-
Administrative expense	6,093
Total deductions	6,093
Net increase (decrease)	407,551
Net Position Held In Trust for Pension Benefits, January 1	3,067,129
December 31	\$ 3,474,680

E. Summary of Significant Accounting Policies

Basis of Accounting: The City of Longmont's financial statements are prepared using the accrual basis of accounting. Employer contributions to each plan are recognized when due and the employer has made a formal commitment to provide the contributions.

Method Used to Value Investments: Investments are reported at fair 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. Costs of administering the Plan is financed from contributions and earnings of the Plan.

NOTE 14 – OTHER POST EMPLOYMENT BENEFITS (continued)

F. Investment Policy

At December 31, 2018, the market value of pooled plan investments total \$3,106,082 held in an interest bearing account.

G. Total OPEB Liability

For the year ending December 31, 2018, measured as of 12/31/2017, the total OPEB liability was \$5,837,795 and \$20,504 for the City of Longmont Employees and the Downtown Development District, respectively. Generally Accepted Accounting Principles allow a one-year lag between the measurement and the reporting date.

H. Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of December 31, 2018, using the following actuarial assumptions applied to all measurement periods:

	City of Longmont & Downtown Development Authority OPEB
Actuarial valuation date	December 31, 2018
Actuarial cost method	Entry Age Normal, determined as a level percent of projected pay
Funding Policy	The annual OPEB expense is funded in each year
Discount Rate	3.43% Single Equivalent Interest Rate (SEIR) based on the long-term expected rate of return of 1.19% and a discount rate of 3.65% based on S&P 20-Year Mutual Bond High grade index
Payroll Growth	3.25%
General Inflation	3% per year

I. Single Discount Rate

A Single Equivalent Discount Rate of 3.43% was used to measure the total OPEB liability. This Single Discount Rate was based on the expected rate of return on OPEB plan investments of 1.19% on plan investments held in trust, up to its expected depletion point in mid-2025. Thereafter, a discount rate of 3.65%, the S&P Municipal Bond 20-Year High Grade Rate Index, was used as of December 21, 2018.

J. Changes in the Total OPEB Liability

	City of Longmont	Downtown Development Authority
<u>Total OPEB Liability</u>		
Service cost	\$ 283,506	\$ 996
Interest	\$ 214,081	\$ 752
Difference between expected and actual experience	\$ (1,164,967)	\$ (4,092)
Change of assumptions or other inputs	\$ 263,752	\$ 926
Net Change in Total OPEB Liability	\$ (403,628)	\$ (1,418)
Total OPEB Liability - beginning	\$ 6,241,423	\$ 21,922
Total OPEB Liability - ending	\$ 5,837,795	\$ 20,504
Covered Payroll	\$ 69,548,678	\$ 231,040
Total OPEB Liability as a percentage of Covered Employee Payroll	8.39%	8.87%
Notes to Schedule: <u>Major Assumptions</u>		
Discount Rate	3.43%	3.43%
Medical Trend	6.30%	6.30%

NOTE 14 – OTHER POST EMPLOYMENT BENEFITS (continued)

K. Sensitivity of Total OPEB Liability to Changes in the Single Discount Rate and to Changes in the Health Care Cost Trend Rates

The following presents the total OPEB liability using a discount rate that is one percentage point lower or higher than the current discount rate and changes in total OPEB liability using a discount rate that is one percentage point lower or higher than the current healthcare cost trend rates.

Sensitivity of Total OPEB Liability to the Single Discount Rate Assumption and Changes in the Healthcare Cost Trend Rates

	<u>1% Decrease</u>	<u>Current Rate</u>	<u>1% Increase</u>
<u>City of Longmont - Primary Government</u>			
Discount Rate	2.43%	3.43%	4.43%
Total OPEB Liability	\$ 6,298,160	\$ 5,837,795	\$ 5,421,521
<u>City of Longmont - Primary Government</u>			
Healthcare Cost Trend Rates	5.30%	6.30%	7.30%
Total OPEB Liability	\$ 5,339,396	\$ 5,837,795	\$ 6,413,737
<u>Downtown Development Authority</u>			
Discount Rate	2.43%	3.43%	4.43%
Total OPEB Liability	\$ 22,121	\$ 20,504	\$ 19,042
<u>Downtown Development Authority</u>			
Healthcare Cost Trend Rates	5.30%	6.30%	7.30%
Total OPEB Liability	\$ 18,754	\$ 20,504	\$ 22,527

L. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2018, the City recognized OPEB expense/(income) of \$367,308 and the Downtown Development Authority recognized OPEB expense/(income) of \$9,754 for the OPEB plan.

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

Year	Inflows	Outflow	Combined
	City of Longmont	City of Longmont	City of Longmont
2019	(\$162,705)	\$36,837	(\$125,868)
2020	(\$162,705)	\$36,837	(\$125,868)
2021	(\$162,705)	\$36,837	(\$125,868)
2022	(\$162,705)	\$36,837	(\$125,868)
2023	(\$162,705)	\$36,837	(\$125,868)
2024	(\$162,705)	\$36,837	(\$125,868)
2025	(\$26,032)	\$5,893	(\$20,139)
Total	(\$1,002,262)	\$226,915	(\$775,347)

Year	Inflows	Outflow	Combined
	Downtown Development Authority	Downtown Development Authority	Downtown Development
2019	(\$571)	\$129	(\$442)
2020	(\$571)	\$129	(\$442)
2021	(\$571)	\$129	(\$442)
2022	(\$571)	\$129	(\$442)
2023	(\$571)	\$129	(\$442)
2024	(\$571)	\$129	(\$442)
2025	(\$95)	\$23	(\$72)
Total	(\$3,521)	\$797	(\$2,724)

NOTE 15 - 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, 2018.

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, 2018, the amount required as an Emergency Reserve in compliance with the Amendment is \$4,853,022 for the City; \$3,991 for the GID component unit and \$54,350 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: the General Employees’ Retirement Plan (Employee Retirement), the “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 Board of Trustees that 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	Age 50 and 20 years	Age 55 and 20 years or 25 years
	<u>Member after 12/31/2011</u> Age 65 or 20 years and Age 60		

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 Plan, 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 Chief Financial Officer, and the City Manager. The Employees' Board is responsible for implementing the provisions of the Employees Plan, establishing investment policies and selecting investment managers for the Employees' Fund.

The plan covers all nonuniformed 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, 2018. The City currently contributes 6.7% of members' 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 Plan," sometimes hereinafter referred to as the "Firefighters Board," consists of the Mayor of Longmont, Colorado; the chief Financial Officer, one City Council member, and three eligible active or retiree participants. The Firefighters Board is responsible for implementing the provisions of the Firefighters Plan, establishing investment policies, and selecting 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 either covered 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: 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 annually using the entry age actuarial cost method. The last annual study for the Fire Pension plan was performed as of January 1, 2018.

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 Chief Financial Officer 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, establishing investment policies and selecting 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, 2018.

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	\$ 297,610	\$ -	\$ 40,698	\$ 338,308
Investments	142,339,423	2,653,459	1,150,173	146,143,055
Total Assets	\$ 142,637,033	\$ 2,653,459	\$ 1,190,871	\$ 146,481,363
LIABILITIES				
Accounts payable	\$ 35,329	\$ 717	\$ 332	\$ 36,378
Loans payable	-	17,532	-	17,532
Total Liabilities	35,329	18,249	332	53,910
NET POSITION				
Held in trust for pension benefits	\$ 142,601,704	\$ 2,635,210	\$ 1,190,539	\$ 146,427,453

NOTE 16 – RETIREMENT COMMITMENTS (continued)

For the Year Ended December 31, 2018

	Employee Pension	Fire Pension	Police Pension	Total
ADDITIONS				
Contributions				
Employer	\$ 3,380,848	\$ -	\$ 24,168	\$ 3,405,016
Plan members	2,410,833	-	-	2,410,833
Total Contributions	5,791,681	-	24,168	5,815,849
Investment income				
Interest	2,603,087	50,793	22,945	2,676,825
Dividends	594,083	11,846	5,450	611,379
Less investment expense	(282,901)	(7,308)	(3,748)	(293,957)
Net investment gain (loss)	2,914,269	55,331	24,647	2,994,247
Total additions	8,705,950	55,331	48,815	8,810,096
DEDUCTIONS				
Net decrease in fair value of investments	14,154,990	271,467	120,777	14,547,234
Benefits	7,812,323	299,817	199,350	8,311,490
Refunds of contributions	145,343	-	-	145,343
Administrative expense	152,447	3,043	1,402	156,892
Total deductions	22,265,103	574,327	321,529	23,160,959
Net increase (decrease)	(13,559,153)	(518,996)	(272,714)	(14,350,863)
Net Position Held In Trust for Pension Benefits, January 1	156,160,857	3,154,206	1,463,253	160,778,316
December 31	\$ 142,601,704	\$ 2,635,210	\$ 1,190,539	\$ 146,427,453

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 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, 2018, the market value of pooled plan investments total \$146,143,054. These investments included mutual funds account with a market value of \$111,641,235, representing 76.39% of total plan assets; Westfield Capital Management account with a market value of \$17,088,333, representing 11.69% of total plan assets; Diamond Hill account with a market value of \$11,592,466, representing 7.93% of total plan assets; and Cambiar account with a market value of \$5,821,020, representing 3.98% 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.

The assets of the Employees' Fund, Firefighters' Fund and Police Fund are commingled for investment purposes in a Master Trust. The commingling of assets creates economies of scale that promote lower investment and custodial expenses as well as increased diversification of the assets.

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, 2018, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expenses, was 8.2% for the Employee Retirement Plan, 17.0% for the Fire Pension Plan, and 16.7% 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, 2018, measured as of 12/31/2017 were as follows:

	Employee Retirement	Downtown Deveopment Authority	Fire Pension	Police Pension
Total Pension Liability	\$ 163,305,909	\$ 688,757	\$ 2,577,209	\$ 1,505,106
Plan Fiduciary Net Position	155,505,001	655,856	3,154,206	1,463,253
Net Pension Liability	\$ 7,800,908	\$ 32,901	\$ (576,997)	\$ 41,853
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	95.22%	95.22%	122.39%	97.22%

NOTE 16 – RETIREMENT COMMITMENTS (continued)

H. Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of January 1, 2017, using the following actuarial assumptions applied to all measurement periods:

	Employee Retirement	Fire Pension	Police Pension
Actuarial valuation date	January 1, 2017	January 1, 2017	January 1, 2017
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		
	Employee Retirement	Fire Pension	Police Pension
Broad Domestic Equity	6.75%	6.75%	6.75%
Large Cap (U.S.)	6.50%	6.50%	6.50%
Small/ Mid Cap	7.00%	7.00%	7.00%
International Equity	7.00%	7.00%	7.00%
Int'l Small Equity	7.50%	7.50%	7.50%
Global Equity	7.00%	7.00%	7.00%
Emerging Market Equity	8.00%	8.00%	8.00%
Domestic Fixed Income	2.50%	2.50%	2.50%
Defensive Fixed Income	1.75%	1.75%	1.75%
Float Rate Corp Loans	5.25%	5.25%	5.25%
High Yield Fixed Income	4.25%	4.25%	4.25%
TIPS	2.50%	2.50%	2.50%
Stable Value	1.50%	1.50%	1.50%
Muni Fixed Income	2.25%	2.25%	2.25%
Defensive Muni Fixed Income	1.25%	1.25%	1.25%
Emerging Market Debt	4.00%	4.00%	4.00%
Global Fixed Income	1.50%	1.50%	1.50%
Commodities	4.00%	4.00%	4.00%
Low Correlated Hedge	5.25%	5.25%	5.25%
Liquid Low Correlated Hedge	4.75%	4.75%	4.75%
Cons. Low Correlated Hedge	4.25%	4.25%	4.25%
Hedge Funds	6.75%	6.75%	6.75%
Private Equity	9.00%	9.00%	9.00%
Listed Private Equity	7.50%	7.50%	7.50%
Illiquid Credit	7.25%	7.25%	7.25%
Real Estate	6.25%	6.25%	6.25%
Domestic REITs	5.75%	5.75%	5.75%
Global REITs	5.75%	5.75%	5.75%
Reinsurance	6.00%	6.00%	6.00%
MLPs (pretax)	9.50%	9.50%	9.50%
MLPs	5.75%	5.75%	5.75%
Cash Equivalents	1.25%	1.25%	1.25%
Inflation	2.25%	2.25%	2.25%

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)
<u>Employee Retirement</u>			
Balance at 12/31/16	\$ 153,871,700	\$ 135,481,285	\$ 18,390,415
Changes for the Year			
Service Cost	3,881,916	-	3,881,916
Interest	11,550,061	-	11,550,061
Difference Between Expected and Actual Experience	1,630,044	-	1,630,044
Contributions - Employer	-	3,005,407	(3,005,407)
Contributions – Employee	-	2,252,205	(2,252,205)
Net Investment Income/(Loss)	-	22,505,104	(22,505,104)
Benefit Payments, Including Refunds	(6,855,386)	(6,855,386)	-
Administrative Expenses	-	(144,089)	144,089
Other Changes	(83,669)	(83,669)	-
Net Changes	10,122,966	20,679,572	(10,556,606)
Balance at 12/31/17	<u>\$ 163,994,666</u>	<u>\$ 156,160,857</u>	<u>\$ 7,833,809</u>
<u>Fire Pension</u>			
Balance at 12/31/16	\$ 2,729,131	\$ 2,976,412	\$ (247,281)
Changes for the Year			
Service Cost	-	-	-
Interest	190,453	-	190,453
Difference Between Expected and Actual Experience	(42,558)	-	(42,558)
Contributions - Employer	-	-	-
Contributions – Employee	-	-	-
Net Investment Income of Employee Contributions	(299,817)	480,700 (302,906)	(480,700) 3,089
Net Changes	(151,922)	177,794	(329,716)
Balance at 12/31/17	<u>\$ 2,577,209</u>	<u>\$ 3,154,206</u>	<u>\$ (576,997)</u>
<u>Police Pension</u>			
Balance at 12/31/16	\$ 1,561,756	\$ 1,448,391	\$ 113,365
Changes for the Year			
Service Cost	-	-	-
Interest	112,888	-	112,888
Difference Between Expected and Actual Experience	52,361	-	52,361
Contributions - Employer	-	13,810	(13,810)
Contributions – Employee	-	-	-
Net Investment Income	-	224,430	(224,430)
Benefit Payments, Including Refunds	(221,899)	(223,378)	1,479
Net Changes	(56,650)	14,862	(71,512)
Balance at 12/31/17	<u>\$ 1,505,106</u>	<u>\$ 1,463,253</u>	<u>\$ 41,853</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	\$ 26,269,882	\$ 7,833,809	\$ (8,153,983)
<u>Fire Pension</u>			
Discount Rate	6.50%	7.50%	8.50%
Net Pension Liability	\$ (401,475)	\$ (576,997)	\$ (732,896)
<u>Police Pension</u>			
Discount Rate	6.50%	7.50%	8.50%
Net Pension Liability	\$ 125,484	\$ 41,853	\$ (33,616)

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

For the year ended December 31, 2018, the City recognized pension expense/(income) of \$ 4,833,583, (\$32,041) and \$88,853 for Employee Retirement, Fire Pension and Police Pension, respectively. At December 31, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows (Inflows) of Resources
<u>Employee Retirement</u>			
Net difference between expected and actual experience	\$ 2,001,150	\$ -	\$ 2,001,150
Net difference between projected and actual earnings on pension plan investments	-	4,170,891	(4,170,891)
Contributions subsequent to the measurement date	3,460,882	-	3,460,882
Total	<u>\$ 5,462,032</u>	<u>\$ 4,170,891</u>	<u>\$ 1,291,141</u>
<u>Fire Pension</u>			
Net difference between projected and actual earnings on pension plan investments	\$ -	\$ 76,720	\$ (76,720)
Total	<u>\$ -</u>	<u>\$ 76,720</u>	<u>\$ (76,720)</u>
<u>Police Pension</u>			
Net difference between projected and actual earnings on pension plan investments	\$ -	\$ 18,989	\$ (18,989)
Total	<u>\$ -</u>	<u>\$ 18,989</u>	<u>\$ (18,989)</u>

The contribution made subsequent to the measurement date was \$3,446,457. 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, 2019.

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>
2019	\$ 1,602,359	\$ 28,849	\$ 22,898
2020	576,361	3,625	7,177
2021	(2,035,792)	(55,430)	(24,333)
2022	(2,312,669)	(53,764)	(24,731)
Total	<u>\$ (2,169,741)</u>	<u>\$ (76,720)</u>	<u>\$ (18,989)</u>

NOTE 16 – RETIREMENT COMMITMENTS (continued)**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 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, 2018, the total amounts transferred for Police and Fire were \$24,168 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 2018 was \$22,344,829. Both the City and the participants contributed the required 10% to this money purchase plan in 2018 amounting to \$2,234,483 each from the City and from employees for a total of \$4,468,966 of contributions. Vesting schedule for the plans is as follows:

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

NOTE 16 – RETIREMENT COMMITMENTS (continued)

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 2018 was \$44,429,027. The City contributed the required 5% of base compensation to the plan in 2018 amounting to \$2,221,451 and participants contributed the required 5% (6% for new members of the Plan after December 31, 2011) from employees amounting to \$2,433,180 for a total of \$4,654,631 of contributions. Vesting schedule for the plan is as follows:

Years of Service	Percentage Vested
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

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

NOTE 18 – WINDY GAP WATER PROJECT (continued)

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 \$5,931,173 in the Firming project. Total investment in the Windy Gap Firming project for 2018 totaled \$800,000.

NOTE 19 – JOINT VENTURE PLATTE RIVER POWER AUTHORITY

The City purchased \$49,079,414 of electric power during 2018 from Platte River Power Authority of which \$3,926,528 is outstanding as an account payable of the Electric Enterprise Fund at December 31, 2018.

NOTE 20 – COMMITMENTS

A. At December 31, 2018, there were the following outstanding encumbrances in governmental funds:

Governmental Funds

General	\$ 1,633,033.24
Water System Construction Reserve	817,045.41
Sewer Construction Fund	22,076.82
Public Improvement Fund	2,778,816.10
Community Development Block Grant	482,571.96
Affordable Housing	205,859.35
Downtown Parking Fund	379.01
Streets Systems	2,201,387.70
Transportation Community Investment Fee	262,870.99
Youth Services Fund	100.00
Senior Services Fund	200.00
Park Improvement	244,505.00
Parks/Greenway Maintenance	204,841.24
Open Space	66,099.61
Public Safety	160,478.45
Conservation Trust	150,684.16
Downtown General Improvement District #1	379.00
	9,231,328.04

Component Unit

Downtown Development Authority	1,149.58
Downtown Development Capital Projects	5,060.23
Downtown Development Building Permits Fund	10,128.46
Downtown Development Arts & Entertainment Fund	21,490.49
	37,828.00

TOTAL COMMITTED ENCUMBRANCES	\$ 9,269,156.04
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CITY OF LONGMONT, COLORADO

NOTE 20 – COMMITMENTS (continued)

B. At December 31, 2018, there were the following uncompleted construction contracts:

Fund	Project Title	Remaining Committed Construction	
Enterprise Funds:			
Electric Fund	Broadband - Contracted Fiber Drop Installations	\$ 180,855	
Water Fund	Flood - City Reach 2B Water Line Relocation	581,005	
	2018 Water Line Replacements	360,633	
	Flood - City Reach 1 Construction	150,126	
	Restoration at Button Rock	128,409	
	Bonus Ditch Pump Station Design	63,820	
	NFWTP Planning Study	60,636	
	Flood - N St Vrain Pipeline Relocation	39,249	
	Consulting Services for WQL Audit	18,650	
	Sewer Fund	GMP 2 Construction	3,792,052
		Biogas Trmt & Vehicle Project	2,774,222
Flood - City Reach 1 Construction		162,888	
Professional Document Review Services		17,174	
Sewer line rehab		17,085	
Storm Drainage Fund	Flood - City Reach 2A	3,917,828	
	St Vrain Creek Improvements	1,606,075	
	Flood - City Reach 1 Construction	1,076,931	
	Lefthand Creek Sediment Project	254,373	
	S. Pratt Bridge Replacement	238,381	
	BNSF Bridge design	205,185	
	Sewer line rehab	144,288	
	Flood - City Reach 2B Water Line Relocation	104,119	
	Geotech Materials Testing	65,076	
	Professional Document Review Services	10,955	
	Drainage & Design Spring Gulch 25 & 26	7,273	
Sanitation Fund (non-major)	Biogas Trmt & Vehicle Project	4,497,321	
	Resilient Saint Vrain Project - Sandstone Reach	238,210	
	Geotech Materials Testing	11,200	
		20,724,019	
Internal Services Funds:			
Self Insurance Fund	Centennial Pool Claim	27,459	
		27,459	
Capital Project Funds:			
Public Improvement Fund	Flood - Sandstone Reach of RSVP	2,408,686	
	Civic Center Podium Slab Structural Repair	2,009,248	
		4,417,935	
General Fund:			
	Land Development Code Consulting Services	196,071	
	Consulting Services - Main Street Corridor Plan	167,817	
	Consulting & Implementation Services for Enterprise Resource Planning System	101,965	
	Wildlife Management Plan Update	25,178	
	Professional Document Review Services	10,056	
	St Vrain Redevelopment Study	9,056	
		510,143	
Special Revenue Funds:			
Water Construction Fund	Clover Basin Water Line	446,009	
Sewer Construction Fund	CO #4 GMP 2 Construction Portion	3,604,836	
Street Improvement Fund	Main Street Bridge over St. Vrain	488,732	
	S. Pratt Bridge Replacement	212,309	
	9th Ave Missing Sidewalk	27,000	
	St Vrain Redevelopment Study	6,529	
	Professional Document Review Services	3,941	
	Concrete Rehab Program	2,748	
Transportation Community Investment Fee Fund	Main Street Bridge over St. Vrain	124,809	
Park Improvement Fund	Wertman & S Clover Basin NP Design	244,505	
Parks/Greenway Fund	S. Pratt Bridge Replacement	140,069	
	Resilient Saint Vrain Project - Sandstone Reach	91,446	
	Main Street Bridge over St. Vrain	61,293	
	Geotech Materials Testing	37,802	
	Design Services St Vrain Creek	1,319	
Open Space Fund	Resilient Saint Vrain Project - Sandstone Reach	1,032,200	
	Drainage & Design Spring Gulch 2	18,920	
	Wildlife Management Plan Update	17,061	
	Geotech Materials Testing	11,200	
	St. Vrain River Redevelopment and Creek Improvements	2,265	
Conservation Trust Fund	Flood - City Reach 1 Construction	176,617	
	Main Street Bridge over St. Vrain	45,000	
	Design Work for St Vrain Greenway	43,418	
		6,840,029	
TOTAL COMMITTED CONSTRUCTION		\$ 32,519,584	

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	Nonmajor Governmental	Total
Nonspendable:				
Endowments/Donations/Grants	\$ -	\$ -	\$ 650,881	\$ 650,881
Prepays	540,971	65,413	21,828	628,212
Long-term notes & loan receivables	11,004	-	122	11,126
Total Nonspendable	551,975	65,413	672,831	1,290,219
Restricted:				
Endowments/Donations/Grants	5,304	-	878,034	883,338
Conservation Trust	-	-	7,775,432	7,775,432
Affordable Housing	-	-	9,400	9,400
Capital improvements - Parks	-	-	15,557,936	15,557,936
Capital improvements - Transportation	-	-	4,379,619	4,379,619
Capital improvements - Public Buildings	-	-	2,660,980	2,660,980
Capital improvements - Electric	-	-	5,303,985	5,303,985
Capital improvements - Water	-	-	38,546,587	38,546,587
Capital improvements - Sewer	-	-	8,220,809	8,220,809
District Improvements	-	-	134,267	134,267
State imposed Emergencies	4,853,022	-	3,991	4,857,013
Historical Preservation	-	-	13,912	13,912
Open Space Acquisition	-	-	7,977,634	7,977,634
Parks and Greenway Maintenance	-	-	2,785,127	2,785,127
Public Safety	-	-	5,341,443	5,341,443
Tourism Programs	-	-	119,184	119,184
Streets and Highways	-	13,723,944	-	13,723,944
Capital Project Construction/Acquisition	-	-	4,855,783	4,855,783
Debt Service	-	-	4,183,306	4,183,306
Total Restricted	4,858,326	13,723,944	108,747,429	127,329,699
Committed:				
Downtown Parking	-	-	311,621	311,621
Judicial Programs	-	-	9,489	9,489
Youth Services	-	-	307,490	307,490
Museum Services	-	-	178,289	178,289
Urban Renewal	-	-	6,917	6,917
Callahan House	-	-	56,170	56,170
Senior Services	-	-	219,465	219,465
Parks	-	-	334,166	334,166
Affordable Housing	-	-	1,852,304	1,852,304
Probation Services	-	-	103,696	103,696
Greenway/Izaak Walton	-	-	62,968	62,968
Public Safety	-	-	53,552	53,552
Water Acquisition	-	-	423,358	423,358
Staff Contract	256,343	-	-	256,343
Encumbered Contracts from Note 20	510,398	-	331,930	842,328
Future carryover projects	3,348,811	-	-	3,348,811
Total Committed	4,115,551	-	4,251,413	8,366,964
Assigned:				
Art in Public Places	805,137	-	-	805,137
Air Quality Control	16,799	-	-	16,799
Library Services	92	-	-	92
Reimbursement to Developers	736,011	-	-	736,011
Gifts/Memorials	5,830	-	-	5,830
Academy Leased Resources	2,495	-	-	2,495
Fee Waivers	428,967	-	-	428,967
Tree Mitigation	147,708	-	-	147,708
Historic Eastside	514	-	-	514
Application Fees	16,250	-	-	16,250
Assoc Judge	4,840	-	-	4,840
Wildland Fires	308,452	-	-	308,452
Flood Recovery	355,487	-	-	355,487
Subsequent years' expenditures	2,093,809	-	-	2,093,809
Mental Health Initiative	27,290	-	-	27,290
Mobile Home Disaster Grant	2,306	-	-	2,306
Total Assigned	4,951,986	-	-	4,951,986
Unassigned:	12,020,187	-	(701,032)	11,319,155
Total Fund Balances	\$ 26,498,025	\$ 13,789,357	\$ 112,970,641	\$ 153,258,023

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 \$1,737,448.45. 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 five companies who are either expanding business, or are relocating to Longmont who will create additional primary jobs in the area. As of December 31, 2018, the City has agreed to waive certain permit fees and use tax for these projects totaling \$822,499. The use tax portion of this total is \$478,936.

