

# CONTINUING DISCLOSURE REPORT

For the year ended  
December 31, 2018



City of  
**LONGMONT, COLORADO**

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September 27, 2019

In connection with the issuance of municipal securities, the City of Longmont has agreed to provide certain continuing disclosure for the benefit of the holders of such securities. The commitments to provide such disclosure, commonly referred to as “continuing disclosure undertakings”, have been undertaken in conformity with the requirements established by Rule 15c2-12 (the Rule) under the Securities Exchange Act of 1934. The Rule was in effect at the time of the issuance of the securities, and references to the Rule in this report are to Rule 15c2-12 in effect at the time of execution and delivery of each continuing disclosure undertaking. This report is meant to supplement and complement information found within the City of Longmont’s 2018 Comprehensive Annual Financial Report (CAFR) and is not intended to be viewed as a fully inclusive compliance document.

The City of Longmont reaffirms its commitment to provide, on an annual basis, secondary market disclosure in conformity with the continuing disclosure undertakings entered into in connection with the primary offering of its municipal securities. Specifically, the City continues to meet its obligation to provide to the Municipal Securities Rulemaking Board, through its single centralized repository, annual financial information and operating data identified in its continuing disclosure undertakings and remains alert to the requirement that the City make timely notice of identified material events.

The Continuing Disclosure Report is delivered by the City for the benefit of the holders and beneficial owners of these and other outstanding obligations of the City and the Continuing Disclosure Report is available at: [www.emma.msrb.org](http://www.emma.msrb.org) or at the City’s website at [www.longmontcolorado.gov](http://www.longmontcolorado.gov).

Sincerely,

A handwritten signature in blue ink, appearing to read "James M. Golden".

James M. Golden  
Chief Financial Officer  
City of Longmont



## **Reporting of Significant Events**

As of December 31, 2018 the City of Longmont had outstanding four different types of obligations: Sales & Use Tax Revenue bonds, Enterprise Revenue Bonds, Loans and Certificates of Participation. Information related to the disclosures made by the City can be found at the City's disclosure portal, also known as EMMA – Electronic Municipal Market Access, at [www.emma.msrb.org](http://www.emma.msrb.org).

## **Subsequent Events**

On July 9, 2019 the City of Longmont issued \$28,620,000 of Sales and Use Tax Revenue Bonds, Series 2019.

## **Statistical Disclosure**

This Continuing Disclosure Report reflects each debt structure outstanding as of December 31, 2018 requiring annual reporting: (1) Sales and Use Tax Revenue Bonds (2) Enterprise Revenue Bonds (3) Certificates of Participation.

In addition, the City of Longmont, acting principally through an enterprise of the City, occasionally enters into loan and note agreements, the most significant of which is an issue with the Colorado Water Resources and Power Development Authority.

This Continuing Disclosure Report is delivered by the City for the benefit of the holders and beneficial owners of Longmont obligations and is available at: [www.emma.msrb.org](http://www.emma.msrb.org) or at the City's website at [www.longmontcolorado.gov](http://www.longmontcolorado.gov).

The Table of Contents outlines each bond issue along with relevant tables as listed in the exhibit to the Continuing Disclosure Certificate(s) of each issue.

Summarized below is a listing, including the CUSIP 6-digit issuer number, of all obligations outstanding by type as of December 31, 2018.

### **Sales & Use Tax Revenue Bonds**

Open Space Revenue Refunding Bonds, Series 2010A and Series 2010B – CUSIP #543103  
Open Space Revenue Refunding Bonds, Series 2018 – CUSIP #543103

### **Enterprise Bonds**

Electric and Broadband Utility Enterprise Revenue Bonds, Series 2014 – CUSIP #543097  
Electric and Broadband Utility Enterprise Revenue Bonds, Series 2017 – CUSIP #543097  
Wastewater Revenue Refunding Bonds, Series 2010B - CUSIP #543098  
Wastewater Revenue Refunding Bonds, Series 2013 – CUSIP #543098  
Storm Drainage Revenue Bonds, Series 2014 – CUSIP #54310P  
Wastewater Enterprise Revenue Bonds, Series 2015 – CUSIP #543098  
Storm Drainage Revenue Refunding Bonds, Series 2016 – CUSIP #54310P

### **Certificates of Participation**

Certificates of Participation, Series 2014A and Series 2014B – CUSIP #543096

Open Space  
Revenue Refunding Bonds  
Series 2010A  
&  
Series 2010B

(CUSIP #543103)

**Historical Pledged Revenues and Pro-Forma Debt Service Coverage**

<u>Year</u>	<u>Open Space Sales and Use Tax Revenues (1)</u>	<u>Maximum Annual Debt Service on the 2010 &amp; 2018 Bonds (2)</u>	<u>Pro-Forma Coverage</u>
2005	\$2,727,251	\$2,268,205	1.20
2006	2,799,861	2,268,205	1.23
2007	2,853,231	2,268,205	1.26
2008	2,816,039	2,268,205	1.24
2009	2,606,718	2,268,205	1.15
2010	2,722,178	2,268,205	1.20
2011	2,882,395	2,268,205	1.27
2012	3,010,578	2,236,214	1.35
2013	3,195,124	2,218,314	1.44
2014	3,436,196	2,205,314	1.56
2015	3,537,857	2,187,114	1.62
2016	3,776,469	2,168,814	1.74
2017	4,156,190	2,145,414	1.94
2018	4,296,909	2,651,973	1.62

(1) Includes only the proceeds on the Open Space Sales and Use Tax.

(2) Represents the Combined Maximum Annual Debt Service on the 2010 and the 2018 Bonds. The City expects to receive a BAB credit in an amount equal to 35% of interest payable on the 2010B Bonds. The BAB credit has not been subtracted from the amounts shown.



**Annual History of Pledged Sales and Use Tax Collections**

<u>Year</u>	<u>Open Space Sales Tax Collections</u>	<u>Percent Increase (Decrease)</u>	<u>Open Space Use Tax Collections</u>	<u>Percent Increase (Decrease)</u>	<u>Total City Sales &amp; Use Tax Collections</u>	<u>Percent Increase (Decrease)</u>
2005	\$2,151,677	--	\$575,573	--	\$2,727,250	--
2006	2,267,867	5.40 %	531,994	(7.57) %	2,799,861	2.66 %
2007	2,409,631	6.25 %	443,600	(16.62) %	2,853,231	1.91 %
2008	2,385,798	(0.99) %	430,241	(3.01) %	2,816,039	(1.30) %
2009	2,260,388	(5.26) %	346,330	(19.50) %	2,606,718	(7.43) %
2010	2,336,822	3.38 %	385,356	11.27 %	2,722,178	4.43 %
2011	2,449,451	4.82 %	432,944	12.35 %	2,882,395	5.89 %
2012	2,526,923	3.16 %	483,655	11.71 %	3,010,578	4.45 %
2013	2,685,133	6.26 %	509,991	5.45 %	3,195,124	6.13 %
2014	2,866,270	6.75 %	569,926	11.75 %	3,436,196	7.55 %
2015	2,907,789	1.45 %	630,068	10.55 %	3,537,857	2.96 %
2016	3,105,706	6.81 %	670,763	6.46 %	3,776,469	6.74 %
2017	3,377,230	8.74 %	778,960	16.13 %	4,156,190	10.05 %
2018	3,488,421	3.29 %	808,489	3.79 %	4,296,909	3.39 %
2019	1,373,279 (1)	-	279,071 (1)	-	1,652,350 (1)	

(1) Includes collections through 6/30/19 (for sales made in January through May 2019).  
This amount represents a 0.1% increase over collections for the same period in 2018.

**Summary of Revenues, Expenditures and Changes in Fund Balance - Open Space Fund**

	2014	2015	2016	2017	2018
<b>REVENUE</b>					
Taxes(1)	\$ 3,436,196	\$ 3,537,857	\$ 3,776,469	\$ 4,156,190	\$ 4,296,909
Intergovernmental	185,435	877,493	658,274	2,677,164	828,734
Investment income	38,225	31,122	43,647	54,592	234,579
Miscellaneous income	78,500	202,309	61,511	73,413	558,844
Total revenue	<u>3,738,356</u>	<u>4,648,781</u>	<u>4,539,901</u>	<u>6,961,359</u>	<u>5,919,066</u>
<b>EXPENDITURES</b>					
Current					
Culture and recreation	4,649,658	1,499,466	1,433,404	829,967	1,262,023
Capital Outlay				2,589,160	8,987,025
Debt Service					
Bond principal retired	1,160,000	1,165,000	1,170,000	1,170,000	1,185,000
Interest and fiscal charges	1,045,314	1,022,114	998,814	975,414	940,314
Total Expenditures	<u>6,854,972</u>	<u>3,686,580</u>	<u>3,602,218</u>	<u>5,564,541</u>	<u>12,374,362</u>
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	<u>(3,116,616)</u>	<u>962,201</u>	<u>937,683</u>	<u>1,396,818</u>	<u>(6,455,296)</u>
<b>OTHER FINANCING SOURCES (uses)</b>					
Transfers in:					
Self Insurance Fund	49,119	-	77,400	-	-
Transfers out:					
Art in public places fund	(28,905)	(3,407)	(8)	-	-
General Fund	(90)	(305)	(41)	(364)	(270)
Fleet Fund	-	-	(24,500)	-	-
Issuance of long-term debt	-	-	-	-	8,150,000
Premium on issuance of long-term debt	-	-	-	-	329,749
Total other financing sources (uses)	<u>20,124</u>	<u>(3,712)</u>	<u>52,851</u>	<u>(364)</u>	<u>8,479,479</u>
<b>Net Changes in Fund Balance</b>	<b>(3,096,492)</b>	<b>958,489</b>	<b>990,534</b>	<b>1,396,454</b>	<b>2,024,183</b>
FUND BALANCE, January 1	9,384,454	6,287,962	7,246,451	8,236,985	9,633,439
FUND BALANCE, December 31	<u>\$ 6,287,962</u>	<u>\$ 7,246,451</u>	<u>\$ 8,236,985</u>	<u>\$ 9,633,439</u>	<u>\$ 11,657,622</u>

(1) Represents the Open Space Sales and Use Tax revenues.

**Open Space Fund - Budget to Actual Comparison**

	Final Budget 2018	Actual through 6/30/18 (1)	Amended Budget 2019	Actual through 6/30/19 (1)
<b>REVENUES</b>				
Sales tax	\$ 3,387,756	\$ 1,338,145	\$ 3,558,273	\$ 1,373,279
Use tax	714,433	312,437	773,235	279,071
Developer Participation	-	-	439,093	439,094
Interest income	6,871	77,121	13,940	115,053
Miscellaneous	55,000	405,141	55,000	272,545
Intergovernmental	1,062,801	151,369	177,957	91,286
Total Revenue	<u>5,226,861</u>	<u>2,284,213</u>	<u>5,017,498</u>	<u>2,570,328</u>
<b>EXPENDITURES</b>				
Open Space Operations	14,700,752	1,229,100	5,314,078	3,462,746
Debt Service				
Interest and fiscal charges	940,314	470,157	1,337,621	655,614
Bond principal retired	1,185,000	-	1,400,000	-
Total Expenditures	<u>16,826,066</u>	<u>1,699,257</u>	<u>8,051,699</u>	<u>4,118,360</u>
Excess/Deficiency of Revenues Over (Under) Expenditures	(11,599,205)	584,956	(3,034,201)	(1,548,032)
<b>OTHER FINANCING SOURCES (uses)</b>				
Transfers out				
Art in public places fund	(2,707)	-	(34,800)	-
General fund	(270)	-	(5,887)	-
Proceeds from bonds	8,450,000	-	-	-
Total other financing sources (uses)	<u>8,447,023</u>	<u>-</u>	<u>(40,687)</u>	<u>-</u>
Net Change in Fund Balance	(3,152,182)	584,956	(3,074,888)	(1,548,032)
BEGINNING FUND BALANCE, January 1	9,633,439	9,633,439	11,657,622	11,657,622
ENDING FUND BALANCE, June 30	<u>\$ 6,481,257</u>	<u>\$ 10,218,395</u>	<u>\$ 8,582,734</u>	<u>\$ 10,109,590</u>

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(1) Unaudited, interim information only.

Open Space  
Sales and Use Tax Revenue Bonds  
Series 2018

(CUSIP #543103)

**Historical Pledged Revenues and Pro-Forma Debt Service Coverage**

<u>Year</u>	<u>Open Space Sales and Use Tax Revenues (1)</u>	<u>Maximum Annual Debt Service on the 2018 Bonds (2)</u>	<u>Pro-Forma Coverage</u>
2005	\$2,727,251	\$2,268,205	1.20
2006	2,799,861	2,268,205	1.23
2007	2,853,231	2,268,205	1.26
2008	2,816,039	2,268,205	1.24
2009	2,606,718	2,268,205	1.15
2010	2,722,178	2,268,205	1.20
2011	2,882,395	2,268,205	1.27
2012	3,010,578	2,236,214	1.35
2013	3,195,124	2,218,314	1.44
2014	3,436,196	2,205,314	1.56
2015	3,537,857	2,187,114	1.62
2016	3,776,469	2,168,814	1.74
2017	4,156,190	2,145,414	1.94
2018	4,296,909	2,651,973	1.62

(1) Includes only the proceeds on the Open Space Sales and Use Tax.

(2) Represents the Combined Maximum Annual Debt Service on the 2010 and the 2018 Bonds. The City expects to receive a BAB credit in an amount equal to 35% of interest payable on the 2010B Bonds. The BAB credit has not been subtracted from the amounts shown.

**Annual History of Pledged Sales and Use Tax Collections**

<u>Year</u>	<u>Open Space Sales Tax Collections</u>	<u>Percent Increase (Decrease)</u>	<u>Open Space Use Tax Collections</u>	<u>Percent Increase (Decrease)</u>	<u>Total City Sales &amp; Use Tax Collections</u>	<u>Percent Increase (Decrease)</u>
2005	\$2,151,677	--	\$575,573	--	\$2,727,250	--
2006	2,267,867	5.40 %	531,994	(7.57) %	2,799,861	2.66 %
2007	2,409,631	6.25 %	443,600	(16.62) %	2,853,231	1.91 %
2008	2,385,798	(0.99) %	430,241	(3.01) %	2,816,039	(1.30) %
2009	2,260,388	(5.26) %	346,330	(19.50) %	2,606,718	(7.43) %
2010	2,336,822	3.38 %	385,356	11.27 %	2,722,178	4.43 %
2011	2,449,451	4.82 %	432,944	12.35 %	2,882,395	5.89 %
2012	2,526,923	3.16 %	483,655	11.71 %	3,010,578	4.45 %
2013	2,685,133	6.26 %	509,991	5.45 %	3,195,124	6.13 %
2014	2,866,270	6.75 %	569,926	11.75 %	3,436,196	7.55 %
2015	2,907,789	1.45 %	630,068	10.55 %	3,537,857	2.96 %
2016	3,105,706	6.81 %	670,763	6.46 %	3,776,469	6.74 %
2017	3,377,230	8.74 %	778,960	16.13 %	4,156,190	10.05 %
2018	3,488,421	3.29 %	808,489	3.79 %	4,296,909	3.39 %
2019	1,373,279 (1)	-	279,071 (1)	-	1,652,350 (1)	

(1) Includes collections through 6/30/19 (for sales made in January through May 2019).

This amount represents a 0.1% increase over collections for the same period in 2018.

**Summary of Revenues, Expenditures and Changes in Fund Balance - Open Space Fund**

	2014	2015	2016	2017	2018
<b>REVENUE</b>					
Taxes(1)	\$ 3,436,196	\$ 3,537,857	\$ 3,776,469	\$ 4,156,190	\$ 4,296,909
Intergovernmental	185,435	877,493	658,274	2,677,164	828,734
Investment income	38,225	31,122	43,647	54,592	234,579
Miscellaneous income	78,500	202,309	61,511	73,413	558,844
Total revenue	<u>3,738,356</u>	<u>4,648,781</u>	<u>4,539,901</u>	<u>6,961,359</u>	<u>5,919,066</u>
<b>EXPENDITURES</b>					
Current					
Culture and recreation	4,649,658	1,499,466	1,433,404	829,967	1,262,023
Capital Outlay				2,589,160	8,987,025
Debt Service					
Bond principal retired	1,160,000	1,165,000	1,170,000	1,170,000	1,185,000
Interest and fiscal charges	1,045,314	1,022,114	998,814	975,414	940,314
Total Expenditures	<u>6,854,972</u>	<u>3,686,580</u>	<u>3,602,218</u>	<u>5,564,541</u>	<u>12,374,362</u>
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	<u>(3,116,616)</u>	<u>962,201</u>	<u>937,683</u>	<u>1,396,818</u>	<u>(6,455,296)</u>
<b>OTHER FINANCING SOURCES (uses)</b>					
Transfers in:					
Self Insurance Fund	49,119	-	77,400	-	-
Transfers out:					
Art in public places fund	(28,905)	(3,407)	(8)	-	-
General Fund	(90)	(305)	(41)	(364)	(270)
Fleet Fund	-	-	(24,500)	-	-
Issuance of long-term debt	-	-	-	-	8,150,000
Premium on issuance of long-term debt	-	-	-	-	329,749
Payment to refunded bond escrow agent	-	-	-	-	-
Total other financing sources (uses)	<u>20,124</u>	<u>(3,712)</u>	<u>52,851</u>	<u>(364)</u>	<u>8,479,479</u>
<b>Net Changes in Fund Balance</b>	<u>(3,096,492)</u>	<u>958,489</u>	<u>990,534</u>	<u>1,396,454</u>	<u>2,024,183</u>
FUND BALANCE, January 1	<u>9,384,454</u>	<u>6,287,962</u>	<u>7,246,451</u>	<u>8,236,985</u>	<u>9,633,439</u>
FUND BALANCE, December 31	<u>\$ 6,287,962</u>	<u>\$ 7,246,451</u>	<u>\$ 8,236,985</u>	<u>\$ 9,633,439</u>	<u>\$ 11,657,622</u>

(1) Represents the Open Space Sales and Use Tax revenues.



