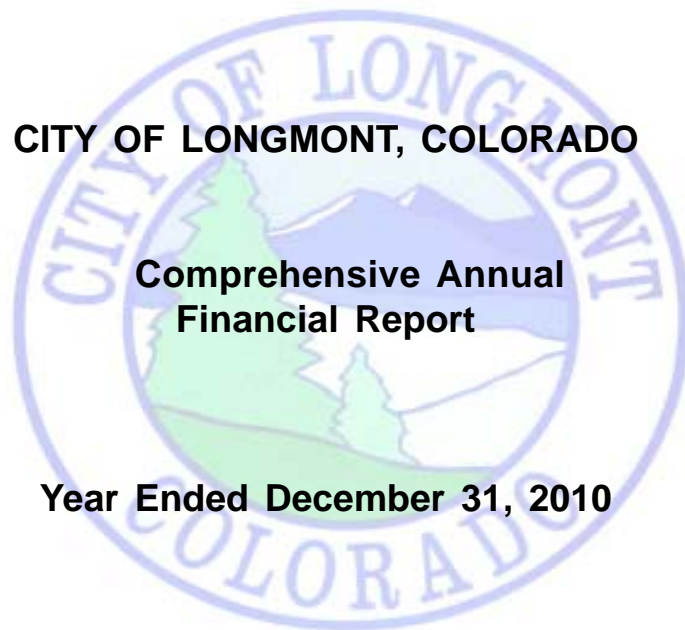


# City of Longmont, Colorado Comprehensive Annual Financial Report



Photo courtesy of Curtis Lee Jones, Golden Ponds

For the Year Ended December 31, 2010



**CITY OF LONGMONT, COLORADO**

**Comprehensive Annual  
Financial Report**

**Year Ended December 31, 2010**

**Prepared by:  
Department of Finance  
James M. Golden  
Director of Finance and  
Support Services**



**Section I**

**Introductory Section**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
YEAR ENDED DECEMBER 31, 2010**

**TABLE OF CONTENTS**

	<b>Exhibit/ Schedule</b>	<b>Page</b>
<b>INTRODUCTORY SECTION</b>		
Title page		
Table of Contents.....		3
Chief Executive Officer's Letter of Transmittal.....		9
Certificate of Achievement for Excellence in Financial Reporting.....		14
Organizational Chart.....		15
List of Principal Officials .....		16
<b>FINANCIAL SECTION</b>		
Independent Auditors' Report .....		17
Management's Discussion and Analysis.....		19
Basic Financial Statements:		
Government-wide Financial Statements:		
Statement of Net Assets .....	1	31
Statement of Activities .....	2	32
Fund Financial Statements:		
Balance Sheet-Governmental Funds .....	3	34
Reconciliation of the Balance Sheet to the Statement of Net Assets .....	3	36
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds .....	4	37
Reconciliation of the Statement of Revenues, Expenditures and Changes in the Fund Balances of Governmental Funds to the Statement of Activities ....	4	38
Statement of Revenues, Expenditures and Changes in Fund Balance Budget and Actual General (Legal Basis) Fund .....	5	39
Statement of Revenues, Expenditures and Changes in Fund Balance Budget and Actual Street Systems Fund .....	6	40
Statement of Net Assets – Proprietary Funds .....	7	42
Statement of Revenues, Expenses, and Changes in Fund Net Assets Proprietary Funds .....	8	46
Statement of Cash Flows – Proprietary Funds .....	9	48
Statement of Fiduciary Net Assets – Fiduciary Funds .....	10	52
Statement of Changes in Fiduciary Net Assets – Fiduciary Funds .....	11	53
Notes to Financial Statements .....		54
Required Supplemental Information .....		93
Schedules of Funding Progress – Employee, Fire and Police Pension Plans .....		94
Schedules of Contributions from Employer – Employee, Fire and Police Pension Plans .....		95
Schedule of Funding Progress – Retiree Health Insurance Plan .....		96
Combining and Individual Fund Statements and Schedules:		
General Fund Schedule of Revenues and Other Financing Sources Compared to Budget (Legal Basis) .....	A-1	99
General Fund Schedule of Expenditures and Other Financing Uses Compared to Budget (Legal Basis) .....	A-2	102