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 - CORRECTIONS TO PRIOR PERIODS

The City has been working on an ongoing review of fixed asset values, asset classification, and accumulated depreciation calculations. There was a list of assets classified as land that should have been classified as improvements and, therefore, should have been depreciated. A prior period adjustment has been recorded to restate the beginning balance of accumulated depreciation. In 2018, the City implemented Governmental Accounting Statement No. 75 – Accounting and financial reporting for Postemployment Benefits Other Than Pensions. This implementation required a restatement of the beginning balance for Net Other Post Employment Benefit (OPEB) Obligation. The following table shows the restatement of net position for all funds affected, including the Downtown Development Authority Component Unit.

Fund	As Reported 2017 CAFR	Adjustment for Depreciation	Adjustment for OPEB	Restated Amount
Electric	\$ 74,016,470	\$ (29,250)	\$ (927,355)	\$ 73,059,865
Water	389,481,902	(1,024,443)	(491,291)	387,966,168
Sewer	111,839,676	(490,092)	(337,385)	111,012,199
Storm Drainage	74,380,014	(122,123)	(182,582)	74,075,309
Sanitation	10,520,052	(4,178)	(208,697)	10,307,177
Golf	10,921,949	(7,201,132)	(71,813)	3,649,004
Airport	5,971,825	(2,529,582)	(12,773)	3,429,470
Other Business Type	4,816,735	-	-	4,816,735
Business Type	\$ 681,948,623	\$ (11,400,800)	\$ (2,231,896)	\$ 668,315,927
Governmental	\$ 442,704,359	\$ (5,652,452)	\$ (3,585,868)	\$ 433,466,039
Downtown Development Authority	\$ 11,773,099	\$ (23,442)	\$ (21,938)	\$ 11,727,719



The Longmont Wastewater Treatment Plant is rated to treat up to 17 million gallons per day

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, 2018

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

Fiscal year ending December 31,	2017	2016	2015	2014
Total Pension Liability				
Service Cost	\$ 3,881,916	\$ 3,667,734	\$ 3,445,855	\$ 3,323,050
Interest	11,550,061	10,841,294	10,214,255	9,608,216
Benefit Changes	-	-	-	-
Difference between Expected and Actual Experience	1,630,044	889,586	711,443	-
Assumption Changes	-	-	-	-
Benefit Payments	(6,855,386)	(6,654,110)	(5,954,742)	(5,164,503)
Refunds	(83,669)	-	-	(173,289)
Net Change in Total Pension Liability	10,122,966	8,744,504	8,416,811	7,593,474
Total Pension Liability - Beginning	153,871,700	145,127,196	136,710,385	129,116,911
Total Pension Liability - Ending (A)	\$ 163,994,666	\$ 153,871,700	\$ 145,127,196	\$ 136,710,385
Plan Fiduciary Net Position				
Contributions - Employer	\$ 3,005,407	\$ 2,657,003	\$ 2,507,778	\$ 2,329,412
Contributions - Employee	2,252,205	2,122,119	2,031,385	1,920,158
Net Investment Income	22,505,104	9,634,181	(2,381,130)	4,814,477
Benefit Payments	(6,855,386)	(6,654,110)	(5,954,742)	(5,164,503)
Refunds	(83,669)	-	-	(173,289)
Administrative Expense	(144,089)	(136,639)	(72,646)	(36,021)
Net Change in Plan Fiduciary Net Position	20,679,572	7,622,554	(3,869,355)	3,690,234
Plan Fiduciary Net Position - Beginning	135,481,285	127,858,731	131,728,086	128,037,852
Plan Fiduciary Net Position - Ending (B)	\$ 156,160,857	\$ 135,481,285	\$ 127,858,731	\$ 131,728,086
Net Pension Liability - Ending (A) - (B)	\$ 7,833,809	\$ 18,390,415	\$ 17,268,465	\$ 4,982,299
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	95.22	88.05 %	88.10 %	96.36 %
Covered Payroll	\$ 40,955,282	\$ 38,863,351	\$ 35,953,272	\$ 34,166,086
Net Pension Liability as a Percentage of Covered Payroll	19.13 %	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, 2018

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

Fiscal year ending December 31,	2017	2016	2015	2014
Total Pension Liability				
Interest	\$ 190,453	\$ 201,493	204,751	\$ 211,130
Difference between Expected and Actual Experience	(42,558)	42,551	(21,132)	-
Benefit Payments	(299,817)	(299,817)	(293,522)	(261,910)
Net Change in Total Pension Liability	(151,922)	(56,214)	(109,903)	(50,780)
Total Pension Liability - Beginning	2,729,131	2,785,345	2,895,248	2,946,028
Total Pension Liability - Ending (A)	\$ 2,577,209	\$ 2,729,131	\$ 2,785,345	\$ 2,895,248
Plan Fiduciary Net Position				
Contributions - Employer	\$ -	\$ -	\$ -	\$ 50,000
Net Investment Income	480,700	225,996	(51,367)	127,269
Benefit Payments	(299,817)	(299,817)	(293,522)	(261,910)
Administrative Expense	(3,089)	(3,184)	(1,055)	(670)
Net Change in Plan Fiduciary Net Position	177,794	(77,035)	(345,944)	(85,311)
Plan Fiduciary Net Position - Beginning	2,976,412	3,053,447	3,399,391	3,484,702
Plan Fiduciary Net Position - Ending (B)	\$ 3,154,206	\$ 2,976,412	\$ 3,053,447	\$ 3,399,391
Net Pension Liability - Ending (A) - (B)	\$ (576,997)	\$ (247,281)	\$ (268,102)	\$ (504,143)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	122.39 %	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	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, 2018

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

Fiscal year ending December 31,	2017	2016	2015	2014
Total Pension Liability				
Interest	\$ 112,889	\$ 116,955	\$ 121,033	\$ 125,568
Difference between Expected and Actual Experience	52,361	50,501	40,695	-
Benefit Payments	(221,899)	(225,120)	(226,687)	(230,861)
Net Change in Total Pension Liability	(56,649)	(57,664)	(64,959)	(105,293)
Total Pension Liability - Beginning	1,561,755	1,619,420	1,684,379	1,789,672
Total Pension Liability - Ending (A)	\$ 1,505,106	\$ 1,561,755	\$ 1,619,420	\$ 1,684,379
Plan Fiduciary Net Position				
Contributions - Employer	\$ 13,810	\$ -	\$ -	\$ 50,000
Net Investment Income	224,430	107,100	(29,189)	60,595
Benefit Payments	(221,899)	(225,120)	(226,687)	(230,861)
Administrative Expense	(1,479)	(1,610)	(1,716)	(896)
Net Change in Plan Fiduciary Net Position	14,862	(119,630)	(257,592)	(121,162)
Plan Fiduciary Net Position - Beginning	1,448,391	1,568,021	1,825,613	1,946,775
Plan Fiduciary Net Position - Ending (B)	\$ 1,463,253	\$ 1,448,391	\$ 1,568,021	\$ 1,825,613
Net Pension Liability - Ending (A) - (B)	\$ 41,853	\$ 113,365	\$ 51,399	\$ (141,234)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	97.22 %	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	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, 2018**

Retirement System - Defined Benefit Plan

The following information presents a schedule of contributions:

Employee Retirement					
Fiscal Year Ended December 31,	Actuarially Determined Contribution	Contribution (Note 1)	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
2018	\$ 2,864,132	\$ 3,005,407	\$ (141,275)	\$ 40,955,282	7.34 %
2017	\$ 2,521,512	\$ 2,657,003	\$ (135,491)	\$ 38,863,351	6.84 %
2016	\$ 2,162,221	\$ 2,507,778	\$ (345,557)	\$ 35,953,272	6.98 %
2015	\$ 2,160,600	\$ 2,329,412	\$ (168,812)	\$ 34,166,086	6.82 %

Fire Pension					
Fiscal Year Ended December 31,	Actuarially Determined Contribution	Contribution (Note 1)	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
2018	\$ -	\$ -	\$ -	\$ -	N/A
2017	\$ -	\$ -	\$ -	\$ -	N/A
2016	\$ -	\$ -	\$ -	\$ -	N/A
2015	\$ -	\$ 50,000	\$ (50,000)	\$ -	N/A

Police Pension					
Fiscal Year Ended December 31,	Actuarially Determined Contribution	Contribution (Note 1)	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
2018	\$ 24,168	\$ 13,810	\$ 10,358	\$ -	N/A
2017	\$ 13,810	\$ -	\$ 13,810	\$ -	N/A
2016	\$ -	\$ -	\$ -	\$ -	N/A
2015	\$ -	\$ 50,000	\$ (50,000)	\$ -	N/A

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

Note 1: The contributions shown in the table are not based on the fiscal year, but rather the contributions are shown as of the measurement date in compliance with GASB 67&68.

**EMPLOYEE, FIRE AND POLICE PENSION PLANS
SCHEDULE OF EMPLOYER CONTRIBUTIONS (CONTINUED)
REQUIRED SUPPLEMENTARY INFORMATION
December 31, 2018**

Notes to the Schedule of Contributions

The following are the methods and assumptions used to determine the contribution rates:

	<u>Employee Retirement</u>	<u>Fire Pension</u>	<u>Police Pension</u>
Actuarial valuation date	January 1, 2017	January 1, 2017	January 1, 2017
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	30 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 (CONTINUED)
REQUIRED SUPPLEMENTARY INFORMATION
December 31, 2018**

Retirement System - Defined Benefit Plan (Continued)

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

Employee Retirement

Fiscal Year	
Ended	
December 31,	Rate
2017	16.70%
2016	7.60%
2015	-1.80%
2014	3.80%

Fire Pension

Fiscal Year	
Ended	
December 31,	Rate
2017	17.00%
2016	7.80%
2015	-1.60%
2014	3.80%

Police Pension

Fiscal Year	
Ended	
December 31,	Rate
2017	16.70%
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.

**SCHEDULE OF CHANGES IN THE EMPLOYER'S
OTHER POST EMPLOYMENT BENEFITS NET OPEB LIABILITY AND RELATED RATIOS
REQUIRED SUPPLEMENTARY INFORMATION
December 31, 2018**

Retirement System - OPEB under GASB 75

Fiscal year ending December 31,	City of Longmont 2017	Downtown Development Authority 2017	Total 2017
Total OPEB Liability			
Service Cost	\$ 283,507	\$ 996	\$ 284,503
Interest	214,081	752	214,833
Difference between Expected and Actual Experience	(1,164,967)	(4,092)	(1,169,059)
Assumption Changes	263,752	926	264,678
Net Change in Total OPEB Liability	(403,627)	(1,418)	(405,045)
Total OPEB Liability - Beginning	6,241,422	21,922	6,263,344
Total OPEB Liability - Ending	\$ 5,837,795	\$ 20,504	\$ 5,858,299
Covered Payroll	\$ 65,548,678	\$ 231,040	\$ 65,779,718
Net OPEB Liability as a Percentage of Covered Payroll	8.91%	8.87%	8.91%

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

**SCHEDULE OF EMPLOYER CONTRIBUTIONS
 EMPLOYEES AND DOWNTOWN DEVELOPMENT AUTHORITY
 OTHER POST EMPLOYMENT BENEFIT PLAN
 REQUIRED SUPPLEMENTARY INFORMATION
 December 31, 2018**

Retirement System - OPEB (Continued)

The following information presents a schedule of contributions:

**Employee and Downtown Development Authority
 OPEB Contributions under GASB 75**

Fiscal Year Ended December 31,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
2018	\$ 368,598	\$ 368,598	\$ -	\$ 69,779,719	0.53 %

Additional years will be added to the GASB 75 schedule annually until 10 years of data is presented.

**SCHEDULE OF EMPLOYER CONTRIBUTIONS
EMPLOYEES AND DOWNTOWN DEVELOPMENT AUTHORITY
OTHER POST EMPLOYMENT BENEFITS (OPEB)
REQUIRED SUPPLEMENTARY INFORMATION
December 31, 2018**

Retirement System - OPEB Plan (Continued)

Notes to the Schedule of Contributions

The following are the methods and assumptions used to determine the contribution rates:

City of Longmont and Downtown Development Authority
Other Post Employment Benefits (OPEB)

Actuarial valuation date	December 31, 2018
Actuarial cost method	Entry Age Normal
Amortization method	Level dollar, Open
Discount Rate	3.43%
Healthcare cost trend rate	6.3% with an ultimate rate of 5.0%
Inflation	3.00%
Payroll growth	3.25%
Medical Trend	6.30%

**SCHEDULE OF EMPLOYER CONTRIBUTIONS
EMPLOYEES AND DOWNTOWN DEVELOPMENT AUTHORITY
OTHER POST EMPLOYMENT BENEFITS (OPEB)
REQUIRED SUPPLEMENTARY INFORMATION
December 31, 2018**

Retirement System - OPEB (Continued)

The following presents the annual discount rate:

**Employee and Downtown Development Authority
OPEB Discount rate under GASB 75**

Ended December 31,	Rate
2017	3.43%

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



End-of-summer dog swims at Roosevelt Park are always popular

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, 2018

	Budget	Actual	Variance from Final Budget
TAXES			
General property taxes:			
Current	18,869,046	18,755,177	(113,869)
Prior years	-	(86,470)	(86,470)
General sales and use tax	34,687,742	36,290,653	1,602,911
Selected sales and use tax -			
Cigarette	150,000	160,120	10,120
Franchise taxes:			
Gas	640,000	726,586	86,586
Cable Television	760,000	667,013	(92,987)
Telephone	186,584	169,116	(17,468)
Electric	5,402,889	5,306,054	(96,835)
Telecommunications	6,840	6,840	-
Water	336,148	366,148	30,000
Wastewater	583,000	583,000	-
	61,622,249	62,944,236	1,321,987
LICENSES AND PERMITS			
Business licenses and permits:			
Liquor	8,000	10,716	2,716
Marijuana	-	60,000	60,000
Business	4,700	5,390	690
Sales Tax	28,000	29,125	1,125
Non-Business licenses and permits:			
Building	1,893,136	3,587,434	1,694,298
Wood burning	-	35	35
Contractor	122,750	139,358	16,608
Parade / use of public places	9,100	7,850	(1,250)
	2,065,686	3,839,907	1,774,222
INTERGOVERNMENTAL REVENUE			
Federal revenue	1,047,281	749,539	(297,742)
State shared revenue:			
Severance tax	30,000	81,266	51,266
Grants	78,181	55,420	(22,761)
Non-grant state revenue	10,000	50,889	40,889
Local government shared revenue:			
Shared Fines	77,000	76,291	(709)
Hazmat Authority	25,805	7,410	(18,395)
Grants / School Resource Officer	188,182	228,085	39,903
	1,456,449	1,248,900	(207,549)

(continued)

GENERAL FUND
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
COMPARED TO BUDGET (LEGAL BASIS)
Year Ended December 31, 2018

	Budget	2018 YTD Actual	Variance from Final Budget
CHARGES FOR SERVICE			
General government:			
Zoning and hearing	126,402	81,930	(44,473)
Disconnect Tag Fees	650,000	652,389	2,389
Maps and publications	800	788	(12)
Pcard rebate	110,000	110,878	878
Payroll Fee	-	695	695
Cell Phone Rebate	37,500	13,142	(24,358)
Print shop charges	-	-	-
Sales tax commission	65,000	135,640	70,640
Liquor Application Fee	36,000	43,619	7,619
Marijuana Application Fee	-	2,500	2,500
Public safety:			
Criminal justice records	23,000	24,752	1,752
Extra duty officer reimbursement	70,000	86,370	16,370
Fire inspection & fireworks fees	148,000	153,823	5,823
Offender registration/impound fees	11,500	13,920	2,420
Emergency dispatch reimbursement	-	220,173	220,173
Elevator inspection	46,000	51,625	5,625
Highways and streets:			
Work in right of way permit	-	8,151	8,151
Developer Participation	-	-	-
Plan check fees	671,269	821,595	150,326
Variance/Appeals board	-	-	-
Right-of-way maintenance	223,774	223,774	-
Downtown maintenance	25,000	-	(25,000)
Culture and Recreation:			
Recreation center - all fees	2,026,957	2,039,252	12,295
Pool fees	559,945	544,358	(15,587)
Reservoir fees	440,000	488,172	48,172
Activity fees	1,517,987	1,425,497	(92,490)
Facility use fees	401,622	485,340	83,718
	-	-	-
Concessions	74,200	83,924	9,724
Senior citizens:			
Activity fees	350	378	28
Facility fees	21,000	23,167	2,167
Administrative reimbursements:			
Sanitation	622,353	611,671	(10,682)
Golf	196,496	196,496	-
Electric	1,660,040	1,561,620	(98,420)
Telecommunications	331,092	331,092	-
Water	1,506,441	1,506,927	486
Sewer	923,277	917,949	(5,328)
Storm Drainage	538,495	538,495	-
Airport	93,974	93,974	-
Streets	933,375	916,640	(16,735)
Library Services	-	-	-
Senior Services	-	-	-
Open Space	181,032	181,032	-
Fleet	300,409	300,409	-
Self Insurance	-	-	-
Workers Compensation	-	-	-
General Improvement District	9,263	9,263	-
	14,582,553	14,901,418	318,867
FINES AND FORFEITS			
Court:			
Parking	142,000	93,915	(48,085)
Other court fines	450,000	394,028	(55,972)
Court fine surcharge	50,000	45,950	(4,050)
Bond forfeitures	15,000	6,330	(8,670)
Court education fees	20,000	15,715	(4,285)
Court costs reimbursements	70,000	58,547	(11,453)
Probation & home detention monitoring fees	21,000	16,560	(4,440)
Code Enforcement Penalty	1,500	400	(1,100)
Tree Mitigation Fine	-	1,650	1,650
Outstanding judgments/warrants	4,000	4,290	290
Library fines	100,000	94,296	(5,704)
False alarm fines	32,000	24,775	(7,225)
Weed cutting fines	18,000	6,875	(11,125)
Other fines	750	769	19
	924,250	764,100	(160,150)

(continued)

GENERAL FUND
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
COMPARED TO BUDGET (LEGAL BASIS)
Year Ended December 31, 2018

	Budget	Actual	Variance from Final Budget
INVESTMENT INCOME AND MISCELLANEOUS REVENUE			
Investment income	277,600	358,208	80,608
Miscellaneous	83,786	200,871	117,085
Private grants/donations	17,618	21,668	4,050
Oil and gas royalties	-	3,392	3,392
	379,004	584,139	205,135
OTHER FINANCING SOURCES			
Transfers in:			
Electric Fund	14,483	14,691	208
Library Services Fund	20,500	18,091	(2,409)
Tree Planting	23,000	23,000	-
Rec Sponsorship	-	-	-
Senior Services	26,085	26,085	-
Sanitation Fund	3,860	6,349	2,489
Golf Fund	1,924	8,467	6,543
Telecommunications Fund	4,298	4,298	-
Water Fund	22,210	29,834	7,624
Sewer Fund	7,307	9,163	1,856
Storm Drainage Fund	2,100	2,930	830
Workers Comp	129,421	129,421	-
Self Insurance	112,206	112,206	-
Streets Fund	6,060	11,037	4,977
Open Space Fund	270	270	-
Public Safety Fund	10,081	10,082	1
Fleet Fund	2,916	8,073	5,157
Total other financing sources	386,721	413,997	27,276
Total revenues and other sources (legal basis)	81,416,912	84,696,698	3,279,786
RECONCILIATION TO GAAP BASIS			
Less - other financing sources		(414,000)	
Total revenues (GAAP basis)		84,282,698	

GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
COMPARED TO BUDGET (LEGAL BASIS)
Year Ended December 31, 2018

	Budget	Actual	Variance from Final Budget
NON-DEPARTMENTAL			
CITY COUNCIL	436,225	383,108	53,117
CITY ATTORNEY	1,273,063	1,163,381	109,682
MUNICIPAL COURT			
Courts	582,539	552,526	30,013
Probation	306,244	302,376	3,868
CITY MANAGER			
City Manager	1,480,603	1,340,074	140,529
General Fund Transfers	24,766	7,149	17,617
Non Departmental	1,506,711	773,381	733,330
Economic Development Contracts	1,311,098	517,703	793,395
HUMAN RESOURCES	1,152,813	1,055,369	97,444
	8,074,062	6,095,067	1,978,995
SHARED SERVICES			
Purchasing	624,744	622,222	2,522
Enterprise Technology Services			
PC Replacements	221,003	155,179	65,824
ETS Operations	2,037,268	1,925,286	111,982
ETS Applications	1,641,049	1,377,226	263,823
ETS Telephone	326,317	288,170	38,147
ETS CIS Support	-	34,091	
Network Replacement	473,696	-	473,696
CJ System Replacement	-	9,323	-
City Clerk	629,684	456,359	173,325
Marijuana Licensing	16,250	8,450	
Election Voter Registration	117,312	131,030	(13,718)
Recovery Office	392,859	217,414	175,445
DOLA	-	-	-
	6,480,182	5,224,749	1,291,046
FINANCE			
Finance Administration	337,581	326,394	11,187
Sales Tax	594,605	418,460	176,145
Treasury	372,753	299,968	72,785
Information Desk	68,684	64,319	4,365
Accounting	1,071,339	858,498	212,841
Budget	425,448	403,368	22,080
HATS Project	1,168,693	199,910	968,783
Risk	310,766	303,017	7,749
Wellness	97,018	89,876	7,142
Safety	153,868	147,734	6,134
Utility Billing	1,987,768	1,721,084	266,684
Mail Delivery	64,837	64,294	543
	6,653,360	4,896,922	1,756,438

(continued)

GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
COMPARED TO BUDGET (LEGAL BASIS)
Year Ended December 31, 2018

	Budget	Actual	Variance from Final Budget
PUBLIC SAFETY			
Public Safety Chief	\$ 733,070	\$ 728,350	\$ 4,720
Patrol	10,792,075	10,617,344	174,731
Detectives	3,018,189	3,008,844	9,345
Special Enforcement Unit	963,835	1,052,820	(88,985)
SWAT Team	569,164	601,718	(32,554)
Animal Control	565,493	574,710	(9,217)
School Resources Officers	633,055	626,061	6,994
Traffic Unit	1,157,438	1,069,548	87,890
Special Operations	377,872	388,284	(10,412)
Fire Suppression	10,367,263	10,675,890	(308,627)
Hazmat Team	155,507	110,138	45,369
Technical Rescue Team	55,910	17,862	38,048
Wild land Team	847,833	840,021	7,812
Fire Codes and Planning	573,614	544,336	29,278
Fire Investigations	34,916	13,297	21,619
Public Safety Info Services	334	-	334
Public Safety Outreach	157,377	107,849	49,528
Emergency Communication Center	1,868,935	1,763,840	105,095
Public Safety IT	604,785	561,456	43,329
Records Unit	616,956	599,983	16,973
Click it or Ticket Grant	7,000	6,554	446
Public Safety Volunteers	35,166	29,879	5,287
DUI Grant	43,380	26,023	17,357
Restorative Justice Grant	-	-	-
Public Safety Support Services	1,022,891	882,539	140,352
Extra Duty	79,000	98,957	(19,957)
Training and Personnel	1,213,161	1,149,543	63,618
Emergency Management	473,456	251,601	221,855
	36,967,675	36,347,447	620,228
DEVELOPMENT SERVICES			
Development Services	1,986,005	1,596,212	389,793
Building Permits	1,701,351	1,464,856	236,495
Code Enforcement	681,866	552,942	128,924
Graffiti Eradication	-	-	-
Redevelopment	217,653	118,769	98,884
	\$ 4,586,875	\$ 3,732,779	\$ 854,096

(continued)

GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
COMPARED TO BUDGET (LEGAL BASIS)
Year Ended December 31, 2018

	Budget	Actual	Variance from Final Budget
COMMUNITY SERVICES			
Community Services Admin	\$ 2,072,618	\$ 1,769,322	\$ 303,296
Outside Agencies	1,360,674	1,294,076	66,598
Mental Health Community Conversations	161,653	133,763	27,890
Recreation Administration	411,258	408,606	2,652
Recreation Aquatics	1,082,021	1,024,298	57,723
Recreation Athletics	560,390	482,306	78,084
Recreation Concessions	55,463	78,125	(22,662)
Recreation Community Events	247,492	213,607	33,885
Recreation General Programs	830,411	778,432	51,979
Recreation Special Needs	63,449	65,892	(2,443)
Recreation Outdoor Programs	48,231	35,366	12,865
Recreation Ice Rink	162,445	205,468	(43,023)
Recreation Sport Fields Mtce	308,994	315,646	(6,652)
Recreation Youth Programs	46,715	48,018	(1,303)
Recreation Center	1,780,017	1,787,081	(7,064)
CNR Administration	398,272	373,236	25,036
Neighborhood Resources	95,435	76,675	18,760
Parking Enforcement	123,327	115,257	8,070
CYF Administration	857,944	763,918	94,026
Library Administration	515,428	509,186	6,242
Library Adult Services	1,064,881	968,534	96,347
Library Children and Teens	471,604	451,315	20,289
Library Tech Services	727,586	681,660	45,926
Library Circulation	850,976	755,837	95,139
Museum Administration	885,979	869,873	16,106
Museum Auditorium	232,819	218,509	14,310
Senior Services Administration	886,244	773,835	112,409
	<u>16,302,326</u>	<u>15,197,841</u>	<u>1,104,485</u>
PUBLIC WORKS NATURAL RESOURCES			
PWNR Engineering and Tech Svcs	534,721	540,612	(5,891)
PWNR Business Services	122,008	119,871	2,137
PWNR Facilities Operations	1,714,847	1,552,807	162,040
PWNR Facilities Maintenance	1,712,922	1,598,303	114,619
PWNR Parks Maintenance	2,253,828	2,192,662	61,166
PWNR Muni Grounds Maintenance	298,876	338,504	(39,628)
PWNR ROW Maintenance	680,437	580,608	99,829
PWNR Graffiti Removal	65,135	51,759	13,376
PWNR Regulatory Compliance	44,583	17,078	27,505
PWNR Parks Administration	518,425	435,354	83,071
PWNR Parks Rest. Management	-	1,195	(1,195)
PWNR Parks Development Improvement	238,497	176,790	61,707
PWNR Forestry Maintenance	1,078,147	922,471	155,676
PWNR Union Reservoir	385,417	363,033	22,384
	<u>9,647,843</u>	<u>8,891,047</u>	<u>756,796</u>
Total Expenditures	\$ 88,712,323	80,385,853	\$ 8,362,085
Net Change in Fund Balance	(7,295,411)	4,310,846	
FUND BALANCE, January 1	20,211,630	20,211,630	
FUND BALANCES, December 31	<u>12,916,219</u>	<u>24,522,476</u>	