**Open Space Fund - Budget to Actual Comparison**

	Final Budget 2018	Actual through 6/30/18 (1)	Amended Budget 2019	Actual through 6/30/19 (1)
<b>REVENUES</b>				
Sales tax	\$ 3,387,756	\$ 1,338,145	\$ 3,558,273	\$ 1,373,279
Use tax	714,433	312,437	773,235	279,071
Developer Participation	-	-	439,093	439,094
Interest income	6,871	77,121	13,940	115,053
Miscellaneous	55,000	405,141	55,000	272,545
Intergovernmental	1,062,801	151,369	177,957	91,286
Total Revenue	<u>5,226,861</u>	<u>2,284,213</u>	<u>5,017,498</u>	<u>2,570,328</u>
<b>EXPENDITURES</b>				
Open Space Operations	14,700,752	1,229,100	5,314,078	3,462,746
Debt Service				
Interest and fiscal charges	940,314	470,157	1,337,621	655,614
Bond principal retired	1,185,000	-	1,400,000	-
Total Expenditures	<u>16,826,066</u>	<u>1,699,257</u>	<u>8,051,699</u>	<u>4,118,360</u>
Excess/Deficiency of Revenues Over (Under) Expenditures	(11,599,205)	584,956	(3,034,201)	(1,548,032)
<b>OTHER FINANCING SOURCES (uses)</b>				
Transfers out				
Art in public places fund	(2,707)	-	(34,800)	-
General fund	(270)	-	(5,887)	-
Proceeds from bonds	8,450,000	-	-	-
Total other financing sources (uses)	<u>8,447,023</u>	<u>-</u>	<u>(40,687)</u>	<u>-</u>
Net Change in Fund Balance	(3,152,182)	584,956	(3,074,888)	(1,548,032)
BEGINNING FUND BALANCE, January 1	9,633,439	9,633,439	11,657,622	11,657,622
ENDING FUND BALANCE, June 30	<u>\$ 6,481,257</u>	<u>\$ 10,218,395</u>	<u>\$ 8,582,734</u>	<u>\$ 10,109,590</u>

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(1) Unaudited, interim information only.

Electric and Broadband Utility

Enterprise Revenue Bonds

Series 2014

(CUSIP #543097)

**History of Net Pledged Revenues and Pro-Forma Debt Service Coverage**

	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>Budgeted 2019</b>
<b>Gross Pledged Revenues</b>						
<b><u>Electric System</u></b>						
Charges for services	\$63,158,938	\$63,877,212	\$64,235,076	\$66,071,721	\$66,914,681	\$69,625,000
Electric Aid to Construction (1)	1,686,685	1,775,200	2,973,582	3,501,670	3,124,085	3,600,000
Other (2)	332,630	1,384,197	277,123	254,954	398,154	260,250
	<u>65,178,253</u>	<u>67,036,609</u>	<u>67,485,781</u>	<u>69,828,345</u>	<u>70,436,920</u>	<u>73,485,250</u>
<b><u>Broadband System</u></b>						
Charges for services	614,926	1,341,199	4,533,251	10,824,169	13,719,648	15,018,077
Broadband Aid to Construction	-	-	25,361	7,847	100,321	30,000
Other (3)	48,272	93,182	82,807	41,714	75,722	23,000
	<u>663,198</u>	<u>1,434,381</u>	<u>4,641,419</u>	<u>10,873,730</u>	<u>13,895,691</u>	<u>15,071,077</u>
<b>Total Gross Pledged Revenues</b>	<u>65,841,451</u>	<u>68,470,990</u>	<u>72,127,200</u>	<u>80,702,075</u>	<u>84,332,611</u>	<u>88,556,327</u>
<b>Operation and Maintenance Expenses (4)</b>						
Electric System	52,003,050	55,184,701	58,667,809	59,110,553	62,233,761	66,270,287
Broadband System	2,936,261	2,633,611	3,747,660	4,711,047	5,709,853	6,644,181
Total O&M Expenses	<u>54,939,311</u>	<u>57,818,312</u>	<u>62,415,469</u>	<u>63,821,600</u>	<u>67,943,615</u>	<u>72,914,468</u>
<b>Net Pledged Revenues</b>	\$10,902,140	\$10,652,678	\$9,711,731	16,880,475	16,388,996	15,641,859
<b>Combined Maximum Annual Principal and Interest Requirements (5)</b>	\$3,717,013	\$3,717,013	\$3,717,013	\$4,462,500	\$4,462,500	\$4,459,000
<b>Pro-Forma Coverage</b>	2.93x	2.87x	2.61x	3.78x	3.68x	3.51x

(1) Aid to underground installation fees are capital contribution revenue in the Electric System and the Telecommunications System.

(2) Includes investment income, miscellaneous revenue and other sales. Does not include intergovernmental and transfers in.

(3) Includes investment income and miscellaneous revenue. Does not include Aid to underground installation.

(4) Generally includes all expenses properly allocable to the System pursuant to GAAP. Does not include depreciation or amortization.

Also does not include franchise fees paid by each portion of the System. Current City financial policies require the Electric System and the Broadband System to pay the General Fund franchise fees of 8% and 5% respectively, of current year revenues. The obligation to pay franchise fees is subordinate to the obligation to pay debt service on the 2014 and 2017 Bonds.

(5) Represents the Combined Maximum Annual Principal and Interest Requirements payable on the 2014 and 2017 Bonds (\$4,459,000 in 2019)

See "DEBT SERVICE REQUIREMENTS."

Source: Derived from the City's audited financial statements for 2014-2018 and the 2019 Budget.

**Electric System User Charges - 2018**

Rate Description	Charges	Rates
<b>Residential Rates</b>		
Residential Energy	Customer Charge	\$12.4000
	0-750 kwh	\$0.0755
	751-1500 kwh	\$0.0872
	1501 kwh and above	\$0.0999
Residential Demand	Customer Charge	\$16.6000
	kwh	\$0.0468
	max kw	\$5.7500
Residential Generation	Customer Charge	\$21.6000
	kwh below average	\$0.0651
	kwh above average	\$0.0755
Renewable	kwh	\$ 0.0312
<b>Commercial Rates</b>		
Commercial Energy	Customer Charge	\$20.2000
	kwh	\$ 0.0792
Commercial Demand	Customer Charge	\$82.5000
	kwh	\$0.0472
	max kw	\$10.4000
Commercial Energy Generation	Customer Charge	\$36.6000
	kwh below average	\$0.0700
	kwh above average	\$0.0792
Commercial Demand Generation	Customer Charge	\$82.5000
	kwh	\$0.0472
	max kw	\$10.4000
<b>Unmetered Energy Rates</b>		
Unmetered 1-49 watt	Customer Charge	\$ 6.80
Unmetered 50-149 watt	Customer Charge	\$ 8.20
Unmetered 150-249 watt	Customer Charge	\$ 11.15
Unmetered 250 & over	Customer Charge	\$ 13.40
Power Supply	Customer Charge	\$ 51.00

Non-residential, metered Electric System customers that exceed 800 kW demand in any two consecutive billing periods qualify for the Commercial Coincident Demand Rate ("CCD"). Once qualified, each such customer remains on the CCD rate for a minimum of 12 consecutive months. CCD customers may elect to enter into an individual commercial contract at the Commercial Contract Rate at any time. The CCD rate is developed for each individual customer based on generally accepted cost of service principles developed by LPC and are updated as needed to reflect the cost of service to the individual customer. CCD rates include customer charges, energy charges and demand charges based on the customer cost of service as well as the required franchise fee paid to the City General Fund.

Other Fees and Charges: The City also imposes various fees, including annexation fees, charges for miscellaneous services and aid to construction fees.

Source: Longmont Power and Communications, City of Longmont.

**History of Electric System Customers**

Year	Electric Customers	% Change
2003	33,069	n/a
2004	33,992	2.8%
2005	34,779	2.3%
2006	35,454	1.9%
2007	35,750	0.8%
2008	36,231	1.3%
2009	36,383	0.4%
2010	36,683	0.8%
2011	36,809	0.3%
2012	37,107	0.8%
2013	37,360	0.7%
2014	37,751	1.0%
2015	38,229	1.3%
2016	38,508	0.7%
2017	39,216	1.8%
2018	40,175	2.4%

Source: Longmont Power and Communications, City of Longmont.

**Electric System Customer Information by Customer Type**

	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
<b>Electric Sales in MWH</b>					
Residential	302,116	303,034	307,300	303,854	316,320
Commercial	354,705	352,810	357,065	356,881	362,486
Industrial	114,369	116,862	117,865	118,393	106,378
<b>Total</b>	<b>771,190</b>	<b>772,706</b>	<b>782,230</b>	<b>779,128</b>	<b>785,184</b>
<b>Electric Revenue (in 000s)</b>					
Residential	\$ 27,927	\$ 28,480	\$ 28,527	\$ 29,367	\$ 30,690
Commercial	27,252	27,397	27,707	28,368	28,986
Industrial	7,543	7,759	7,707	8,053	7,307
<b>Total</b>	<b>\$ 62,722</b>	<b>\$ 63,636</b>	<b>\$ 63,941</b>	<b>\$ 65,788</b>	<b>\$ 66,983</b>
<b>Average Customer Accounts</b>					
Residential-inside City limits	34,024	34,645	34,899	35,564	36,499
Residential-outside City limits	810	820	822	828	827
	<b>34,834</b>	<b>35,465</b>	<b>35,721</b>	<b>36,392</b>	<b>37,326</b>
Commercial-inside City limits	2,564	2,632	2,648	2,684	2708
Commercial-outside City limits	118	123	129	130	130
	<b>2,682</b>	<b>2,755</b>	<b>2,777</b>	<b>2,814</b>	<b>2,838</b>
Industrial-inside City limits	6	7	8	8	9
Industrial-outside City limits	1	1	1	1	1
	<b>7</b>	<b>8</b>	<b>9</b>	<b>9</b>	<b>10</b>
Contract-inside City limits	0	0	0	0	0
Contract-outside City limits	1	1	1	1	1
	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>
<b>Total Average Accounts</b>	<b>37,524</b>	<b>38,229</b>	<b>38,508</b>	<b>39,216</b>	<b>40,175</b>
<b>Average Use per Customer</b>					
Residential - Annual	8,673	8,545	8,636	8,432	8,475
Residential - Monthly	723	712	720	703	706
<b>Annual Peak Demand (MW)</b>					
Summer Peak	169	170	179	183	186
Winter Peak	128	122	124	127	120

Source: Longmont Power and Communications, City of Longmont.

**Largest Electric System Customers - 2018**

Customer Number (2)	Total kWh	Total kW	Total 2018 Revenue	Percent of Total 2018 Revenue(1)
126902	34,017,120	58,020	\$ 2,339,240	3.50%
512177	25,276,800	40,066	1,689,179	2.52%
516115	17,678,936	34,986	1,239,192	1.85%
127015	16,537,895	73,523	1,578,921	2.36%
332917	15,835,968	24,025	1,085,456	1.62%
231353	10,929,984	22,011	752,269	1.12%
126234	10,657,807	22,817	747,832	1.12%
125672	8,670,605	16,341	589,202	0.88%
307785	8,495,040	14,342	568,286	0.85%
291785	8,077,440	13,265	521,194	0.78%
Total	156,177,595	319,397	\$ 11,110,771	16.60%

(1) Based on total Electric System charges for service of \$66,914,681 for 2018.

(2) The identities of the largest individual electric system users and the amount of revenue generated by each cannot be divulged under penalty of law.

Source: Longmont Power and Communications, City of Longmont.



### **History of Broadband System Customers by Customer Class**

<b>Customer Class</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
Residential (1)	0	0	0	26	244	2,130	9,652	16,277	18,107
Commercial (1)	0	0	0	26	29	94	308	631	840
Fiber Lease	8	8	9	9	9	8	8	8	7
Colocation	4	4	4	5	6	5	5	5	5
Conduit Lease	1	1	1	1	1	1	1	1	1
<b>Total</b>	<b>13</b>	<b>13</b>	<b>14</b>	<b>67</b>	<b>289</b>	<b>2,238</b>	<b>9,974</b>	<b>16,922</b>	<b>18,960</b>

(1) Years prior to 2013 include services provided to dark fiber and colocation contract customers, which the backbone system was designed to provide. The Broadband System began adding residential and commercial broadband customers in May 2013.

Source: Longmont Power and Communications, City of Longmont.

**History of Broadband System Revenues by Customer Class**

Customer Class	2012	2013	2014	2015	2016	2017	2018
Residential (1)	\$ -	\$ 1,096	\$ 63,266	\$ 767,790	\$ 3,673,102	\$ 9,419,828	\$ 11,775,203
Commercial (1)	-	19,612	186,400	383,341	667,110	1,218,295	1,785,414
Fiber Lease	262,031	261,928	314,201	167,137	168,394	143,812	118,847
Colocation	27,582	30,220	34,533	21,682	23,381	40,933	38,843
Conduit Lease	1,161	1,183	1,216	1,249	1,264	1,302	1,341
<b>Total</b>	<b>\$ 290,774</b>	<b>\$ 314,039</b>	<b>\$ 599,616</b>	<b>\$ 1,341,199</b>	<b>\$ 4,533,251</b>	<b>\$ 10,824,170</b>	<b>\$ 13,719,648</b>

(1) The Broadband System began adding residential and commercial customers in May 2013.

Source: Longmont Power and Communications, City of Longmont.

**Budget Summary and Comparison - Electric and Broadband Fund**

	2018 <u>Budget</u>	2018 <u>Actual</u>	2019 <u>Budget</u>
<b>REVENUES</b>			
Electric charges for services	\$ 70,392,200	\$66,914,681	\$69,625,000
Electric aid to underground construction	3,000,000	3,124,085	3,600,000
Electric intergovernmental revenue	-	750	-
Electric interest income	144,300	188,371	80,000
Electric miscellaneous	230,880	209,783	180,250
Electric operating transfers in	29,710	29,710	288,202
Broadband charges for services	13,613,643	13,719,648	15,018,077
Broadband aid to underground construction	85,000	100,321	30,000
Broadband interest income	5,180	54,086	5,000
Broadband miscellaneous	16,500	21,636	18,000
<b>Total Revenue</b>	<u>\$ 87,517,413</u>	<u>\$84,363,071</u>	<u>\$ 88,844,529</u>
<b>EXPENSES</b>			
Electric distribution	\$ 6,374,656	\$ 3,864,155	\$ 7,164,874
Electric engineering	1,534,142	3,682,621	1,465,086
Electric purchased power	51,323,487	49,634,480	53,093,424
Electric administration	3,002,641	2,830,153	3,134,690
Electric franchise fee	5,553,824	5,306,054	5,488,217
Electric meter reading	527,484	431,177	536,663
Electric warehouse	574,741	483,882	631,329
Electric customer services and marketing	221,195	143,141	196,653
Electric energy services	1,218,079	1,072,478	1,111,176
Electric capital outlay	5,274,438	3,292,623	3,349,870
Broadband administration	2,214,531	2,041,684	2,385,679
Broadband franchise fee	6,840	6,840	6,840
Broadband distribution	3,551,948	1,524,651	3,874,806
Broadband engineering	440,929	2,147,044	646,781
Broadband debt service	4,462,500	4,268,525 (1)	4,459,000
Broadband capital outlay	3,562,295	2,961,256	2,308,223
<b>Total Expenses</b>	<u>\$ 89,843,730</u>	<u>\$ 83,690,766</u>	<u>\$ 89,853,311</u>
<b>Excess of Revenues over (under)</b>			
<b>Expenditures</b>	<u>\$ (2,326,317)</u>	<u>\$ 672,305</u>	<u>\$ (1,008,782)</u>

(1) Includes principal and interest.

Source: Derived from the 2018 and 2019 Budgets and the audited 2018 financial statements provided by the City of Longmont.

**Electric and Broadband Fund - History of Revenues, Expenses and Changes in Fund Net Position**

	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
<b>Operating Revenues</b>					
Charges for services	\$ 63,773,864	\$ 65,218,411	\$ 68,768,327	\$ 76,895,890	\$ 80,634,329
<b>Operating Expenses</b>					
Administration	3,693,506	4,522,592	3,847,192	4,168,223	4,324,066
Purchased power/cost of sales/premiums	43,541,289	44,536,649	47,131,953	48,120,219	49,634,480
Transmission/distribution	6,069,814	7,094,651	9,705,998	9,720,815	12,092,357
Depreciation	2,531,638	2,656,444	3,019,109	3,919,443	4,005,405
Administrative fees (1)	1,634,702	1,664,420	1,730,327	1,812,344	1,892,712
Franchise fee (2)	5,036,670	5,164,731	5,109,626	5,228,811	5,312,894
Total operating expenses	62,507,619	65,639,487	70,544,205	72,969,855	77,261,914
<b>Operating Income (Loss)</b>	1,266,245	(421,076)	(1,775,878)	3,926,035	3,372,415
<b>Non-Operating Revenues (Expenses)</b>					
Investment income (loss)	91,795	150,731	152,111	81,719	242,457
Miscellaneous	178,050	111,620	128,686	124,219	183,093
Intergovernmental	177,869	84,096	10,203	101,200	750
Other Sales	111,057	81,790	82,026	90,730	72,173
Gain (Loss) on disposal of assets	-	1,133,238	(2,894)	-	(23,846)
Interest Expense	(41,601)	(98,057)	(72,848)	(132)	(1,388,525)
Total non-operating revenues	517,170	1,463,418	297,284	397,736	(913,898)
<b>Change in net position before transfers and capital contributions</b>	1,783,415	1,042,342	(1,478,594)	4,323,771	2,458,517
Capital Contributions (3)	1,806,325	1,787,449	3,392,782	3,851,052	3,653,546
Transfers					
Transfers in	40,281	16,361	15,974	19,835	29,710
Transfers out	(200,028)	(468,925)	(132,685)	(517,167)	(59,355)
<b>Change in net position</b>	3,429,993	2,377,227	1,797,477	7,677,491	6,082,418
<b>Total Net Position - January 1 (4)</b>	56,406,441	59,836,434	64,541,501	66,338,979	74,016,470
Cumulative effect of correction to prior period (5)		2,327,840			(956,605)
Restated Total Net Position - January 1		62,164,274			73,059,865
<b>Total Net Position - December 31 (4)</b>	\$ 59,836,434	\$ 64,541,501	\$ 66,338,979	\$ 74,016,470	\$ 79,142,280

(1) Represents a payment to the General Fund to cover the cost of general services (administrative, financial and legal services, office space, etc.) provided to the Electric and Broadband Funds.