**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
YEAR ENDED DECEMBER 31, 2010**

**TABLE OF CONTENTS**

	<b>Statement/ Schedule</b>	<b>Page</b>
Nonmajor Governmental Funds .....		104
Combining Balance Sheet—Nonmajor Governmental Funds .....	B-1	106
Combining Statement of Revenues, Expenditures and Changes in Fund Balance—Nonmajor Governmental Funds .....	B-2	112
Conservation Special Revenue Fund, Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget (GAAP Basis) and Actual .....	B-3	118
Park Improvement Special Revenue Fund, Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget (GAAP Basis) and Actual - .....	B-4	119
General Improvement District #1 Special Revenue Fund Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget (GAAP Basis) and Actual - .....	B-5	120
Community Development Block Grant Special Revenue Fund Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget (GAAP Basis) and Actual - .....	B-6	121
Downtown Parking Special Revenue Fund Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget (GAAP Basis) and Actual - .....	B-7	122
Judicial Wedding Fee Special Revenue Fund Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget (GAAP Basis) and Actual - .....	B-8	123
Police Seizures Special Revenue Fund Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget (GAAP Basis) and Actual - .....	B-9	124
Prevention/Education Special Revenue Fund Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget (GAAP Basis) and Actual - .....	B-10	125
Art in Public Places Special Revenue Fund Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget (GAAP Basis) and Actual - .....	B-11	126
Youth Services Special Revenue Fund Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget (GAAP Basis) and Actual - .....	B-12	127
Transportation Community Investment Fee Special Revenue Fund Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget (GAAP Basis) and Actual - .....	B-13	128

**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
YEAR ENDED DECEMBER 31, 2010**

**TABLE OF CONTENTS**

	<b>Statement/ Schedule</b>	<b>Page</b>
Public Buildings Community Investment Fee Special Revenue Fund		
Schedule of Revenues,		
Expenditures and Changes in Fund Balance -		
Budget (GAAP Basis) and Actual - .....	B-14	129
Electric Community Investment Fee Special Revenue Fund		
Schedule of Revenues,		
Expenditures and Changes in Fund Balance -		
Budget (GAAP Basis) and Actual - .....	B-15	130
Water System Construction Reserve Fund		
Schedule of Revenues,		
Expenditures and Changes in Fund Balance -		
Budget (GAAP Basis) and Actual - .....	B-16	131
Water Acquisition Special Revenue Fund		
Schedule of Revenues,		
Expenditures and Changes in Fund Balance -		
Budget (GAAP Basis) and Actual - .....	B-17	132
Raw Water Storage Reserve Special Revenue Fund		
Schedule of Revenues,		
Expenditures and Changes in Fund Balance -		
Budget (GAAP Basis) and Actual - .....	B-18	133
Sewer Construction Special Revenue Fund		
Schedule of Revenues,		
Expenditures and Changes in Fund Balance -		
Budget (GAAP Basis) and Actual - .....	B-19	134
Library Services Special Revenue Fund		
Schedule of Revenues,		
Expenditures and Changes in Fund Balance -		
Budget (GAAP Basis) and Actual - .....	B-20	135
Museum Services Special Revenue Fund		
Schedule of Revenues,		
Expenditures and Changes in Fund Balance -		
Budget (GAAP Basis) and Actual - .....	B-21	136
Callahan House Special Revenue Fund		
Schedule of Revenues,		
Expenditures and Changes in Fund Balance -		
Budget (GAAP Basis) and Actual - .....	B-22	137
Senior Services Special Revenue Fund		
Schedule of Revenues,		
Expenditures and Changes in Fund Balance -		
Budget (GAAP Basis) and Actual - .....	B-23	138
Parks Grants and Donations Special Revenue Fund		
Schedule of Revenues,		
Expenditures and Changes in Fund Balance -		
Budget (GAAP Basis) and Actual - .....	B-24	139
Affordable Housing Special Revenue Fund		
Schedule of Revenues,		
Expenditures and Changes in Fund Balance -		
Budget (GAAP Basis) and Actual - .....	B-25	140
Open Space Special Revenue Fund		
Schedule of Revenues,		
Expenditures and Changes in Fund Balance -		
Budget (GAAP Basis) and Actual - .....	B-26	141