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, 2018

	Conservation	Park Improvement	General Improvement District #1 Operating	Community Development Block Grant
ASSETS				
Equity in pooled cash & cash equivalents	\$ 7,892,968	\$ 15,529,903	\$ 145,646	\$ -
Cash and cash equivalents	-	-	-	-
Receivables (net of allowance for uncollectibles):				
Accounts	-	-	-	-
Taxes	-	-	121,775	-
Grants	-	-	-	3,439,567
Loans	-	-	-	1,481,071
Accrued Interest	19,423	38,569	347	-
Prepays	-	-	-	58,726
Due from other funds	-	-	-	-
Due from other governments	-	-	720	-
Restricted assets:				
Cash and cash equivalents	-	-	-	-
Total assets	\$ 7,912,391	\$ 15,568,472	\$ 268,488	\$ 4,979,364
LIABILITIES				
Accounts payable	\$ 26,255	\$ 2,579	\$ 7,591	\$ 64,349
Construction contracts payable	110,704	7,957	-	-
Accrued liabilities	-	-	864	21,062
Due to other funds	-	-	-	2,798,903
Deposits	-	-	-	-
Total liabilities	136,959	10,536	8,455	2,884,314
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue-property taxes	-	-	121,775	-
Unavailable revenue-grants	-	-	-	2,796,082
Total deferred inflows of resources	-	-	121,775	2,796,082
FUND BALANCES				
Nonspendable	-	-	-	-
Restricted	7,775,432	15,557,936	138,258	-
Committed	-	-	-	-
Unassigned	-	-	-	(701,032)
Total fund balances	7,775,432	15,557,936	138,258	(701,032)
Total liabilities, deferred inflows of resources and fund balances	\$ 7,912,391	\$ 15,568,472	\$ 268,488	\$ 4,979,364

Special Revenue Funds

Downtown Parking	Judicial Wedding Fee	Police Seizures	Prevention/ Education	Youth Services	Recreations Building	Transportation Community Investment Fee
\$ 310,464	\$ 9,466	\$ 25,126	\$ 161,811	\$ 325,983	\$ 1,927,248	\$ 4,385,185
-	-	-	-	-	-	-
2,592	-	-	1,750	-	-	-
-	-	-	-	-	-	-
-	-	-	2,625	69,810	-	-
-	-	-	-	-	-	-
724	23	25	404	555	4,755	11,261
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
\$ 313,780	\$ 9,489	\$ 25,151	\$ 166,590	\$ 396,348	\$ 1,932,003	\$ 4,396,446
\$ 559	\$ -	\$ -	\$ -	\$ 46,201	\$ -	\$ 14,787
-	-	-	-	-	-	2,040
1,600	-	-	1,491	1,867	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
2,159	-	-	1,491	48,068	-	16,827
-	-	-	-	-	-	-
-	-	-	695	40,791	-	-
-	-	-	695	40,791	-	-
-	-	-	-	-	-	-
-	-	25,151	130,820	-	1,932,003	4,379,619
311,621	9,489	-	33,584	307,489	-	-
-	-	-	-	-	-	-
311,621	9,489	25,151	164,404	307,489	1,932,003	4,379,619
\$ 313,780	\$ 9,489	\$ 25,151	\$ 166,590	\$ 396,348	\$ 1,932,003	\$ 4,396,446

(continued)

COMBINING BALANCE SHEET
Nonmajor Governmental Funds
December 31, 2018

	Public Buildings Community Investment Fee	Electric Community Investment Fee	Water System Construction Reserve	Water Acquisition
ASSETS				
Equity in pooled cash & cash equivalents	727,794	\$ 5,290,740	\$ 31,831,760	\$ 6,623,342
Cash and cash equivalents	-	-	-	-
Receivables (net of allowance for uncollectibles):				
Accounts	-	-	-	242
Taxes	-	-	-	-
Grants	-	-	-	-
Loans	-	-	-	-
Accrued Interest	2,083	13,245	79,715	16,557
Prepays	-	-	-	-
Due from other funds	-	-	-	-
Due from other governments	-	-	-	-
Restricted assets:				
Cash and cash equivalents	-	-	-	-
Total assets	729,877	\$ 5,303,985	\$ 31,911,475	\$ 6,640,141
LIABILITIES				
Accounts payable	\$ 900	\$ -	\$ 2,940	\$ 94
Construction contracts payable	-	-	1,995	-
Accrued liabilities	-	-	-	-
Due to other funds	-	-	-	-
Deposits	-	-	-	-
Total liabilities	\$ 900	\$ -	\$ 4,935	\$ 94
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue-property taxes	-	-	-	-
Unavailable revenue-grants	-	-	-	-
Total deferred inflows of resources	-	-	-	-
FUND BALANCES				
Nonspendable	-	-	-	-
Restricted	728,977	5,303,985	31,906,540	6,640,047
Committed	-	-	-	-
Unassigned	-	-	-	-
Total fund balances	728,977	5,303,985	31,906,540	6,640,047
Total liabilities, deferred inflows of resources and fund balances	729,877	\$ 5,303,985	\$ 31,911,475	\$ 6,640,141

Special Revenue Funds

Raw Water Storage Reserve	Sewer Construction	Library Services	Museum Services	Historic Preservation	Callahan House	Senior Services	Parks Grants & Donations
\$ 422,302	\$ 8,261,390	\$ 69,532	\$ 146,495	\$ 13,877	\$ 62,529	\$ 245,920	\$ 601,210
-	-	94,475	-	-	-	-	-
-	205	300	-	-	113	778	500
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	62,884
-	122	-	-	-	-	-	-
1,056	21,712	162	374	35	150	629	1,502
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 423,358</u>	<u>\$ 8,283,429</u>	<u>\$ 164,469</u>	<u>\$ 146,869</u>	<u>\$ 13,912</u>	<u>\$ 62,792</u>	<u>\$ 247,327</u>	<u>\$ 666,096</u>
\$ -	\$ 5,623	\$ 1,544	\$ 3,713	\$ -	\$ 2,794	\$ 16,520	\$ -
-	56,875	-	-	-	-	-	-
-	-	-	3,822	-	3,828	2,615	-
-	-	-	-	-	-	-	-
-	-	-	14,746	-	-	8,727	-
-	62,498	1,544	22,281	-	6,622	27,862	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	122	-	-	-	-	-	-
-	8,220,809	162,925	-	13,912	-	-	-
423,358	-	-	124,588	-	56,170	219,465	666,096
-	-	-	-	-	-	-	-
<u>423,358</u>	<u>8,220,931</u>	<u>162,925</u>	<u>124,588</u>	<u>13,912</u>	<u>56,170</u>	<u>219,465</u>	<u>666,096</u>
<u>\$ 423,358</u>	<u>\$ 8,283,429</u>	<u>\$ 164,469</u>	<u>\$ 146,869</u>	<u>\$ 13,912</u>	<u>\$ 62,792</u>	<u>\$ 247,327</u>	<u>\$ 666,096</u>

(continued)

COMBINING BALANCE SHEET
Nonmajor Governmental Funds
December 31, 2018

	Affordable Housing	Open Space	Public Safety	Lodgers Tax	Special Retail Marijuana Sales Tax
ASSETS					
Equity in pooled cash & cash equivalents	\$ 3,001,759	\$ 7,075,317	\$ 4,397,682	\$ 96,733	\$ 1,491
Cash and cash equivalents	-	-	-	-	-
Receivables (net of allowance for uncollectibles):					
Accounts	-	-	595	-	-
Taxes	-	450,455	1,306,321	22,284	7,907
Grants	-	504,811	239,681	-	-
Loans	3,975,103	-	-	-	-
Accrued Interest	4,860	26,281	10,685	167	2
Prepays	-	-	21,828	-	-
Due from other funds	-	-	-	-	-
Due from other governments	-	-	-	-	-
Restricted assets:					
Cash and cash equivalents	-	3,679,988	-	-	-
Total assets	\$ 6,981,722	\$ 11,736,852	\$ 5,976,792	\$ 119,184	\$ 9,400
LIABILITIES					
Accounts payable	\$ 1,155,964	\$ 45,173	\$ 51,763	\$ -	\$ -
Construction contracts payable	-	-	-	-	-
Accrued liabilities	5,235	14,263	304,396	-	-
Due to other funds	-	-	220,696	-	-
Deposits	-	9,794	-	-	-
Total liabilities	1,161,199	69,230	576,855	-	-
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue-property taxes	-	-	-	-	-
Unavailable revenue-grants	3,968,219	10,000	61,817	-	-
Total deferred inflows of resources	3,968,219	10,000	61,817	-	-
FUND BALANCES					
Nonspendable	-	-	21,828	-	-
Restricted	-	11,657,622	5,316,292	119,184	9,400
Committed	1,852,304	-	-	-	-
Unassigned	-	-	-	-	-
Total fund balances	1,852,304	11,657,622	5,338,120	119,184	9,400
Total liabilities, deferred inflows of resources and fund balances	\$ 6,981,722	\$ 11,736,852	\$ 5,976,792	\$ 119,184	\$ 9,400

Special Revenue Funds

Probation Services	Park/ Greenway Maintenance	Traffic Safety	Museum Trust	Jones Foundation Trust	Longmont Urban Renewal Authority	Village at the Peaks	TOTALS
\$ 105,157	\$ 2,976,214	\$ 19,954	\$ 53,069	\$ 62,811	\$ 6,915	\$ 10,398	\$ 102,818,191
-	-	-	-	-	-	-	94,475
-	84,707	-	500	-	-	-	92,281
-	-	-	-	-	1,085	-	1,909,827
-	100,314	-	-	-	-	-	4,419,692
-	-	-	-	-	-	-	5,456,296
266	7,422	49	132	157	2	97	263,426
-	-	-	-	-	-	-	80,554
-	-	-	-	-	-	1,085	1,085
-	-	-	-	-	-	5,726	6,446
-	-	-	-	-	-	486,012	4,166,000
\$ 105,423	\$ 3,168,657	\$ 20,003	\$ 53,701	\$ 62,968	\$ 8,002	\$ 503,318	\$ 119,308,273
\$ -	\$ 241,756	\$ -	\$ -	\$ -	\$ -	\$ -	1,691,105
-	163,148	-	-	-	-	-	342,719
1,727	-	35	-	-	-	-	362,805
-	-	-	-	-	1,085	-	3,020,684
-	-	-	-	-	-	-	33,267
1,727	404,904	35	-	-	1,085	-	5,450,580
-	-	-	-	-	-	-	121,775
-	-	-	-	-	-	-	6,877,604
-	-	-	-	-	-	-	6,999,379
-	-	-	-	-	-	-	21,950
-	2,763,753	-	-	-	-	503,318	103,285,983
103,696	-	19,968	53,701	62,968	6,917	-	4,251,413
-	-	-	-	-	-	-	(701,032)
103,696	2,763,753	19,968	53,701	62,968	6,917	503,318	106,858,314
\$ 105,423	\$ 3,168,657	\$ 20,003	\$ 53,701	\$ 62,968	\$ 8,002	\$ 503,318	\$ 119,308,273

(continued)

COMBINING BALANCE SHEET
Nonmajor Governmental Funds
December 31, 2018

	Capital Projects Fund	Permanent Fund	
	Public Improvement Capital Projects	Mosher/ Kanemoto/ Stewart Trust	Total Nonmajor Governmental Funds
ASSETS			
Equity in pooled cash & cash equivalents	\$ 6,217,618	\$ 1,232,092	\$ 110,267,901
Cash and cash equivalents	-	-	94,475
Receivables (net of allowance for uncollectibles):			
Accounts	-	-	92,281
Taxes	675,521	-	2,585,348
Grants	-	-	4,419,692
Loans	-	-	5,456,296
Accrued Interest	16,269	3,078	282,773
Prepays	-	-	80,554
Due from other funds	-	-	1,085
Due from other governments	-	-	6,446
Restricted assets:			
Cash and cash equivalents	-	-	4,166,000
Total assets	\$ 6,909,408	\$ 1,235,170	\$ 127,452,851
LIABILITIES			
Accounts payable	\$ 323,519	\$ -	\$ 2,014,624
Construction contracts payable	220,931	-	563,650
Accrued liabilities	-	-	362,805
Due to other funds	1,487,801	-	4,508,485
Deposits	-	-	33,267
Total liabilities	2,032,251	-	7,482,831
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue-property taxes	-	-	121,775
Unavailable revenue-grants	-	-	6,877,604
Total deferred inflows of resources	-	-	6,999,379
FUND BALANCES			
Nonspendable	-	650,881	672,831
Restricted	4,877,157	584,289	108,747,429
Committed	-	-	4,251,413
Unassigned	-	-	(701,032)
Total fund balances	4,877,157	1,235,170	112,970,641
Total liabilities, deferred inflows of resources and fund balances	\$ 6,909,408	\$ 1,235,170	\$ 127,452,851

**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES**
Nonmajor Governmental Funds
For the Year Ended December 31, 2018

Special Revenue Funds

	Conservation	Park Improvement	General Improvement District #1	Community District Block Grant	Downtown Parking	Judicial Wedding Fees
REVENUES						
Taxes	\$ -	\$ -	\$ 128,713	\$ -	\$ -	-
Licenses and permits	-	5,235,706	-	-	104,409	-
Developer/owner participation	-	-	-	-	-	-
Intergovernmental	944,655	32,891	-	12,742,895	-	-
Charges for services	-	-	-	-	-	3,600
Fines and forfeits	-	-	-	-	-	-
Investment income	132,722	231,498	2,752	31,983	4,587	142
Private grants/donations	-	-	-	-	-	-
Miscellaneous	-	-	1,512	271,803	160	-
Total revenues	1,077,377	5,500,095	132,977	13,046,681	109,156	3,742
EXPENDITURES						
Current:						
General governmental	-	-	88,358	13,035,669	52,845	1,103
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Culture and recreation	69,831	2,579	-	-	-	-
Municipal utility system	-	-	-	-	-	-
Capital outlay	708,230	676,493	-	583,224	-	-
Debt service:						
Bond principal retired	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
Total expenditures	778,061	679,072	88,358	13,618,893	52,845	1,103
Excess of revenues over (under) expenditures	299,316	4,821,023	44,619	(572,212)	56,311	2,639
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	7,149	-
Transfers out	-	(1,592)	-	-	-	-
Proceeds from bonds	-	-	-	-	-	-
Premium on issuance of long-term debt	-	-	-	-	-	-
Total other financing sources (uses)	-	(1,592)	-	-	7,149	-
Excess of revenues and other sources over Net change in fund balances	299,316	4,819,431	44,619	(572,212)	63,460	2,639
FUND BALANCES, January 1	7,476,116	10,738,505	93,639	(128,820)	248,161	6,850
FUND BALANCES, December 31	\$ 7,775,432	\$ 15,557,936	\$ 138,258	\$ (701,032)	\$ 311,621	\$ 9,489

(continued)

**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES**
Nonmajor Governmental Funds
For the Year Ended December 31, 2018

	Police Seizures	Prevention Education	Youth Services	Recreation Buildings	Transportation Community Investment Fee	Public Buildings Community Investment Fee
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	-	\$ -
Licenses and permits	-	-	-	-	2,306,999	-
Developer/owner participation	-	-	-	1,273,718	-	-
Intergovernmental	5,395	11,122	741,407	-	-	-
Charges for services	-	804	13,784	-	-	-
Fines and forfeits	-	-	-	-	-	-
Investment income	224	2,673	3,590	24,485	67,272	17,812
Private grants/donations	-	39,604	61,853	-	-	-
Miscellaneous	-	-	-	-	-	-
Total revenues	5,619	54,203	820,634	1,298,203	2,374,271	17,812
EXPENDITURES						
Current:						
General governmental	-	-	-	-	-	51,466
Public safety	513	22,007	-	-	-	-
Highways and streets	-	-	-	-	611,555	-
Culture and recreation	-	-	333,931	-	-	-
Municipal utility system	-	-	-	-	-	-
Capital Outlay	-	-	418,074	-	121,825	533,528
Debt service:						
Bond principal retired	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
Total expenditures	513	22,007	752,005	-	733,380	584,994
Excess of revenues over (under) expenditures	5,106	32,196	68,629	1,298,203	1,640,891	(567,182)
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	(4,009)	-	-	(4,222)
Proceeds from bonds	-	-	-	-	-	-
Premium on issuance of long-term debt	-	-	-	-	-	-
Total other financing sources (uses)	-	-	(4,009)	-	-	(4,222)
Excess of revenues and other sources over Net change in fund balances	5,106	32,196	64,621	1,298,203	1,640,891	(571,404)
FUND BALANCES, January 1	20,044	132,208	242,868	633,800	2,738,728	1,300,381
FUND BALANCES, December 31	\$ 25,151	\$ 164,404	\$ 307,489	\$ 1,932,003	\$ 4,379,619	\$ 728,977

Electric Community Investment Fee	Water System Construction Reserve	Water Acquisition	Raw Water Storage Reserve	Sewer Construction
\$ -	\$ -	\$ -	\$ -	\$ -
1,093,385	5,696,517	-	-	3,090,230
-	18,949	-	-	27,692
-	-	-	-	-
-	-	533,000	-	-
-	-	-	-	-
88,672	511,439	112,651	7,185	129,342
-	-	-	-	-
-	-	-	-	-
<u>1,182,057</u>	<u>6,226,905</u>	<u>645,651</u>	<u>7,185</u>	<u>3,247,264</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
71,711	147,243	10,226	-	8,399
429,139	792,212	800,000	-	-
-	-	-	-	-
-	-	-	-	-
<u>500,850</u>	<u>939,455</u>	<u>810,226</u>	<u>-</u>	<u>8,399</u>
681,207	5,287,450	(164,575)	7,185	3,238,865
-	-	-	-	-
-	(633,214)	-	-	(538,207)
-	-	-	-	-
-	-	-	-	-
<u>-</u>	<u>(633,214)</u>	<u>-</u>	<u>-</u>	<u>(538,207)</u>
681,207	4,654,236	(164,575)	7,185	2,700,658
4,622,778	27,252,304	6,804,622	416,173	5,520,273
<u>\$ 5,303,985</u>	<u>\$ 31,906,540</u>	<u>\$ 6,640,047</u>	<u>\$ 423,358</u>	<u>\$ 8,220,931</u>

**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES**
Nonmajor Governmental Funds
For the Year Ended December 31, 2018

	Library Services	Museum Services	Historic Preservation	Callahan House	Senior Services
REVENUES					
Taxes	\$ -	\$ -	-	\$ -	-
Licenses and permits	-	-	250	-	-
Developer/owner participation	-	-	-	-	-
Intergovernmental	-	126,815	-	-	-
Charges for services	-	125,069	-	33,569	191,308
Fines and forfeits	-	-	-	-	-
Investment income	1,337	2,274	233	1,021	4,404
Private grants	75,914	44,380	-	40	124,428
Miscellaneous	16,762	3,566	-	-	711
Total revenues	94,013	302,104	483	34,630	320,850
EXPENDITURES					
Current:					
General governmental	-	-	-	-	-
Public safety	-	-	-	-	-
Highways and streets	-	-	-	-	-
Culture and recreation	79,608	222,759	-	114,998	281,419
Municipal utility system	-	-	-	-	-
Capital Outlay	12,000	88,573	-	-	39,971
Debt service:					
Bond principal retired	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	91,608	311,332	-	114,998	321,390
Excess of revenues over (under) expenditures	2,405	(9,228)	483	(80,369)	(538)
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	84,056	-
Transfers out	(18,091)	-	-	-	(26,234)
Proceeds from bonds	-	-	-	-	-
Premium on issuance of long-term debt	-	-	-	-	-
Total other financing sources (uses)	(18,091)	-	-	84,056	(26,234)
Excess of revenues and other sources over Net change in fund balances	(15,686)	(9,228)	483	3,687	(26,772)
FUND BALANCES, January 1	178,611	133,816	13,429	52,482	246,237
FUND BALANCES, December 31	\$ 162,925	\$ 124,588	\$ 13,912	\$ 56,169	\$ 219,465

Special Revenue Funds

Parks Grants & Donations	Affordable Housing	Open Space	Public Safety	Lodgers Tax	Special Retail Marijuana Sales Tax	Probation Services	Park/Greenway Maintenance
\$ -	\$ -	\$ 4,296,909	\$ 12,468,351	\$ 467,209	\$ 9,399	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
62,884	-	828,734	1,067,493	-	-	-	351,775
-	100	-	45,930	-	-	-	966,503
-	-	-	-	-	-	41,650	-
10,402	62,003	234,579	47,172	1,095	1	1,807	59,277
2,000	-	-	-	-	-	-	-
-	131,041	558,844	9,953	-	-	-	-
75,286	193,144	5,919,066	13,638,899	468,304	9,400	43,457	1,377,555
-	382,031	-	-	-	-	43,882	-
-	-	-	9,130,156	-	-	-	-
-	-	-	-	-	-	-	-
29,202	-	1,262,023	-	505,595	-	-	141,676
-	-	-	-	-	-	-	-
-	701,589	8,987,025	371,405	-	-	-	3,368,989
-	-	1,185,000	-	-	-	-	-
-	-	940,314	-	-	-	-	-
29,202	1,083,620	12,374,362	9,501,561	505,595	-	43,882	3,510,665
46,083	(890,476)	(6,455,296)	4,137,338	(37,291)	9,400	(425)	(2,133,110)
-	1,159,815	-	-	-	-	-	-
-	-	(270)	(10,082)	-	-	-	(25,265)
-	-	8,150,000	-	-	-	-	-
-	-	329,749	-	-	-	-	-
-	1,159,815	8,479,479	(10,082)	-	-	-	(25,265)
46,083	269,339	2,024,183	4,127,256	(37,291)	9,400	(425)	(2,158,375)
620,012	1,582,965	9,633,439	1,210,864	156,475	-	104,121	4,922,128
\$ 666,095	\$ 1,852,304	\$ 11,657,622	\$ 5,338,120	\$ 119,184	\$ 9,400	\$ 103,696	\$ 2,763,753

(continued)

**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES**
Nonmajor Governmental Funds
For the Year Ended December 31, 2018

	Special Revenue Funds					TOTALS
	Traffic Safety	Museum Trust	Jones Foundation Trust	Longmont Urban Renewal Authority	Village at the Peaks	
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ 2,256,210	\$ 248,502	\$ 19,875,293
Licenses and permits	-	-	-	-	-	17,527,496
Developer/owner participation	-	-	-	-	-	1,320,359
Intergovernmental	-	-	-	-	-	16,916,065
Charges for services	13,470	26,040	-	-	-	1,953,177
Fines and forfeits	-	-	-	-	-	41,650
Investment income	299	849	1,068	-	26,791	1,823,641
Private grants	-	2,000	-	-	-	350,219
Miscellaneous	-	710	-	-	-	995,063
Total revenues	13,769	29,599	1,068	2,256,210	275,293	60,802,963
EXPENDITURES						
Current:						
General governmental	-	-	-	461,330	3,702	14,120,387
Public safety	7,480	-	-	-	-	9,160,156
Highways and streets	-	-	-	-	-	611,555
Culture and recreation	-	22,185	-	-	-	3,065,805
Municipal utility system	-	-	-	-	-	237,579
Capital Outlay	-	-	-	-	-	18,632,277
Debt service:						
Bond principal retired	-	-	-	-	875,000	2,060,000
Interest and fiscal charges	-	-	-	-	1,254,605	2,194,919
Total expenditures	7,480	22,185	-	461,330	2,133,307	50,082,678
Excess of revenues over (under) expenditures	6,289	7,414	1,068	1,794,880	(1,858,014)	10,720,285
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	1,794,886	3,045,906
Transfers out	-	-	-	(1,794,886)	-	(3,056,071)
Proceeds from bonds	-	-	-	-	-	8,150,000
Premium on issuance of long-term debt	-	-	-	-	-	329,749
Total other financing sources (uses)	-	-	-	(1,794,886)	1,794,886	8,469,584
Excess of revenues and other sources over Net change in fund balances	6,289	7,414	1,068	(6)	(63,128)	19,189,871
FUND BALANCES, January 1	13,679	46,287	61,900	6,923	566,446	87,668,444
FUND BALANCES, December 31	\$ 19,968	\$ 53,701	\$ 62,968	\$ 6,917	\$ 503,318	\$ 106,858,314

Capital Projects Fund	Permanent Fund	Total Nonmajor Governmental Funds
<u>Public Improvement Capital Projects</u>	<u>Mosher/Kanemoto/ StewartTrust</u>	<u>Total Nonmajor Governmental Funds</u>
\$ 6,356,829	\$ -	\$ 26,232,122
-	-	17,527,496
-	-	1,320,359
-	-	16,916,065
-	-	1,953,177
-	-	41,650
119,101	20,965	1,963,707
-	-	350,219
6,269	-	1,001,332
<u>6,482,199</u>	<u>20,965</u>	<u>67,306,127</u>
770,103	-	14,890,490
-	-	9,160,156
-	-	611,555
-	-	3,065,805
-	-	237,579
3,755,866	-	22,388,143
2,560,000	-	4,620,000
266,705	-	2,461,624
<u>7,352,674</u>	<u>-</u>	<u>57,435,352</u>
(870,475)	20,965	9,870,775
-	-	3,045,906
(32,902)	-	(3,088,973)
-	-	8,150,000
-	-	329,749
<u>(32,902)</u>	<u>-</u>	<u>8,436,682</u>
(903,377)	20,965	18,307,457
5,780,534	1,214,206	94,663,184
<u>\$ 4,877,157</u>	<u>\$ 1,235,171</u>	<u>\$ 112,970,641</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, 2018

	Final Budget	Actual	Variance From Final Budget
REVENUES			
Intergovernmental	\$ 800,000	\$ 944,655	\$ 144,655
Investment income	8,904	132,723	123,819
Total revenues	808,904	1,077,378	268,474
EXPENDITURES			
Culture and recreation	67,139	69,831	(2,692)
Capital Outlay	5,588,897	708,230	4,880,667
Total Expenditures	5,656,036	778,061	4,877,975
Net change in fund balance	(4,847,132)	299,316	5,146,448
FUND BALANCE, January 1	7,476,116	7,476,116	-
FUND BALANCE, December 31	\$ 2,628,984	\$ 7,775,432	\$ 5,146,448

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, 2018

	Final Budget	Actual	Variance From Final Budget
REVENUES			
Licenses and permits	\$ 2,107,950	\$ 5,235,706	\$ 3,127,756
Intergovernmental	-	32,891	32,891
Investment income	28,960	231,498	202,538
Total revenues	2,136,910	5,500,095	3,363,185
EXPENDITURES			
Culture and recreation	24,079	2,579	21,500
Capital Outlay	7,969,300	676,493	7,292,807
Total Expenditures	7,993,379	679,072	7,314,307
Excess of revenues over expenditures	(5,856,469)	4,821,023	10,677,492
OTHER FINANCING (USES)			
Transfer out	(65,500)	(1,592)	63,908
Total other financing (uses)	(65,500)	(1,592)	63,908
Net change in fund balance	(5,921,969)	4,819,431	10,741,400
FUND BALANCE, January 1	10,738,505	10,738,505	-
FUND BALANCE, December 31	\$ 4,816,536	\$ 15,557,936	\$ 10,741,400