(2) For the years shown, the Electric and Broadband franchise fees were 8.64% and 5.0%, respectively. See "SYSTEM FINANCIAL INFORMATION-- Budget Summary and Comparison - Electric and Broadband Utility Enterprise Fund Franchise Fee Policies."

(3) A portion of this amount is "aid to underground installation revenue." See "REVENUES AVAILABLE FOR DEBT SERVICE."  
A portion of this amount is proceeds of the Electric Community Investment Fee, which is initially recorded in the ECIF Fund but transferred to the Electric Fund as capital contributions upon expenditure.

(4) Net Position includes the value of all assets attributable to the Electric and Broadband Funds, not just those acquired during the year presented.

(5) Prior period correction due to fixed assets adjustments and implementation of GASB 68, 71 and 75 related to Pension and OPEB.

Source: Derived from the City's CAFRs for the years ended December 31, 2014 through 2018

Electric and Broadband Utility

Enterprise Revenue Bonds

Series 2017

(CUSIP #543097)

**History of Net Pledged Revenues and Pro-Forma Debt Service Coverage**

<b>Gross Pledged Revenues</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>Budgeted 2019</b>
<b><u>Electric System</u></b>						
Charges for services	\$63,158,938	\$63,877,212	\$64,235,076	\$66,071,721	\$66,914,681	\$69,625,000
Electric Aid to Construction (1)	1,686,685	1,775,200	2,973,582	3,501,670	3,124,085	3,600,000
Other (2)	332,630	1,384,197	277,123	254,954	398,154	260,250
	<u>65,178,253</u>	<u>67,036,609</u>	<u>67,485,781</u>	<u>69,828,345</u>	<u>70,436,920</u>	<u>73,485,250</u>
<b><u>Broadband System</u></b>						
Charges for services	614,926	1,341,199	4,533,251	10,824,169	13,719,648	15,018,077
Broadband Aid to Construction	-	-	25,361	7,847	100,321	30,000
Other (3)	48,272	93,182	82,807	41,714	75,722	23,000
	<u>663,198</u>	<u>1,434,381</u>	<u>4,641,419</u>	<u>10,873,730</u>	<u>13,895,691</u>	<u>15,071,077</u>
<b>Total Gross Pledged Revenues</b>	<u>65,841,451</u>	<u>68,470,990</u>	<u>72,127,200</u>	<u>80,702,075</u>	<u>84,332,611</u>	<u>88,556,327</u>
<b><u>Operation and Maintenance Expenses (4)</u></b>						
Electric System	52,003,050	55,184,701	58,667,809	59,110,553	62,233,761	66,270,287
Broadband System	2,936,261	2,633,611	3,747,660	4,711,047	5,709,853	6,644,181
<b>Total O&amp;M Expenses</b>	<u>54,939,311</u>	<u>57,818,312</u>	<u>62,415,469</u>	<u>63,821,600</u>	<u>67,943,615</u>	<u>72,914,468</u>
<b>Net Pledged Revenues</b>	\$10,902,140	\$10,652,678	\$9,711,731	16,880,475	16,388,996	15,641,859
<b><u>Combined Maximum Annual Principal and Interest Requirements (5)</u></b>						
	\$3,717,013	\$3,717,013	\$3,717,013	\$4,462,500	\$4,462,500	\$4,459,000
<b>Pro-Forma Coverage</b>	2.93x	2.87x	2.61x	3.78x	3.68x	3.51x

(1) Aid to underground installation fees are capital contribution revenue in the Electric System and the Telecommunications System.

(2) Includes investment income, miscellaneous revenue and other sales. Does not include intergovernmental and transfers in.

(3) Includes investment income and miscellaneous revenue. Does not include Aid to underground installation.

(4) Generally includes all expenses properly allocable to the System pursuant to GAAP. Does not include depreciation or amortization.

Also does not include franchise fees paid by each portion of the System. Current City financial policies require the Electric System and the Broadband System to pay the General Fund franchise fees of 8% and 5% respectively, of current year revenues. The obligation to pay franchise fees is subordinate to the obligation to pay debt service on the 2014 and 2017 Bonds.

(5) Represents the Combined Maximum Annual Principal and Interest Requirements payable on the 2014 and 2017 Bonds (\$4,459,000 in 2019)

See "DEBT SERVICE REQUIREMENTS."

Source: Derived from the City's audited financial statements for 2014-2018 and the 2019 Budget.

**Electric System User Charges - 2018**

Rate Description	Charges	Rates
<b>Residential Rates</b>		
Residential Energy	Customer Charge	\$12.4000
	0-750 kwh	\$0.0755
	751-1500 kwh	\$0.0872
	1501 kwh and above	\$0.0999
Residential Demand	Customer Charge	\$16.6000
	kwh	\$0.0468
	max kw	\$5.7500
Residential Generation	Customer Charge	\$21.6000
	kwh below average	\$0.0651
	kwh above average	\$0.0755
Renewable	kwh	\$ 0.0312
<b>Commercial Rates</b>		
Commercial Energy	Customer Charge	\$20.2000
	kwh	\$ 0.0792
Commercial Demand	Customer Charge	\$82.5000
	kwh	\$0.0472
	max kw	\$10.4000
Commercial Energy Generation	Customer Charge	\$36.6000
	kwh below average	\$0.0700
	kwh above average	\$0.0792
Commercial Demand Generation	Customer Charge	\$82.5000
	kwh	\$0.0472
	max kw	\$10.4000
<b>Unmetered Energy Rates</b>		
Unmetered 1-49 watt	Customer Charge	\$ 6.80
Unmetered 50-149 watt	Customer Charge	\$ 8.20
Unmetered 150-249 watt	Customer Charge	\$ 11.15
Unmetered 250 & over	Customer Charge	\$ 13.40
Power Supply	Customer Charge	\$ 51.00

Non-residential, metered Electric System customers that exceed 800 kW demand in any two consecutive billing periods qualify for the Commercial Coincident Demand Rate ("CCD"). Once qualified, each such customer remains on the CCD rate for a minimum of 12 consecutive months. CCD customers may elect to enter into an individual commercial contract at the Commercial Contract Rate at any time. The CCD rate is developed for each individual customer based on generally accepted cost of service principles developed by LPC and are updated as needed to reflect the cost of service to the individual customer. CCD rates include customer charges, energy charges and demand charges based on the customer cost of service as well as the required franchise fee paid to the City General Fund.

Other Fees and Charges: The City also imposes various fees, including annexation fees, charges for miscellaneous services and aid to construction fees.

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Source: Longmont Power and Communications, City of Longmont.



**History of Electric System Customers**

<u>Year</u>	<u>Electric Customers</u>	<u>% Change</u>
2003	33,069	n/a
2004	33,992	2.8%
2005	34,779	2.3%
2006	35,454	1.9%
2007	35,750	0.8%
2008	36,231	1.3%
2009	36,383	0.4%
2010	36,683	0.8%
2011	36,809	0.3%
2012	37,107	0.8%
2013	37,360	0.7%
2014	37,751	1.0%
2015	38,229	1.3%
2016	38,508	0.7%
2017	39,216	1.8%
2018	40,175	2.4%

Source: Longmont Power and Communications, City of Longmont.

**Electric System Customer Information by Customer Type**

	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
<b>Electric Sales in MWH</b>					
Residential	302,116	303,034	307,300	303,854	316,320
Commercial	354,705	352,810	357,065	356,881	362,486
Industrial	114,369	116,862	117,865	118,393	106,378
<b>Total</b>	<b>771,190</b>	<b>772,706</b>	<b>782,230</b>	<b>779,128</b>	<b>785,184</b>
<b>Electric Revenue (in 000s)</b>					
Residential	\$ 27,927	\$ 28,480	\$ 28,527	\$ 29,367	\$ 30,690
Commercial	27,252	27,397	27,707	28,368	28,986
Industrial	7,543	7,759	7,707	8,053	7,307
<b>Total</b>	<b>\$ 62,722</b>	<b>\$ 63,636</b>	<b>\$ 63,941</b>	<b>\$ 65,788</b>	<b>\$ 66,983</b>
<b>Average Customer Accounts</b>					
Residential-inside City limits	34,024	34,645	34,899	35,564	36,499
Residential-outside City limits	810	820	822	828	827
	<b>34,834</b>	<b>35,465</b>	<b>35,721</b>	<b>36,392</b>	<b>37,326</b>
Commercial-inside City limits	2,564	2,632	2,648	2,684	2708
Commercial-outside City limits	118	123	129	130	130
	<b>2,682</b>	<b>2,755</b>	<b>2,777</b>	<b>2,814</b>	<b>2,838</b>
Industrial-inside City limits	6	7	8	8	9
Industrial-outside City limits	1	1	1	1	1
	<b>7</b>	<b>8</b>	<b>9</b>	<b>9</b>	<b>10</b>
Contract-inside City limits	0	0	0	0	0
Contract-outside City limits	1	1	1	1	1
	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>
<b>Total Average Accounts</b>	<b>37,524</b>	<b>38,229</b>	<b>38,508</b>	<b>39,216</b>	<b>40,175</b>
<b>Average Use per Customer</b>					
Residential - Annual	8,673	8,545	8,636	8,432	8,475
Residential - Monthly	723	712	720	703	706
<b>Annual Peak Demand (MW)</b>					
Summer Peak	169	170	179	183	186
Winter Peak	128	122	124	127	120

Source: Longmont Power and Communications, City of Longmont.

**Largest Electric System Customers - 2018**

Customer Number (2)	Total kWh	Total kW	Total 2018 Revenue	Percent of Total 2018 Revenue(1)
126902	34,017,120	58,020	\$ 2,339,240	3.50%
512177	25,276,800	40,066	1,689,179	2.52%
516115	17,678,936	34,986	1,239,192	1.85%
127015	16,537,895	73,523	1,578,921	2.36%
332917	15,835,968	24,025	1,085,456	1.62%
231353	10,929,984	22,011	752,269	1.12%
126234	10,657,807	22,817	747,832	1.12%
125672	8,670,605	16,341	589,202	0.88%
307785	8,495,040	14,342	568,286	0.85%
291785	8,077,440	13,265	521,194	0.78%
Total	156,177,595	319,397	\$ 11,110,771	16.60%

(1) Based on total Electric System charges for service of \$66,914,681 for 2018.

(2) The identities of the largest individual electric system users and the amount of revenues generated by each cannot be divulged under penalty of law.

Source: Longmont Power and Communications, City of Longmont.

### History of Broadband System Customers by Customer Class

<b>Customer Class</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
Residential (1)	0	0	0	26	244	2,130	9,652	16,277	18,107
Commercial (1)	0	0	0	26	29	94	308	631	840
Fiber Lease	8	8	9	9	9	8	8	8	7
Colocation	4	4	4	5	6	5	5	5	5
Conduit Lease	1	1	1	1	1	1	1	1	1
<b>Total</b>	<b>13</b>	<b>13</b>	<b>14</b>	<b>67</b>	<b>289</b>	<b>2,238</b>	<b>9,974</b>	<b>16,922</b>	<b>18,960</b>

(1) Years prior to 2013 include services provided to dark fiber and colocation contract customers, which the backbone system was designed to provide. The Broadband System began adding residential and commercial broadband customers in May 2013.

Source: Longmont Power and Communications, City of Longmont.

**History of Broadband System Revenues by Customer Class**

Customer Class	2012	2013	2014	2015	2016	2017	2018
Residential (1)	\$ -	\$ 1,096	\$ 63,266	\$ 767,790	\$ 3,673,102	\$ 9,419,828	\$11,775,203
Commercial (1)	-	19,612	186,400	383,341	667,110	1,218,295	1,785,414
Fiber Lease	262,031	261,928	314,201	167,137	168,394	143,812	118,847
Colocation	27,582	30,220	34,533	21,682	23,381	40,933	38,843
Conduit Lease	1,161	1,183	1,216	1,249	1,264	1,302	1,341
<b>Total</b>	<b>\$ 290,774</b>	<b>\$ 314,039</b>	<b>\$ 599,616</b>	<b>\$ 1,341,199</b>	<b>\$ 4,533,251</b>	<b>\$10,824,170</b>	<b>\$13,719,648</b>

(1) The Broadband System began adding residential and commercial customers in May 2013.

Source: Longmont Power and Communications, City of Longmont.

**Budget Summary and Comparison - Electric and Broadband Fund**

	2018	2018	2019
	Budget	Actual	Budget
<b>REVENUES</b>			
Electric charges for services	\$ 70,392,200	\$66,914,681	\$69,625,000
Electric aid to underground construction	3,000,000	3,124,085	3,600,000
Electric intergovernmental revenue	-	750	-
Electric interest income	144,300	188,371	80,000
Electric miscellaneous	230,880	209,783	180,250
Electric operating transfers in	29,710	29,710	288,202
Broadband charges for services	13,613,643	13,719,648	15,018,077
Broadband aid to underground construction	85,000	100,321	30,000
Broadband interest income	5,180	54,086	5,000
Broadband miscellaneous	16,500	21,636	18,000
<b>Total Revenue</b>	<b>\$ 87,517,413</b>	<b>\$84,363,071</b>	<b>\$ 88,844,529</b>
<b>EXPENSES</b>			
Electric distribution	\$ 6,374,656	\$ 3,864,155	\$ 7,164,874
Electric engineering	1,534,142	3,682,621	1,465,086
Electric purchased power	51,323,487	49,634,480	53,093,424
Electric administration	3,002,641	2,830,153	3,134,690
Electric franchise fee	5,553,824	5,306,054	5,488,217
Electric meter reading	527,484	431,177	536,663
Electric warehouse	574,741	483,882	631,329
Electric customer services and marketing	221,195	143,141	196,653
Electric energy services	1,218,079	1,072,478	1,111,176
Electric capital outlay	5,274,438	3,292,623	3,349,870
Broadband administration	2,214,531	2,041,684	2,385,679
Broadband franchise fee	6,840	6,840	6,840
Broadband distribution	3,551,948	1,524,651	3,874,806
Broadband engineering	440,929	2,147,044	646,781
Broadband debt service	4,462,500	4,268,525 (1)	4,459,000
Broadband capital outlay	3,562,295	2,961,256	2,308,223
<b>Total Expenses</b>	<b>\$ 89,843,730</b>	<b>\$ 83,690,766</b>	<b>\$ 89,853,311</b>
<b>Excess of Revenues over (under)</b>			
<b>Expenditures</b>	<b>\$ (2,326,317)</b>	<b>\$ 672,305</b>	<b>\$ (1,008,782)</b>

(1) Includes principal and interest.

Source: Derived from the 2018 and 2019 Budgets and the audited 2018 financial statements provided by the City of Longmont.

**Electric and Broadband Fund - History of Revenues, Expenses and Changes in Fund Net Position**

	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
<b>Operating Revenues</b>					
Charges for services	\$ 63,773,864	\$ 65,218,411	\$ 68,768,327	\$ 76,895,890	\$ 80,634,329
<b>Operating Expenses</b>					
Administration	3,693,506	4,522,592	3,847,192	4,168,223	4,324,066
Purchased power/cost of sales/premiums	43,541,289	44,536,649	47,131,953	48,120,219	49,634,480
Transmission/distribution	6,069,814	7,094,651	9,705,998	9,720,815	12,092,357
Depreciation	2,531,638	2,656,444	3,019,109	3,919,443	4,005,405
Administrative fees (1)	1,634,702	1,664,420	1,730,327	1,812,344	1,892,712
Franchise fee (2)	5,036,670	5,164,731	5,109,626	5,228,811	5,312,894
Total operating expenses	62,507,619	65,639,487	70,544,205	72,969,855	77,261,914
<b>Operating Income (Loss)</b>	1,266,245	(421,076)	(1,775,878)	3,926,035	3,372,415
<b>Non-Operating Revenues (Expenses)</b>					
Investment income (loss)	91,795	150,731	152,111	81,719	242,457
Miscellaneous	178,050	111,620	128,686	124,219	183,093
Intergovernmental	177,869	84,096	10,203	101,200	750
Other Sales	111,057	81,790	82,026	90,730	72,173
Gain (Loss) on disposal of assets	-	1,133,238	(2,894)	-	(23,846)
Interest Expense	(41,601)	(98,057)	(72,848)	(132)	(1,388,525)
Total non-operating revenues	517,170	1,463,418	297,284	397,736	(913,898)
<b>Change in net position before transfers and capital contributions</b>	1,783,415	1,042,342	(1,478,594)	4,323,771	2,458,517
Capital Contributions (3)	1,806,325	1,787,449	3,392,782	3,851,052	3,653,546
Transfers					
Transfers in	40,281	16,361	15,974	19,835	29,710
Transfers out	(200,028)	(468,925)	(132,685)	(517,167)	(59,355)
<b>Change in net position</b>	3,429,993	2,377,227	1,797,477	7,677,491	6,082,418
<b>Total Net Position - January 1 (4)</b>	56,406,441	59,836,434	64,541,501	66,338,979	74,016,470
Cumulative effect of correction to prior period (5)		2,327,840			(956,605)
Restated Total Net Position - January 1		62,164,274			73,059,865
<b>Total Net Position - December 31 (4)</b>	\$ 59,836,434	\$ 64,541,501	\$ 66,338,979	\$ 74,016,470	\$ 79,142,280

(1) Represents a payment to the General Fund to cover the cost of general services (administrative, financial and legal services, office space, etc.) provided to the Electric and Broadband Funds.