**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
YEAR ENDED DECEMBER 31, 2010**

**TABLE OF CONTENTS**

	<b>Statement/ Schedule</b>	<b>Page</b>
Public Safety Special Revenue Fund		
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget (GAAP Basis) and Actual - .....	B-27	142
Lodgers Tax Special Revenue Fund		
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget (GAAP Basis) and Actual - .....	B-28	143
Probation Services Special Revenue Fund		
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget (GAAP Basis) and Actual - .....	B-29	144
Museum Trust Special Revenue Fund		
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget (GAAP Basis) and Actual - .....	B-30	145
Capital Projects Fund		
Project—Length Schedule of Construction Projects—Public Improvement .....	C-1	147
Nonmajor Enterprise Funds		
Combining Statement of Net Assets .....	D-1	151
Combining Statement of Revenues, Expenses and Changes in Net Assets .....	D-2	153
Combining Statement of Cash Flows .....	D-3	154
Sanitation Enterprise Fund		
Schedule of Revenues and Expenses—Budget (Legal Basis) and Actual .....	D-4	156
Golf Enterprise Fund		
Schedule of Revenues and Expenses—Budget (Legal Basis) and Actual .....	D-5	157
Telecommunications Enterprise Fund		
Schedule of Revenues and Expenses—Budget (Legal Basis) and Actual .....	D-6	158
Airport Enterprise Fund		
Schedule of Revenues and Expenses—Budget (Legal Basis) and Actual .....	D-7	159
Major Enterprise Funds		
Electric Enterprise Fund		
Schedule of Revenues and Expenses—Budget (Legal Basis) and Actual .....	D-8	161
Water Enterprise Fund		
Schedule of Revenues and Expenses—Budget (Legal Basis) and Actual .....	D-9	162
Sewer Enterprise Fund		
Schedule of Revenues and Expenses—Budget (Legal Basis) and Actual .....	D-10	163
Storm Drainage Enterprise Fund		
Schedule of Revenues and Expenses—Budget (Legal Basis) and Actual .....	D-11	164
Internal Service Funds		
Combining Statement of Net Assets .....	E-1	166
Combining Statement of Revenues, Expenses and Changes in Net Assets .....	E-2	168
Combining Statement of Cash Flows .....	E-3	170
Fleet Internal Service Fund		
Schedule of Revenues and Expenses—Budget (Legal Basis) and Actual .....	E-4	174