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, 2018

	Final Budget	Actual	Variance From Final Budget
REVENUES			
Taxes	\$ 115,000	\$ 128,713	\$ 13,713
Investment income	1,280	2,752	1,472
Miscellaneous	-	1,512	1,512
Total revenues	116,280	132,977	16,697
EXPENDITURES			
General government	107,015	88,358	18,657
Net change in fund balance	9,265	44,619	35,354
FUND BALANCE, January 1	93,639	93,639	-
FUND BALANCE, December 31	\$ 102,904	\$ 138,258	\$ 35,354

COMMUNITY DEVELOPMENT BLOCK GRANT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
Year Ended December 31, 2018

	Final Budget	Actual	Variance From Final Budget
REVENUES			
Intergovernmental	\$ 54,050,373	\$ 12,742,895	\$ (41,307,478)
Investment income	-	31,983	31,983
Miscellaneous	42,000	271,803	229,803
Total revenues	54,092,373	13,046,681	(41,045,692)
EXPENDITURES			
General government	44,075,062	13,035,669	31,039,393
Capital Outlay	9,984,507	583,224	9,401,283
Total expenditures	54,059,569	13,618,893	40,440,676
Excess of revenues over (under) expenditures	32,804	(572,212)	(605,016)
Net change in fund balance	32,804	(572,212)	(605,016)
FUND BALANCE, January 1	(128,820)	(128,820)	-
FUND BALANCE, December 31	\$ (96,016)	\$ (701,032)	\$ (605,016)

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, 2018

	Final Budget	Actual	Variance From Final Budget
REVENUES			
Licenses and permits	\$ 90,000	\$ 104,409	\$ 14,409
Investment income	1,450	4,587	3,137
Miscellaneous	-	160	160
Total revenues	91,450	109,156	17,706
EXPENDITURES			
General government	67,831	52,845	14,986
Capital Outlay	60,000	-	60,000
Total Expenditures	127,831	52,845	74,986
Excess of revenues over (under) expenditures	(36,381)	56,311	92,692
OTHER FINANCING SOURCES			
Transfer in General Fund	-	7,149	7,149
Total other financing sources	-	7,149	7,149
Net change in fund balance	(36,381)	63,460	99,841
FUND BALANCE, January 1	248,161	248,161	-
FUND BALANCE, December 31	\$ 211,780	\$ 311,621	\$ 99,841

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, 2018

	Final Budget	Actual	Variance From Final Budget
REVENUES			
Charges for services	\$ 1,500	\$ 3,600	\$ 2,100
Investment income	-	142	142
Total revenues	1,500	3,742	2,242
EXPENDITURES			
General government	2,000	1,103	897
Excess of revenues (under) expenditures	(500)	2,639	3,139
Net change in fund balance	(500)	2,639	3,139
FUND BALANCE, January 1	6,850	6,850	-
FUND BALANCE, December 31	\$ 6,350	\$ 9,489	\$ 3,139

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, 2018

	Final Budget	Actual	Variance From Final Budget
REVENUES			
Intergovernmental	\$ -	\$ 5,395	\$ 5,395
Investment income	-	224	224
<hr/>			
Total revenues	-	5,619	5,619
EXPENDITURES			
Public safety	4,854	512	4,342
<hr/>			
Excess of revenues (under) expenditures	(4,854)	5,107	9,961
Net change in fund balance	(4,854)	5,107	9,961
<hr/>			
FUND BALANCE, January 1	20,044	20,044	-
<hr/>			
FUND BALANCE, December 31	\$ 15,190	\$ 25,151	\$ 9,961

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, 2018

	Final Budget	Actual	Variance From Final Budget
REVENUES			
Charges for services	\$ -	\$ 804	\$ 804
Intergovernmental	10,794	11,122	328
Investment income	-	2,673	2,673
Private grants/donations	18,701	39,604	20,903
<hr/>			
Total revenues	29,495	54,203	24,708
EXPENDITURES			
Public safety	62,022	22,007	40,015
<hr/>			
Excess of revenues over (under) expenditures	(32,527)	32,196	64,723
Net change in fund balance	(32,527)	32,196	64,723
<hr/>			
FUND BALANCE, January 1	132,208	132,208	-
<hr/>			
FUND BALANCE, December 31	\$ 99,681	\$ 164,404	\$ 64,723

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, 2018

	Final Budget	Actual	Variance From Final Budget
REVENUES			
Charges for services	\$ -	\$ 13,784	\$ 13,784
Intergovernmental	708,787	741,407	32,620
Investment income	-	3,590	3,590
Private grant	61,810	61,853	43
Total revenues	770,597	820,634	50,037
EXPENDITURES			
Culture and recreation	495,024	333,931	161,093
Capital Outlay	464,510	418,074	46,436
Total Expenditures	959,534	752,005	207,529
Excess of revenues over (under) expenditures	(188,937)	68,629	257,566
OTHER FINANCING SOURCES			
Transfer out	(4,430)	(4,009)	421
Net change in fund balance	(193,367)	64,621	257,988
FUND BALANCE, January 1	242,868	242,868	-
FUND BALANCE, December 31	\$ 49,501	\$ 307,489	\$ 257,988

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, 2018

	Final Budget	Actual	Variance From Final Budget
REVENUES			
Developer participation	\$ -	\$ 1,273,718	\$ 1,273,718
Investment income	-	24,485	24,485
Total revenues	-	1,298,203	1,298,203
Net change in fund balance	-	1,298,203	1,298,203
FUND BALANCE, January 1	633,800	633,800	-
FUND BALANCE, December 31	\$ 633,800	\$ 1,932,003	\$ 1,298,203

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, 2018

	Final Budget	Actual	Variance From Final Budget
REVENUES			
Licenses and permits	\$ 777,100	\$ 2,306,999	\$ 1,529,899
Investment income	6,623	67,272	60,649
<hr/>			
Total revenues	783,723	2,374,271	1,590,548
EXPENDITURES			
Highways and streets	300,266	611,555	(311,289)
Capital Outlay	1,994,494	121,825	1,872,669
<hr/>			
Total Expenditures	2,294,760	733,380	1,561,380
Net change in fund balance	(1,511,037)	1,640,891	3,151,927
<hr/>			
FUND BALANCE, January 1	2,738,728	2,738,728	-
<hr/>			
FUND BALANCE, December 31	\$ 1,227,691	\$ 4,379,619	\$ 3,151,927

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, 2018

	Final Budget	Actual	Variance From Final Budget
REVENUES			
Investment income	\$ -	\$ 17,812	\$ 17,812
Total revenues	-	17,812	17,812
EXPENDITURES			
General Government	-	51,466	(51,466)
Capital Outlay	1,281,938	533,528	748,410
Total expenditures	1,281,938	584,994	696,944
Excess of revenues over expenditures	(1,281,938)	(567,182)	714,756
OTHER FINANCING (USES)			
Transfer out Art in Public Places fund	(22,443)	(4,222)	18,221
Net change in fund balance	(1,304,381)	(571,404)	732,977
FUND BALANCE, January 1	1,300,381	1,300,381	-
FUND BALANCE, December 31	\$ (4,000)	\$ 728,977	\$ 732,977

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, 2018

	Final Budget	Actual	Variance From Final Budget
REVENUES			
Licenses and permits	\$ 773,872	\$ 1,093,385	\$ 319,513
Investment income	15,000	88,672	73,672
Total revenues	788,872	1,182,057	393,185
EXPENDITURES			
Municipal utility systems	54,000	71,711	(17,711)
Capital Outlay	2,100,367	429,139	1,671,228
Total Expenditures	2,154,367	500,850	1,653,517
Excess of revenues over expenditures	(1,365,495)	681,207	2,046,702
Net change in fund balance	(1,365,495)	681,207	2,046,702
FUND BALANCE, January 1	4,622,778	4,622,778	-
FUND BALANCE, December 31	\$ 3,257,283	\$ 5,303,985	\$ 2,046,702

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, 2018

	Final Budget	Actual	Variance From Final Budget
REVENUES			
Licenses and permits	\$ 2,360,400	\$ 5,696,517	\$ 3,336,117
Developer/owner participation	-	18,949	18,949
Investment income	124,600	511,439	386,839
Total revenues	2,485,000	6,226,905	3,741,905
EXPENDITURES			
Municipal utility systems	15,000	147,243	(132,243)
Capital Outlay	2,869,723	792,212	2,077,511
Total Expenditures	2,884,723	939,455	1,945,268
Excess of revenues over expenditures	(399,723)	5,287,450	5,687,173
OTHER FINANCING (USES)			
Transfer out	(645,713)	(633,214)	12,499
Net change in fund balance	(1,045,436)	4,654,236	5,699,672
FUND BALANCE, January 1	27,252,304	27,252,304	-
FUND BALANCE, December 31	\$ 26,206,868	\$ 31,906,540	\$ 5,699,672

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, 2018

	Final Budget	Actual	Variance From Final Budget
REVENUES			
Charges for services	\$ 5,000	\$ 533,000	\$ 528,000
Investment income	30,100	112,651	82,551
<hr/>			
Total revenues	35,100	645,651	610,551
EXPENDITURES			
Municipal utility systems	100,000	10,226	89,774
Capital Outlay	5,835,000	800,000	5,035,000
<hr/>			
Total Expenditures	5,935,000	810,226	5,124,774
Net change in fund balance	(5,899,900)	(164,575)	5,735,325
FUND BALANCE, January 1	6,804,622	6,804,622	-
<hr/>			
FUND BALANCE, December 31	\$ 904,722	\$ 6,640,047	\$ 5,735,325

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, 2018

	Final Budget	Actual	Variance From Final Budget
REVENUES			
Investment income	\$ 1,000	\$ 7,185	\$ 6,185
EXPENDITURES			
Capital Outlay	415,000	-	415,000
Total Expenditures	415,000	-	415,000
Net change in fund balance	(414,000)	7,185	421,185
FUND BALANCE, January 1	416,173	416,173	-
FUND BALANCE, December 31	\$ 2,173	\$ 423,358	\$ 421,185

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, 2018

	Final Budget	Actual	Variance From Final Budget
REVENUES			
Licenses and permits	\$ 1,633,800	\$ 3,090,230	\$ 1,456,430
Developer participation	-	27,692	27,692
Investment income	21,400	129,342	107,942
Total revenues	1,655,200	3,247,264	1,592,064
EXPENDITURES			
Municipal utility systems	6,000	8,399	(2,399)
Capital Outlay	1,180,952	-	1,180,952
Total Expenditures	1,186,952	8,399	1,178,553
Excess of revenues over (under) expenditures	468,248	3,238,865	2,770,617
OTHER FINANCING (USES)			
Transfer out			
Sewer Fund	(524,922)	(524,922)	-
Art in Public Places fund	(14,212)	(13,285)	927
Total other financing (uses)	(539,134)	(538,207)	927
Net change in fund balance	(70,886)	2,700,658	2,771,544
FUND BALANCE, January 1	5,520,273	5,520,273	-
FUND BALANCE, December 31	\$ 5,449,387	\$ 8,220,931	\$ 2,771,544

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, 2018

	Final Budget	Actual	Variance From Final Budget
REVENUES			
Intergovernmental	\$ 22,000	\$ -	(22,000)
Investment income	-	1,337	1,337
Private grants/donations	62,000	75,914	13,914
Miscellaneous	15,000	16,762	1,762
Total revenues	99,000	94,013	(4,987)
EXPENDITURES			
Culture and recreation	138,060	79,608	58,452
Capital Outlay	12,000	12,000	-
Total expenditures	150,060	91,608	58,452
Excess revenues over expenditures	(51,060)	2,405	53,465
OTHER FINANCING (USES)			
Transfer out General fund	(20,500)	(18,091)	2,409
Net change in fund balance	(71,560)	(15,686)	55,874
FUND BALANCE, January 1	178,611	178,611	-
FUND BALANCE, December 31	\$ 107,051	\$ 162,925	\$ 55,874

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, 2018

	Final Budget	Actual	Variance From Final Budget
REVENUES			
Intergovernmental	\$ 31,000	\$ 126,815	\$ 95,815
Charges for services	123,200	125,069	1,869
Investment income	-	2,274	2,274
Private grants/donations	49,400	44,380	(5,020)
Miscellaneous	2,500	3,566	1,066
Total revenues	206,100	302,104	96,004
EXPENDITURES			
Culture and recreation	285,862	222,759	63,103
Capital Outlay	89,922	88,573	1,349
Total Expenditures	375,784	311,332	64,452
Excess revenues over (under) expenditures	(169,684)	(9,228)	160,456
Net change in fund balance	(169,684)	(9,228)	160,456
FUND BALANCE, January 1	133,816	133,816	-
FUND BALANCE, December 31	\$ (35,868)	\$ 124,588	\$ 160,456

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, 2018

	Final Budget	Actual	Variance From Final Budget
REVENUES			
Licenses and permits	\$ -	\$ 250	250
Investment income	-	233	233
Total revenues	-	483	483
Net change in fund balance	-	483	483
FUND BALANCE, January 1	13,429	13,429	-
FUND BALANCE, December 31	\$ 13,429	\$ 13,912	483

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, 2018

	Final Budget	Actual	Variance From Final Budget
REVENUES			
Charges for services	\$ 58,500	\$ 33,569	(24,932)
Investment income	200	1,021	821
Private grants/donations	-	40	40
Total revenues	58,700	34,630	(24,070)
EXPENDITURES			
Culture and recreation	144,037	114,998	29,039
Excess of revenues (under) expenditures	(85,337)	(80,368)	4,969
OTHER FINANCING SOURCES			
Transfer in General fund	84,056	84,056	-
Net change in fund balance	(1,281)	3,688	4,969
FUND BALANCE, January 1	52,482	52,482	-
FUND BALANCE, December 31	\$ 51,201	\$ 56,170	4,969

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, 2018

	Final Budget	Actual	Variance From Final Budget
REVENUES			
Charges for services	\$ 221,465	\$ 191,308	\$ (30,157)
Investment income	-	4,404	4,404
Private grants/donations	85,000	124,428	39,428
Miscellaneous	500	711	212
Total revenues	306,965	320,851	13,886
EXPENDITURES			
Culture and recreation	388,915	281,419	107,496
Capital Outlay	14,851	39,971	(25,120)
Total Expenditures	403,766	321,390	82,376
Excess of revenues over expenditures	(96,801)	(538)	96,263
OTHER FINANCING (USES)			
Transfer out	(26,234)	(26,234)	-
Net change in fund balance	(123,035)	(26,772)	96,263
FUND BALANCE, January 1	246,237	246,237	-
FUND BALANCE, December 31	\$ 123,202	\$ 219,465	\$ 96,263

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, 2018

	Final Budget	Actual	Variance From Final Budget
REVENUES			
Intergovernmental	\$ 26,602	\$ 62,884	\$ 36,282
Investment income	-	10,402	10,402
Private grants/donations	2,600	2,000	(600)
Total revenues	29,202	75,286	46,084
EXPENDITURES			
Culture and recreation	2,600	29,202	(26,602)
Capital Outlay	26,602	-	26,602
Total Expenditures	29,202	29,202	-
Net change in fund balance	-	46,084	46,084
Excess of revenues over (under) expenditures and other financing uses	-	46,084	46,084
FUND BALANCE, January 1	620,012	620,012	-
FUND BALANCE, December 31	\$ 620,012	\$ 666,096	46,084

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, 2018

	Final Budget	Actual	Variance From Final Budget
REVENUES			
Investment income	\$ -	\$ 62,003	\$ 62,003
Charges for services	-	100	100
Miscellaneous	125,000	131,041	6,041
Total revenues	125,000	193,144	68,144
EXPENDITURES			
General government	1,755,777	382,031	1,373,746
Capital outlay	-	701,589	(701,589)
Total expenditures	1,755,777	1,083,620	672,157
Excess of revenues (under) expenditures	(1,630,777)	(890,476)	740,301
OTHER FINANCING SOURCES			
Transfer in General fund	1,159,815	1,159,815	-
Total other financing sources	1,159,815	1,159,815	-
Net change in fund balance	(470,962)	269,339	740,301
FUND BALANCE, January 1	1,582,965	1,582,965	-
Restated Fund Balance	1,582,965	1,582,965	
FUND BALANCE, December 31	\$ 1,112,003	\$ 1,852,304	\$ 740,301

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, 2018

	Final Budget	Actual	Variance From Final Budget
REVENUES			
Taxes	\$ 4,102,189	\$ 4,296,909	\$ 194,720
Intergovernmental	1,062,801	828,734	(234,067)
Investment income	6,871	234,579	227,708
Miscellaneous	55,000	558,844	503,844
Total revenues	5,226,861	5,919,066	692,205
EXPENDITURES			
Current:			
Culture and Recreation	1,331,834	1,262,023	69,811
Capital Outlay	13,368,918	8,987,025	4,381,893
Debt Service:			
Bond principal retired	1,185,000	1,185,000	-
Interest and fiscal charges	940,314	940,314	-
Total expenditures	16,826,066	12,374,362	4,451,704
Excess of revenues over (under) expenditures	(11,599,205)	(6,455,296)	5,143,909
OTHER FINANCING SOURCES (USES)			
Transfers out			
Art in Public Places Fund	(2,707)	-	2,707
General Fund	(270)	(270)	-
Proceeds from bonds	8,450,000	8,150,000	8,150,000
Premium on issuance of long-term debt	-	329,749	329,749
Total other financing sources (uses)	8,447,023	8,479,479	8,482,456
Net changes in fund balance	(3,152,182)	2,024,183	13,626,365
FUND BALANCE, January 1	9,633,439	9,633,439	-
FUND BALANCE, December 31	\$ 6,481,257	\$ 11,657,622	\$ 13,626,365

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, 2018

	Final Budget	Actual	Variance From Final Budget
REVENUES			
Taxes	\$ 11,702,911	\$ 12,468,351	\$ 765,440
Intergovernmental	1,825,115	1,067,493	(757,622)
Charges for service	69,800	45,930	(23,870)
Investment income	12,160	47,172	35,012
Miscellaneous	-	9,953	9,953
Total revenues	13,609,986	13,638,899	28,913
EXPENDITURES			
Current:			
Public Safety	10,933,107	9,130,156	1,802,951
Capital Outlay	3,047,348	371,405	2,675,943
Total expenditures	13,980,455	9,501,561	4,478,894
Excess of revenues over (under) expenditures	(370,469)	4,137,338	4,507,807
OTHER FINANCING SOURCES (USES)			
Transfers out			
Art in Public Places fund	(9,766)	-	9,766
General Fund	(10,082)	(10,082)	-
Total other financing (uses)	(19,848)	(10,082)	9,766
Net changes in fund balance	(390,317)	4,127,256	4,517,573
FUND BALANCE, January 1	1,210,864	1,210,864	-
FUND BALANCE, December 31	\$ 820,547	\$ 5,338,120	\$ 4,517,573

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, 2018

	Final Budget	Actual	Variance From Final Budget
REVENUES			
Taxes	\$ 484,021	\$ 467,209	\$ (16,812)
Investment income	-	1,095	1,095
<hr/>			
Total revenues	484,021	468,304	(15,717)
EXPENDITURES			
Culture and recreation	522,408	505,595	16,813
Capital Outlay	72,144	-	72,144
<hr/>			
Total Expenditures	594,552	505,595	88,957
Excess of revenues over (under) expenditures	(110,531)	(37,291)	73,240
OTHER FINANCING (USES)			
Transfers out			
Art in Public Places fund	(726)	-	726
<hr/>			
Net changes in fund balance	(111,257)	(37,291)	73,966
FUND BALANCE, January 1	156,475	156,475	-
<hr/>			
FUND BALANCE, December 31	\$ 45,218	\$ 119,184	\$ 73,966

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, 2018

	Final Budget	Actual	Variance From Final Budget
REVENUES			
Fines and forfeits	\$ 50,000	\$ 41,650	\$ (8,350)
Investment income	800	1,807	1,007
Total revenues	50,800	43,457	(7,343)
EXPENDITURES			
General government	86,728	43,882	42,846
Excess of revenues over (under) expenditures	(35,928)	(425)	35,503
Net changes in fund balance	(35,928)	(425)	35,503
FUND BALANCE, January 1	104,121	104,121	-
FUND BALANCE, December 31	\$ 68,193	\$ 103,696	\$ 35,503

PARK/GREENWAY MAINTENANCE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP) BASIS AND ACTUAL
For the Year Ended December 31, 2018

	Final Budget	Actual	Variance From Final Budget
REVENUES			
Charges for service	\$ 939,038	\$ 966,503	\$ 27,465
Intergovernmental	-	351,775	351,775
Investment income	774	59,277	58,503
Total revenues	939,812	1,377,555	437,743
EXPENDITURES			
Culture and recreation	30,552	141,676	(111,124)
Capital Outlay	5,732,095	3,368,989	2,363,106
Total Expenditures	5,762,647	3,510,665	2,251,982
Excess of revenues (under) expenditures	(4,822,835)	(2,133,110)	2,689,725
OTHER FINANCING SOURCES (USES)			
Transfers out			
Art in Public Places fund	(34,381)	(25,265)	9,116
Total other financing sources (uses)	(34,381)	(25,265)	9,116
Net change in fund balance	(4,857,216)	(2,158,375)	2,698,841
FUND BALANCE, January 1	4,922,128	4,922,128	-
FUND BALANCE, December 31	\$ 64,912	\$ 2,763,753	\$ 2,698,841

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, 2018

	Final Budget	Actual	Variance From Final Budget
REVENUES			
Charges for services	\$ 13,920	\$ 13,470	\$ (450)
Investment income	-	299	299
Total revenues	13,920	13,769	(151)
EXPENDITURES			
Public safety	13,920	7,480	6,440
Net change in fund balance	-	6,289	6,289
FUND BALANCE, January 1	13,679	13,679	-
FUND BALANCE, December 31	\$ 13,679	\$ 19,968	\$ 6,289

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, 2018

	Final Budget	Actual	Variance From Final Budget
REVENUES			
Charges for services	\$ 29,000	\$ 26,040	\$ (2,960)
Investment income	-	849	849
Private grants/donations	2,000	2,000	-
Miscellaneous	-	710	710
Total revenues	31,000	29,599	(1,401)
EXPENDITURES			
Culture and recreation	29,000	22,185	6,815
Excess of revenues over expenditures	2,000	7,414	5,414
Excess of revenues over (under) expenditures and other financing uses	2,000	7,414	5,414
FUND BALANCE, January 1	46,287	46,287	-
FUND BALANCE, December 31	\$ 48,287	\$ 53,701	\$ 5,414

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, 2018

	Final Budget	Actual	Variance From Final Budget
REVENUES			
Investment income	\$ -	\$ 1,068	\$ 1,068
Net change in fund balance	-	1,068	1,068
FUND BALANCE, January 1	61,900	61,900	-
FUND BALANCE, December 31	\$ 61,900	\$ 62,968	1,068

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, 2018

	Final Budget	Actual	Variance From Final Budget
REVENUES			
Taxes	\$ 2,299,844	\$ 2,256,210	\$ (43,634)
Total revenues	2,299,844	2,256,210	(43,634)
EXPENDITURES			
General government	320,000	461,330	(141,330)
Excess of revenues over expenditures	1,979,844	1,794,880	(184,964)
OTHER FINANCING SOURCES			
Transfers out	(1,979,844)	(1,794,886)	184,958
Total other financing sources	(1,979,844)	(1,794,886)	184,958
Net change in fund balance	-	(6)	(6)
FUND BALANCE, January 1	6,923	6,923	-
FUND BALANCE, December 31	\$ 6,923	\$ 6,917	(6)

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, 2018

	Final Budget	Actual	Variance From Final Budget
REVENUES			
Taxes	\$ 246,000	\$ 248,502	\$ 2,502
Investment income	-	26,791	26,791
Total revenues	246,000	275,293	29,293
EXPENDITURES			
Current:			
General government	3,500	3,702	(202)
COP Principal Payment	875,000	875,000	-
Interest on Lease payments	1,254,605	1,254,605	-
Total expenditures	2,133,105	2,133,307	(202)
Excess of revenues over (under) expenditures	(1,887,105)	(1,858,014)	29,091
OTHER FINANCING SOURCES (USES)			
Transfers in	1,759,844	1,794,886	35,042
Total other financing sources (uses)	1,759,844	1,794,886	35,042
Net changes in fund balance	(127,261)	(63,128)	64,133
FUND BALANCE, January 1	566,446	566,446	-
FUND BALANCES, December 31	\$ 439,185	503,318	\$ 64,133

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, 2018

	Final Budget	Actual	Variance From Final Budget
REVENUES			
Investment income	\$ -	\$ 20,964	\$ 20,964
Net change in fund balance	-	20,964	20,964
FUND BALANCE, January 1	1,214,206	1,214,206	-
FUND BALANCE, December 31	\$ 1,214,206	\$ 1,235,170	\$ 20,964

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, 2018**

Project Number	Project	Appropriations	
		Budget Carryforward	2018
INCENTIVES AND DEBT PAYMENTS			
	DDA Building Permits	\$ 12,577	\$ 56,000
	Neighborhood Improvement Program	1,020,000	50,000
	Economic Development Incentives	37,748	414,245
	Debt Service - Principal	31,640,240	2,560,000
	Debt Service - Interest	25,560,906	239,100
	Fiscal Charges	61,985	4,550
	SUBTOTAL	58,333,456	3,323,895
PUBLIC IMPROVEMENTS CAPITAL PROJECTS- (Including AIPP)			
PBF001	Municipal Building Roof Improvements	4,432,997	70,007
PBF002	ADA Facility Improvements	1,660,061	193,856
PBF037	Fire Stations-Heat & Exhaust	1,316,739	138,750
PBF080	Municipal Building Boilers	1,266,058	32,330
PBF082	Municipal Buildings HVAC	4,014,106	919,292
PBF109	Parking Lot Rehabilitation	1,017,107	140,000
PBF119	Municipal Buildings Carpet	1,667,940	111,100
PBF145	Specialized Equipment Replacement	2,149,550	219,850
PBF153	Museum Auditorium	5,557,269	
PBF160	Municipal Buildings Auto Door Gate	70,000	
PBF163	Municipal Buildings Keyless Entry	13,000	
PBF165	Municipal Buildings Emergency Generator	177,600	
PBF178	Council Chambers Remodel		10,000
PBF181	UPS Repair/Replacement	236,064	20,000
PBF185	Rec Center Facility Imprvmt	136,350	
PBF189	Municipal Buildings Exterior Maintenance	124,300	15,000
PBF190	Municipal Buildings Interior Maintenance	184,324	19,800
PBF200	Civic Center Rehabilitation	2,561,538	
PBF207	Museum Collection Storage Facility	901,750	
PRO056	Park Bldg Rehab Replace	484,459	
PRO102	Swimming and Wading Pool Improvements	5,794,281	255,042
PRO113	Park Irrigation Pumps	1,103,750	120,000
PRO121	Parks Ponds Dredging	131,990	53,025
PRO136	Parks Bridge Replacement	508,077	
PRO143	Garden Acres Park Renewal	-	
PRO186	Sport Court Reconstruction	1,681,551	263,103
PRO192	Park Greenway Misc Asset Renewal	-	
TRP128	County Rd 26 Improvements County Line to Union	110,000	
TRP131	1st & Main Transit Station Area Imp		
	Public Safety Radios	4,177,446	800,000
	SUBTOTAL	41,478,307	3,381,155
CAPITAL PROJECTS FUND TOTAL		\$ 99,811,763	\$ 6,705,050

Transfers (to) from				
Current Year Allocations to Other Projects	Fund Balance	Expenditures Prior	2018	Unexpended Balance
\$ -	\$ 310,085	\$ 322,662	\$ 54,583	\$ 1,417
	(38,653)	906,690	21,716	102,941
	6,300	44,048	21,079	393,166
	14,990	31,655,230	2,560,000	-
	(912,240)	24,648,666	239,100	-
	(3,335)	63,050	150	-
-	(622,853)	57,640,346	2,896,628	497,524
(683,841)	(552,325)	3,126,831	4,500	135,507
(43,102)	92,484	1,269,893	287,037	346,369
	(83,426)	1,090,563	125,230	156,270
(43,878)	(323,964)	890,368	35,270	4,908
(40,863)	(571,331)	3,308,031	805,048	208,125
(119,156)	(135,855)	757,726	82,367	62,003
(29,515)	(276,680)	1,356,146		116,699
	(223,301)	1,708,569	208,671	228,859
	(1,627,882)	3,929,387		-
(10,546)	(15,339)	44,115		-
(10,220)	-	2,780		-
	(32,086)	145,514		-
	-		7,165	2,835
(16,086)	(74,083)	145,895	15,629	4,371
	42,616	133,886		45,080
(194)	(10,920)	113,186		15,000
(15,772)	(12,518)	156,034		19,800
1,013,861	1,640,462	564,040	2,353,143	2,298,678
	(857,121)	44,629		-
(688)	6,176	489,947		-
	(526,208)	5,072,217	119,607	331,291
	38,607	1,122,392	110,540	29,425
	(131)	96,403	2,300	86,181
	(156,284)	232,708	67,359	51,726
	194,319	58,511	134,668	1,140
	(201,256)	1,357,639	65,981	319,778
	69,565	50,363	19,202	-
	(673)	91,700	17,627	-
	857,121	-		857,121
	(2,246,745)	1,930,701	400,000	400,000
-	(4,986,778)	29,290,174	4,861,344	5,721,166
\$ -	\$ (5,609,631)	\$ 86,930,520	\$ 7,757,972 (1)	\$ 6,218,690

(1) The 2018 Public Improvement Capitol Projects Fund differs from total expenditures due to the principal payment for an advance from the Fleet Fund for Public Safety radios that reduced the advance on the balance sheet.