(2) For the years shown, the Electric and Broadband franchise fees were 8.64% and 5.0%, respectively. See "SYSTEM FINANCIAL INFORMATION-- Budget Summary and Comparison - Electric and Broadband Utility Enterprise Fund Franchise Fee Policies."

(3) A portion of this amount is "aid to underground installation revenue." See "REVENUES AVAILABLE FOR DEBT SERVICE."  
A portion of this amount is proceeds of the Electric Community Investment Fee, which is initially recorded in the ECIF Fund but transferred to the Electric Fund as capital contributions upon expenditure.

(4) Net Position includes the value of all assets attributable to the Electric and Broadband Funds, not just those acquired during the year presented.

(5) Prior period correction due to fixed assets adjustments and implementation of GASB 68, 71 and 75 related to Pension and OPEB.

Source: Derived from the City's CAFRs for the years ended December 31, 2014 through 2018



Wastewater  
Enterprise Revenue Bonds  
Series 2010B Taxable

(CUSIP #543098)

**History of Net Pledged Revenues and Pro-Forma Debt Service Coverage (1)**

<b><u>Fiscal Year</u></b>	<b><u>2014</u></b>	<b><u>2015</u></b>	<b><u>2016</u></b>	<b><u>2017</u></b>	<b><u>2018</u></b>
<b>Gross Pledged Revenues</b>					
Charges for services	\$ 11,686,986	\$ 13,085,133	\$ 13,432,618	\$ 14,486,062	\$ 14,668,488
System development fees	1,077,096	1,504,040	2,459,528	2,234,310	3,090,230
Developer participation	-	14,760	67,226	14,690	27,692
Other income	(23,084)	111,321	53,180	63,214	111,267
Interest earnings	99,692	66,174	225,043	254,279	537,881
BAB Credit on 2010B Bonds (2)	161,877	162,226	162,662	156,528	165,701
Total	<u>13,002,567</u>	<u>14,943,654</u>	<u>16,400,257</u>	<u>17,209,083</u>	<u>18,601,259</u>
<b>Operation and Maintenance Expenses (3)</b>	<u>8,178,180</u>	<u>8,100,714</u>	<u>8,025,133</u>	<u>7,725,060</u>	<u>8,660,481</u>
<b>Net Pledged Revenues</b>	\$ 4,824,387	\$ 6,842,940	\$ 8,375,124	\$ 9,484,023	\$ 9,940,778
<b>Actual Debt Service Paid (4)</b>	\$ 1,648,608	\$ 1,646,208	\$ 3,628,517	\$ 3,625,293	\$ 3,607,520
<b>Coverage</b>	2.93x	4.16x	2.31x	2.62x	2.76x
<b>Combined Maximum Annual Principal and Interest Requirements (5)</b>	3,648,375	3,648,375	3,648,375	3,648,375	3,648,375
<b>Pro-Forma Coverage</b>	1.32x	1.88x	2.30x	2.60x	2.72x

(1) Derived from the City's audited financial statements for 2014 through 2018.

(2) The BAB Credit is also included in Gross Pledged Revenues.

(3) Includes all expenses properly allocable to the System pursuant to GAAP. Does not include depreciation, amortization or interest paid on outstanding bonds.

(4) Includes debt service on the 2010 bonds, debt service on the 2013 bonds and debt service on the 2015 bonds beginning in 2016.

(5) Represents the Combined Maximum Annual Principal and Interest Requirements payable on the 2010 Bonds, the 2013 Bonds, and the 2015 Bonds (\$3,648,375 in 2035).

**Comparative Disclosure Adjustments and Analysis**

Related to Table 5.1

**Pro-Forma Debt Service Coverage**

	Actual Debt Service Paid Reported 2011 - 2018		Actual Debt Service Paid Reported 2018	
Year	Actual Debt Service Paid	Adjustments	Actual Debt Service Paid	
2011	\$ 1,041,896	-	\$ 1,041,896	
2012	1,063,995	-	1,063,995	
2013	1,190,917	-	1,190,917	
2014	1,648,608	-	1,648,608	
2015	2,716,208	(1,070,000) (1)	1,646,208	(2)
2016	3,628,517	-	3,628,517	
2017	3,625,293		3,625,293	
2018	3,607,520		3,607,520	

(1) The 2015 CAFR Sewer Enterprise Fund Schedule of Revenues and Expenses (Schedule D-9) previously reported the Principal retired for 2015 as \$1,955,000. The Principal retired of \$885,000 is the correct amount paid.

(2) The 2015 CAFR statistical debt Schedule 16, Pledged Revenue Bond/Loan Coverage, previously reported the total principal and interest paid for 2015 as \$2,716,208. The principal and interest of \$1,646,208 is the correct amount paid. Schedule 16 was corrected in the 2016 CAFR.

**Residential and Small Commercial System Development Fee Schedules - 2019**

<b><u>Meter Size</u></b>	<b>Residential <u>SDF</u></b>	<b>Small Commercial <u>SDF</u></b>
5/8 inch	\$ 4,140	\$ 5,850
3/4 inch	6,210	8,760
1 inch	10,330	14,610
1.5 inches	-	29,240
2 inches	-	46,760
3 inches	-	93,510

**History of Wastewater System Development Fees**

<b><u>Year</u></b>	<b><u>Total Number of Connections</u></b>	<b><u>Total System Development Fees</u></b>
2005	25,190	\$1,550,118
2006	25,691	\$889,964
2007	25,887	\$851,565
2008	26,044	\$288,158
2009	26,147	\$96,975
2010	26,013	\$277,085
2011	25,875	\$380,154
2012	25,965	\$783,174
2013	26,091	\$765,285
2014	26,276	\$1,077,096
2015	26,477	\$1,504,040
2016	26,919	\$2,459,528
2017	27,284	\$2,234,310
2018	27,703	\$3,090,230
2019 (1)	27,934	\$1,294,011

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(1) Taps and fees collected through June 30, 2019

**History of User Connections by Customer Type**

<b><u>Year</u></b>	<b><u>Residential Connections</u></b>	<b><u>Commercial/ Industrial Connections</u></b>	<b><u>Contract Connection</u></b>	<b><u>Other/Out of City Users</u></b>	<b><u>Total Connections</u></b>	<b><u>% Change in Connections</u></b>
2005	23,775	1,369	1	45	25,190	--
2006	24,161	1,463	1	66	25,691	2.0%
2007	24,323	1,485	1	78	25,887	0.8%
2008	24,435	1,521	1	87	26,044	0.6%
2009	24,507	1,547	1	92	26,147	0.4%
2010	24,537	1,410	1	66	26,014	-0.5%
2011	24,515	1,311	1	48	25,875	-0.5%
2012	24,562	1,309	0	94	25,965	0.3%
2013	24,679	1,330	0	82	26,091	0.5%
2014	24,825	1,367	0	84	26,276	0.7%
2015	25,011	1,376	0	90	26,477	0.8%
2016	25,318	1,488	0	113	26,919	1.7%
2017	25,620	1,543	0	121	27,284	1.4%
2018	26,028	1,547	0	128	27,703	1.5%
2019 (1)	26,256	1,548	0	130	27,934	--

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(1) As of June 30, 2019

**History of Charges for Service by Category**

<b><u>Year</u></b>	<b><u>Residential Service Charges</u></b>	<b><u>Commercial/ Industrial Service Charges</u></b>	<b><u>Other Industrial Charges (1)</u></b>	<b><u>Special Tap/ Contract Revenues</u></b>	<b><u>Miscellaneous Revenues (2)</u></b>	<b><u>Total Revenues</u></b>	<b><u>Percent Change in Revenues</u></b>
2005	\$ 5,356,563	\$ 1,144,869	\$ 273,843	\$ 407,406	\$ 10,920	\$7,193,601	--
2006	5,621,533	1,181,641	223,662	390,832	9,201	7,426,869	3.2%
2007	5,402,944	1,146,694	228,839	409,684	(19,603)	7,168,558	-3.5%
2008	5,436,825	1,113,443	246,565	329,322	(8,166)	7,117,989	-0.7%
2009	5,844,437	1,206,730	285,927	19,068	59,877	7,416,039	4.2%
2010	6,216,671	1,275,971	244,465	68,749	30,617	7,836,473	5.7%
2011	6,459,187	1,384,300	260,554	62,618	74,330	8,240,989	5.2%
2012 (3)	6,846,158	1,490,467	286,632	10,609	766	8,634,632	4.8%
2013	7,935,973	1,697,791	19,269	3,121	83,951	9,740,105	12.8%
2014	9,374,332	2,073,369	31,567	2,907	204,811	11,686,986	20.0%
2015	10,615,333	2,343,578	116,557	4,096	5,569	13,085,133	12.0%
2016	10,752,333	2,419,355	173,170	3,265	84,496	13,432,619	2.7%
2017	11,512,472	2,791,456	139,688	3,684	38,762	14,486,062	7.8%
2018	11,779,956	2,799,116	108,871	4,331	(23,786)	14,668,488	1.3%
2019 (4)	5,914,530	1,312,285	41,226	2,476	20,077	7,290,505	--

(1) Includes industrial sewer surcharge and industrial pre-treatment charges.

(2) Includes miscellaneous revenues, mixed use rates and charges and accruals for unbilled revenue, which represents service provided as of the end of each year that will not be billed until the first billing date in January. Unbilled revenue was negative in 2008, 2012, 2015 and 2018.

(3) Reduced Miscellaneous Revenue from original bond table by negative unbilled revenue at year end.

(4) Through June 30, 2019

**Budget Summary and Comparison - Sewer Fund**

	<b>2018 Final <u>Budget</u></b>	<b>2018 YTD (through 6/30/18) (1)</b>	<b>2019 Revised <u>Budget</u></b>	<b>2019 YTD (through 6/30/19) (1)</b>
<b>REVENUE</b>				
<b>Operating Revenue</b>				
Charges for services (2)	\$ 14,572,000	\$ 7,205,376	\$ 16,052,900	\$ 7,290,505
<b>Non-Operating Revenue</b>				
Interest income	36,480	188,326	39,400	228,728
Intergovernmental	155,034	101,650	147,189	203,015
Miscellaneous	3,000	50,611	3,000	(14,885)
Operating transfers in	524,922	-	523,132	-
Total non-operating revenue	<u>719,436</u>	<u>340,587</u>	<u>712,721</u>	<u>416,858</u>
<b>Total revenue</b>	<b><u>\$ 15,291,436</u></b>	<b><u>\$ 7,545,963</u></b>	<b><u>\$ 16,765,621</u></b>	<b><u>\$ 7,707,452</u></b>
<b>APPLICATION OF REVENUE</b>				
<b>Operating Expense</b>				
Director administration	367,796	74,695	286,275	89,456
Administration	1,480,282	647,277	1,618,915	653,098
Industrial pretreatment	156,676	52,117	170,481	60,237
Collection system	1,530,149	532,286	1,559,695	546,594
Treatment plant	3,447,918	1,426,543	3,377,067	1,548,551
Water quality lab	709,499	251,015	729,470	262,160
Administrative services	917,949	454,841	966,634	483,318
Franchise equivalency	583,000	291,502	642,236	321,120
Bad debt expense	2,000	125	2,000	140
Total operating expenses	<u>9,195,269</u>	<u>3,730,401</u>	<u>9,352,773</u>	<u>3,964,674</u>
<b>Capital Expense</b>	<u>16,576,817</u>	<u>1,773,974</u>	<u>2,006,534</u>	<u>2,549,032</u>
<b>Non-Operating Expenses</b>				
Transfers to other funds	139,299	2,088	563,122	2,934
<b>Debt Requirements</b>	<u>3,607,520</u>	<u>609,173</u>	<u>3,593,070</u>	<u>584,357</u>
Total expenses	<b><u>\$ 29,518,905</u></b>	<b><u>\$ 6,115,636</u></b>	<b><u>\$ 15,515,499</u></b>	<b><u>\$ 7,100,997</u></b>
<b>Additions To (Deductions From) Operating Reserves</b>	<u>(14,227,469)</u>	<u>1,430,327</u>	<u>1,250,122</u>	<u>606,455</u>
<b>Total Application of Revenue</b>	<b><u>\$ 15,291,436</u></b>	<b><u>\$ 7,545,963</u></b>	<b><u>\$ 16,765,621</u></b>	<b><u>\$ 7,707,452</u></b>

(1) Unaudited, interim information only.

(2) Includes sewer fees (rate and charges), industrial surcharges and construction inspections.



**Budget Summary and Comparison - Sewer Construction Fund**

	<b>2018 Final Budget</b>	<b>2018 YTD (through 6/30/18) (1)</b>	<b>2019 Revised Budget</b>	<b>2019 YTD (through 6/30/19) (1)</b>
<b>Sources of Funds</b>				
Beginning Working Capital (fund balance) (2)	\$ 5,520,273	\$ 5,520,273	\$ 8,220,931	\$ 8,220,931
System development fee	1,633,800	1,716,510	1,668,600	1,294,011
Developer participation	-	27,692	-	-
Interest Income	21,400	46,914	29,800	95,853
<b>Total Sources of Funds</b>	<u>7,175,473</u>	<u>7,311,389</u>	<u>9,919,331</u>	<u>9,610,795</u>
<b>Expenses</b>				
Capital Expense	1,180,952	-	148,000	15,345
Non-capital expense (3)	6,000	-	-	-
Transfers out	539,134	-	-	-
<b>Total Expenses</b>	<u>1,726,086</u>	<u>-</u>	<u>148,000</u>	<u>15,345</u>
<b>Ending Working Capital</b>	<u>\$ 5,449,387</u>	<u>\$ 7,311,389</u>	<u>\$ 9,771,331</u>	<u>\$ 9,595,450</u>

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(1) Unaudited, interim information only.

(2) Represents actual beginning working capital (fund balance) in each column, rather than budgeted information.

(3) Added line to appropriately reflect non-capital expense budget information.

**Sewer Fund - History of Revenues, Expenses and Changes in Fund Net Position**

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
<b>Operating Revenues</b>					
Charges for services	\$ 11,686,986	\$ 13,085,133	\$ 13,432,618	\$ 14,486,062	\$ 14,668,488
<b>Operating Expenses</b>					
Administration	1,054,139	1,103,308	1,290,974	1,205,666	1,676,611
Transmission/distribution	2,255,778	1,966,981	1,397,097	1,170,209	1,545,715
Treatment/disposal	3,651,191	3,704,305	4,045,224	3,899,651	3,945,472
Depreciation	2,676,453	2,904,957	3,010,430	3,136,126	4,146,464
Administrative fees (1)	753,720	797,640	740,067	879,370	909,683
Franchise fee (2)	463,352	528,480	551,772	570,164	583,000
Total operating expenses	<u>10,854,633</u>	<u>11,005,671</u>	<u>11,035,564</u>	<u>10,861,186</u>	<u>12,806,945</u>
<b>Operating Income (Loss)</b>	832,353	2,079,462	2,397,054	3,624,876	1,861,543
<b>Non-Operating Revenues (Expenses)</b>					
Investment income (loss)	138,732	37,336	192,270	218,714	408,539
Miscellaneous	(23,205)	444,522	55,283	63,214	111,267
Intergovernmental	1,111,741	278,857	1,641,549	662,443	305,409
Interest expense	(31,909)	-	(134,787)	(156,178)	(1,682,725)
Gain (Loss) on disposal of assets	(2,294,421)	(10,767)	-	-	-
Total non-operating revenues	<u>(1,099,062)</u>	<u>749,948</u>	<u>1,754,315</u>	<u>788,193</u>	<u>(857,510)</u>
<b>Change in net assets before transfers and capital contributions</b>	(266,709)	2,829,410	4,151,369	4,413,069	1,004,033
Capital Contributions	654,766	554,288	608,787	3,536,162	3,714,553
Transfers					
Transfers in	368,071	367,591	552,119	527,276	524,922
Transfers out	<u>(89,642)</u>	<u>(107,543)</u>	<u>(349,915)</u>	<u>(115,022)</u>	<u>(45,646)</u>
<b>Change in net position</b>	666,486	3,643,746	4,962,360	8,361,485	5,197,862
<b>Total Net Position - January 1 (3)</b>	<u>95,645,298</u>	<u>96,311,784</u>	<u>98,515,831</u>	<u>103,478,191</u>	<u>111,839,676</u>
Cumulative effect of correction to prior period (4)		(1,439,699)	-	-	(827,477)
Restated Total Net Position - January		94,872,085			111,012,199
<b>Total Net Position - December 31 (3)</b>	<u>\$ 96,311,784</u>	<u>\$ 98,515,831</u>	<u>\$103,478,191</u>	<u>\$111,839,676</u>	<u>\$116,210,064</u>

(1) Represents a payment to the General Fund to cover the cost of general services provided to the Sewer Fund.

(2) Current City financial policies require the Sewer Fund to pay the General Fund a 4.16% franchise fee.