**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
YEAR ENDED DECEMBER 31, 2010  
TABLE OF CONTENTS**

	<b>Statement/ Schedule</b>	<b>Page</b>
<b>Fiduciary Funds</b>		
Combining Statement of Net Assets .....	F-1	176
Combining Statement of Changes in Net Assets .....	F-2	177
<b>Component Unit</b>		
Downtown Development Authority Component Unit Combining Balance Sheet .....	G-1	180
Downtown Development Authority Component Unit Combining Statement of Revenues, Expenditures and Changes in Fund Balance .....	G-2	181
Downtown Development Authority Component Unit Combining Balance Sheet Special Revenue Funds .....	G-3	182
Downtown Development Authority Component Unit Combining Statement of Revenues, Expenditures and Changes in Fund Balance Special Revenue Funds .....	G-4	183
Downtown Development Authority Component Unit Downtown Development Authority Special Revenue Fund Schedule of Revenues, Expenditures and Changes in Fund Balance Budget (GAAP Basis) and Actual .....	G-5	184
Downtown Development Authority Component Unit Building Permit Special Revenue Fund Schedule of Revenues, Expenditures and Changes in Fund Balance Budget (GAAP Basis) and Actual .....	G-6	185
Downtown Development Authority Component Unit CDBG Grant Special Revenue Fund Schedule of Revenues, Expenditures and Changes in Fund Balance Budget (GAAP Basis) and Actual .....	G-7	186
Downtown Development Authority Component Unit Marketing Special Revenue Fund Schedule of Revenues, Expenditures and Changes in Fund Balance Budget (GAAP Basis) and Actual .....	G-8	187
Downtown Development Authority Component Unit Debt Service Fund Schedule of Revenues, Expenditures and Changes in Fund Balance Budget (GAAP Basis) and Actual .....	G-9	188
Downtown Development Authority Component Unit Construction Capital Projects Fund Schedule of Revenues, Expenditures and Changes in Fund Balance Budget (GAAP Basis) and Actual .....	G-10	189
Downtown Development Authority Component Unit Façade Improvement Program Schedule of Revenues, Expenditures and Changes in Fund Balance Budget (GAAP Basis) and Actual .....	G-11	190
<b>STATISTICAL SCHEDULES</b>		
	<b>Schedule</b>	<b>Page</b>
<b>Financial Trends</b>		
Net Assets by Component .....	1	192
Changes in Net Assets .....	2	193
Fund Balances, Governmental Funds .....	3	194
Changes in Fund Balances, Governmental Funds .....	4	195
<b>Revenue Capacity / Property Tax</b>		
Assessed and Estimated Actual Value of Taxable Property .....	5	196
Property Tax Rates and Levies - Direct & Overlapping Govts .....	6	197
Principal Taxpayers - Property Tax .....	7	198
Property Tax Levies & Collections - City and DDA .....	8	199
<b>Revenue Capacity / Sales/Use Tax</b>		
Sales & Use Tax Revenue by Industry Type .....	9	200
Sales & Use Tax Rates - Direct and Overlapping .....	10	201
Principal Taxpayers - Sales and Use Tax .....	11	202

**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
YEAR ENDED DECEMBER 31, 2010**

**TABLE OF CONTENTS**

<b>STATISTICAL SCHEDULES</b> .....	<b>Schedule</b>	<b>Page</b>
<b>(continued)</b>		
Debt Capacity		
Ratios of Outstanding Debt by Type .....	12	203
Ratios of GO Debt .....	13	204
Direct and Overlapping Debt .....	14	205
Legal Debt Margin .....	15	206
Revenue Bond/Loan Coverage .....	16	207
Demographic & Economic Information		
Demographic & Economic Statistics .....	17	208
Principal Employers .....	18	209
Full-time Equivalent Employees by Function/Program .....	19	210
Operating Indicators by Function/Program .....	20	211
Capital Asset Statistics by Function .....	21	212
 <b>COMPLIANCE SECTION</b>		
Schedule of Expenditures and Federal Awards .....		213
Notes to Schedule of Expenditures of Federal Awards .....		214
Summary Schedule of Prior Audit Findings .....		215
Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> .....		216
Independent Auditors' Report on Compliance with Requirements Applicable to each Major Program and Internal Control Over Compliance in Accordance with OMB Circular A-133 .....		218
Schedule of Findings and Questioned Costs .....		220
Corrective Action Plan .....		222
Local Highway Finance Report .....		223



May 17, 2011

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

The Comprehensive Annual Financial Report (CAFR) of the City of Longmont for fiscal year ended December 31, 2010, is hereby submitted in accordance with Colorado statutes and City charter provisions.