The Longmont Museum's annual Day of the Dead celebration is the largest in Colorado

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, 2018**

	Sanitation	Golf	Airport	TOTALS
ASSETS				
Current assets:				
Equity in pooled cash & cash equivalents	\$ 5,379,866	\$ 1,796,082	\$ 397,105	\$ 7,573,053
Cash and cash equivalents	262,955	-	-	262,955
Accounts receivable (net of allowance for doubtful accounts)	1,080,484	-	-	1,080,484
Grants receivable	93,700	-	59,039	152,739
Accrued interest receivable	13,228	5,071	461	18,760
Prepaid expenses	1,685	-	-	1,685
Total current assets	6,831,918	1,801,153	456,605	9,089,676
Property, plant and equipment:				
Land and water rights	555,234	1,122,462	148,739	1,826,435
Construction in progress	4,343,035	171,708	833,390	5,348,133
Buildings	2,129,653	1,885,815	257,376	4,272,844
Improvements (other than buildings)	763,596	8,313,533	6,747,822	15,824,951
Equipment	3,099,717	218,219	90,661	3,408,597
Total property and equipment	10,891,235	11,711,737	8,077,988	30,680,960
Less - accumulated depreciation	3,865,658	8,746,808	4,672,047	17,284,513
Net property and equipment	7,025,577	2,964,929	3,405,941	13,396,447
Total assets	13,857,495	4,766,082	3,862,546	22,486,123
DEFERRED OUTFLOW OF RESOURCES				
Related to OPEB	8,140	2,801	498	11,439
City Contributions Subsequent to the Measurement Date	123,632	42,542	7,567	173,741
Actual experience less than expected experience	71,441	24,614	4,403	100,458
Total deferred outflows of resources	203,213	69,957	12,468	285,638
Total assets and deferred outflows of resources	\$ 14,060,708	\$ 4,836,039	\$ 3,875,014	\$ 22,771,761

(continued)

**COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS
December 31, 2018**

	Sanitation	Golf	Airport	TOTALS
LIABILITIES AND NET POSITION				
Current liabilities:				
Payable from current assets:				
Accounts payable	\$ 542,772	\$ 12,277	\$ 29,670	\$ 584,719
Construction contracts payable	4,426	-	40,849	45,275
Accrued liabilities	94,420	31,667	5,822	131,909
Accrued sick and vacation - current portion	28,162	13,826	1,374	43,362
Advances from other funds - current portion	-	177,054	-	177,054
Total current liabilities	669,780	234,824	77,715	982,319
Long-term liabilities:				
Net other post employment benefit obligation	209,352	73,688	12,911	295,951
Net pension liability	279,667	96,356	17,234	393,257
Accrued sick and vacation	159,584	78,345	7,785	245,714
Advances from other funds	-	408,972	-	408,972
Net long-term liabilities	648,603	657,361	37,930	1,343,894
Total liabilities	1,318,383	892,185	115,645	2,326,213
Deferred inflows of resources:				
Related to pension	148,901	51,302	9,176	209,379
Related to OPEB	35,953	12,372	2,201	50,526
Total deferred inflows of resources	184,854	63,674	11,376	259,904
Net position:				
Net investment in capital assets	7,021,151	2,964,929	3,365,092	13,351,172
Unrestricted	5,536,320	915,251	382,901	6,834,472
Total net position	12,557,471	3,880,180	3,747,993	20,185,644
Total liabilities and net position	\$ 14,060,708	\$ 4,836,039	\$ 3,875,014	\$ 22,771,761

**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
NONMAJOR ENTERPRISE FUNDS
Year Ended December 31, 2018**

	Sanitation	Golf	Airport	TOTALS
OPERATING REVENUES				
Charges for services	\$ 9,026,887	\$ 2,758,926	\$ 466,491	\$ 12,252,304
OPERATING EXPENSES				
Administration	508,944	111,203	193,861	814,008
Maintenance/development	-	2,133,746	74,506	2,208,252
Trash collection	5,978,498	-	-	5,978,498
Landfill	13,324	-	-	13,324
Depreciation	75,543	97,141	299,168	471,852
Administrative fees	611,671	196,496	93,974	902,141
Total operating expenses	7,187,980	2,538,586	661,509	10,388,075
Operating income (loss)	1,838,907	220,340	(195,018)	1,864,229
NON-OPERATING REVENUES (EXPENSES)				
Investment income	80,576	32,405	5,620	118,601
Miscellaneous	47,639	220	30,949	78,809
Intergovernmental	293,655	-	-	293,655
Interest expense	-	(10,099)	-	(10,099)
Net non-operating revenues (expenses)	421,870	22,526	36,569	480,965
Change in net position before transfers and capital contributions	2,260,777	242,866	(158,449)	2,345,194
CAPITAL CONTRIBUTIONS	-	-	501,971	501,971
TRANSFERS				
Transfers out	(10,483)	(11,690)	-	(22,173)
Net operating transfers	(10,483)	(11,690)	-	(22,173)
Change in net position	2,250,294	231,176	318,522	2,799,992
TOTAL NET POSITION-January 1	10,520,052	10,921,949	5,971,825	27,413,826
Cumulative effect of correction to prior period	(212,875)	(7,272,945)	(2,542,354)	(10,028,174)
Restated Net Position	10,307,177	3,649,004	3,429,471	17,385,651
TOTAL NET POSITION-December 31	\$ 12,557,471	\$ 3,880,180	\$ 3,747,993	\$ 20,185,644

COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
For the Year Ended December 31, 2018

	Sanitation	Golf	Airport	TOTALS
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers	\$ 9,119,695	\$ 2,761,512	\$ 422,946	\$ 12,304,153
Cash paid to suppliers	(4,494,842)	(1,446,291)	(159,605)	(6,100,738)
Cash paid to employees	(2,248,680)	(1,053,241)	(128,537)	(3,430,460)
Net cash provided by operating activities	2,376,173	261,980	134,804	2,772,957
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES				
Transfers out	(10,483)	(11,690)	-	(22,173)
Advances from other funds	-	(179,043)	-	(179,043)
Net cash (used) by non-capital financing activities	(10,483)	(190,733)	-	(201,216)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition and construction of capital assets	(1,000,354)	(59,842)	(589,699)	(1,649,895)
Lease/loan interest paid	-	(10,099)	-	(10,099)
Contributed capital received	293,655	-	517,424	811,079
Net cash provided (used) by capital and related financing activities	(706,699)	(69,941)	(72,275)	(848,915)
CASH FLOWS FROM INVESTING ACTIVITIES				
Investment income received (paid)	123,160	31,616	5,925	160,701
Net cash provided by investing activities	123,160	31,616	5,925	160,701
Net increase (decrease) in cash and cash equivalents	1,782,150	32,923	68,454	1,883,527
CASH AND CASH EQUIVALENTS, January 1	3,860,671	1,763,159	328,651	5,952,481
CASH AND CASH EQUIVALENTS, December 31	\$ 5,642,821	\$ 1,796,082	\$ 397,105	\$ 7,836,008

(continued)

**COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
For the Year Ended December 31, 2018**

	Sanitation	Golf	Airport	TOTALS
RECONCILIATION OF NET OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES				
Net operating income (loss)	\$ 1,838,907	\$ 220,340	\$ (220,018)	\$ 1,839,229
Adjustments to reconcile net operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	75,542	97,143	299,168	471,853
Miscellaneous income (expense)	47,640	220	30,949	78,809
Change in assets and liabilities:				
(Increase) decrease in accounts receivable	35,149	2,337	-	37,486
(Increase) decrease in intergovernmental receivable	79,323	-	(59,039)	20,284
(Increase) decrease in prepaid expense	(1,466)	-	-	(1,466)
Increase (decrease) in pension liability	(320,661)	(172,415)	12,232	(480,844)
Increase (decrease) in accounts payable	120,277	(63,549)	75,884	132,612
Increase (decrease) in accrued liabilities	29,084	8,193	1,452	38,729
Increase (decrease) in accrued sick and vacation	68,406	(12,113)	1,782	58,075
Increase (decrease) in net other post employment benefit obligation (inc prior period adj)	(3,205)	(1,104)	(37,871)	(42,180)
Increase (decrease) in deferred inflows pension	148,901	51,302	9,176	209,379
Increase (decrease) in deferred inflows OPEB	35,953	12,372	2,201	50,526
Increase (decrease) in deferred outflows pension	230,465	122,055	19,387	371,907
Increase (decrease) in deferred outflows OPEB	(8,140)	(2,801)	(498)	(11,439)
Total adjustments	537,266	41,640	354,822	933,728
Net cash provided by operating activities	\$ 2,376,173	\$ 261,980	\$ 134,804	\$ 2,772,957
RECONCILIATION OF CASH AND CASH EQUIVALENTS PER STATEMENT EQUIVALENTS PER STATEMENT OF CASH FLOWS TO THE STATEMENT OF NET POSITION				
Per Statement of net position:				
Equity in pooled cash and cash equivalents	\$ 5,642,821	\$ 1,796,082	\$ 397,105	\$ 7,836,008
Cash and Cash Equivalents per statement of cash flows	\$ 5,642,821	\$ 1,796,082	\$ 397,105	\$ 7,836,008
NON-CASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES				
The following non-cash transactions occurred during 2018:				
Transfers of assets to other funds	-	-	-	-
Capital asset deletions	-	(55)	-	(55)
Total non-cash transactions	\$ -	\$ (55)	\$ -	\$ (55)

**SANITATION ENTERPRISE FUND
SCHEDULE OF REVENUES AND EXPENSES -
BUDGET (LEGAL BASIS) AND ACTUAL
For the Year Ended December 31, 2018**

	Budget	Actual	Variance From Budget
REVENUES			
Charges for services	\$ 8,058,000	\$ 9,026,887	\$ 968,887
Intergovernmental	1,743,105	293,655	(1,449,450)
Investment income	21,866	80,576	58,710
Miscellaneous	46,000	47,640	1,640
Total revenues	9,868,971	9,448,758	(420,213)
EXPENSES			
Administration	536,961	508,944	28,017
Landfill operations	15,450	13,324	2,126
Trash removal	4,228,906	4,094,379	134,527
Special trash pickup	1,051,140	964,459	86,681
Curbside recycling	1,334,058	1,531,331	(197,273)
Transfers out	41,845	10,483	31,362
Total operations	7,208,360	7,122,920	85,440
Capital outlay	6,659,380	1,000,354	5,659,026
Total expenses	13,867,740	8,123,274	5,744,466
Excess of revenues over (under) expenses	\$ (3,998,769)	1,325,484	\$ 5,324,253
RECONCILIATION TO NET INCOME (GAAP BASIS)			
Add: Additions to plant and equipment			
Capital outlay		1,000,354	
Less: Depreciation		75,543	
Net Income (GAAP basis)		\$ 2,250,294	

GOLF ENTERPRISE FUND
SCHEDULE OF REVENUES AND EXPENSES -
BUDGET (LEGAL BASIS) AND ACTUAL
For the Year Ended December 31, 2018

	Budget	Actual	Variance From Budget
REVENUES			
Charges for services	\$ 2,662,500	\$ 2,758,926	\$ 96,426
Investment income	5,060	32,405	27,345
Miscellaneous	-	220	220
Total revenues	2,667,560	2,791,551	123,991
EXPENSES			
Administration	372,278	307,699	64,579
Course maintenance/development	2,272,676	2,133,746	138,930
Transfers out	18,167	11,690	6,477
Total operations	2,663,121	2,453,135	209,986
Debt service	133,144	10,099	123,045
Capital outlay	453,545	59,842	393,703
Total expenses	3,249,810	2,523,076	726,734
Excess of revenues (under) expenses	\$ (582,250)	268,475	\$ 850,725
RECONCILIATION TO NET INCOME (GAAP BASIS)			
Add: Additions to plant and equipment		59,842	
Capital outlay		59,842	
		97,141	
Less: Depreciation		97,141	
Net income (GAAP basis)		\$ 231,176	

**AIRPORT ENTERPRISE FUND
SCHEDULE OF REVENUES AND EXPENSES -
BUDGET (LEGAL BASIS) AND ACTUAL
For the Year Ended December 31, 2018**

	Budget	Actual	Variance From Budget
REVENUES			
Charges for services	\$ 450,391	\$ 466,491	\$ 16,100
Intergovernmental	505,008	501,971	(3,037)
Investment income	220	5,620	5,400
Miscellaneous	22,000	30,949	8,949
Total revenues	977,619	1,005,030	27,412
EXPENSES			
Administration	295,824	287,835	7,989
Maintenance	99,820	74,506	25,314
Total operations	395,644	362,341	33,303
Capital outlay	605,014	589,700	15,314
Total expenses	1,000,658	952,041	48,617
Excess of revenue over (under) expenses	\$ (23,039)	52,990	\$ 76,029

RECONCILIATION TO NET INCOME (GAAP BASIS)

Add: Capital outlay	589,700
	589,700
Less: Depreciation	299,168
Vehicle Transfers to Fleet	25,000
	324,168
Net income (GAAP basis)	\$ 318,522

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, 2018

	Budget	Actual	Variance From Budget
REVENUES			
Charges for services	\$ 84,005,843	\$ 80,634,329	\$ (3,371,514)
Intergovernmental	-	750	750
Investment income	149,480	242,457	92,977
Miscellaneous	166,380	159,247	(7,133)
Aid to underground installation	3,085,000	3,224,406	139,406
Other sales	81,000	72,173	(8,827)
Transfers in	29,710	29,710	-
Total revenues	87,517,413	84,363,072	(3,154,342)
EXPENSES			
Administration	6,656,446	6,087,456	568,990
Power purchased	51,323,487	49,634,480	1,689,007
Distribution	12,930,879	12,074,075	856,804
Franchise fee	5,560,664	5,312,894	247,770
Transfers out	73,021	59,355	13,666
Total operations	76,544,497	73,168,359	3,376,138
Debt service	4,462,500	1,388,525	3,073,975
Capital outlay	8,836,733	6,253,879	2,582,854
Total expenses	89,843,730	80,810,763	9,032,967
Excess of revenues (under) expenses	\$ (2,326,317)	\$ 3,552,309	\$ 5,878,625
RECONCILIATION TO NET INCOME (GAAP BASIS)			
Add: Additions to plant and equipment			
Capital outlay		6,253,879	
Capital contributions		429,139	
		<u>6,683,018</u>	
		6,683,018	
Less: Depreciation		4,005,405	
Vehicle transfers		147,504	
		<u>4,152,910</u>	
Net income (GAAP basis)		\$ 6,082,418	

**WATER ENTERPRISE FUND
SCHEDULE OF REVENUES AND EXPENSES -
BUDGET (LEGAL BASIS) AND ACTUAL
For the Year Ended December 31, 2018**

	Budget	Actual	Variance From Budget
REVENUES			
Charges for services	\$ 18,262,396	\$ 19,423,493	\$ 1,161,097
System development fees	1,750	-	(1,750)
Development fee surcharge	576,500	1,022,605	446,105
Intergovernmental	2,853,817	193,495	(2,660,322)
Investment income - operating	96,740	538,917	442,177
Miscellaneous	350,000	1,350,008	1,000,008
Transfer in	626,696	626,696	-
Total revenues	22,767,899	23,155,214	387,315
EXPENSES			
Administration	4,628,739	4,121,806	506,933
Water resources	2,695,863	2,177,932	517,931
Transmission/distribution	2,735,855	3,062,467	(326,612)
Treatment plant	3,400,507	3,171,472	229,035
Transfer out	109,175	54,791	54,384
Total operations	13,570,139	12,588,468	981,671
Debt service	1,185,890	1,317,483	(131,593)
Capital outlay	16,074,686	2,413,299	13,661,387
Total expenses	30,830,715	16,319,250	14,511,465
Excess of revenue over (under) expenses	\$ (8,062,816)	6,835,965	\$ 14,898,781
RECONCILIATION TO NET INCOME (GAAP BASIS)			
Add: Additions to plant and equipment			
Capital outlay		2,413,299	
Capital contributions		13,238,564	
		15,651,863	
Principal retired		1,083,530	
		16,735,393	
Less: Depreciation		4,489,168	
Vehicle transfers		16,711	
		4,505,879	
Net income (GAAP basis)		\$ 19,065,478	

SEWER ENTERPRISE FUND
SCHEDULE OF REVENUES AND EXPENSES -
BUDGET (LEGAL BASIS) AND ACTUAL
For the Year Ended December 31, 2018

	Budget	Actual	Variance From Budget
REVENUES			
Charges for services	\$ 14,572,000	\$ 14,668,488	\$ 96,488
Intergovernmental	155,034	305,409	150,375
Investment income	36,480	408,539	372,059
Miscellaneous	3,000	111,267	108,267
Transfers in	524,922	524,922	-
Total revenues	15,291,436	16,018,625	727,189
EXPENSES			
Administration	3,351,027	3,169,294	181,733
Sewer collection system	1,530,149	1,545,715	(15,566)
Sewer disposal plant	4,314,093	3,945,472	368,621
Transfers out	139,299	45,646	93,653
Total operations	9,334,568	8,706,127	628,441
Debt service	3,607,520	3,462,725	144,795
Capital outlay	16,576,817	5,497,336	11,079,481
Total expenses	29,518,905	17,666,188	11,852,717
Excess of revenues (under) expenses	\$ (14,227,469)	(1,647,563)	\$ 12,579,906
RECONCILIATION TO NET INCOME (GAAP BASIS)			
Add: Additions to plant and equipment			
Capital outlay		5,497,336	
Capital contributions		3,714,553	
		9,211,889	
Principal retired		1,780,000	
		10,991,889	
Less: Depreciation		4,146,464	
		4,146,464	
Net income (GAAP basis)		\$ 5,197,862	

**STORM DRAINAGE ENTERPRISE FUND
SCHEDULE OF REVENUES AND EXPENSES -
BUDGET (LEGAL BASIS) AND ACTUAL
For the Year Ended December 31, 2018**

	Budget	Actual	Variance From Budget
REVENUES			
Charges for services	\$ 6,969,300	\$ 7,055,596	\$ 86,296
Plant investment fee	246,900	686,588	439,688
Intergovernmental	17,900,326	2,020,525	(15,879,801)
Investment income	30,600	221,828	191,228
Miscellaneous	33,700	218,225	184,525
Total revenues	25,180,826	10,202,762	(14,978,064)
EXPENSES			
Administration	2,173,233	2,125,573	47,660
Engineering	880,998	1,857,358	(976,360)
Maintenance	1,118,180	1,079,440	38,740
Transfers out	22,990	7,740	15,250
Total operations	4,195,401	5,070,111	(874,710)
Debt service	2,437,988	2,333,362	104,626
Capital outlay	28,129,661	5,516,181	22,613,480
Total expenses	34,763,050	12,919,654	21,843,396
Excess of revenues over (under) expenses	\$ (9,582,224)	\$ (2,716,892)	\$ 6,865,332
RECONCILIATION TO NET INCOME (GAAP BASIS)			
Add: Additions to plant and equipment			
Capital outlay		5,516,181	
Capital contributions		3,698,481	
		9,214,662	
Principal retired		1,450,000	
		10,664,662	
Less: Depreciation		1,834,208	
		1,834,208	
Net income (GAAP basis)		\$ 6,113,562	

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, 2018

	Warehouse	Fleet	Self-Insurance
ASSETS			
Current assets:			
Equity in pooled cash & cash equivalents	\$ -	\$ 18,165,831	\$ 4,201,066
Accounts receivable	-	290	-
Accrued interest receivable	-	42,661	10,659
Inventory of materials and supplies	5,789,608	544,187	-
Advance to other funds	-	3,049,644	-
Restricted equity in pooled cash & cash equivalents	-	-	-
Prepaid expenses	-	606,088	385,174
Total current assets	5,789,608	22,408,701	4,596,899
Loan receivable-component unit	-	146,000	-
Property, plant and equipment:			
Land and water rights	-	333,200	-
Construction in progress	-	2,013,980	-
Buildings	-	1,735,705	-
Improvements (other than buildings)	-	3,087,845	-
Equipment	-	44,335,300	-
Total property and equipment	-	51,506,030	-
Less - accumulated depreciation	-	30,487,579	-
Net property, plant and equipment	-	21,018,451	-
Total assets	5,789,608	\$ 43,573,152	\$ 4,596,899
DEFERRED OUTFLOWS OF RESOURCES			
City contributions subsequent to the measurement date	-	78,247	-
Investment earnings less than expected	-	45,226	-
Actual experience less than expected experience	-	5,152	-
Total deferred outflows of resources	-	128,625	-
Total assets and deferred outflows of resources	\$ 5,789,608	\$ 43,701,777	\$ 4,596,899
LIABILITIES AND NET POSITION			
Current liabilities:			
Accounts payable	\$ 65,100	\$ 227,263	\$ 241,870
Contracts payable	-	-	11,547
Accrued liabilities	-	62,726	-
Due to other funds	5,724,508	-	-
Claims payable - current portion	-	-	380,949
Accrued sick and vacation - current portion	-	26,368	-
Total current liabilities	5,789,608	316,357	634,366
Long-term liabilities:			
Net pension liability	-	177,044	-
Net other post employment benefit obligation	-	130,035	-
Claims payable	-	-	248,756
Accrued sick and vacation	-	149,417	-
Net long-term liabilities	-	456,496	248,756
Total liabilities	5,789,608	772,853	883,122
DEFERRED INFLOWS OF RESOURCES			
Related to OPEB	-	22,755	-
Related to Pension	-	94,262	-
Total Deferred Inflows of Resources	-	117,017	-
Total Liabilities and Deferred inflows of Resources	5,789,608	889,870	883,122
Net position:			
Invested in capital assets	-	21,018,451	-
Restricted for workers' compensation	-	-	-
Restricted for long-term disability	-	-	-
Unrestricted	-	21,793,456	3,713,777
Total net position	-	42,811,907	3,713,777
Total liabilities and net position	\$ 5,789,608	\$ 43,701,777	\$ 4,596,899

Employee Benefit	Workers' Compensation Insurance	Unemployment Insurance	TOTALS
\$ 7,569,173	\$ 2,731,601	\$ 514,759	\$ 33,182,430
542,237	-	-	542,527
18,807	13,177	1,280	86,584
-	-	-	6,333,795
-	-	-	3,049,644
-	2,577,190	-	2,577,190
6,000	107,412	-	1,104,674
<u>8,136,217</u>	<u>5,429,380</u>	<u>516,039</u>	<u>46,876,844</u>
-	-	-	146,000
-	-	-	333,200
-	-	-	2,013,980
-	-	-	1,735,705
-	-	-	3,087,845
-	-	-	44,335,300
-	-	-	51,506,030
-	-	-	30,487,579
-	-	-	21,018,451
<u>\$ 8,136,217</u>	<u>\$ 5,429,380</u>	<u>\$ 516,039</u>	<u>\$ 68,041,295</u>
-	-	-	78,247
-	-	-	45,226
-	-	-	5,152
-	-	-	128,625
<u>\$ 8,136,217</u>	<u>\$ 5,429,380</u>	<u>\$ 516,039</u>	<u>\$ 68,169,920</u>
\$ 65,792	\$ 15,996	\$ 3,197	\$ 619,218
-	-	-	11,547
-	-	-	62,726
-	-	-	5,724,508
-	346,042	-	726,991
-	-	-	26,368
65,792	362,038	3,197	7,171,358
-	-	-	177,044
-	-	-	130,035
-	1,961,100	-	2,209,856
-	-	-	149,417
-	1,961,100	-	2,666,352
65,792	2,323,138	3,197	9,837,709
-	-	-	22,755
-	-	-	94,262
-	-	-	117,017
65,792	2,323,138	3,197	9,954,726
-	-	-	21,018,451
-	2,577,190	-	2,577,190
325,000	-	-	325,000
7,745,425	529,052	512,842	34,294,553
8,070,425	3,106,242	512,842	58,215,193
<u>\$ 8,136,217</u>	<u>\$ 5,429,380</u>	<u>\$ 516,039</u>	<u>\$ 68,169,919</u>