(3)"Net Position" includes the value of all assets attributable to the Sewer Fund, not just those acquired during the year presented.

(4) Prior period correction due to fixed assets adjustments and implementation of GASB 68, 71 and 75 related to Pension and OPEB.

**Sewer Construction Fund - History of Revenues, Expenditures and Changes in Fund Balances**

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
<b>Revenues</b>					
Licenses and permits (1)	\$ 1,077,096	\$ 1,504,040	\$ 2,459,528	\$ 2,234,310	\$ 3,090,230
Developer/owner participation	-	14,760	67,226	14,690	27,692
Investment income (loss)	19,156	17,300	27,595	35,565	129,342
Miscellaneous	120	-	-	-	-
<b>Total revenues</b>	<u>1,096,372</u>	<u>1,536,100</u>	<u>2,554,349</u>	<u>2,284,565</u>	<u>3,247,264</u>
<b>Expenditures</b>					
Current:					
Municipal utility system	-	-	-	1,454	8,399
Capital Outlay	-	-	-	2,359,368	-
<b>Total expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,360,822</u>	<u>8,399</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	<u>1,096,372</u>	<u>1,536,100</u>	<u>2,554,349</u>	<u>(76,257)</u>	<u>3,238,865</u>
<b>Other Financing Sources (Uses)</b>					
Transfers out (2)	<u>(368,071)</u>	<u>(367,591)</u>	<u>(552,119)</u>	<u>(546,279)</u>	<u>(538,207)</u>
<b>Net change in fund balance</b>	728,301	1,168,509	2,002,230	(622,536)	2,700,658
<b>Fund Balance - January 1</b>	<u>2,243,769</u>	<u>2,972,070</u>	<u>4,140,579</u>	<u>6,142,809</u>	<u>5,520,273</u>
<b>Fund Balance - December 31</b>	<u>\$ 2,972,070</u>	<u>\$ 4,140,579</u>	<u>\$ 6,142,809</u>	<u>\$ 5,520,273</u>	<u>\$ 8,220,931</u>

(1) Consists primarily of System Development Fees.

(2) Consists primarily of transfers to the Sewer Fund and also includes transfers to the Art in Public Places Fund.

Wastewater  
Enterprise Revenue Bonds  
Series 2013

(CUSIP #543098)

**History of Net Pledged Revenues and Pro-Forma Debt Service Coverage (1)**

<b><u>Fiscal Year</u></b>	<b><u>2014</u></b>	<b><u>2015</u></b>	<b><u>2016</u></b>	<b><u>2017</u></b>	<b><u>2018</u></b>
<b>Gross Pledged Revenues</b>					
Charges for services	\$ 11,686,986	\$ 13,085,133	\$ 13,432,618	\$ 14,486,062	\$ 14,668,488
System development fees	1,077,096	1,504,040	2,459,528	2,234,310	3,090,230
Developer participation	-	14,760	67,226	14,690	27,692
Other income	(23,084)	111,321	53,180	63,214	111,267
Interest earnings	99,692	66,174	225,043	254,279	537,881
BAB Credit on 2010B Bonds (2)	161,877	162,226	162,662	156,528	165,701
Total	<u>13,002,567</u>	<u>14,943,654</u>	<u>16,400,257</u>	<u>17,209,083</u>	<u>18,601,259</u>
<b>Operation and Maintenance Expenses (3)</b>	<u>8,178,180</u>	<u>8,100,714</u>	<u>8,025,133</u>	<u>7,725,060</u>	<u>8,660,481</u>
<b>Net Pledged Revenues</b>	\$ 4,824,387	\$ 6,842,940	\$ 8,375,124	\$ 9,484,023	\$ 9,940,778
<b>Actual Debt Service Paid (4)</b>	\$ 1,648,608	\$ 1,646,208	\$ 3,628,517	\$ 3,625,293	\$ 3,607,520
<b>Coverage</b>	2.93x	4.16x	2.31x	2.62x	2.76x
<b>Combined Maximum Annual Principal and Interest Requirements (5)</b>	3,648,375	3,648,375	3,648,375	3,648,375	3,648,375
<b>Pro-Forma Coverage</b>	1.32x	1.88x	2.30x	2.60x	2.72x

(1) Derived from the City's audited financial statements for 2014 through 2018.

(2) The BAB Credit is also included in Gross Pledged Revenues.

(3) Includes all expenses properly allocable to the System pursuant to GAAP. Does not include depreciation, amortization or interest paid on outstanding bonds.

(4) Includes debt service on the 2010 bonds, debt service on the 2013 bonds and debt service on the 2015 bonds beginning in 2016.

(5) Represents the Combined Maximum Annual Principal and Interest Requirements payable on the 2010 Bonds, the 2013 Bonds, and the 2015 Bonds (\$3,648,375 in 2035).

## Comparative Disclosure Adjustments and Analysis

Related to Table 6.1

### Pro-Forma Debt Service Coverage

	Actual Debt Service Paid Reported 2011 - 2018		Actual Debt Service Paid Reported 2018
Year	Actual Debt Service Paid	Adjustments	Actual Debt Service Paid
2011	\$ 1,041,896	-	\$ 1,041,896
2012	1,063,995	-	1,063,995
2013	1,190,917	-	1,190,917
2014	1,648,608	-	1,648,608
2015	2,716,208	(1,070,000) (1)	1,646,208 (2)
2016	3,628,517	-	3,628,517
2017	3,625,293		3,625,293
2018	3,607,250		3,607,250

(1) The 2015 CAFR Sewer Enterprise Fund Schedule of Revenues and Expenses (Schedule D-9) previously reported the Principal retired for 2015 as \$1,955,000. The Principal retired of \$885,000 is the correct amount paid.

(2) The 2015 CAFR statistical debt Schedule 16, Pledged Revenue Bond/Loan Coverage, previously reported the total principal and interest paid for 2015 as \$2,716,208. The principal and interest of \$1,646,208 is the correct amount paid. Schedule 16 was corrected in the 2016 CAFR.

**History of Wastewater System Development Fees**

<b><u>Year</u></b>	<b><u>Total Number of Connections</u></b>	<b><u>Total System Development Fees</u></b>
2008	26,044	\$288,158
2009	26,147	\$96,975
2010	26,013	\$277,085
2011	25,875	\$380,154
2012	25,965	\$783,174
2013	26,091	\$765,285
2014	26,276	\$1,077,096
2015	26,477	\$1,504,040
2016	26,919	\$2,459,528
2017	27,284	\$2,234,310
2018	27,703	\$3,090,230
2019 (1)	27,934	\$1,294,011

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(1) Taps and fees collected through June 30, 2019

**History of User Connections by Customer Type**

<b><u>Year</u></b>	<b><u>Residential Connections</u></b>	<b><u>Commercial/ Industrial Connections</u></b>	<b><u>Contract Connection</u></b>	<b><u>Other/Out of City Users</u></b>	<b><u>Total Connections</u></b>	<b><u>% Change in Connections</u></b>
2008	24,435	1,521	1	87	26,044	--
2009	24,507	1,547	1	92	26,147	0.4%
2010	24,537	1,410	1	66	26,014	-0.5%
2011	24,515	1,311	1	48	25,875	-0.5%
2012	24,562	1,309	0	94	25,965	0.3%
2013	24,679	1,330	0	82	26,091	0.5%
2014	24,825	1,367	0	84	26,276	0.7%
2015	25,011	1,376	0	90	26,477	0.8%
2016	25,318	1,488	0	113	26,919	1.7%
2017	25,620	1,543	0	121	27,284	1.4%
2018	26,028	1,547	0	128	27,703	1.5%
2019 (1)	26,256	1,548	0	130	27,934	--

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(1) As of June 30, 2019



**History of Charges for Service by Category**

<b><u>Year</u></b>	<b><u>Residential Service Charges</u></b>	<b><u>Commercial/ Industrial Service Charges</u></b>	<b><u>Other Industrial Charges (1)</u></b>	<b><u>Special Tap/ Contract Revenues</u></b>	<b><u>Miscellaneous Revenues (2)</u></b>	<b><u>Total Revenues</u></b>	<b><u>Percent Change in Revenues</u></b>
2008	\$ 5,436,825	\$ 1,113,443	\$ 246,565	\$ 329,322	\$ (8,166)	\$ 7,117,989	--
2009	5,844,437	1,206,730	285,927	19,068	59,877	7,416,039	4.2%
2010	6,216,671	1,275,971	244,465	68,749	30,617	7,836,473	5.7%
2011	6,459,187	1,384,300	260,554	62,618	74,330	8,240,989	5.2%
2012 (3)	6,846,158	1,490,467	286,632	10,609	766	8,634,632	4.8%
2013	7,935,973	1,697,791	19,269	3,121	83,951	9,740,105	12.8%
2014	9,374,332	2,073,369	31,567	2,907	204,811	11,686,986	20.0%
2015	10,615,333	2,343,578	116,557	4,096	5,569	13,085,133	12.0%
2016	10,752,333	2,419,355	173,170	3,265	84,496	13,432,619	2.7%
2017	11,512,472	2,791,456	139,688	3,684	38,762	14,486,062	7.8%
2018	11,779,956	2,799,116	108,871	4,331	(23,786)	14,668,488	1.3%
2019 (4)	5,914,530	1,312,285	41,226	2,476	20,077	7,290,505	--

(1) Includes industrial sewer surcharge and industrial pre-treatment charges.

(2) Includes miscellaneous revenues, mixed use rates and charges and accruals for unbilled revenue, which represents service provided as of the end of each year that will not be billed until the first billing date in January. Unbilled revenue was negative in 2008, 2012 and 2015.

(3) Reduced Miscellaneous Revenue from original bond table by negative unbilled revenue at year end.

(4) Through June 30, 2019

**Budget Summary and Comparison - Sewer Fund**

	<b>2018 Final <u>Budget</u></b>	<b>2018 YTD (through 6/30/18) (1)</b>	<b>2019 Revised <u>Budget</u></b>	<b>2019 YTD (through 6/30/19) (1)</b>
<b>REVENUE</b>				
<b>Operating Revenue</b>				
Charges for services (2)	\$ 14,572,000	\$ 7,205,376	\$ 16,052,900	\$ 7,290,505
<b>Non-Operating Revenue</b>				
Interest income	36,480	188,326	39,400	228,728
Intergovernmental	155,034	101,650	147,189	203,015
Miscellaneous	3,000	50,611	3,000	(14,885)
Operating transfers in	524,922	-	523,132	-
Total non-operating revenue	<u>719,436</u>	<u>340,587</u>	<u>712,721</u>	<u>416,858</u>
<b>Total revenue</b>	<b><u>\$ 15,291,436</u></b>	<b><u>\$ 7,545,963</u></b>	<b><u>\$ 16,765,621</u></b>	<b><u>\$ 7,707,452</u></b>
<b>APPLICATION OF REVENUE</b>				
<b>Operating Expense</b>				
Director administration	367,796	74,695	286,275	89,456
Administration	1,480,282	647,277	1,618,915	653,098
Industrial pretreatment	156,676	52,117	170,481	60,237
Collection system	1,530,149	532,286	1,559,695	546,594
Treatment plant	3,447,918	1,426,543	3,377,067	1,548,551
Water quality lab	709,499	251,015	729,470	262,160
Administrative services	917,949	454,841	966,634	483,318
Franchise equivalency	583,000	291,502	642,236	321,120
Bad debt expense	2,000	125	2,000	140
Total operating expenses	<u>9,195,269</u>	<u>3,730,401</u>	<u>9,352,773</u>	<u>3,964,674</u>
<b>Capital Expense</b>	<u>16,576,817</u>	<u>1,773,974</u>	<u>2,006,534</u>	<u>2,549,032</u>
<b>Non-Operating Expenses</b>				
Transfers to other funds	139,299	2,088	563,122	2,934
<b>Debt Requirements</b>	<u>3,607,520</u>	<u>609,173</u>	<u>3,593,070</u>	<u>584,357</u>
Total expenses	<b><u>\$ 29,518,905</u></b>	<b><u>\$ 6,115,636</u></b>	<b><u>\$ 15,515,499</u></b>	<b><u>\$ 7,100,997</u></b>
<b>Additions To (Deductions From) Operating Reserves</b>	<u>(14,227,469)</u>	<u>1,430,327</u>	<u>1,250,122</u>	<u>606,455</u>
<b>Total Application of Revenue</b>	<b><u>\$ 15,291,436</u></b>	<b><u>\$ 7,545,963</u></b>	<b><u>\$ 16,765,621</u></b>	<b><u>\$ 7,707,452</u></b>

(1) Unaudited, interim information only.

(2) Includes sewer fees (rate and charges), industrial surcharges and construction inspections.

**Budget Summary and Comparison - Sewer Construction Fund**

	<b>2018 Final Budget</b>	<b>2018 YTD (through 6/30/18) (1)</b>	<b>2019 Revised Budget</b>	<b>2019 YTD (through 6/30/19) (1)</b>
<b>Sources of Funds</b>				
Beginning Working Capital (fund balance) (2)	\$ 5,520,273	\$ 5,520,273	\$ 8,220,931	\$ 8,220,931
System development fee	1,633,800	1,716,510	1,668,600	1,294,011
Developer participation	-	27,692	-	-
Interest Income	21,400	46,914	29,800	95,853
Total Sources of Funds	<u>7,175,473</u>	<u>7,311,389</u>	<u>9,919,331</u>	<u>9,610,795</u>
<b>Expenses</b>				
Capital Expense	1,180,952	-	148,000	15,345
Non-capital expense (3)	6,000	-	-	-
Transfers out	539,134	-	-	-
Total Expenses	<u>1,726,086</u>	<u>-</u>	<u>148,000</u>	<u>15,345</u>
<b>Ending Working Capital</b>	<u>\$ 5,449,387</u>	<u>\$ 7,311,389</u>	<u>\$ 9,771,331</u>	<u>\$ 9,595,450</u>

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(1) Unaudited, interim information only.

(2) Represents actual beginning working capital (fund balance) in each column, rather than budgeted information.

(3) Added line to appropriately reflect non-capital expense budget information.

**Sewer Fund - History of Revenues, Expenses and Changes in Fund Net Position**

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
<b>Operating Revenues</b>					
Charges for services	\$ 11,686,986	\$ 13,085,133	\$ 13,432,618	\$ 14,486,062	\$ 14,668,488
<b>Operating Expenses</b>					
Administration	1,054,139	1,103,308	1,290,974	1,205,666	1,676,611
Transmission/distribution	2,255,778	1,966,981	1,397,097	1,170,209	1,545,715
Treatment/disposal	3,651,191	3,704,305	4,045,224	3,899,651	3,945,472
Depreciation	2,676,453	2,904,957	3,010,430	3,136,126	4,146,464
Administrative fees (1)	753,720	797,640	740,067	879,370	909,683
Franchise fee (2)	463,352	528,480	551,772	570,164	583,000
Total operating expenses	<u>10,854,633</u>	<u>11,005,671</u>	<u>11,035,564</u>	<u>10,861,186</u>	<u>12,806,945</u>
<b>Operating Income (Loss)</b>	832,353	2,079,462	2,397,054	3,624,876	1,861,543
<b>Non-Operating Revenues (Expenses)</b>					
Investment income (loss)	138,732	37,336	192,270	218,714	408,539
Miscellaneous	(23,205)	444,522	55,283	63,214	111,267
Intergovernmental	1,111,741	278,857	1,641,549	662,443	305,409
Interest expense	(31,909)	-	(134,787)	(156,178)	(1,682,725)
Gain (Loss) on disposal of assets	(2,294,421)	(10,767)	-	-	-
Total non-operating revenues	<u>(1,099,062)</u>	<u>749,948</u>	<u>1,754,315</u>	<u>788,193</u>	<u>(857,510)</u>
<b>Change in net assets before transfers and capital contributions</b>	(266,709)	2,829,410	4,151,369	4,413,069	1,004,033
Capital Contributions	654,766	554,288	608,787	3,536,162	3,714,553
Transfers					
Transfers in	368,071	367,591	552,119	527,276	524,922
Transfers out	<u>(89,642)</u>	<u>(107,543)</u>	<u>(349,915)</u>	<u>(115,022)</u>	<u>(45,646)</u>
<b>Change in net position</b>	666,486	3,643,746	4,962,360	8,361,485	5,197,862
<b>Total Net Position - January 1 (3)</b>	<u>95,645,298</u>	<u>96,311,784</u>	<u>98,515,831</u>	<u>103,478,191</u>	<u>111,839,676</u>
Cumulative effect of correction to prior period (4)		(1,439,699)	-	-	(827,477)
Restated Total Net Position - January		94,872,085			111,012,199
<b>Total Net Position - December 31 (3)</b>	<u>\$ 96,311,784</u>	<u>\$ 98,515,831</u>	<u>\$103,478,191</u>	<u>\$111,839,676</u>	<u>\$116,210,064</u>

(1) Represents a payment to the General Fund to cover the cost of general services provided to the Sewer Fund.

(2) Current City financial policies require the Sewer Fund to pay the General Fund a 4.16% franchise fee.

(3)"Net Position" includes the value of all assets attributable to the Sewer Fund, not just those acquired during the year presented.

(4) Prior period correction due to fixed assets adjustments and implementation of GASB 68, 71 and 75 related to Pension and OPEB.

**Sewer Construction Fund - History of Revenues, Expenditures and Changes in Fund Balances**

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
<b>Revenues</b>					
Licenses and permits (1)	\$ 1,077,096	\$ 1,504,040	\$ 2,459,528	\$ 2,234,310	\$ 3,090,230
Developer/owner participation	-	14,760	67,226	14,690	27,692
Investment income (loss)	19,156	17,300	27,595	35,565	129,342
Miscellaneous	120	-	-	-	-
Total revenues	<u>1,096,372</u>	<u>1,536,100</u>	<u>2,554,349</u>	<u>2,284,565</u>	<u>3,247,264</u>
<b>Expenditures</b>					
Current:					
Municipal utility system	-	-	-	1,454	8,399
Capital Outlay	-	-	-	2,359,368	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,360,822</u>	<u>8,399</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	<u>1,096,372</u>	<u>1,536,100</u>	<u>2,554,349</u>	<u>(76,257)</u>	<u>3,238,865</u>
<b>Other Financing Sources (Uses)</b>					
Transfers out (2)	<u>(368,071)</u>	<u>(367,591)</u>	<u>(552,119)</u>	<u>(546,279)</u>	<u>(538,207)</u>
<b>Net change in fund balance</b>	728,301	1,168,509	2,002,230	(622,536)	2,700,658
<b>Fund Balance - January 1</b>	<u>2,243,769</u>	<u>2,972,070</u>	<u>4,140,579</u>	<u>6,142,809</u>	<u>5,520,273</u>
<b>Fund Balance - December 31</b>	<u>\$ 2,972,070</u>	<u>\$ 4,140,579</u>	<u>\$ 6,142,809</u>	<u>\$ 5,520,273</u>	<u>\$ 8,220,931</u>

(1) Consists primarily of System Development Fees.

(2) Consists primarily of transfers to the Sewer Fund and also includes transfers to the Art in Public Places Fund.

Storm Drainage

Revenue Bonds

Series 2014

(CUSIP #54310P)

**History of Pledged Revenues and Pro-Forma Debt Service Coverage (1)**

Fiscal Year	2014	2015	2016	2017	2018
<b>Pledged Revenues</b>					
User charges (2)	\$ 6,579,550	\$ 6,644,935	\$ 6,730,428	\$ 6,858,415	\$ 7,055,596
Plant investment fees	235,532	302,142	527,748	568,223	686,588
Total	<u>\$ 6,815,082</u>	<u>\$ 6,947,077</u>	<u>\$ 7,258,176</u>	<u>\$ 7,426,638</u>	<u>\$ 7,742,184</u>
<b>Actual Debt Service Paid on 2008/2014/2016</b>	\$ 1,083,756	\$ 2,534,803	\$ 2,419,351	\$ 2,441,688	\$ 2,437,988
<b>Coverage</b>	6.29x	2.74x	3.00x	3.04x	3.18x
<b>Combined Maximum</b>					
<b>Annual Debt Service (3)</b>	\$ 2,465,238	\$ 2,465,238	\$ 2,465,238	\$ 2,465,238	\$ 2,465,238
<b>Pro-Forma Coverage</b>	2.76x	2.82x	2.94x	3.01x	3.14x

(1) Includes only storm drainage user charge revenues and storm drainage plant investment fees, and does not include investment income or miscellaneous income, which are also included in Pledged Revenues. See "Pledged Revenues" above and "FINANCIAL INFORMATION CONCERNING THE STORM DRAINAGE SYSTEM - Storm Drainage Fees." Storm Drainage Plant Investment Fees are recorded as capital contributions in the Storm Drainage Fund.

(2) Revenues increased in "User Charges" category due in part to a rate increase as described in "FINANCIAL INFORMATION CONCERNING THE STORM DRAINAGE SYSTEM - Storm Drainage Fees."

(3) Represents the Combined Maximum Annual Debt Service on the 2014 Bonds and the 2016 Bonds (\$2,465,238 occurring in 2028) See "DEBT SERVICE REQUIREMENTS."

Source: Derived from the City's Comprehensive Annual Financial Reports for 2014-2018; and the debt service schedules (as to the combined maximum annual debt service).

**Comparative Disclosure Adjustments and Analysis**  
 Related to Table 7.1  
**Pro-Forma Debt Service Coverage**

	Actual Debt Service Paid Reported <u>2014-2018</u>		Actual Debt Service Paid Reported <u>2018</u>
Year	Reported Debt Service Paid	Adjustments	Actual Debt Service Paid
2014	2,383,756	(1,300,000) (1)	1,083,756
2015	2,534,803	-	2,534,803
2016	2,419,351	-	2,419,351
2017	2,441,688	-	2,441,688
2018	2,437,988	-	2,437,988

(1) An interfund loan was included in error in the figure for debt service paid in 2014.



**History of Storm Drainage Revenues**

<u>Year</u>	<u>User Charge Revenues</u>	<u>Percentage Change</u>	<u>Plant Investment Fees</u>	<u>Percentage Change</u>	<u>Total</u>	<u>Percentage Change</u>
2009	\$ 3,428,994	-	\$ 30,774	-	\$ 3,459,768	-
2010	3,420,656	-0.24%	120,618	291.95%	3,541,274	2.36%
2011	3,395,622	-0.73%	93,331	-22.62%	3,488,953	-1.48%
2012	3,835,699	12.96%	163,868	75.58%	3,999,567	14.64%
2013	4,027,152	4.99%	146,340	-10.70%	4,173,492	4.35%
2014	6,579,550	63.38%	235,532	60.95%	6,815,082	63.29%
2015	6,644,935	0.99%	302,142	28.28%	6,947,077	1.94%
2016	6,730,428	1.29%	527,748	74.67%	7,258,176	4.48%
2017	6,858,415	1.90%	568,223	7.67%	7,426,638	2.32%
2018	7,055,596	2.88%	686,588	20.83%	7,742,184	4.25%
2019 (1)	3,603,984	-	287,532	-	3,891,516	-

(1) Represents collections through June 2019

Source: Derived from the City's Comprehensive Annual Financial Reports for the years ended 2009-2018 and from 2019 interim information provided by the City.

Storm Drainage Enterprise Fund - Budget Summary and Comparison

	2018 Final Budget	2018 YTD through (06/30/18) (1)	2019 Amended Budget	2019 YTD through (06/30/19) (1)
<b>REVENUES</b>				
Charges for services	\$ 6,969,300	\$ 3,513,585	\$ 7,119,800	\$ 3,603,984
Plant investment fee	246,900	419,576	277,800	287,532
Intergovernmental	8,786,900	613,152	-	1,109,370
Investment income	30,600	125,809	15,500	128,515
Miscellaneous	33,700	129,000	32,000	(74,680)
Proceeds from long-term loan	-	-	3,600,000	-
<b>Total Revenues</b>	<u>16,067,400</u>	<u>4,801,122</u>	<u>11,045,100</u>	<u>5,054,721</u>
<b>EXPENDITURES</b>				
Administration	1,529,904	971,195	2,055,478	862,319
Maintenance/Development	1,732,776	1,687,619	2,226,125	549,966
Administrative Fees (2)	538,495	269,245	619,307	520,630
<b>Total Operations</b>	<u>3,801,175</u>	<u>2,928,059</u>	<u>4,900,910</u>	<u>1,932,915</u>
Debt service	2,437,988	411,661	2,442,688	1,840,703
Capital outlay	10,154,493	1,725,322	5,532,899	3,925,668
<b>Total Expenses</b>	<u>16,393,656</u>	<u>5,065,042</u>	<u>12,876,497</u>	<u>7,699,286</u>
<b>Excess of Revenues over (under) Expenditures</b>	<u>\$ (326,256)</u>	<u>\$ (263,920)</u>	<u>\$ (1,831,397)</u>	<u>\$ (2,644,565)</u>

(1) Unaudited, interim information only.

(2) Represents payments from other funds to the General Fund to cover the cost of general services (administrative, financial and legal services, offices space, etc.).

Source: The City; derived from the 2019 Budget, the 2018 CAFR and unaudited interim information provided by the City.

**Storm Drainage Enterprise Fund**  
**Comparative Statement of Revenues, Expenditures and Changes in Net Fund Position**

	<b>Fiscal Year Ended December 31</b>				
	2014	2015	2016	2017	2018
<b>Operating Revenues</b>					
Charges for services	\$ 6,579,550	\$ 6,644,935	\$ 6,730,428	\$ 6,858,415	\$ 7,055,596
<b>Operating Expenses</b>					
Administration	1,844,970	1,358,521	2,190,103	2,471,680	1,587,078
Maintenance/Development	737,224	803,687	800,241	810,584	2,936,798
Depreciation	1,395,679	1,523,682	1,601,643	1,677,140	1,834,208
Administrative fees (1)	420,772	403,149	546,335	455,968	538,495
Total operating expenses	4,398,645	4,089,039	5,138,322	5,415,372	6,896,579
<b>Operating Income (Loss)</b>	2,180,905	2,555,896	1,592,106	1,443,043	159,017
<b>Non-Operating Revenues (Expenses)</b>					
Investment income	50,134	134,843	147,345	125,541	221,828
Miscellaneous	79,408	64,178	146,216	247,875	218,225
Intergovernmental	1,436,590	377,247	1,177,585	5,730,043	2,020,525
Interest	(47,301)	(124,437)	(125,423)	(111,684)	(883,362)
Total non-operating revenues	1,518,831	451,831	1,345,723	5,991,775	1,577,216
<b>Change in net position before transfers and capital contributions</b>	3,699,736	3,007,727	2,937,829	7,434,818	1,736,233
<b>Capital Contributions</b>	770,802	558,379	815,916	1,736,553	4,385,069
<b>Transfers</b>					
Transfers in	-	-	-	-	-
Transfers out	(7,239)	(56,840)	(16,853)	(23,922)	(7,740)
<b>Change in Net Position</b>	4,463,299	3,509,266	3,736,892	9,147,449	6,113,562
<b>Total Net Position - January 1 (2)</b>	\$43,435,948	\$47,899,247	\$61,495,673	\$65,232,565	\$74,380,014
Cumulative effect of correction to prior period	-	10,087,160	-	-	(304,705)
Restated Net Position (3) (4)	-	57,986,407	-	-	74,075,309
<b>Total Net Position - December 31 (2)</b>	\$47,899,247	\$61,495,673	\$65,232,565	\$74,380,014	\$80,188,871

(1) Represents a payment to the General Fund to cover the cost of general services (administrative, financial and legal services, office space etc.) provided to the Storm Drainage Fund.

(2) Net Position includes the value of all assets attributable to the fund, not just those acquired during the year presented.

(3) In 2015, the City implemented new financial accounting software. Adjustments were necessary to bring fixed asset balances in the GL to balances in the fixed asset sub system after data conversion. Adjustments were also made for pension accounting in accordance with GASB 68 and GASB 71.

(4) In 2018, the City reclassified certain fixed assets from land to improvements, thus creating a prior period adjustment in depreciation expense of \$122,123. An adjustment was also made for pension accounting in accordance with GASB 75 in the amount of \$182,582.

Source: Derived from the City's CAFRs for the years ended December 31, 2014 through 2018

Wastewater  
Enterprise Revenue Bonds  
Series 2015

(CUSIP #543098)

**History of Net Pledged Revenues and Pro-Forma Debt Service Coverage (1)**

<b><u>Fiscal Year</u></b>	<b><u>2014</u></b>	<b><u>2015</u></b>	<b><u>2016</u></b>	<b><u>2017</u></b>	<b><u>2018</u></b>
<b>Gross Pledged Revenues</b>					
Charges for services	\$ 11,686,986	\$ 13,085,133	\$ 13,432,618	\$ 14,486,062	\$ 14,668,488
System development fees	1,077,096	1,504,040	2,459,528	2,234,310	3,090,230
Developer participation	-	14,760	67,226	14,690	27,692
Other income	(23,084)	111,321	53,180	63,214	111,267
Interest earnings	99,692	66,174	225,043	254,279	537,881
BAB Credit on 2010B Bonds (2)	161,877	162,226	162,662	156,528	165,701
Total	<u>13,002,567</u>	<u>14,943,654</u>	<u>16,400,257</u>	<u>17,209,083</u>	<u>18,601,259</u>
<b>Operation and Maintenance Expenses (3)</b>	<u>8,178,180</u>	<u>8,100,714</u>	<u>8,025,133</u>	<u>7,725,060</u>	<u>8,660,481</u>
<b>Net Pledged Revenues</b>	\$ 4,824,387	\$ 6,842,940	\$ 8,375,124	\$ 9,484,023	\$ 9,940,778
<b>Actual Debt Service Paid (4)</b>	\$ 1,648,608	\$ 1,646,208	\$ 3,628,517	\$ 3,625,293	\$ 3,607,520
<b>Coverage</b>	2.93x	4.16x	2.31x	2.62x	2.76x
<b>Combined Maximum Annual Principal and Interest Requirements (5)</b>	3,648,375	3,648,375	3,648,375	3,648,375	3,648,375
<b>Pro-Forma Coverage</b>	1.32x	1.88x	2.30x	2.60x	2.72x

(1) Derived from the City's audited financial statements for 2014 through 2018.

(2) The BAB Credit is also included in Gross Pledged Revenues.

(3) Includes all expenses properly allocable to the System pursuant to GAAP. Does not include depreciation, amortization or interest paid on outstanding bonds.

(4) Includes debt service on the 2010 bonds, debt service on the 2013 bonds and debt service on the 2015 bonds beginning in 2016.

(5) Represents the Combined Maximum Annual Principal and Interest Requirements payable on the 2010 Bonds, the 2013 Bonds, and the 2015 Bonds (\$3,648,375 in 2035).

## Comparative Disclosure Adjustments and Analysis

Related to Table 8.1

### Pro-Forma Debt Service Coverage

	Actual Debt Service Paid Reported 2011 - 2018		Actual Debt Service Paid Reported 2018	
Year	Actual Debt Service Paid	Adjustments	Actual Debt Service Paid	
2011	\$ 1,041,896	-	\$ 1,041,896	
2012	1,063,995	-	1,063,995	
2013	1,190,917	-	1,190,917	
2014	1,648,608	-	1,648,608	
2015	2,716,208	(1,070,000) (1)	1,646,208	(2)
2016	3,628,517	-	3,628,517	
2017	3,625,293		3,625,293	
2018	3,607,250		3,607,250	

(1) The 2015 CAFR Sewer Enterprise Fund Schedule of Revenues and Expenses (Schedule D-9) previously reported the Principal retired for 2015 as \$1,955,000. The Principal retired of \$885,000 is the correct amount paid.

(2) The 2015 CAFR statistical debt Schedule 16, Pledged Revenue Bond/Loan Coverage, previously reported the total principal and interest paid for 2015 as \$2,716,208. The principal and interest of \$1,646,208 is the correct amount paid. Schedule 16 was corrected in the 2016 CAFR.

**History of Wastewater System Development Fees**

<b><u>Year</u></b>	<b><u>Total Number of Connections</u></b>	<b><u>Total System Development Fees</u></b>
2008	26,044	\$288,158
2009	26,147	\$96,975
2010	26,013	\$277,085
2011	25,875	\$380,154
2012	25,965	\$783,174
2013	26,091	\$765,285
2014	26,276	\$1,077,096
2015	26,477	\$1,504,040
2016	26,919	\$2,459,528
2017	27,284	\$2,234,310
2018	27,703	\$3,090,230
2019 (1)	27,934	\$1,294,011

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(1) Taps and fees collected through June 30, 2019

**History of User Connections by Customer Type**

<b><u>Year</u></b>	<b><u>Residential Connections</u></b>	<b><u>Commercial/ Industrial Connections</u></b>	<b><u>Contract Connection</u></b>	<b><u>Other/Out of City Users</u></b>	<b><u>Total Connections</u></b>	<b><u>% Change in Connections</u></b>
2008	24,435	1,521	1	87	26,044	--
2009	24,507	1,547	1	92	26,147	0.4%
2010	24,537	1,410	1	66	26,014	-0.5%
2011	24,515	1,311	1	48	25,875	-0.5%
2012	24,562	1,309	0	94	25,965	0.3%
2013	24,679	1,330	0	82	26,091	0.5%
2014	24,825	1,367	0	84	26,276	0.7%
2015	25,011	1,376	0	90	26,477	0.8%
2016	25,318	1,488	0	113	26,919	1.7%
2017	25,620	1,543	0	121	27,284	1.4%
2018	26,028	1,547	0	128	27,703	1.5%
2019 (1)	26,256	1,548	0	130	27,934	--

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(1) As of June 30, 2019



**History of Charges for Service by Category**

<b><u>Year</u></b>	<b><u>Residential Service Charges</u></b>	<b><u>Commercial/ Industrial Service Charges</u></b>	<b><u>Other Industrial Charges (1)</u></b>	<b><u>Special Tap/ Contract Revenues</u></b>	<b><u>Miscellaneous Revenues (2)</u></b>	<b><u>Total Revenues</u></b>	<b><u>Percent Change in Revenues</u></b>
2008	\$ 5,436,825	\$ 1,113,443	\$ 246,565	\$ 329,322	\$ (8,166)	\$ 7,117,989	--
2009	5,844,437	1,206,730	285,927	19,068	59,877	7,416,039	4.2%
2010	6,216,671	1,275,971	244,465	68,749	30,617	7,836,473	5.7%
2011	6,459,187	1,384,300	260,554	62,618	74,330	8,240,989	5.2%
2012 (3)	6,846,158	1,490,467	286,632	10,609	766	8,634,632	4.8%
2013	7,935,973	1,697,791	19,269	3,121	83,951	9,740,105	12.8%
2014	9,374,332	2,073,369	31,567	2,907	204,811	11,686,986	20.0%
2015	10,615,333	2,343,578	116,557	4,096	5,569	13,085,133	12.0%
2016	10,752,333	2,419,355	173,170	3,265	84,496	13,432,619	2.7%
2017	11,512,472	2,791,456	139,688	3,684	38,762	14,486,062	7.8%
2018	11,779,956	2,799,116	108,871	4,331	(23,786)	14,668,488	1.3%
2019 (4)	5,914,530	1,312,285	41,226	2,476	20,077	7,290,505	--

(1) Includes industrial sewer surcharge and industrial pre-treatment charges.