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
December 31, 2018

	Warehouse	Fleet	Self- Insurance
OPERATING REVENUES			
Charges for services	\$ -	\$ 9,416,402	\$ 1,400,000
Warehouse sales	4,905,189	-	-
Contributions	-	-	-
Total operating revenues	4,905,189	9,416,402	1,400,000
OPERATING EXPENSES			
Administration	-	-	52,754
Cost of sales/premiums	4,905,189	-	443,138
Fleet services	-	3,735,685	-
Depreciation	-	4,667,307	-
Administrative fees	-	300,409	112,206
Benefit payments	-	-	-
Claims	-	-	867,484
Total operating expenses	4,905,189	8,703,401	1,475,582
Operating income (loss)	-	713,001	(75,582)
NON-OPERATING REVENUES			
Investment income	-	351,738	69,490
Miscellaneous	-	-	1,477
Intergovernmental	-	3,255	-
Insurance recoveries	-	-	533,203
Gain on disposal of assets	-	-	-
Net non-operating revenues	-	354,992	604,170
Income (loss) before transfers	-	1,067,993	528,588
CAPITAL CONTRIBUTIONS	-	1,217,264	-
TRANSFERS			
Transfers in	-	-	-
Transfers out	-	(11,712)	-
Net operating transfers	-	(11,712)	-
Change in net position	-	2,273,54	528,588
TOTAL NET POSITION-January 1	-	40,718,247	3,185,189
Cumulative effect of correction to prior period	-	(179,885)	-
TOTAL NET POSITION-December 31	\$ -	\$ 42,811,907	\$ 3,713,777

Employee Benefit	Workers' Compensation Insurance	Unemployment Insurance	TOTALS
\$ 10,966,809	\$ 2,103,942	\$ 51,028	\$ 23,938,181
-	-	-	4,905,189
3,282,582	-	-	3,282,582
14,249,391	2,103,942	51,028	32,125,952
189,926	49,183	-	291,863
13,193,321	144,809	-	18,686,457
-	-	-	3,735,685
-	-	-	4,667,307
-	129,421	-	542,036
397,687	-	-	397,687
-	927,759	45,237	1,840,480
13,780,934	1,251,172	45,237	30,161,515
468,457	852,770	5,791	1,964,437
80,055	82,299	8,701	592,283
-	-	-	1,477
15,655	-	-	18,910
-	-	-	533,203
-	-	-	-
95,710	82,299	8,701	1,145,872
564,167	935,069	14,492	3,110,309
-	-	-	1,217,264
-	-	-	-
-	-	-	(11,712)
-	-	-	(11,712)
564,167	935,069	14,492	4,315,861
7,506,258	2,171,173	498,350	54,079,217
-	-	-	(179,885)
\$ 8,070,425	\$ 3,106,242	\$ 512,842	\$ 58,215,193

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
Year Ended December 31, 2018

	Warehouse	Fleet	Self- Insurance
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers	\$ 5,789,608	\$ 9,410,305	\$ 1,934,680
Cash paid to suppliers	(5,789,608)	(2,956,965)	(619,443)
Cash paid to employees	-	(1,485,636)	-
Claims/Benefits paid	-	-	(850,650)
Net cash provided by operating activities	-	4,967,704	464,587
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES			
Advances to other funds	-	814,825	-
Transfers in	-	-	-
Transfers out	-	(11,712)	-
Net cash (used) by non-capital financing activities	-	803,114	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition and construction of capital assets	-	(4,212,540)	-
Contributed capital received	-	3,255	-
Net cash (used) by capital and related financing activities	-	(4,209,285)	-
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment income received	-	345,416	66,953
Net cash provided by investing activities	-	345,416	66,953
Net increase (decrease) in cash and cash equivalents	-	1,906,947	531,540
CASH AND CASH EQUIVALENTS - January 1	-	16,258,884	3,669,526
CASH AND CASH EQUIVALENTS - December 31	\$ -	\$ 18,165,831	\$ 4,201,066

Employee Benefit	Workers' Compensation Insurance	Unemployment Insurance	TOTALS
\$ 13,724,327	\$ 2,104,043	\$ 51,028	\$ 33,013,990
(13,447,520)	(194,935)	(51,372)	(23,059,843)
-	-	-	(1,485,636)
-	(847,990)	-	(1,698,640)
276,807	1,061,118	(344)	6,769,871
-	-	-	814,825
-	-	-	-
(368,598)	-	-	(380,310)
(368,598)	-	-	434,515
-	-	-	(4,212,540)
-	-	-	3,255
-	-	-	(4,209,285)
77,922	78,579	8,570	577,439
77,922	78,579	8,570	577,439
(13,869)	1,139,697	8,226	3,572,541
7,583,042	4,169,095	506,533	32,187,080
\$ 7,569,173	\$ 5,308,791	\$ 514,759	\$ 35,759,620

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
Year Ended December 31, 2018

	Warehouse	Fleet	Self-Insurance
Reconciliation of net operation income			
(loss) to net cash provided (used) by operating activities			
Net operating income (loss)	\$ -	\$ 713,001	\$ (75,582)
Adjustments to reconcile net operating income (loss) to net cash provided (used) by operating activities			
Depreciation	-	4,667,307	-
Miscellaneous income	-	-	534,680
Change in assets and liabilities:			
(Increase) decrease in accounts receivable	-	7,182	-
(Increase) decrease in inventory of materials and supplies	(217,401)	-	-
(Increase) decrease in prepaid expenses	-	(606,088)	(83,564)
Increase (decrease) in deferred outflow-pension	-	206,622	-
Increase (decrease) in deferred outflow-Other post employment benefits	-	(5,152)	-
Increase (decrease) in accounts payable	27,488	160,940	72,219
Increase (decrease) in accrued liabilities	-	13,181	-
Increase (decrease) in due to other funds	189,913	-	-
Increase (decrease) in accrued sick and vacation - current portion	-	(15,312)	-
Increase (decrease) in claims payable - current portion	-	-	16,834
Increase (decrease) in net pension liability	-	(281,831)	-
Increase (decrease) in net other post employment benefit obligation	-	(9,164)	-
Increase (decrease) in deferred inflows pension		94,262	
Increase (decrease) in deferred inflows OPEB		22,755	
Total adjustments	-	4,254,703	540,169
Net cash provided (used) by operating activities	\$ -	\$ 4,967,704	\$ 464,587
NON-CASH INVESTING, CAPITAL AND FINANCING ACTIVITIES			
The following non-cash transactions occurred during 2018:			
Contributed capital from developers	\$	\$	\$
Transfers of assets from other funds		1,217,264	
Total non-cash transactions	-	\$ 1,217,264	-

Employee Benefit	Workers' Compensation Insurance	Unemployment Insurance	TOTALS
\$ 468,457	\$ 852,770	\$ 5,791	\$ 1,964,437
-	-	-	4,667,307
15,655	-	-	550,336
(172,121)	100	-	(164,839)
-	-	-	(217,401)
-	(13,348)	-	(703,000)
-	-	-	206,622
-	-	-	(5,152)
(35,184)	(2,983)	(6,135)	216,345
-	-	-	13,181
-	-	-	189,913
-	-	-	(15,312)
-	224,579	-	241,414
-	-	-	(281,831)
-	-	-	(9,164)
			94,262
			22,755
(191,650)	208,347	(6,135)	4,805,434
\$ 276,807	\$ 1,061,118	\$ (344)	\$ 6,769,871
\$	\$	\$	\$ -
			1,217,264
- \$	- \$	- \$	1,217,264

**FLEET INTERNAL SERVICE FUND
SCHEDULE OF REVENUES AND EXPENSES -
BUDGET (LEGAL BASIS) AND ACTUAL
Year Ended December 31, 2018**

	Budget	Actual	Variance From Final Budget
REVENUES			
Charges for services	\$ 9,451,173	\$ 9,416,402	\$ (34,771)
Investment income	205,624	351,737	146,113
Intergovernmental	-	3,255	3,255
Miscellaneous	450,000	-	(450,000)
Total revenues	10,106,797	9,771,394	(335,403)
EXPENSES			
Operations:			
Personal services	1,641,345	1,510,997	130,348
Operating & maintenance	2,690,720	2,525,097	165,623
Transfers out	11,712	11,712	-
Total operations	4,343,777	4,047,806	295,971
Capital outlay	7,752,724	4,212,540	3,540,184
Total expenses	12,096,501	8,260,346	3,836,155
Excess of revenues (under) expenses	\$ (1,989,704)	1,511,048	\$ 3,500,752
RECONCILIATION TO NET INCOME (GAAP BASIS)			
Add: Additions to plant and equipment			
Capital outlay		4,212,540	
Property and equipment transferred from other funds		1,217,264	
		5,429,804	
Less: Depreciation			
		4,667,307	
		4,667,307	
Net income (GAAP basis)		\$ 2,273,545	

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.

POST-EMPLOYMENT BENEFITS TRUST FUND

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

**COMBINING STATEMENT OF NET POSITION
FIDUCIARY FUNDS
December 31, 2018**

	Employee Retirement Plans			
	Employee Pension	Fire Pension	Police Pension	Total Fiduciary Funds
ASSETS				
Equity in pooled cash & cash equivalents	\$ 297,610	\$ -	\$ 40,698	\$ 338,308
Cash and cash equivalents	998,340	18,611	8,067	1,025,018
Due from other funds	-	-	-	-
Investments				
Common Stock	33,083,158	616,729	267,328	33,967,215
Mutual funds	108,257,924	2,018,120	874,778	111,150,822
Total Assets	\$ 142,637,032	\$ 2,653,460	\$ 1,190,871	\$ 146,481,363
LIABILITIES				
Accounts payable	\$ 35,329	\$ 717	\$ 332	\$ 36,378
Loan payable	-	17,532	-	17,532
Total Liabilities	35,329	18,249	332	53,910
NET POSITION				
Held in trust for pension benefits	\$ 142,601,703	\$ 2,635,211	\$ 1,190,539	\$ 146,427,453

**COMBINING STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUNDS
For the Year Ended December 31, 2018**

	Employee Retirement Plans			Total Fiduciary Funds
	Employee Pension	Fire Pension	Police Pension	
ADDITIONS				
Contributions				
Employer	\$ 3,380,848	\$ -	\$ 24,168	\$ 3,405,016
Plan members	2,410,833	-	-	2,410,833
Total Contributions	5,791,681	-	24,168	5,815,849
Investment income				
Net appreciation in fair value of investments	(14,154,993)	(271,467)	(120,777)	(14,547,237)
Interest	2,603,087	50,793	22,945	2,676,825
Dividends	594,083	11,846	5,450	611,379
Less investment expense	(272,262)	(7,308)	(3,747)	(283,317)
Net investment gain	(11,230,085)	(216,136)	(96,129)	(11,542,350)
Total additions	(5,438,404)	(216,136)	(71,961)	(5,726,501)
DEDUCTIONS				
Benefits	7,812,323	299,816	199,351	8,311,490
Refunds of contributions	155,980	-	-	155,980
Administrative expense	152,447	3,043	1,402	156,892
Total deductions	8,120,750	302,859	200,753	8,624,362
Net increase (decrease)	(13,559,154)	(518,995)	(272,714)	(14,350,863)
NET POSITION HELD IN TRUST FOR				
PENSION BENEFITS, January 1	156,160,857	3,154,206	1,463,253	160,778,316
December 31	\$ 142,601,703	\$ 2,635,211	\$ 1,190,539	\$ 146,427,453

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, 2018

Other Post-employment Benefits

	OPEB
ADDITIONS	
Contributions	
Employer	\$ 368,598
Plan members	-
Total Contributions	368,598
Investment income	
Net appreciation in fair value of investments	-
Interest	45,046
Dividends	-
Less investment expense	-
Net investment gain (loss)	45,046
Total additions	413,644
DEDUCTIONS	
Benefits	-
Refunds of contributions	-
Administrative expense	6,093
Total deductions	6,093
Net increase (decrease)	407,551
NET POSITION HELD FOR	
OPEB BENEFITS, January 1	3,067,129
December 31	\$ 3,474,680

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, 2018**

	General	Special Revenue	Debt Service	Capital Projects	Totals
ASSETS					
Equity in pooled cash & cash equivalents	\$ 286,145	\$ 1,081,749	\$ 3,708,518	\$ 1,088,907	\$ 6,165,319
Cash and cash equivalents	-	107,506	-	-	107,506
Receivables (net of allowance for uncollectibles):					
Taxes	218,617	-	874,809	-	1,093,426
Accounts	-	200	-	876,000	876,200
Accrued interest	741	3,697	9,252	2,754	16,444
Due from other governments	1,247	-	-	-	1,247
Total Assets	\$ 506,750	\$ 1,193,152	\$ 4,592,579	\$ 1,967,661	\$ 8,260,142
LIABILITIES					
Accounts payable	\$ 1,115	\$ 21,211	-	\$ 30,678	\$ 53,004
Construction contracts payable	-	-	-	94	94
Accrued liabilities	7,401	3,652	-	-	11,053
Total liabilities	8,516	24,863	-	30,772	64,151
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue-other	-	-	-	876,000	876,000
Unavailable revenue - property taxes	218,617	-	874,809	-	1,093,426
Total deferred inflows of resources	218,617	-	874,809	876,000	1,969,426
FUND BALANCES					
Fund balances:					
Restricted	6,988	19,642	27,156	564	54,350
Committed	-	1,148,648	3,690,614	1,060,325	5,899,587
Unassigned	272,629	-	-	-	272,629
Total fund balance	279,617	1,168,290	3,717,770	1,060,889	6,226,565
Total liabilities, deferred inflows of resources and fund balances	\$ 506,750	\$ 1,193,152	\$ 4,592,579	\$ 1,967,661	\$ 8,260,141

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

Fund Balance	6,226,565
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	6,013,741
Other long-term assets are not available to pay for current-period expenditures and therefore are not reported in the funds.	
Deferred outflows related to Pension	22,830
Deferred outflows related to OPEB	797
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds	
Bonds Payable	(146,000)
Net other post employment obligations (OPEB)	(20,504)
Net Pension Liability	(32,902)
Compensated absences	(52,007)
Deferred inflows related to Pension	(17,518)
Deferred inflows related to OPEB	(3,521)

Net position of component unit

\$ 11,991,481

DOWNTOWN DEVELOPMENT AUTHORITY COMPONENT UNIT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
Year Ended December 31, 2018

	General	Special Revenue	Debt Service	Capital Projects	Totals
REVENUES					
Taxes	\$ 227,167	\$ -	\$ 841,700	\$ -	\$ 1,068,867
City Contributions	-	561,441	-	-	561,441
Investment income	5,595	22,032	61,869	17,751	107,247
Charges for service	-	70,630	-	-	70,630
Miscellaneous	44	73	-	553	670
Total revenues	232,806	654,176	903,569	18,304	1,808,855
EXPENDITURES					
Current:					
General government	235,192	782,256	-	197,340	1,214,788
Debt service:					
Principal retired	-	-	640,089	-	640,089
Interest and fiscal charges	-	-	2,286	-	2,286
Total expenditures	235,192	782,256	642,375	197,340	1,857,163
Excess of revenues over (under) expenditures	(2,386)	(128,080)	261,194	(179,036)	(48,308)
OTHER FINANCING SOURCES (USES)					
Proceeds from advance	-	55,405	-	584,684	640,089
Transfers in	39,140	-	-	-	39,140
Transfers out	-	(2,500)	-	(36,640)	(39,140)
Total other financing sources (uses)	39,140	52,905	-	548,044	640,089
Net changes in fund balances	36,754	(75,175)	261,194	369,008	591,781
FUND BALANCES, January 1	242,863	1,243,465	3,456,576	691,881	5,634,784
FUND BALANCE, December 31	\$ 279,617	\$ 1,168,290	\$ 3,717,770	\$ 1,060,889	\$ 6,226,565
Net change in fund balance -component unit				\$	591,781
Amounts reported for governmental activities in the statement of activities 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.					(288,132)
In the statement of activities only the losses on the sale or disposal of assets are reported, whereas in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net assets differs from the change in fund balance by the book value of the assets sold or disposed.					-
The issuance of debt provides current financial resources to governmental funds, while the repayment of the principal of debt consumes current financial resources of the governmental funds. Neither transaction has any effect on net position.					
Loan proceeds				640,089	
Principal repayments on loans				(640,089)	
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.					(39,887)
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to the component unit, while the repayment of the principal of long-term debt consumes the current financial resources of the component unit. Neither transaction, however, has any effect on net assets. Also, the component units report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.					-
Change in net position of component unit activities				\$	<u>263,762</u>

DOWNTOWN DEVELOPMENT AUTHORITY COMPONENT UNIT
COMBINING BALANCE SHEET
SPECIAL REVENUE FUNDS
December 31, 2018

	Downtown Development Bldg Permit	Downtown Development Façade Improvement	Art and Entertainment	Totals
ASSETS				
Equity in pooled cash & cash equivalents	\$ 359,250	\$ 792,069	\$ (69,570)	\$ 1,081,749
Cash and cash equivalents	-	-	107,506	107,506
Receivables (net of allowance for uncollectibles):				
Accounts	-	-	200	200
Accrued interest	1,718	1,979	-	3,697
Total assets	\$ 360,968	\$ 794,048	\$ 38,136	\$ 1,193,152
(under) expenditures				
LIABILITIES				
Accounts payable	\$ 2,090	\$ -	\$ 19,121	\$ 21,211
Accrued Liabilities	-	-	3,652	3,652
Total liabilities	2,090	-	22,773	24,863
FUND BALANCE				
Fund balances:				
Restricted	16,945	415	2,282	19,642
Committed	341,933	793,633	13,081	1,148,647
Total fund balance	358,878	794,048	15,363	1,168,290
Total liabilities and fund balance	\$ 360,968	\$ 794,048	\$ 38,136	\$ 1,193,152

DOWNTOWN DEVELOPMENT AUTHORITY COMPONENT UNIT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
SPECIAL REVENUE FUNDS
Year Ended December 31, 2018

	Downtown Development Bldg Permit	Downtown Development Façade Improvement	Art and Entertainment	Totals
REVENUES				
City contributions	\$ -	\$ -	\$ 10,428	\$ 10,428
Investment income	796	4,257	1,206	6,259
Charges for service	181,723	-	41,763	223,486
Miscellaneous	-	-	5,000	5,000
Total revenues	182,519	4,257	58,397	245,173
EXPENDITURES				
General Governmental	501,729	-	280,527	782,256
(under) expenditures				
Excess of revenues over				
(under) expenditures	62,807	13,477	(204,364)	(128,080)
OTHER FINANCING SOURCES (USES)				
Proceeds from advance	-	-	55,405	55,405
Transfers out	(2,500)	-	-	(2,500)
Total other financing sources (uses)	(2,500)	-	55,405	52,905
Net changes in fund balances	60,307	13,477	(148,959)	(75,175)
FUND BALANCES, January 1	298,571	780,571	164,322	1,243,465
FUND BALANCES, December 31	\$ 358,878	\$ 794,048	\$ 15,363	\$ 1,168,290

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, 2018

	Budget	Actual	Variance From Final Budget
REVENUES			
Taxes	\$ 224,256	\$ 227,167	\$ 2,911
Investment income	3,360	5,595	2,235
Miscellaneous	-	44	44
Total revenues	227,616	232,806	5,190
EXPENDITURES			
General government	266,851	235,192	31,659
Net changes in fund balances	(39,235)	(2,386)	36,849
OTHER FINANCING SOURCES			
Transfers in	39,140	39,140	-
Net changes in fund balances	(95)	36,754	36,849
FUND BALANCE, January 1	242,863	242,863	-
FUND BALANCE, December 31	\$ 242,768	\$ 279,617	\$ 36,849

**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, 2018**

	Budget	Actual	Variance From Final Budget
REVENUES			
City Contributions	\$ 30,000	\$ 556,441	\$ 526,441
Investment income	-	8,095	8,095
Total revenues	30,000	564,536	534,536
EXPENDITURES			
General government	523,094	501,729	21,365
Excess of revenues over (under) expenditures	(493,094)	62,807	555,901
OTHER FINANCING SOURCES (USES)			
Transfers out	(2,500)	(2,500)	-
Net changes in fund balances	(495,594)	60,307	555,901
FUND BALANCE, January 1	298,571	298,571	-
FUND BALANCE, December 31	\$ (197,023)	\$ 358,878	\$ 555,901

**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, 2018**

	Budget	Actual	Variance From Final Budget
REVENUES			
Investment income	\$ -	\$ 13,477	\$ 13,477
Total revenues			-
EXPENDITURES			
General government	300,000	-	300,000
Excess of revenues over (under) expenditures	(300,000)	13,477	313,477
Net changes in fund balances	(300,000)	13,477	313,477
FUND BALANCE, January 1	780,571	780,571	-
FUND BALANCE, December 31	\$ 480,571	\$ 794,048	\$ 313,477

**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, 2018**

	Budget	Actual	Variance From Final Budget
REVENUES			
City Contributions	\$ 5,000	5,000	-
Charges for Service	92,000	70,630	(21,370)
Investment income	2,200	460	(1,740)
Miscellaneous Income	-	73	73
Proceeds from Advance	55,405	55,405	-
Total revenues	154,605	131,568	(23,037)
EXPENDITURES			
General government	295,326	280,527	14,799
Excess of revenues (under) expenditures	(140,721)	(148,959)	(8,238)
Net changes in fund balances	(140,721)	(148,959)	(8,238)
FUND BALANCE, January 1	164,322	164,322	-
FUND BALANCE, December 31	\$ 23,601	\$ 15,363	\$ (8,238)

**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, 2018**

	Budget	Actual	Variance From Final Budget
REVENUES			
Taxes	\$ 681,124	\$ 841,700	\$ 160,576
Investment income	-	61,869	61,869
Total revenues	681,124	903,569	222,445
EXPENDITURES			
Principal retired	640,089	640,089	-
Interest and fiscal charges	5,000	2,286	2,714
Total expenditures	645,089	642,375	2,714
Net changes in fund balances	36,035	261,194	225,159
FUND BALANCE, January 1	3,456,576	3,456,576	-
FUND BALANCE, December 31	\$ 3,492,611	\$ 3,717,770	\$ 225,159

**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, 2018**

	Budget	Actual	Variance From Final Budget
REVENUES			
Investment income	\$ -	\$ 17,751	\$ 17,751
Miscellaneous income	-	553	553
Total revenues	-	18,304	18,304
EXPENDITURES			
General government	1,137,479	197,340	940,139
Excess of revenues (under) expenditures	(1,137,479)	(179,036)	958,443
OTHER FINANCING SOURCES (USES)			
Loan proceeds	584,684	584,684	-
Transfers out	(36,640)	(36,640)	-
Total other financing sources (uses)	548,044	548,044	-
Net changes in fund balances	(589,435)	369,008	958,443
FUND BALANCE, January 1	691,881	691,881	-
FUND BALANCE, December 31	\$ 102,446	\$ 1,060,889	\$ 958,443

**STATISTICAL SCHEDULES
INDEX**

December 31, 2018

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.