(2) Includes miscellaneous revenues, mixed use rates and charges and accruals for unbilled revenue, which represents service provided as of the end of each year that will not be billed until the first billing date in January. Unbilled revenue was negative in 2008, 2012 and 2015.

(3) Reduced Miscellaneous Revenue from original bond table by negative unbilled revenue at year end.

(4) Through June 30, 2019

**Budget Summary and Comparison - Sewer Fund**

	<b>2018 Final Budget</b>	<b>2018 YTD (through 6/30/18) (1)</b>	<b>2019 Revised Budget</b>	<b>2019 YTD (through 6/30/19) (1)</b>
<b>REVENUE</b>				
<b>Operating Revenue</b>				
Charges for services (2)	\$ 14,572,000	\$ 7,205,376	\$ 16,052,900	\$ 7,290,505
<b>Non-Operating Revenue</b>				
Interest income	36,480	188,326	39,400	228,728
Intergovernmental	155,034	101,650	147,189	203,015
Miscellaneous	3,000	50,611	3,000	(14,885)
Operating transfers in	524,922	-	523,132	-
Total non-operating revenue	<u>719,436</u>	<u>340,587</u>	<u>712,721</u>	<u>416,858</u>
<b>Total revenue</b>	<b><u>\$ 15,291,436</u></b>	<b><u>\$ 7,545,963</u></b>	<b><u>\$ 16,765,621</u></b>	<b><u>\$ 7,707,452</u></b>
<b>APPLICATION OF REVENUE</b>				
<b>Operating Expense</b>				
Director administration	367,796	74,695	286,275	89,456
Administration	1,480,282	647,277	1,618,915	653,098
Industrial pretreatment	156,676	52,117	170,481	60,237
Collection system	1,530,149	532,286	1,559,695	546,594
Treatment plant	3,447,918	1,426,543	3,377,067	1,548,551
Water quality lab	709,499	251,015	729,470	262,160
Administrative services	917,949	454,841	966,634	483,318
Franchise equivalency	583,000	291,502	642,236	321,120
Bad debt expense	2,000	125	2,000	140
Total operating expenses	<u>9,195,269</u>	<u>3,730,401</u>	<u>9,352,773</u>	<u>3,964,674</u>
<b>Capital Expense</b>	<u>16,576,817</u>	<u>1,773,974</u>	<u>2,006,534</u>	<u>2,549,032</u>
<b>Non-Operating Expenses</b>				
Transfers to other funds	139,299	2,088	563,122	2,934
<b>Debt Requirements</b>	<u>3,607,520</u>	<u>609,173</u>	<u>3,593,070</u>	<u>584,357</u>
Total expenses	<b><u>\$ 29,518,905</u></b>	<b><u>\$ 6,115,636</u></b>	<b><u>\$ 15,515,499</u></b>	<b><u>\$ 7,100,997</u></b>
<b>Additions To (Deductions From) Operating Reserves</b>	<u>(14,227,469)</u>	<u>1,430,327</u>	<u>1,250,122</u>	<u>606,455</u>
<b>Total Application of Revenue</b>	<b><u>\$ 15,291,436</u></b>	<b><u>\$ 7,545,963</u></b>	<b><u>\$ 16,765,621</u></b>	<b><u>\$ 7,707,452</u></b>

(1) Unaudited, interim information only.

(2) Includes sewer fees (rate and charges), industrial surcharges and construction inspections.

**Budget Summary and Comparison - Sewer Construction Fund**

	<b>2018 Final Budget</b>	<b>2018 YTD (through 6/30/18) (1)</b>	<b>2019 Revised Budget</b>	<b>2019 YTD (through 6/30/19) (1)</b>
<b>Sources of Funds</b>				
Beginning Working Capital (fund balance) (2)	\$ 5,520,273	\$ 5,520,273	\$ 8,220,931	\$ 8,220,931
System development fee	1,633,800	1,716,510	1,668,600	1,294,011
Developer participation	-	27,692	-	-
Interest Income	21,400	46,914	29,800	95,853
Total Sources of Funds	<u>7,175,473</u>	<u>7,311,389</u>	<u>9,919,331</u>	<u>9,610,795</u>
<b>Expenses</b>				
Capital Expense	1,180,952	-	148,000	15,345
Non-capital expense (3)	6,000	-	-	-
Transfers out	539,134	-	-	-
Total Expenses	<u>1,726,086</u>	<u>-</u>	<u>148,000</u>	<u>15,345</u>
<b>Ending Working Capital</b>	<u>\$ 5,449,387</u>	<u>\$ 7,311,389</u>	<u>\$ 9,771,331</u>	<u>\$ 9,595,450</u>

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(1) Unaudited, interim information only.

(2) Represents actual beginning working capital (fund balance) in each column, rather than budgeted information.

(3) Added line to appropriately reflect non-capital expense budget information.

**Sewer Fund - History of Revenues, Expenses and Changes in Fund Net Position**

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
<b>Operating Revenues</b>					
Charges for services	\$ 11,686,986	\$ 13,085,133	\$ 13,432,618	\$ 14,486,062	\$ 14,668,488
<b>Operating Expenses</b>					
Administration	1,054,139	1,103,308	1,290,974	1,205,666	1,676,611
Transmission/distribution	2,255,778	1,966,981	1,397,097	1,170,209	1,545,715
Treatment/disposal	3,651,191	3,704,305	4,045,224	3,899,651	3,945,472
Depreciation	2,676,453	2,904,957	3,010,430	3,136,126	4,146,464
Administrative fees (1)	753,720	797,640	740,067	879,370	909,683
Franchise fee (2)	463,352	528,480	551,772	570,164	583,000
Total operating expenses	<u>10,854,633</u>	<u>11,005,671</u>	<u>11,035,564</u>	<u>10,861,186</u>	<u>12,806,945</u>
<b>Operating Income (Loss)</b>	832,353	2,079,462	2,397,054	3,624,876	1,861,543
<b>Non-Operating Revenues (Expenses)</b>					
Investment income (loss)	138,732	37,336	192,270	218,714	408,539
Miscellaneous	(23,205)	444,522	55,283	63,214	111,267
Intergovernmental	1,111,741	278,857	1,641,549	662,443	305,409
Interest expense	(31,909)	-	(134,787)	(156,178)	(1,682,725)
Gain (Loss) on disposal of assets	(2,294,421)	(10,767)	-	-	-
Total non-operating revenues	<u>(1,099,062)</u>	<u>749,948</u>	<u>1,754,315</u>	<u>788,193</u>	<u>(857,510)</u>
<b>Change in net assets before transfers and capital contributions</b>	(266,709)	2,829,410	4,151,369	4,413,069	1,004,033
Capital Contributions	654,766	554,288	608,787	3,536,162	3,714,553
Transfers					
Transfers in	368,071	367,591	552,119	527,276	524,922
Transfers out	<u>(89,642)</u>	<u>(107,543)</u>	<u>(349,915)</u>	<u>(115,022)</u>	<u>(45,646)</u>
<b>Change in net position</b>	666,486	3,643,746	4,962,360	8,361,485	5,197,862
<b>Total Net Position - January 1 (3)</b>	<u>95,645,298</u>	<u>96,311,784</u>	<u>98,515,831</u>	<u>103,478,191</u>	<u>111,839,676</u>
Cumulative effect of correction to prior period (4)		(1,439,699)	-	-	(827,477)
Restated Total Net Position - January		94,872,085			111,012,199
<b>Total Net Position - December 31 (3)</b>	<u>\$ 96,311,784</u>	<u>\$ 98,515,831</u>	<u>\$103,478,191</u>	<u>\$111,839,676</u>	<u>\$116,210,064</u>

(1) Represents a payment to the General Fund to cover the cost of general services provided to the Sewer Fund.

(2) Current City financial policies require the Sewer Fund to pay the General Fund a 4.16% franchise fee.

(3)"Net Position" includes the value of all assets attributable to the Sewer Fund, not just those acquired during the year presented.

(4) Prior period correction due to fixed assets adjustments and implementation of GASB 68, 71 and 75 related to Pension and OPEB.

**Sewer Construction Fund - History of Revenues, Expenditures and Changes in Fund Balances**

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
<b>Revenues</b>					
Licenses and permits (1)	\$ 1,077,096	\$ 1,504,040	\$ 2,459,528	\$ 2,234,310	\$ 3,090,230
Developer/owner participation	-	14,760	67,226	14,690	27,692
Investment income (loss)	19,156	17,300	27,595	35,565	129,342
Miscellaneous	120	-	-	-	-
Total revenues	<u>1,096,372</u>	<u>1,536,100</u>	<u>2,554,349</u>	<u>2,284,565</u>	<u>3,247,264</u>
<b>Expenditures</b>					
Current:					
Municipal utility system	-	-	-	1,454	8,399
Capital Outlay	-	-	-	2,359,368	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,360,822</u>	<u>8,399</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	<u>1,096,372</u>	<u>1,536,100</u>	<u>2,554,349</u>	<u>(76,257)</u>	<u>3,238,865</u>
<b>Other Financing Sources (Uses)</b>					
Transfers out (2)	<u>(368,071)</u>	<u>(367,591)</u>	<u>(552,119)</u>	<u>(546,279)</u>	<u>(538,207)</u>
<b>Net change in fund balance</b>	728,301	1,168,509	2,002,230	(622,536)	2,700,658
<b>Fund Balance - January 1</b>	<u>2,243,769</u>	<u>2,972,070</u>	<u>4,140,579</u>	<u>6,142,809</u>	<u>5,520,273</u>
<b>Fund Balance - December 31</b>	<u>\$ 2,972,070</u>	<u>\$ 4,140,579</u>	<u>\$ 6,142,809</u>	<u>\$ 5,520,273</u>	<u>\$ 8,220,931</u>

(1) Consists primarily of System Development Fees.

(2) Consists primarily of transfers to the Sewer Fund and also includes transfers to the Art in Public Places Fund.

Storm Drainage  
Revenue Refunding Bonds  
Series 2016

(CUSIP #54310P)

**History of Pledged Revenues and Pro-Forma Debt Service Coverage (1)**

<u>Fiscal Year</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
<b>Pledged Revenues</b>					
User charges (2)	\$ 6,579,550	\$ 6,644,935	\$ 6,730,428	\$ 6,858,415	\$ 7,055,596
Plant investment fees	235,532	302,142	527,748	568,223	686,588
Total	<u>\$ 6,815,082</u>	<u>\$ 6,947,077</u>	<u>\$ 7,258,176</u>	<u>\$ 7,426,638</u>	<u>\$ 7,742,184</u>
<b>Actual Debt Service Paid on 2008/2014/2016 Bonds Coverage</b>	\$ 1,083,756 6.29x	\$ 2,534,803 2.74x	\$ 2,419,351 3.00x	\$ 2,441,688 3.04x	\$ 2,437,988 3.18x
<b>Combined Maximum Annual Debt Service (3)</b>	\$ 2,465,238	\$ 2,465,238	\$ 2,465,238	\$ 2,465,238	\$ 2,465,238
<b>Pro-Forma Coverage</b>	2.76x	2.82x	2.94x	3.01x	3.14x

(1) Includes only storm drainage user charge revenues and storm drainage plant investment fees, and does not include investment income or miscellaneous income, which are also included in Pledged Revenues. See "Pledged Revenues" above and "FINANCIAL INFORMATION CONCERNING THE STORM DRAINAGE SYSTEM - Storm Drainage Fees." Storm Drainage Plant Investment Fees are recorded as capital contributions in the Storm Drainage Fund.

(2) Revenues increased in "User Charges" category due in part to a rate increase as described in "FINANCIAL INFORMATION CONCERNING THE STORM DRAINAGE SYSTEM - Storm Drainage Fees."

(3) Represents the Combined Maximum Annual Debt Service on the 2008 Bonds, the 2014 Bonds, and the 2016 Bonds (\$2,465,238 occurring in 2028) See "DEBT SERVICE REQUIREMENTS."

Source: Derived from the City's Comprehensive Annual Financial Reports for 2014-2018; and the debt service schedules (as to the combined maximum annual debt service).

**Comparative Disclosure Adjustments and Analysis**  
 Related to Table 9.1  
**Pro-Forma Debt Service Coverage**

	Actual Debt Service Paid Reported <u>2014-2018</u>		Actual Debt Service Paid Reported <u>2018</u>
Year	Reported Debt Service Paid	Adjustments	Actual Debt Service Paid
2014	2,383,756	(1,300,000) (1)	1,083,756
2015	2,534,803	-	2,534,803
2016	2,419,351	-	2,419,351
2017	2,441,688	-	2,441,688
2018	2,437,988	-	2,437,988

(1) An interfund loan was included in error in the figure for debt service paid in 2014.



**History of Storm Drainage Revenues**

<u>Year</u>	<u>User Charge Revenues</u>	<u>Percentage Change</u>	<u>Plant Investment Fees</u>	<u>Percentage Change</u>	<u>Total</u>	<u>Percentage Change</u>
2009	\$ 3,428,994	-	\$ 30,774	-	\$ 3,459,768	-
2010	3,420,656	-0.24%	120,618	291.95%	3,541,274	2.36%
2011	3,395,622	-0.73%	93,331	-22.62%	3,488,953	-1.48%
2012	3,835,699	12.96%	163,868	75.58%	3,999,567	14.64%
2013	4,027,152	4.99%	146,340	-10.70%	4,173,492	4.35%
2014	6,579,550	63.38%	235,532	60.95%	6,815,082	63.29%
2015	6,644,935	0.99%	302,142	28.28%	6,947,077	1.94%
2016	6,730,428	1.29%	527,748	74.67%	7,258,176	4.48%
2017	6,858,415	1.90%	568,223	7.67%	7,426,638	2.32%
2018	7,055,596	2.88%	686,588	20.83%	7,742,184	4.25%
2019 (1)	3,603,984	-	287,532	-	3,891,516	-

(1) Represents collections through June 2019

Source: Derived from the City's Comprehensive Annual Financial Reports for the years ended 2009-2018 and from 2019 interim information provided by the City.

Storm Drainage Enterprise Fund - Budget Summary and Comparison

	2018 Final Budget	2018 YTD through (06/30/18) (1)	2019 Amended Budget	2019 YTD through (06/30/19) (1)
<b>REVENUES</b>				
Charges for services	\$ 6,969,300	\$ 3,513,585	\$ 7,119,800	\$ 3,603,984
Plant investment fee	246,900	419,576	277,800	287,532
Intergovernmental	8,786,900	613,152	-	1,109,370
Investment income	30,600	125,809	15,500	128,515
Miscellaneous	33,700	129,000	32,000	(74,680)
Proceeds from long-term loan	-	-	3,600,000	-
Total Revenues	<u>16,067,400</u>	<u>4,801,122</u>	<u>11,045,100</u>	<u>5,054,721</u>
<b>EXPENDITURES</b>				
Administration	1,529,904	971,195	2,055,478	862,319
Maintenance/Development	1,732,776	1,687,619	2,226,125	549,966
Administrative Fees (2)	538,495	269,245	619,307	520,630
Total Operations	<u>3,801,175</u>	<u>2,928,059</u>	<u>4,900,910</u>	<u>1,932,915</u>
Debt service	2,437,988	411,661	2,442,688	1,840,703
Capital outlay	10,154,493	1,725,322	5,532,899	3,925,668
Total Expenses	<u>16,393,656</u>	<u>5,065,042</u>	<u>12,876,497</u>	<u>7,699,286</u>
<b>Excess of Revenues over (under) Expenditures</b>	<u>\$ (326,256)</u>	<u>\$ (263,920)</u>	<u>\$ (1,831,397)</u>	<u>\$ (2,644,565)</u>

(1) Unaudited, interim information only.

(2) Represents payments from other funds to the General Fund to cover the cost of general services (administrative, financial and legal services, offices space, etc.).

Source: The City; derived from the 2019 Budget, the 2018 CAFR and unaudited interim information provided by the City.

**Storm Drainage Enterprise Fund**  
**Comparative Statement of Revenues, Expenditures and Changes in Net Fund Position**

	<b>Fiscal Year Ended December 31</b>				
	2014	2015	2016	2017	2018
<b>Operating Revenues</b>					
Charges for services	\$ 6,579,550	\$ 6,644,935	\$ 6,730,428	\$ 6,858,415	\$ 7,055,596
<b>Operating Expenses</b>					
Administration	1,844,970	1,358,521	2,190,103	2,471,680	1,587,078
Maintenance/Development	737,224	803,687	800,241	810,584	2,936,798
Depreciation	1,395,679	1,523,682	1,601,643	1,677,140	1,834,208
Administrative fees (1)	420,772	403,149	546,335	455,968	538,495
Total operating expenses	4,398,645	4,089,039	5,138,322	5,415,372	6,896,579
<b>Operating Income (Loss)</b>	2,180,905	2,555,896	1,592,106	1,443,043	159,017
<b>Non-Operating Revenues (Expenses)</b>					
Investment income	50,134	134,843	147,345	125,541	221,828
Miscellaneous	79,408	64,178	146,216	247,875	218,225
Intergovernmental	1,436,590	377,247	1,177,585	5,730,043	2,020,525
Interest	(47,301)	(124,437)	(125,423)	(111,684)	(883,362)
Total non-operating revenues	1,518,831	451,831	1,345,723	5,991,775	1,577,216
<b>Change in net position before transfers and capital contributions</b>	3,699,736	3,007,727	2,937,829	7,434,818	1,736,233
<b>Capital Contributions</b>	770,802	558,379	815,916	1,736,553	4,385,069
<b>Transfers</b>					
Transfers in	-	-	-	-	-
Transfers out	(7,239)	(56,840)	(16,853)	(23,922)	(7,740)
<b>Change in Net Position</b>	4,463,299	3,509,266	3,736,892	9,147,449	6,113,562
<b>Total Net Position - January 1 (2)</b>	\$43,435,948	\$47,899,247	\$61,495,673	\$65,232,565	\$74,380,014
Cumulative effect of correction to prior period	-	10,087,160	-	-	(304,705)
Restated Net Position (3) (4)	-	57,986,407	-	-	74,075,309
<b>Total Net Position - December 31 (2)</b>	\$47,899,247	\$61,495,673	\$65,232,565	\$74,380,014	\$80,188,871

(1) Represents a payment to the General Fund to cover the cost of general services (administrative, financial and legal services, office space etc.) provided to the Storm Drainage Fund.

(2) Net Position includes the value of all assets attributable to the fund, not just those acquired during the year presented.

(3) In 2015, the City implemented new financial accounting software. Adjustments were necessary to bring fixed asset balances in the GL to balances in the fixed asset sub system after data conversion. Adjustments were also made for pension accounting in accordance with GASB 68 and GASB 71.

(4) In 2018, the City reclassified certain fixed assets from land to improvements, thus creating a prior period adjustment in depreciation expense of \$122,123. An adjustment was also made for pension accounting in accordance with GASB 75 in the amount of \$182,582.

Source: Derived from the City's CAFRs for the years ended December 31, 2014 through 2018

Certificates of Participation

Series 2014A Tax-Exempt  
&  
Series 2014B Taxable

(CUSIP #543096)

Annual History of General Sales and Use Tax Collections (1)

<u>Year</u>	<u>General Sales Tax Collections</u>	<u>Percent Change</u>	<u>General Use Tax Collections</u>	<u>Percent Change</u>	<u>Total General Sales and Use Tax Collections</u>	<u>Percent Change</u>
2009	\$22,603,881	-	\$3,463,298	-	\$26,067,179	-
2010	23,368,226	3.4 %	3,853,556	11.3 %	27,221,782	4.4 %
2011	24,494,510	4.8	4,329,437	12.4	28,823,947	5.9
2012	25,269,228	3.2	4,836,547	11.7	30,105,775	4.5
2013	26,851,343	6.3	5,099,911	5.5	31,951,254	6.1
2014	28,662,723	6.8	5,699,258	11.8	34,361,981	7.6
2015	29,077,883	1.4	6,300,684	10.6	35,378,567	3.0
2016	30,677,787	5.5	6,707,631	6.5	37,385,418	5.7
2017	32,480,757	5.9	7,789,592	16.1	40,270,349	7.7
2018	34,562,596	6.4	8,084,886	3.8	42,647,482	5.9
2019 (2)	13,378,223	-	2,790,715	-	16,168,938	-

(1) Represents total collections of the 2% General Sales and Use Tax. The City currently deposits a portion of the revenues received from the General Sales and Use Tax into the General Fund and a portion into the Public Improvement Fund.

(2) Includes collections for sales through May 2019

Source: City Finance Department.

History of City's Assessed Valuations (1)

<u>Levy/Collection Year</u>	<u>Boulder County Assessed Value</u>	<u>Weld County Assessed Value</u>	<u>Total Assessed Value</u>	<u>Percent Change</u>
2009/2010	\$1,072,813,250	\$8,016,480	\$1,080,829,730	-
2010/2011	1,067,551,663	8,598,950	1,076,150,613	(0.43) %
2011/2012	1,023,195,519	12,739,280	1,035,934,799	(3.74)
2012/2013	1,020,468,232	14,186,010	1,034,654,242	(0.12)
2013/2014 (2)	1,026,490,475	12,676,416	1,039,166,891	0.44
2014/2015	1,055,196,679	12,171,750	1,067,368,429	2.71
2015/2016	1,220,427,732	12,694,190	1,233,121,922	15.53
2016/2017	1,226,316,801	12,162,170	1,238,478,971	0.43
2017/2018	1,412,572,971	14,047,460	1,426,620,431	15.19
2018/2019	1,417,069,695	17,018,610	1,434,088,305	0.52

(1) Does not include the assessed valuation attributable to the Longmont Downtown Development Authority in the following amounts for the respective levy years: \$13,524,800 in 2009; \$12,483,878 in 2010; \$11,941,460 in 2011; \$11,007,207 in 2012; \$7,149,576 in 2013; \$8,290,110 in 2014; \$8,941,066 in 2015; \$9,551,103 in 2016, \$12,448,777 in 2017 and \$12,947,350 in 2018. Also, does not include the assessed valuation attributable to the Twin Peaks Urban Renewal Authority of \$8,373,102 in 2016, \$13,716,453 in 2017 and \$13,711,963 in 2018.

(2) Corrections were made to the 2013/2014 figures because an error was discovered.

Sources: State of Colorado, Department of Local Affairs, Division of Property Taxation, Annual Reports, 2009-2018; and the Assessors' Offices of Boulder and Weld Counties.

History of City's Mill Levy

<u>Levy/Collection Year</u>	<u>General Fund</u>	<u>Debt Service</u>	<u>Special Abatement</u>	<u>Total</u>
2009/2010	13.420	0.000	0.000	13.420
2010/2011	13.420	0.000	0.000	13.420
2011/2012	13.420	0.000	0.000	13.420
2012/2013	13.420	0.000	0.000	13.420
2013/2014	13.420	0.000	0.000	13.420
2014/2015	13.420	0.000	0.000	13.420
2015/2016	13.420	0.000	0.000	13.420
2016/2017	13.420	0.000	0.000	13.420
2017/2018	13.420	0.000	0.000	13.420
2018/2019	13.420	0.000	0.000	13.420

Sources: State of Colorado, Department of Local Affairs, Division of Property Taxation, Annual Reports, 2009-2018; and the Boulder County Assessor's Office.

Property Tax Collections for the City

Levy/ Collection Year	Total Taxes Levied (1)	Boulder County Collections	Weld County Collections	Total Current Tax Collections (2)	Collection Rate
2008/2009	\$14,738,533	\$14,623,568	\$93,954	\$14,717,522	99.86 %
2009/2010	14,686,238	14,515,863	107,581	14,623,444	99.57
2010/2011	14,609,475	14,459,155	115,479	14,574,634	99.76
2011/2012	14,062,499	13,837,255	170,961	14,008,216	99.61
2012/2013	14,032,776	13,806,957	189,362	13,996,319	99.74
2013/2014	14,089,687	13,887,507	170,117	14,057,624	99.77
2014/2015	14,435,338	14,209,217	163,345	14,372,561	99.57
2015/2016	16,668,485	16,519,429	170,197	16,689,626	100.13
2016/2017	16,860,931	16,654,887	163,258	16,818,145	99.75
2017/2018	19,496,384	19,250,609	188,517	19,439,126	99.71
2018/2019 (3)	19,603,233	13,915,795	188,822	14,104,617	71.95

(1) Levied amounts do not reflect abatements or other adjustments. Levied amounts do include the assessed revenue attributable to various tax increment financing districts in the following amounts for the respective levy years: \$169,347 for 2008; \$181,503 for 2009; \$167,534 for 2010; \$160,254 for 2011; \$147,717 for 2012; \$144,067 for 2013; \$111,253 for 2014; \$119,989 for 2015; \$240,543 for 2016, \$351,138 for 2017, and \$357,768 for 2018.

(2) The county treasurers' collection fees have not been deducted from these amounts. Figures do not include interest, fees and penalties.

(3) Figures are for January 1 through May 31, 2019 collections

Source: State of Colorado, Department of Local Affairs, Division of Property Taxation, Annual Reports, 2008-2018; and the Treasurer's Offices of Boulder and Weld Counties.



Largest Taxpayers in the City for 2018

<u>Taxpayer Name</u>	<u>Assessed Valuation</u>	<u>Percentage of Total Assessed Valuation (1)</u>
GCC Longmont Holdings LP	\$21,560,984	1.51%
Ramco-Gershenson Properties LP	16,501,003	1.16%
Seagate Technology LLC	15,586,299	1.09%
Public Service CO of Colorado	14,383,362	1.01%
NMMS Twin Peaks LLC	14,242,769	1.00%
Astrazeneca Pharmaceuticals LP	13,975,788	0.98%
EQC Operating Trust	13,664,510	0.96%
Xilinx Inc	11,874,256	0.83%
Seagate Technology	10,708,631	0.75%
Wells Fargo Bank NA	9,207,489	0.65%
TOTAL	<u>\$141,705,091</u>	<u>9.93%</u>

(1) Based on a 2017 certified assessed valuation of \$1,426,620,431.

Sources: Assessors' Offices of Boulder and Weld Counties.

General Fund - Budget Summary and Comparison(1)

	2018 Budget	2018 YTD (6/30/18) <sup>(1)</sup>	2019 Budget	2019 YTD (6/30/19) <sup>(1)</sup>
<b>REVENUES</b>				
Sales and use tax (2)	\$34,662,742	\$13,941,788	\$36,511,950	\$13,743,597
All other taxes	26,934,507	17,628,207	\$27,257,811	\$17,549,984
Licenses & permits	2,065,686	1,813,350	2,830,913	1,861,801
Intergovernmental revenue	912,576	244,270	537,575	271,930
Charges for services	7,134,006	4,020,338	15,498,524	3,665,752
Fines and forfeits	924,250	369,304	755,800	461,072
Miscellaneous revenue	63,628	113,143	559,872	92,413
Interest income	277,600	132,710	330,000	228,402
Administrative reimbursements (3)	7,584,459	3,716,419	579,049	3,989,973
Total Revenues	<u>80,559,454</u>	<u>41,979,529</u>	<u>84,861,494</u>	<u>41,864,924</u>
<b>EXPENDITURES</b>				
City Manager	4,488,052	1,534,269	5,172,180	1,906,140
City Attorney	1,185,780	526,017	1,299,399	542,813
Mayor & Council	440,123	270,803	430,755	265,938
Municipal Court	870,605	376,801	882,149	430,726
Shared Services	6,202,214	2,663,412	6,087,485	3,123,222
Finance	4,998,180	2,154,738	5,071,953	2,277,962
Community Services	15,727,079	7,108,166	15,960,875	7,398,469
Public Safety	35,665,977	17,048,101	37,479,019	17,480,268
Development Services	4,214,930	1,685,832	4,238,048	1,940,208
Public Works & Natural Resources	9,227,641	4,110,014	9,710,929	4,473,156
Total Expenditures	<u>83,020,581</u>	<u>37,478,153</u>	<u>86,332,792</u>	<u>39,838,902</u>
<b>Excess of Revenues of over (under) Expenditures</b>	<u>(\$2,461,127)</u>	<u>\$4,501,376</u>	<u>(\$1,471,298)</u>	<u>\$2,026,022</u>

(1) Unaudited, interim information only.

(2) Represents collections of the General Sales Tax and the General Use Tax imposed at a rate of 1.7%.

(3) Represents payments from other funds to the General Fund to cover the cost of general services (administrative, financial and legal services, office space, etc.).

Source: The City; derived from the adopted 2019 Operating Budget and unaudited interim information provided by the City.

**Public Improvement Fund - Budget Summary and Comparison (1)**

	2018 Budget	2018 YTD (6/30/18) (1)	2019 Budget	2019 YTD (6/30/19) (1)
<b>REVENUES</b>				
Sales & Use Tax (2)	\$6,099,307	\$2,412,912	\$6,443,286	\$2,425,341
Interest income	40,000	54,292	40,000	70,607
Total Revenues	<u>6,139,307</u>	<u>2,467,204</u>	<u>6,483,286</u>	<u>2,495,948</u>
<b>EXPENDITURES</b>				
Public improvement capital projects (3)	<u>6,607,828</u>	<u>3,732,763</u>	<u>39,251,451</u>	<u>5,432,102</u>
<b>Excess of Revenues of over (under) Expenditures</b>	<u>(\$468,521)</u>	<u>(\$1,265,559)</u>	<u>(\$32,768,165)</u>	<u>(\$2,936,154)</u>

(1) Unaudited, interim information only.

(2) Represents collections of the General Sales Tax and the General Use Tax imposed at a rate of .3%.

(3) Includes debt service payments on the 2006 Bonds.

Source: The City; derived from the 2019 Budget and unaudited interim information provided by the City.

General Fund - History of Revenue, Expenditures and Changes in Fund Balance

	2014	2015	2016	2017	2018
<b>Revenue</b>					
Taxes					
General Sales and Use (1)	\$29,890,913	\$30,834,514	\$31,180,859	\$33,630,501	\$36,290,653
Property	13,789,477	14,101,150	16,313,622	16,385,827	18,668,707
All other taxes	7,836,256	7,937,011	\$7,858,718	\$7,885,691	\$7,984,876
License and permits	1,545,246	2,035,149	2,846,924	2,710,611	3,840,157
Intergovernmental	1,565,205	1,880,126	1,499,828	1,621,870	1,248,900
Charges for services	12,704,076	13,549,488	14,296,440	14,541,212	15,143,106
Fines and forfeitures	1,208,723	1,058,103	900,999	1,024,934	764,100
Investment income	165,222	134,327	154,251	189,385	574,032
Miscellaneous	286,468	373,008	310,297	193,430	275,971
<b>Total Revenue</b>	<u>68,991,586</u>	<u>71,902,876</u>	<u>75,361,938</u>	<u>78,183,461</u>	<u>84,790,502</u>
<b>Expenditures</b>					
Current:					
General government	21,111,878	30,793,075	31,193,159	24,009,145	26,127,399
Public safety	32,520,433	32,524,707	33,788,667	35,915,239	36,594,663
Cultural and recreation	14,606,326	7,972,089	7,823,809	15,884,542	16,581,203
<b>Total Expenditures</b>	<u>68,238,637</u>	<u>71,289,871</u>	<u>72,805,635</u>	<u>75,808,926</u>	<u>79,303,265</u>
<b>Excess (Deficiency) of Revenue Over (Under) Expenditures</b>	<u>752,949</u>	<u>613,005</u>	<u>2,556,303</u>	<u>2,374,535</u>	<u>5,487,237</u>
<b>Other Financing Sources (Uses)</b>					
Lease proceeds	-	-	-	-	-
Transfers in	834,664	564,538	430,615	904,975	327,539
Transfers (out)	(825,911)	(869,393)	(1,829,083)	(1,129,371)	(1,251,020)
<b>Total Other Financing (Uses)</b>	<u>8,753</u>	<u>(304,855)</u>	<u>(1,398,468)</u>	<u>(224,396)</u>	<u>(923,481)</u>
<b>Net change in fund balances</b>	761,702	308,150	1,157,835	2,150,139	4,563,756
<b>Fund Balance - Beginning of Year (2)</b>	\$17,556,443	\$18,318,145	\$18,626,295	\$19,784,130	\$21,934,269
<b>Fund Balance - End of Year (2)</b>	<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>

(1) Represents collections of the General Sales Tax and a portion of the General Use Tax imposed at a rate of 2.0%.  
A portion of the General Use Tax revenues is deposited into the Public Improvement Fund.

Source: Derived from the City's Comprehensive Annual Financial Reports for the years ended December 31, 2014-2018.

Public Improvement Fund - History of Revenue, Expenditures and Changes in Fund Balance

	2014	2015	2016	2017	2018
<b>Revenues</b>					
General Sales and Use Tax (1)	\$4,471,068	\$4,544,053	\$6,204,559	\$6,639,848	\$6,356,829
Developer/owner participation	-	-	-	-	-
Intergovernmental	728,889	2,341	2,822	188,889	-
Investment income	34,973	17,735	21,276	31,786	119,101
Private grants/donations	1,059,245	220,283	41,000	9,330	-
Miscellaneous	46	-	929,030	300	6,269
<b>Total Revenues</b>	<u>6,294,221</u>	<u>4,784,412</u>	<u>7,198,687</u>	<u>6,870,153</u>	<u>6,482,199</u>
<b>Expenditures</b>					
General Government	-	-	-	2,664,021	770,103
Capital projects	3,201,073	4,699,351	2,482,886	1,457,025	3,755,866
Debt service	2,065,000	2,155,000	2,255,000	2,370,000	2,560,000
Interest and fiscal charges	658,025	573,625	485,508	400,993	266,705
<b>Total Expenditures</b>	<u>5,924,098</u>	<u>7,427,976</u>	<u>5,223,394</u>	<u>6,892,039</u>	<u>7,352,674</u>
<b>Excess (Deficiency) of Revenue Over (Under) Expenditures</b>	<u>370,123</u>	<u>(2,643,564)</u>	<u>1,975,293</u>	<u>(21,886)</u>	<u>(870,475)</u>
<b>Other Financing Sources (Uses)</b>					
Issuance of debt	-	-	-	-	-
Transfers in	523,717	545,938	441,989	253,000	-
Transfers out	(20,795)	(34,225)	(16,094)	(129,344)	(32,902)
<b>Total Other Financing Sources (Uses)</b>	<u>502,922</u>	<u>511,713</u>	<u>425,895</u>	<u>123,656</u>	<u>(32,902)</u>
<b>Net change in fund balances</b>	<u>873,045</u>	<u>(2,131,851)</u>	<u>2,401,188</u>	<u>101,770</u>	<u>(903,377)</u>
<b>Fund Balance - Beginning of Year</b>	<u>4,536,382</u>	<u>5,409,427</u>	<u>3,277,576</u>	<u>5,678,764</u>	<u>5,780,534</u>
<b>Fund Balance - End of Year</b>	<u>\$5,409,427</u>	<u>\$3,277,576</u>	<u>\$5,678,764</u>	<u>\$5,780,534</u>	<u>\$4,877,157</u>

(1) Represents collections of the General Sales Tax and the General Use Tax imposed at a rate of .3%.

Source: Derived from the City's Comprehensive Annual Financial Reports for the years ended December 31, 2014-2018