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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
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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
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Debt Capacity..... 246

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

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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**

	2009	2010	2011	2012
Governmental activities				
Net investment in capital assets	\$ 268,747,804	\$ 270,382,692	\$ 275,902,207	\$ 281,989,606
Restricted	56,858,647	66,741,761	69,059,013	67,157,981
Unrestricted	40,365,372	32,146,885	30,916,114	31,926,358
Total governmental activities net position	\$365,971,823	\$ 369,271,338	\$ 375,877,334	\$ 381,073,945
Business-type activities				
Net investment in capital assets	\$ 493,511,315	\$ 507,056,869	\$ 521,558,060	\$ 524,809,966
Restricted	9,167,995	18,817,163	19,421,825	14,472,701
Unrestricted	157,873,139	146,541,477	145,887,387	35,837,666
Total business-type activities net position	\$660,552,449	\$ 672,415,509	\$ 686,867,272	\$ 575,120,333
Primary government				
Net investment in capital assets	\$ 762,259,119	\$ 777,439,561	\$ 797,460,267	\$ 806,799,572
Restricted	66,026,642	85,558,924	88,480,838	81,630,682
Unrestricted	198,238,511	178,688,362	176,803,501	67,764,024
Total primary government net position	\$ 1,026,524,272	\$ 1,041,686,847	\$ 1,062,744,606	\$ 956,194,278

	2013	2014	2015	2016	2017	2018
\$	280,876,469	\$ 274,626,844	\$ 289,135,313	\$ 304,616,626	\$ 317,947,679	\$ 331,125,256
	75,323,135	97,314,176	81,806,810	95,386,575	109,964,697	129,633,890
	35,810,330	23,991,124	11,517,574	9,767,415	14,791,983	16,278,372
\$	<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>	<u>\$ 477,278,372</u>
\$	520,033,029	\$ 529,204,937	\$ 572,508,835	\$ 588,305,281	\$ 618,313,194	\$ 634,873,565
	9,662,221	1,904,853	2,286,609	2,038,868	808,280	1,292,028
	39,832,309	53,727,320	50,026,092	51,986,051	62,827,149	72,248,332
\$	<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>	<u>\$ 708,413,925</u>
\$	800,909,498	\$ 803,831,781	\$ 861,644,148	\$ 892,921,907	\$ 936,260,873	\$ 965,998,821
	84,985,356	99,219,029	84,093,419	97,425,443	110,772,977	130,925,918
	75,642,639	77,718,444	61,543,666	61,753,466	77,619,132	88,767,559
\$	<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>	<u>\$ 1,185,692,298</u>

CHANGES IN NET POSITION LAST TEN FISCAL YEARS

	2009	2010	2011	2012
Expenses				
Governmental activities:				
General government	\$ 18,772,527	\$ 21,237,772	\$ 24,377,612	\$ 24,309,220
Public Safety	32,842,216	33,562,076	35,173,865	36,268,842
Highways & Streets	17,180,057	14,191,614	14,171,432	15,852,244
Culture & Recreation	16,073,099	16,138,524	15,484,551	17,284,703
Municipal utilities systems	174,499	82,033	105,992	55,025
Interest and fiscal charges on long-term debt	2,302,996	1,542,188	2,153,318	2,186,966
Total governmental activities expenses	<u>\$ 87,345,394</u>	<u>\$ 86,754,207</u>	<u>\$ 91,466,770</u>	<u>\$ 95,957,000</u>
Business-type activities:				
Sanitation	\$ 5,358,336	\$ 5,713,703	\$ 5,683,344	\$ 5,731,916
Golf	2,185,459	2,084,456	2,188,918	2,041,225
Electric	47,780,116	51,614,473	55,928,077	57,649,118
Telecommunications	164,129	194,834	218,722	393,902
Water	12,975,167	12,648,106	13,417,307	13,814,391
Sewer	8,368,101	8,690,949	8,625,100	8,881,680
Storm Drainage	3,085,889	3,134,594	3,334,858	3,405,295
Airport	328,375	400,939	405,307	437,068
Total business-type activities expenses	<u>\$ 80,245,572</u>	<u>\$ 84,482,054</u>	<u>\$ 89,801,633</u>	<u>\$ 92,354,595</u>
Total primary government expenses	<u>\$ 167,590,966</u>	<u>\$ 171,236,261</u>	<u>\$ 181,268,403</u>	<u>\$ 188,311,595</u>
Program Revenues				
Governmental activities:				
Charges for services				
General Government	\$ 6,965,851	\$ 8,324,058	\$ 8,342,658	\$ 8,212,442
Public Safety	1,039,975	1,223,119	1,266,512	1,551,831
Highways & Streets	649,631	620,595	785,188	740,477
Culture & Recreation	5,171,304	5,947,012	6,032,378	6,362,496
Municipal utilities systems	-	-	-	-
Operating grants and contributions	5,770,130	5,051,949	6,845,819	6,241,265
Capital grants and contributions	7,124,956	5,177,181	4,793,222	6,479,562
Total governmental activities program revenues	<u>\$ 26,721,847</u>	<u>\$ 26,343,914</u>	<u>\$ 28,065,777</u>	<u>\$ 29,588,073</u>
Business-type activities:				
Charges for services				
Sanitation	\$ 5,105,311	\$ 5,265,217	\$ 5,235,308	\$ 5,676,335
Golf	2,460,988	2,220,975	2,262,563	2,640,817
Electric	44,547,396	49,487,659	53,924,965	57,233,475
Telecommunications	238,663	293,519	282,208	290,774
Water	11,936,337	12,757,083	13,247,962	14,513,221
Sewer	7,352,469	7,846,470	8,249,362	8,634,634
Storm Drainage	3,469,114	3,420,656	3,395,622	3,835,700
Airport	251,376	239,006	220,441	258,643
Operating grants and contributions	547,269	513,732	1,406,669	3,342,077
Capital grants and contributions	6,394,173	8,962,852	14,473,936	3,447,605
Total business-type activities program revenues	<u>\$ 82,303,096</u>	<u>\$ 91,007,169</u>	<u>\$ 102,699,036</u>	<u>\$ 99,873,281</u>
Total primary government program revenues	<u>\$ 109,024,943</u>	<u>\$ 117,351,083</u>	<u>\$ 130,764,813</u>	<u>\$ 129,461,354</u>
Net (Expenses)/Revenue				
Governmental activities	\$ (60,623,547)	\$ (60,410,293)	\$ (63,400,993)	\$ (66,368,927)
Business-type activities	2,057,524	6,525,115	12,897,403	7,518,686
Total primary government net expense	<u>\$ (58,566,023)</u>	<u>\$ (53,885,178)</u>	<u>\$ (50,503,590)</u>	<u>\$ (58,850,241)</u>
General Revenues and Other Changes in Net Position				
Governmental activities:				
Taxes				
Property taxes	\$ 15,539,641	\$ 15,357,141	\$ 15,280,446	\$ 14,760,834
General government sales and use taxes	22,751,072	23,640,672	24,562,915	26,106,434
Public improvement sales and use taxes	3,316,107	3,581,110	4,261,032	3,999,340
Streets sales and use taxes	9,775,192	10,208,168	10,808,980	11,289,666
Open space sales and use taxes	2,606,718	2,722,178	2,882,395	3,010,577
Public safety sales and use taxes	4,235,917	4,423,539	4,683,891	4,892,188
Urban Renewal sales and use taxes	-	-	-	-
Marijuana	-	-	-	-
Lodgers taxes	244,527	263,041	257,566	283,947
Cigarette taxes	185,093	185,916	180,436	171,029
Franchise taxes	5,269,452	6,314,911	6,677,207	6,874,941
Investment income	1,526,527	1,241,858	1,150,812	787,171
Miscellaneous	16,433	19,354	21,280	5,908
Gain (loss) from Impairment	-	-	-	-
Transfers	(1,282,904)	(4,248,080)	(759,971)	(616,497)
Total governmental activities	<u>\$ 64,183,775</u>	<u>\$ 63,709,808</u>	<u>\$ 70,006,989</u>	<u>\$ 71,565,538</u>
Business-type activities:				
Miscellaneous	\$ -	\$ 589,572	\$ 379,225	\$ 371,403
Investment income	579,560	500,293	415,164	286,509
Transfers	1,282,904	4,248,080	759,971	616,497
Gain (loss) from Impairment	-	-	-	-
Total business-type activities	<u>\$ 1,862,464</u>	<u>\$ 5,337,945</u>	<u>\$ 1,554,360</u>	<u>\$ 1,274,409</u>
Total primary government	<u>\$ 66,046,239</u>	<u>\$ 69,047,753</u>	<u>\$ 71,561,349</u>	<u>\$ 72,839,947</u>
Change in Net Position				
Governmental activities	\$ 3,560,228	\$ 3,299,515	\$ 6,605,996	\$ 5,196,611
Business-type activities	3,919,988	11,863,060	14,451,763	8,793,095
Total primary government	<u>\$ 7,480,216</u>	<u>\$ 15,162,575</u>	<u>\$ 21,057,759</u>	<u>\$ 13,989,706</u>

	2013	2014	2015	2016	2017	2018
\$	23,402,845	\$ 39,410,084	\$ 52,629,760	\$ 41,120,838	\$ 46,848,271	\$ 40,602,784
	37,546,039	38,416,984	38,796,540	39,569,020	42,949,310	45,449,015
	16,881,092	22,589,058	12,518,752	29,738,598	21,764,241	30,946,052
	17,127,905	13,883,071	14,922,444	8,786,156	19,410,623	21,606,778
	48,260	45,871	109,431	159,595	3,214,424	2,258,930
	2,488,204	2,405,958	2,921,678	2,933,731	2,654,438	2,639,314
\$	97,494,345	\$ 116,751,026	\$ 121,898,605	\$ 122,307,938	\$ 136,841,307	\$ 143,502,873
\$	5,716,575	\$ 5,713,661	\$ 5,306,091	\$ 5,988,048	\$ 6,447,649	\$ 6,968,193
	2,076,148	2,325,070	2,155,951	2,250,256	2,293,384	2,483,503
	60,237,764	62,428,256	65,458,384	70,336,083	72,647,003	78,430,314
	801,013	-	-	-	-	-
	14,226,561	15,740,172	13,407,301	14,657,099	15,791,965	17,132,688
	10,267,292	10,813,201	10,801,047	11,045,868	10,844,197	14,340,243
	3,755,498	4,420,557	4,148,107	5,191,222	5,441,103	7,738,825
	515,668	556,171	563,520	621,332	665,316	684,283
\$	97,596,519	\$ 101,997,088	\$ 101,840,401	\$ 110,089,908	\$ 114,130,617	\$ 127,778,049
\$	195,090,864	\$ 218,748,114	\$ 223,739,006	\$ 232,397,846	\$ 250,971,924	\$ 271,280,922
\$	8,745,048	\$ 9,025,285	\$ 8,896,582	\$ 9,664,229	\$ 11,934,265	\$ 12,800,692
	1,636,769	1,900,659	2,555,145	3,438,026	640,905	663,822
	787,118	838,087	1,345,104	1,164,918	1,425,515	1,550,511
	6,043,561	6,866,923	7,295,109	7,314,628	6,278,239	6,540,657
		-	697,560	1,000,095	580,091	533,000
	6,021,175	9,266,563	9,391,420	14,462,257	2,058,108	3,136,057
	8,247,611	13,506,619	18,191,498	25,510,915	49,164,246	51,391,117
\$	31,481,282	\$ 41,404,136	\$ 48,372,419	\$ 62,555,068	\$ 72,081,369	\$ 76,615,856
\$	5,676,697	\$ 6,152,091	\$ 6,168,889	\$ 6,561,590	\$ 8,406,781	\$ 9,026,887
	2,357,757	2,452,630	2,576,473	2,568,982	2,779,528	2,758,926
	60,957,632	63,884,921	65,300,201	68,850,353	76,986,620	80,706,502
	316,941	-	-	-	-	-
	12,735,470	12,981,041	14,230,955	16,271,251	17,671,740	19,423,493
	9,740,105	11,686,986	13,085,133	13,432,618	14,486,062	14,668,488
	4,027,152	6,579,550	6,644,935	6,730,428	6,858,415	7,055,596
	277,449	288,089	403,334	429,141	420,228	466,491
	562,042	5,919,672	3,046,578	4,139,885	11,242,355	2,813,834
	4,321,616	7,160,769	5,200,782	10,324,791	13,770,718	26,516,308
\$	100,972,861	\$ 117,105,749	\$ 116,657,280	\$ 129,309,039	\$ 152,622,447	\$ 163,436,525
\$	132,454,143	\$ 158,509,885	\$ 165,029,699	\$ 191,864,107	\$ 224,703,816	\$ 240,052,381
\$	(66,013,063)	\$ (75,346,890)	\$ (73,526,187)	\$ (59,752,870)	\$ (64,759,938)	\$ (66,887,017)
	3,376,342	15,108,661	14,816,879	19,219,131	38,491,830	35,658,476
\$	(62,636,721)	\$ (60,238,229)	\$ (58,709,308)	\$ (40,533,739)	\$ (26,268,108)	\$ (31,228,542)
\$	14,766,570	\$ 14,946,758	\$ 15,424,266	\$ 17,821,402	\$ 19,188,939	\$ 22,349,418
	27,883,056	29,890,913	30,834,514	31,180,859	33,630,501	36,290,653
	4,068,199	4,471,068	4,544,053	6,204,559	6,639,848	6,356,829
	11,981,718	12,885,741	13,266,963	14,161,758	15,585,721	16,113,411
	3,195,124	3,436,196	3,537,857	3,776,469	4,156,190	4,296,909
	5,192,082	5,583,826	5,749,017	6,136,761	6,753,823	12,468,351
	-	-	-	379,271	1,291,587	321,613
	-	-	-	-	-	9,399
	346,352	364,767	365,300	369,731	419,936	467,209
	147,338	157,523	156,535	160,933	155,617	160,120
	7,342,848	7,678,732	7,780,475	7,697,786	7,730,074	7,824,757
	16,428	985,788	721,565	834,596	1,013,531	3,386,099
	9,633	15,656	-	-	1,532,418	1,646,206
	714,300	-	-	-	-	-
	1,285,404	(1,147,868)	(68,436)	(1,660,336)	(404,504)	(991,624)
\$	76,949,052	\$ 79,269,100	\$ 82,312,109	\$ 87,063,789	\$ 97,693,681	\$ 110,699,350
\$	389,865	\$ (1,408,853)	\$ 2,700,196	\$ 639,132	\$ 153,994	\$ 1,917,556
	(63,402)	461,875	450,849	636,394	568,095	1,530,342
	(1,285,404)	1,147,868	68,436	1,660,336	404,504	991,624
	(8,010,175)	-	-	-	-	-
\$	(8,969,116)	\$ 200,890	\$ 3,219,481	\$ 2,935,862	\$ 1,126,593	\$ 4,439,522
\$	67,979,936	\$ 79,469,990	\$ 85,531,590	\$ 89,999,651	\$ 98,820,274	\$ 115,138,872
\$	10,935,989	\$ 3,922,210	\$ 8,785,922	\$ 27,310,919	\$ 32,933,743	\$ 43,812,333
	(5,592,774)	15,309,551	18,036,360	22,154,993	39,618,423	40,097,998
\$	5,343,215	\$ 19,231,761	\$ 26,822,282	\$ 49,465,912	\$ 72,552,166	\$ 83,910,331

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

	2009	2010 (a)	2011	2012
General Fund				
Nonspendable	\$ -	\$ 211,490	\$ 161,082	\$ 327,709
Restricted	-	3,436,907	3,025,111	3,224,558
Committed	-	4,698,499	4,978,762	4,785,126
Assigned	-	995,711	853,145	889,790
Unassigned	-	5,858,268	5,884,527	6,153,177
Reserved	4,075,650	-	-	-
Unreserved	8,065,091	-	-	-
Total general fund	<u>\$ 12,140,741</u>	<u>\$ 15,200,875</u>	<u>\$ 14,902,627</u>	<u>\$ 15,380,360</u>
All Other Governmental Funds				
Nonspendable	\$ -	\$ 48,596	\$ 58,461	\$ 39,718
Restricted	-	62,458,573	66,036,493	63,894,630
Committed	-	3,528,546	2,748,623	2,219,873
Assigned	-	-	-	-
Unassigned	-	-	-	(84,392)
Reserved	26,385,055	-	-	-
Unreserved, reported in:				
Special revenue funds	27,193,080	-	-	-
Capital projects funds	4,033,587	-	-	-
Total all other governmental funds	<u>\$ 57,611,722</u>	<u>\$ 66,035,715</u>	<u>\$ 68,843,577</u>	<u>\$ 66,069,829</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.

2013	2014	2015	2016	2017	2018
\$ 204,490	\$ 150,911	\$ 152,075	\$ 302,380	\$ 757,375	\$ 551,975
3,345,167	4,397,047	3,559,526	3,943,296	4,404,117	4,858,326
6,232,102	6,206,280	4,224,470	4,527,777	5,631,809	4,115,551
928,368	1,000,109	2,221,764	2,391,669	3,170,058	4,951,986
6,846,316	6,563,798	8,468,460	8,619,008	7,970,910	12,020,187
-	-	-	-	-	-
-	-	-	-	-	-
<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>	<u>\$ 26,498,025</u>
\$ 38,963	\$ 688,654	\$ 697,200	\$ 698,720	\$ 741,450	\$ 738,244
69,569,526	90,105,866	77,459,016	89,517,773	105,306,328	122,471,373
3,144,472	3,684,420	3,097,417	2,922,371	3,795,337	4,251,413
(307,976)	-	(693,162)	(1,220,775)	(128,820)	(701,032)
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 72,444,985</u>	<u>\$ 94,478,940</u>	<u>\$ 80,560,471</u>	<u>\$ 91,918,089</u>	<u>\$ 109,714,296</u>	<u>\$ 126,759,998</u>

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

	2009	2010	2011	2012
Revenues				
Taxes	\$ 63,923,719	\$ 66,696,676	\$ 69,594,868	\$ 71,388,956
Licenses and permits	1,519,378	3,149,131	2,852,843	5,140,350
Developer/owner participation	2,533,001	1,143,047	634,951	1,233,382
Intergovernmental	7,530,226	5,354,292	9,658,445	6,563,036
Charges for services	10,914,591	13,070,916	12,749,635	13,327,419
Fines and forfeits	1,479,993	1,551,177	1,461,305	1,523,237
Investment income	1,148,839	915,661	872,429	603,458
Other revenues	862,381	756,224	1,432,450	1,395,962
Total revenues	\$ 89,912,128	\$ 92,637,124	\$ 99,256,926	\$ 101,175,800
Expenditures				
General government	\$ 19,772,116	\$ 19,157,561	\$ 21,838,334	\$ 25,480,536
Public safety	34,855,013	33,073,119	35,454,207	36,097,088
Highways and streets	17,685,686	13,345,985	15,201,301	17,659,757
Culture and recreation	21,097,271	22,624,470	16,166,215	18,572,576
Municipal utility systems	1,689,899	3,707,650	452,416	841,556
Capital outlay	2,733,830	893,318	2,193,219	3,375,563
Interest on lease payments	-	-	-	-
Debt Service				
Principal retired	2,725,000	1,690,000	2,840,000	2,975,000
Bond Issuance costs	-	408,421	-	-
Interest and fiscal charges	1,761,168	1,362,961	2,112,015	1,927,339
Total expenditures	\$ 102,319,983	\$ 96,263,485	\$ 96,257,707	\$ 106,929,415
Excess of revenues over (under) expenditures	\$ (12,407,855)	\$ (3,626,361)	\$ 2,999,219	\$ (5,753,615)
Other Financing Sources (Uses)				
Proceeds from leases	\$ -	\$ 74,088	\$ -	\$ 3,195,823
Transfers in	1,990,519	669,210	1,207,868	1,953,999
Transfers out	(1,885,997)	(847,551)	(1,697,473)	(1,692,222)
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	2,282,246	29,770,000	-	-
Premium on issuance of long-term debt	-	177,173	-	-
Total other financing sources (uses)	\$ 2,386,768	\$ 15,110,488	\$ (489,605)	\$ 3,457,600
Net change in fund balances	\$ (10,021,087)	\$ 11,484,127	\$ 2,509,614	\$ (2,296,015)
Debt service as a percentage of noncapital expenditures	6%	3%	6%	6%

2013	2014	2015	2016	2017	2018
\$ 74,923,287	\$ 79,415,524	\$ 81,658,981	\$ 87,889,529	\$ 95,552,237	\$ 106,658,668
4,580,507	7,172,900	8,226,038	16,840,035	14,292,683	21,609,487
1,261,004	1,262,254	628,376	1,692,735	1,107,555	2,161,825
6,759,018	10,801,693	14,081,297	20,074,184	35,727,821	22,767,939
13,317,119	14,928,434	16,609,514	17,756,019	16,653,767	17,096,283
1,116,600	1,279,841	1,124,622	949,580	1,066,629	805,750
8,256	753,871	565,227	671,358	814,755	2,793,817
2,787,902	2,401,080	1,607,323	2,421,344	1,532,418	1,646,195
<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>	<u>\$ 175,539,964</u>
\$ 22,090,958	\$ 37,776,012	\$ 51,653,312	\$ 40,148,151	\$ 44,889,736	\$ 40,214,842
37,310,096	38,657,499	39,290,571	40,479,061	43,143,219	45,292,593
13,699,379	19,695,403	20,975,175	31,515,507	8,057,557	16,441,386
17,122,413	22,219,018	14,285,410	13,563,601	18,464,878	19,551,324
379,386	564,272	564,370	1,462,139	33,956	237,579
2,382,196	3,201,073	4,699,351	2,482,886	24,942,965	31,986,942
-	424,151	1,272,455	-	-	-
3,130,000	3,225,000	3,320,000	3,425,000	4,135,000	5,213,192
-	-	-	-	-	-
1,807,239	1,703,339	1,595,739	2,765,961	2,661,039	2,492,485
<u>\$ 97,921,667</u>	<u>\$ 127,465,767</u>	<u>\$ 137,656,383</u>	<u>\$ 135,842,306</u>	<u>\$ 146,328,350</u>	<u>\$ 161,430,343</u>
\$ 6,832,026	\$ (9,450,170)	\$ (13,155,005)	\$ 12,452,478	\$ 20,419,515	\$ 14,109,621
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3,874,917	3,841,432	1,410,012	3,290,585	4,347,178	3,373,445
(2,155,704)	(2,421,669)	(1,865,325)	(3,227,611)	(4,820,347)	(4,353,357)
-	29,475,000	-	-	-	-
-	1,351,064	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	8,150,000
-	-	-	-	-	329,749
<u>\$ 1,719,213</u>	<u>\$ 32,245,827</u>	<u>\$ (455,313)</u>	<u>\$ 62,974</u>	<u>\$ (473,169)</u>	<u>\$ 7,499,837</u>
\$ 8,551,239	\$ 22,795,657	\$ (13,610,318)	\$ 12,515,452	\$ 19,946,346	\$ 21,609,458
5%	5%	4%	5%	5%	5%



The Resilient St. Vrain Project includes creation of a new park and nature area.

**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)		
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	(c) 13.42
2018	1,322,088,749	12,425,500,970	130,696,912	450,678,855	1,452,785,661	12,876,179,825	11.28	(c) 13.42

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

(b) For tax levy years 2008 through 2014, collection years 2009 through 2016, residential property was assessed at 7.96% of actual value while commercial property remained at 29% of actual value.

(c) For tax levy years 2015 through 2017, collection years 2017 through 2018, residential property was assessed at 7.2% of actual value while commercial property remained at 29% of actual value.

Source: Boulder and Weld counties assessors' offices

**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)
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
2017	2018	13.420	11.798	101.785
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
2017	2018	18,956,729	349,811	561,611

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)			
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
56.394	24.026	0.156	1.000	16.247
TAX	LEVIES			
\$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
196,369,393	178,590,811	288,457	7,345,280	5,238,153

(a) Figure represents a specific mill levy.



Longmont loves a parade, and everyone turns out to recognize Veterans Day

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

Taxpayer	2018			2009		
	2017 Assessed Value	Rank	Percentage of Total Assessed Value	2008 Assessed Value	Rank	Percentage of Total Assessed Value
GCC Longmont Holding LP	\$21,560,984	1	1.73%			
Ramco-Gershenson Properties LP	16,501,003	2	1.32			
Seagate Technology LLC	15,586,299	3	1.24	25,634,960	2	2.56
Public Service CO of Colorado	14,383,362	4	1.14			
NMMS Twin Peaks LLC	14,242,769	5	1.13			
Astrazeneca Pharmaceuticals LP	13,975,788	6	1.11			
EQC Operating Trust	13,664,510	7	1.09			
Xilinx Inc	11,874,256	8	0.95	9,919,740	5	0.99
Seagate Technology	10,708,631	9	0.85			
Wells Fargo Bank NA	9,207,489	10	0.73			
Amgen Inc				34,786,130	1	3.47
Circle Capital LLC				14,758,300	3	1.47
Hub Properties Trust				10,277,320	4	1.03
Panattoni Properties DE LLC				8,812,720	6	0.88
Longmont Springcrest LLC				7,590,160	7	0.76
Qwest Communications				7,466,360	8	0.75
Brass Creekside LP				5,578,960	9	0.56
Longmont Woodhaven LLC				5,334,860	10	0.53
Total Taxable Assessed Value of 10 Largest Taxpayers	\$ 141,705,091		11.28	\$ 130,159,510		12.99
Total Taxable Assessed Value of Other Taxpayers	1,114,698,085		88.72	871,730,020		87.01
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

**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	
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)
2017	2018	18,956,729	18,755,177	98.9	(86,470)	(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	
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	
2017	2018	911,422	1,184,111	129.9	(7,797)	

- (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)
\$ 14,402,555	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	-
18,668,707	98.5	-

TOTAL COMPONENT UNITS COLLECTIONS	COLLECTIONS AS % OF CURRENT LEVY	OUTSTANDING DELINQUENT COMPONENT UNITS (a)
\$ 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	-
1,176,314	129.1	-

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

Fiscal Year	Apparel	Automotive	Food	Home Furnishings	General	Lodging	Lumber
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
2018	1,306,123	4,983,321	22,120,457	2,089,323	12,064,098	891,228	11,652,643

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.

(3) This includes the Public Safety sales tax that is new in 2018

Professional	Public Utility	Unclassified	Home Occupation	Manufacturing	Motor Vehicle Use Tax	Accrual(1)	Total Sales and Use Tax(2)	Total Direct Tax Rate
\$ 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
1,577,798	5,241,083	6,853,376	291,865	2,278,161	4,498,289 (3)	-	75,847,765	3.530



The Sandstone Ranch & Visitors Center hosts educational programs for families throughout the year and is an especially nice place to spend a summer afternoon

**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	
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
2018	3.530	2.900	0.985	1.000	0.100	0.000	8.515

Sources: City of Longmont sales and use tax reports

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

	Fiscal Year			
	2009	2010	2011	2012
Aggregate top ten filers ⁽¹⁾	\$12,735,201	\$13,768,827	\$14,396,809	\$15,894,438
Aggregate all other filers ⁽²⁾	<u>29,949,805</u>	<u>30,806,839</u>	<u>32,802,404</u>	<u>33,403,768</u>
Total sales and use tax ⁽³⁾	<u>\$42,685,006</u>	<u>\$44,575,666</u>	<u>\$47,199,213</u>	<u>\$49,298,206</u>
Top ten filers as a percentage of total tax	29.84%	30.89%	30.50%	32.24%

(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					
2013	2014	2015	2016	2017	2018
\$17,214,271	\$18,298,951	\$19,916,128	\$21,056,860	\$23,571,469	\$26,783,620
<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>51,987,372</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>	<u>\$78,770,991</u>
32.90%	32.52%	34.38%	34.05%	34.63%	34.00%

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

Fiscal Year	Governmental Activities				Business-Type Activities			Total Primary Government	(1) % of Personal Income	(1) Per Capita
	General Obligation Bonds	Sales & Use Tax Revenue Bonds	Certificates of Participation	Capital Leases	Revenue Bonds	Loans Payable	Capital Leases			
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
2018	-	31,925,865	29,100,339	2,506,841	116,527,321	5,882,020	-	185,942,386	2.8%	1,933

Note: (1) See schedule 17 for personal income and population data used in calculating 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
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	-	-	-	-	-
2018	96,192	1,452,785,661	-	-	-	-	-

(a) Census Bureau; 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



Volunteers, such as these working at Button Rock Preserve, contribute tremendously to making Longmont a great place to live

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
As of December 31, 2018

Governmental Unit	Direct Debt Outstanding	Percentage Applicable To City of Longmont (a)	Estimated Share of Overlapping Debt
Overlapping: St. Vrain Valley School District ¹	\$ 548,690,000	44.70%	\$ 245,264,430
Northern Colorado Water Conservancy District ²	3,379,432	8.09%	<u>273,396</u>
Subtotal, overlapping debt			245,537,826
City of Longmont	63,533,045	100.00%	<u>63,533,045</u>
Total Direct & Overlapping Debt			<u><u>\$ 309,070,871</u></u>

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

Sources:

- (1) St. Vrain Valley School District
- (2) Northern Colorado Water Conservancy District

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

	Fiscal Year				
	2009	2010	2011	2012	2013
Debt Limit	\$ 272,149,250	\$ 264,574,063	\$ 264,875,278	\$ 254,458,859	\$ 254,406,723
Total net debt applicable to limit	<u>3,425,000</u>	<u>2,325,000</u>	<u>1,185,000</u>	<u>-</u>	<u>-</u>
Legal debt margin	<u>\$ 268,724,250</u>	<u>\$ 262,249,063</u>	<u>\$ 263,690,278</u>	<u>\$ 254,458,859</u>	<u>\$ 254,406,723</u>
Total net debt applicable to the limit as a percentage of debt limit	1.26%	0.88%	0.45%	0.00%	0.00%

Legal Debt Margin Calculation for Fiscal Year 2018:

Estimated actual value	<u>\$12,876,179,825</u>
Debt limit (3% of actual value)	386,285,395
Debt applicable to limit:	
General Obligation Bonds	<u>\$0</u>
Legal Debt Margin	386,285,395

		Fiscal Year				
		2014	2015	2016	2017	2018
\$	255,775,308	\$ 259,885,407	\$ 309,085,256	\$ 312,710,681	\$ 386,285,395	
	-	-	-	-	-	
\$	<u>255,775,308</u>	<u>\$ 259,885,407</u>	<u>\$ 309,085,256</u>	<u>\$ 312,710,681</u>	<u>\$ 386,285,395</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	\$ 887,296	12.29	
2015	68,470,990	57,818,312	10,652,678	-	1,472,013	1,472,013	1,472,013	7.24	
2016	72,127,200	62,415,469	9,711,731	-	1,472,013	1,472,013	1,472,013	6.60	
2017	77,293,758	63,821,601	13,472,157	2,245,000	1,553,064	3,798,064	3,798,064	3.55	
2018	79,294,131	67,791,007	11,503,124	2,880,000	1,582,500	4,462,500	4,462,500	2.58	
SEWER REVENUE BONDS									
2009	\$ 7,703,486	\$ 5,994,889	\$ 1,708,597	\$ 200,973	\$ 65,403	\$ 266,376	\$ 266,376	6.41	
2010	8,497,487	6,274,255	2,223,232	204,672	256,277 (e)	460,949	460,949	4.82	
2011	8,927,366	6,213,740	2,713,626	483,579	587,113 (e)	1,070,692	1,070,692	2.53	
2012	9,674,771	6,420,819	3,253,952	503,838	564,636	1,068,474	1,068,474	3.05	
2013	10,806,883	7,498,334	3,308,549	550,000	640,917	1,190,917	1,190,917	2.78	
2014	13,002,567	8,178,180	4,824,387	870,000	778,608	1,648,608	1,648,608	2.93	
2015	14,943,654	8,100,714	6,842,940	885,000	761,208	1,646,208	1,646,208	4.16	
2016	16,400,257	8,025,134	8,375,123	1,545,000	2,026,932	3,571,932	3,571,932	2.34	
2017	17,209,083	7,725,060	9,484,023	1,735,000	1,890,293	3,625,293	3,625,293	2.62	
2018	18,081,453	8,660,481	9,420,972	1,780,000	1,827,520	3,607,520	3,607,520	2.61	
WATER LOAN									
2009	\$ 12,859,723	\$ 8,607,929	\$ 4,251,794	\$ 700,528	\$ 508,877	\$ 1,209,405	\$ 1,209,405	3.52	
2010	13,467,464	8,391,999	5,075,465	950,853	489,439	1,440,292	1,440,292	3.52	
2011	13,581,304	9,160,147	4,421,157	961,909	463,514	1,425,423	1,425,423	3.10	
2012	14,797,928	9,524,927	5,273,001	989,550	456,063	1,445,613	1,445,613	3.65	
2013	12,874,408	9,753,022	3,121,386	989,551	427,463	1,417,014	1,417,014	2.20	
2014	13,515,192	11,333,712	2,181,480	1,006,135	398,375	1,404,510	1,404,510	1.55	
2015	14,912,596	9,815,086	5,097,510	1,017,191	368,800	1,385,991	1,385,991	3.68	
2016	16,608,135	10,779,446	5,828,689	1,039,304	332,000	1,371,304	1,371,304	4.25	
2017	18,907,230	11,667,810	7,239,420	1,061,417	294,400	1,355,817	1,355,817	5.34	
2018	19,419,744	12,533,677	6,886,067	1,083,530	256,000	1,339,530	1,339,530	5.14	
STORM DRAINAGE BONDS									
2009	\$ 3,459,768	\$ 2,137,552	\$ 1,322,216	\$ 510,000	\$ 577,519 (e)	\$ 1,087,519	\$ 1,087,519	1.22	
2010	3,541,274	2,163,466	1,377,808	520,000	561,431 (e)	1,081,431	1,081,431	1.27	
2011	3,488,953	2,209,759	1,279,194	530,000	545,019 (e)	1,075,019	1,075,019	1.19	
2012	3,999,567	2,159,066	1,840,501	565,000	536,406	1,101,406	1,101,406	1.67	
2013	4,173,492	2,311,825	1,861,667	565,000	518,531	1,083,531	1,083,531	1.72	
2014	6,815,082	3,002,966	3,812,116	1,885,000	498,756	2,383,756	2,383,756	1.60	
2015	6,947,077	2,565,357	4,381,720	2,615,000	1,219,803	3,834,803	3,834,803	1.14	
2016	7,258,176	3,536,679	3,721,497	1,360,000	1,059,351	2,419,351	2,419,351	1.54	
2017	7,426,638	3,738,232	3,688,406	1,450,000	1,036,688	2,486,688	2,486,688	1.48	
2018	7,742,184	5,062,371	2,679,813	1,450,000	987,988	2,437,988	2,437,988	1.10	
OPEN SPACE SALES AND USE TAX REVENUE BONDS									
		<u>Open Space Sales and Use Tax Revenues</u>		<u>Maximum Annual Debt Service on Bonds</u>			<u>Coverage</u>		
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			
2018		4,296,909		1,930,400		2.23			
SALES AND USE TAX REFUNDING REVENUE BONDS									
		<u>Pledged Sales and Use Tax Revenues</u>		<u>Maximum Annual Debt Service on Bonds</u>		<u>Coverage</u>			
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			
2018		42,647,482		2,799,100		15.24			

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 (%)
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	36.6	32,171	2.2
2017	94,777	6,037,958	63,707	36.9	32,421	2.6
2018	96,192	6,543,653	68,027	37.5	32,639	3.3

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

PRINCIPAL EMPLOYERS
Current Fiscal Year and Ten Years Ago

Employer	2018			2009		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
St. Vrain Valley Schools	3,543	1	6.7%	4,876	1	11.1%
City of Longmont	1,625	2	3.1%	814	4	1.9%
Seagate Technology	1,436	3	2.7%	1,160	3	2.6%
Longmont United Hospital	671	4	1.3%	1,282	2	2.9%
West Safety Svcs Division	598	5	1.1%			0.0%
UC Health Longs Peak Hospital	540	6	1.0%			
Federal Aviation Administration	484	7	0.9%	540	7	1.2%
McLane Western	460	8	0.9%	425	9	1.0%
Circle Graphics	400	9	0.8%			0.0%
Crocs	345	10	0.7%			0.0%
Amgen			0.0%	645	6	1.5%
DigitalGlobe			0.0%	437	8	1.0%
Butterball, LLC				404	10	0.9%
Intrado				762	5	1.7%
Total	10,102		19.1%	11,345		25.9%

Sources: Longmont Economic Development Partnership
Bureau of Labor Statistics
2009 CAFR

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

<u>Function/Program</u>	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Government										
City Administration	36	30	31	31	40	41	42	0	0	0
Mayor and Council								7	7	7
City Manager								7	8	7.5
City Attorney								7		8
Human Resources								8	8	8
Municipal Court								9	9	8.5
Shared Services & Finance	80	86	88	88	81	81	80	85	91	93.98
Public Safety								296	302	303.5
Police	185	173	171	171	171	171	174	0		
Fire	96	92	91	91	91	91	91	0		
Shared	23	30	29	31	31	32	33	0		
External Services								145	153	156.01
Parks, Open Space and Public Works	78	75	59	59	59	58	58	0		
Planning	11	14	14	14	14	13	13	0		
Development and Building Inspection	12	11	13	12	12	12	14	0		
Library	39	39	37	37	37	37	37	0		
Museum	8	7	7	7	7	7	8	0		
Recreation	22	21	21	21	21	23	34	0		
Senior Services	7	7	7	7	7	8	8	0		
Children and Youth Services	6	6	8	8	8	8	9	0		
Community Services Administration	12	11	12	13	13	16	16	0		
Public Works and Natural Resources	163	157	169	168	167	165	165	224	233	240.06
Power and Communications	70	73	73	73	73	73	92	99	100	100.84
Downtown Development Authority									3	2.8
Total	846	832	829	831	832	836	873	887	914	936.19

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>	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Police										
DUI Arrests	270	288	268	329	243	256	281	376	343	342
Traffic Violations	10,524	11,132	9,163	8,903	6,984	7,748	5,821	6,230	6,576	6,650
Case Clearance Rate	65%	42%	44%	40%	39%	40%	40%	48%	37%	31%
Fire										
Emergency Responses	6,772	7,007	6,788	7,918	8,262	8,279	6,574	9,983	10,584	10,310
Inspections	1,429	1,336	277	2,360	1,538	1,916	1,595	3,857	4,141	3,786
Fires Extinguished	72	156	102	190	202	152	138	218	240	171
Call Response Time										
< 5 mins	(a)	51%	0%	67%	47%	50%	58%	61%	60%	55%
> 5 mins		49%	0%	33%	53%	50%	42%	39%	40%	45%
Public Works										
Streets Resurfaced (Miles)	10.54	8.75	8.90	15.90	10.86	14.10	13.95	16.38	14.09	11.90
Parks and Recreation										
Library										
Total Circulation	(b)	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		22,170	22,933	19,502	18,084	18,837	16,694	15,733	17,603	21,112
Patron Visits		580,767	531,139	584,119	650,526	611,262	621,074	508,424	600,174	801,701
Museum										
Total People Served		71,443	70,009	71,077	62,024	65,137	47,177	60,414	62,652	62,693
Golf										
Rounds of Golf		96,108	89,517	88,607	100,958	87,620	90,402	90,963	92,410	101,232
Water										
New connections		506	-	62	330	116	140	281	545	372
Water main breaks		23	25	26	38	30	29	16	26	26
Average daily consumption (mgd)		13.66	14.51	15.53	15.45	13.49	13.12	13.37	14.20	13.96
Wastewater										
Average daily sewage treatment (mgd)		7.31	7.22	6.97	6.71	7.21	6.91	7.24	7.12	7.01
Power and Communications										
Customers		36,383	36,683	36,809	37,107	37,360	37,751	38,229	38,508	39,216
Meter Reading Accuracy		99.94%	99.90%	99.90%	99.90%	99.90%	99.90%	99.97%	99.96%	99%
NextLight Customers	(c)									18,950

Source: Various City of Longmont departments

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

(b) Change in circulation calculation due to new library system

(c) Began tracking NextLight customers in 2018

CAPITAL ASSETS STATISTICS BY FUNCTION
Last Ten Fiscal Years

<u>Function/Program</u>	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol vehicles	70	63	63	62	62	62	73	73	74	77
Fire										
Stations	5	5	5	6	6	6	6	6	6	6
Public Works										
Streets (miles)	319	319	330	330	330	334	337	337	342	342
Traffic Signals	7,228	7,228	7,355	7,402	7,415	7,467	7,480	7,534	7,609	7,719
Parks and Recreation										
Parks	44	44	44	47	47	47	47	46	44	44
Park, trail and open space acreage	5,213	5,213	5,213	4,676	4,715	4,719	4,719	4,715	6,414	6,414
Libraries	1	1	1	1	1	1	1	1	1	1
Number of volumes	292,299	283,758	277,279	270,176	267,769	266,082	267,769	274,542	273,622	267,432
Museum	1	1	1	1	1	1	1	1	1	1
Swimming Pools	5	5	5	5	4	4	4	4	4	5
Golf Courses	3	3	3	3	3	3	3	3	3	3
Water										
Water mains (miles)	442	441	443	443	443	447	450	452	456	468
Water connections	26,541	-	26,603	26,933	27,049	27,189	27,470	27,768	28,140	28,565
Wastewater										
Sanitary sewer (miles)	328	326	328	328	329	331	333	335	338	347
Wastewater connections	26,147	-	25,875	26,067	26,132	26,163	26,455	26,919	27,284	27,703
Power and Communications										
Substations	7	7	7	7	7	7	7	7	7	7

Source: Various City of Longmont departments

CITY OF LONGMONT, COLORADO

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended December 31, 2018

	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	\$ -	\$ 4,214
2015	14.218	15-MC-08-0011	587,833		28,200
2016	14.218	16-MC-08-0011	603,958		162,316
2017	14.218	17-MC-08-0011	617,129	50,000	262,708
2018	14.218	18-MC-08-0011	651,340		215,103
				50,000	672,541
<i>Passed through the Colorado Department of Local Affairs</i>					
CDBG-DR Longmont Resiliency for All	14.269	CDBG-DR-P16-012	77,000		3,297
CDBG-DR Grant (Boulder County Collaborative)	14.269	#84365	74,541,428	9,395,096	10,667,423
				9,395,096	10,670,720
Total Community Development Block Grant				9,445,096	11,343,261
<i>Passed through the City of Boulder, Colorado</i>					
HOME State Program Income	14.239	M-17-DC-08-0202	480,000		480,000
HOME Consortium Grant 2017	14.239	M-17-DC-08-0202	1,426,940		1,475,789
Total HOME Grants				-	1,955,789
TOTAL Department of Housing and Urban Development				9,445,096	13,299,050
US Department of Justice					
Eq. Sharing Agreement - Asset Forfeiture Program (Justice Seizure Fund)	16.922	CO0070400			219
<i>Passed through the Colorado Department of Public Safety</i>					
JAG - Domestic and Dating Violence Prevention and Education (year 4)	16.738	2014-DJ-17-03-9-4	7,465		7,459
<i>Passed through the City of Boulder</i>					
Edward Byrne Grant Award IGA with City of Boulder - Project Coordinator	16.738	2016-H3000-CO-DJ	25,994		2,428
Edward Byrne Grant Award IGA with City of Boulder - Project Coordinator	16.738	2017-H2589-CO-DOJ	26,835		1,930
				-	12,036
<i>Passed through the City of Colorado Springs, Colorado</i>					
Internet Crimes Against Children	16.543	2015-MC-FX-K030, Year 3	6,068		6,068
<i>Passed through the Colorado Department of Public Safety</i>					
Victims of Crime Act - VOCA	16.575	2015-VA-16-013669-20	42,908		42,908
Crime Victims Services- Longmont Police Victim Services	16.575	2018-VA-19-036-20	138,075		-
St. Vrain Family Center - S.A.F.E. Services Program Grant	16.527	2013-FX-AX-K001	382,607		123,978
2017 Bullet Vest Proof Partnership	16.607		11,795		11,795
Total US Department of Justice				-	196,785
Museums of America					
Institute of Museum and Library Services	45.301	MA-30-17-0533-17	148,718		114,492
Total Museum of Americas					114,492
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		52,208
<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		252,735
<i>Passed through the Colorado Department of Transportation</i>					
FAA Grant - Vance Brand Airport Rehabilitate Taxiways/Apron design only	20.106	19-HAV-ZL-00115	457,131		456,710
<i>Passed through the Colorado Department of Transportation</i>					
Click It or Ticket	20.616	CDOT PO # 411016567	7,000		7,000
Total US Department of Transportation					768,653
US Department of the Treasury					
Eq. Sharing Agreement - Treasury Forfeiture Prog. (Treasury Seizure Fd)	21.000	CO0070400			289
Total US Department of Treasury					289
US Department of Homeland Security					
<i>Passed through the Colorado Department of Public Safety- Homeland Security</i>					
Emergency Management Performance Grant (2017)	97.042	16EM-17-128	46,000		11,500
Emergency Management Performance Grant (2018)	97.042	17EM-18-128	46,000		46,000
					57,500
<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		620,449
FEMA - Federal Emergency Management Award	97.036	DR-4145-CO	41,441,082		4,234,178
FEMA - Federal Emergency Management Award (HMGP)	97.036	DR-4145-CO	1,401,671		484,756
					5,339,383
Total US Department of Homeland Security					5,396,883
Total Federal Assistance					\$ 19,776,152

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended December 31, 2018**

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, 2018. 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	\$ 318,549
	<u>\$ 318,549</u>

NOTE 5: PROGRAM INCOME

Program income for the year ended December 31, 2018 is as follows:

12.239 HOME Consortium	\$ 7,575
12.239 Home State	18,037
14.218 CDBG	<u>53,276</u>
	<u>\$ 78,888</u>

NOTE 6: LOANS AND LOAN GUARANTEES

CDBG Loan Balances outstanding at December 31, 2018:

CDBG- Entitlement Grant	\$ 1,412,804
CDBG- Disaster Recovery	1,684,683
HOME Consortium Fund	<u>183,657</u>
	3,281,144
Less: Allowance for uncollectible	<u>(2,119,522)</u>
	<u>\$ 1,161,622</u>

NOTE 7: PRIOR YEAR EXPENSES INCLUDED AS 2018 SEFA EXPENDITURES

	<u>Year Incurred</u>	<u>Amount</u>
97.036 FEMA - Federal Emergency Management Award DR 4145-CO	2013	\$ 187,169
	2014	391,557
	2015	567,220
	2016	112,973
	2017	<u>73,334</u>
		<u>\$ 1,332,253</u>



CliftonLarsonAllen LLP
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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***

Honorable Mayor and Members of City Council
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 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, 2018, 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 4, 2019.

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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify a deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2018-001 that we consider to be a material weakness.

Honorable Mayor and Members of City Council
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*.

City of Longmont's Response to Finding

The City of Longmont's response to the finding is identified in our audit is described in the accompanying schedule of findings and questioned costs. The City of Longmont's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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 4, 2019



CliftonLarsonAllen LLP
CLAconnect.com

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

Honorable Mayor and Members of City Council
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 each of City of Longmont's major federal programs for the year ended December 31, 2018. The City of Longmont's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Honorable Mayor and Members of City Council
City of Longmont

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 each of its major federal programs for the year ended December 31, 2018.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2018-002. Our opinion on each major federal program is not modified with respect to this matter.

The City of Longmont's response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The City of Longmont's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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 each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with 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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we did identify a deficiency in internal control over compliance, described in the accompanying schedule of findings and questioned costs as item 2018-002 that we consider to be significant deficiency.

Honorable Mayor and Members of City Council
City of Longmont

The City of Longmont's response to the internal control over compliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The City of Longmont's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

Greenwood Village, Colorado
June 4, 2019

**CITY OF LONGMONT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2018**

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? x yes 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? x yes 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)? x yes no

Identification of Major Federal Programs

CFDA Number(s)	Name of Federal Program or Cluster
14.239	HOME Consortium Grant
14.269	Community Development Block Grant – Disaster Recovery

Dollar threshold used to distinguish between Type A and Type B programs: \$ 750,000

Auditee qualified as low-risk auditee? x yes no

**CITY OF LONGMONT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2018**

Section II – Financial Statement Findings

2018 – 001 Material Adjustments

Type of Finding:

- Material Weakness in Internal Control over Financial Reporting

Condition: The City had material adjustments posted to their fiscal year 2018 balances. These adjustments included a prior period adjustment related to capital assets as well as a material audit entry to record contributed water rights within the Water Fund.

Criteria or specific requirement: Accurate recording of capital assets and other material revenue streams are critical to proper and accurate reporting for the City.

Context: Through work over contributed water rights, it was identified that the City did not accurately account for contributed water rights in the approximate amount of \$8 million. The City also reported a prior period adjustment related to capital assets due to asset balances being materially misstated as a result of inaccurate depreciation being calculated on City assets.

Effect: The City's capital asset balances were materially misstated and the Water Fund asset balance was materially misstated as a result of the City not reported contributed water rights.

Cause: The City did not have internal controls in place to ensure all contributed water rights were accurately recorded. The City's capital asset software was not accurately calculating depreciation due to how assets were entered into the system by the City.

Repeat Finding: No

Recommendation: We recommend the City continue to review the capital asset software and listing of all capital assets to ensure capital assets are properly recorded within governmental activities and business-type activities. We also recommend the City implement a review procedure of contributed water rights to ensure all balances are recorded within the City's general ledger.

Views of responsible officials and planned corrective actions: The City agrees with the audit finding. Accounting has, and will continue to review all City assets to ensure proper recording. The adjustment to the prior period related to capital assets was made as a result of this review. The City has also made adjustments to year end procedures to make sure contributed water rights get recorded prior to auditor review.

**CITY OF LONGMONT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2018**

Section III – Findings and Questioned Costs – Major Federal Programs

2018 – 002

Federal agency: U.S. Department of Housing and Urban Development

Federal program title: HOME Consortium Program

CFDA Number: 14.239

Pass-Through Agency: City of Boulder, Colorado

Pass-Through Number(s): M-17-DC-08-0202

Award Period: Fiscal Year 2018

Type of Finding:

- Significant Deficiency in Internal Control over Compliance

Criteria or specific requirement: The per-unit investment of HOME funds may not exceed the Federal Housing Administration (FHA) mortgage limits in Subsection 221 (d)(3) of the National Housing Act, including any area-wide high cost exceptions approved by HUD.

Condition: The City per-unit investment of HOME funds exceeded the Federal Housing Administration (FHA) mortgage limits for the Fall River Agreement.

Questioned costs: None

Context: CLA recalculated the per-unit subsidy for the agreement noting the per-unit subsidy was greater than the maximum home per-unit subsidy limits.

Cause: The City did not allocate enough HOME units within the agreement which resulted in the calculated subsidy being greater than the mortgage limits outlined in Subsection 221(d)(3) of the National Housing Act.

Effect: The City was not in compliance with the HUD requirements based on the original Fall River agreement.

Repeat Finding: No

Recommendation: We recommend the City amend the original Fall River agreement to increase the number of HOME funded units in order to comply with the FHA mortgage requirements. We also recommend the City implement an additional review procedure to ensure all agreements are in compliance with FHA mortgage limits.

Views of responsible officials: There is no disagreement with the audit finding. The City changed its methodology when calculating home units from the total amount assisted (which would have been 60 units in this case scenario) to the number required by the maximum subsidy limits. The City's calculation worksheet was not changed to the new methodology creating a calculation error. The City is in the process of revising its calculation worksheet along with adding a secondary source of review when processing the calculation.

**CITY OF LONGMONT
CORRECTIVE ACTION PLAN
YEAR ENDED DECEMBER 31, 2018**

City of Longmont respectfully submits the following corrective action plan for the year ended December 31, 2018.

Audit period: January 1, 2018 – December 31, 2018

The findings from the schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the schedule.

FINDINGS—FINANCIAL STATEMENT AUDIT

MATERIAL WEAKNESS

2018-001 Material Adjustments

Recommendation: We recommend the City continue to review the capital asset software and listing of all capital assets to ensure capital assets are properly recorded within governmental activities and business-type activities. We also recommend the City implement a review procedure of contributed water rights to ensure all balances are recorded within the City's general ledger.

Explanation of disagreement with audit finding: There is no disagreement with the audit finding.

Action taken in response to finding: The City has and will continue to review all City assets to ensure proper recording. The prior period adjustment related to assets was a result of this review. The City recorded the water rights contributed in 2018 as soon as the auditors brought it to the City's attention. Accounting has made adjustments to year end procedures to make sure they get recorded prior to auditor review.

Name(s) of the contact person(s) responsible for corrective action: DeeAnn Hanson, Accounting Manager

Planned completion date for corrective action plan: April 30, 2019

**CITY OF LONGMONT
CORRECTIVE ACTION PLAN
YEAR ENDED DECEMBER 31, 2018**

FINDINGS—FEDERAL AWARD PROGRAMS AUDITS

U.S. Department of Housing and Urban Development

2018-002 HOME Consortium Program – CFDA No. 14.239

Recommendation: We recommend the City amend the original Fall River agreement to increase the number of HOME funded units in order to comply with the FHA mortgage requirements. We also recommend the City implement an additional review procedure to ensure all agreements are in compliance with FHA mortgage limits.

Explanation of disagreement with audit finding: There is no disagreement with the audit finding.

Action taken in response to finding: The Fall River Agreement has been amended and is currently in attorney review. Once attorney review is completed the contract addendum will be executed. The City will be correcting their calculation worksheet as well as adding a procedure within their policies to include a secondary review process of the calculation before executing contracts in the future.

Name(s) of the contact person(s) responsible for corrective action: Tracy Defrancesco, Program Specialist and Kyndra Daniels, Accountant

Planned completion date for corrective action plan: August 31, 2019

If the Department of Housing and Urban Development has questions regarding this plan, please call Tracy Defrancesco at 303-774-4445.

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 2018
This Information From The Records Of (example - City of _ or County of City of Longmont)	Prepared By: Phone:	Sammi Coleson (303) 651-8676

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)	8,983,720
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	6,886,202
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	1,396,374
2. General fund appropriations	24,748,119	b. Snow and ice removal	716,749.47
3. Other local imposts (from page 2)	18,806,846	c. Other	1,959,832
4. Miscellaneous local receipts (from page 2)	522,084	d. Total (a. through c.)	4,072,956
5. Transfers from toll facilities	0	4. General administration & miscellaneous	6,212,342
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	2,644,679
a. Bonds - Original Issues	0	6. Total (1 through 5)	28,799,900
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)	44,077,049	b. Redemption	0
B. Private Contributions	12,194,890	c. Total (a. + b.)	0
C. Receipts from State government (from page 2)	4,313,164	2. Notes:	
D. Receipts from Federal Government (from page 2)	290,330	a. Interest	0
E. Total receipts (A.7 + B + C + D)	60,875,433	b. Redemption	0
		c. Total (a. + b.)	0
		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)	28,799,900

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
	17,420,705	60,875,433	28,799,900	18,168,976	(0)

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT		STATE: Colorado	
		YEAR ENDING (mm/yy): December 2018	
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	323,349
b. Other local imposts:		b. Traffic Fines & Penalties	0
1. Sales Taxes	16,113,411	c. Parking Garage Fees	0
2. Infrastructure & Impact Fees	2,548,833	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	144,602.43	g. Other Misc. Receipts	198,736
6. Total (1. through 5.)	18,806,846	h. Other	0
c. Total (a. + b.)	18,806,846	i. Total (a. through h.)	522,084
	(Carry forward to page 1)		(Carry forward to page 1)
ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes	3,604,711	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	(9,670)
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	325,184	d. Federal Transit Admin	300,000
d. Other (Specify) - DOLA Grant	0	e. U.S. Corps of Engineers	
e. Other (Specify) - Grnts/Rehab Pjct	383,270	f. Other Federal	0
f. Total (a. through e.)	708,453	g. Total (a. through f.)	290,330
4. Total (1. + 2. + 3.f)	4,313,164	3. Total (1. + 2.g)	
			(Carry forward to page 1)
III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL			
	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs	0	32,428	32,428
b. Engineering Costs	0	436,396	436,396
c. Construction:			
(1). New Facilities	0	0	0
(2). Capacity Improvements	0	0	0
(3). System Preservation	0	8,213,400	8,213,400
(4). System Enhancement & Operation	0	301,496	301,496
(5). Total Construction (1) + (2) + (3) + (4)	0	8,514,896	8,514,896
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	8,983,720	8,983,720
			(Carry forward to page 1)
Notes and Comments:			