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

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

#### Profile of the City and Services

Longmont is thirty-five miles north of Denver, comprised of 22+ square miles in the highly desirable northern front-range area. Incorporated in 1873 and chartered as a home rule city in 1961, Longmont is a full service, Council-Manager-governed municipality providing the following services to its 87,461 residents: public safety, highways and streets, culture and recreation, public improvements, planning and zoning, general administrative services; as well as sanitation, electric, storm drainage, water and sewer utilities and enterprises of telecommunications, golf and airport. The City is also financially accountable for the Downtown Development Authority which is reported separately within these financial statements, further explained in Note 1 of the financial statements section.

#### Factors Affecting Financial Condition

**Local Economy.** The City's economic growth stabilized in 2010 with increases in sales and use tax, building permit activity and primary jobs from the slow down that began in 2008 with the national recession. Sales and use tax revenues increased in 2010 over 2009; however, revenues were still less than 2008 by 4%. Residential building permit activity increased for the first time in eight years, and commercial permit valuation more than doubled from the prior year. Primary jobs increased by 3.1%. The area unemployment rate worsened from 5% in 2008 to 6% in 2009 and 2010.

During 2010, sales and use tax activity increased 4.4% from 2009. Additionally, 30 building permits were issued for single family residences, 52 permits for condominiums/townhouse units, and 2 permits for commercial/industrial. The total value for permitted construction was \$79 million, an increase of 75% from 2009. In 2011, 5 single family, 8 condo/townhouse units and 3 commercial/industrial permits for new construction have been issued through March. The combination of sales and use tax for first quarter 2011 has increased by 5% from first quarter 2010.

The Longmont Area Economic Council's (LAEC) 2010 Annual Report reveals a net increase of 3.1%, or 336, primary jobs during 2010. Sixty-seven (67) of the 197 existing primary employers (34%) expanded in 2010 while 10 new primary employers became established in the Longmont area. The Longmont area experienced 14 closures and cutbacks by 47 companies. Longmont's primary employers represent a mixture of industries. Data from the LAEC report indicates that computer-related industries are the largest employers comprising 26% of the primary employees of the Longmont area. Other significant industry includes software (9%); aerospace (9%); food processing (5%); biotech (5%); measurement technology (2%); and plastic manufacturers (2%).

The City's economic environment has not been impacted as badly by the recession as other areas of the nation due to its desirable location and a well-balanced, diversified economic base. Growth related goals set forth in the City's Comprehensive Plan support growth and development that allows Longmont to become a sustainable community over the long-term—one that balances economic, environmental and community needs. With a population of 87,461, the City has reached approximately 78% of residential build out, and 43% of its job capacity build out in commercial and industrial development.

**Major City Initiatives.** The City continues its efforts to improve quality of life and long-term financial interests of the community. Significant accomplishments during 2010 included:

- Completed development of communitywide branding project, research involving 240 individuals, and development and selection of community brand
- Redesigned *City Line*, *City Talk*, City visitors' brochure and *Employee Connection* print media to update the look and create consistency with Longmont Life
- Partnered with LiveWell Longmont to establish the 11<sup>th</sup> Avenue Community Garden
- Selected five new pieces of Art on the Move, including deinstalling previous year's work and installing and dedicating new works on four different sites
- Hosted 15<sup>th</sup> annual Rhythm on the River event with over 32,000 attendees
- Hosted seven downtown summer concerts
- Worked with Boulder County, City of Boulder, and City and County of Broomfield to prepare a regional Action Plan for 2011 CDBG and HOME programs
- Participated in the Complete Count Census 2010
- Coordinated several new library programs, including a Small Business Workshop Series, a Summer Reading Program, and CU at the Library
- Hosted Kinetics, a build your own human-powered water and land craft festival for the first time in the Longmont community
- Created Business Start-up Grant (BSUG), Small Business Lending Program, Business Improvement Grant (BIG), and Business Outreach Team (BOT)
- Issued \$13 million in Wastewater Revenue bonds and \$30 million in Open Space Sales and Use Tax Revenue bonds
- Doubled the number of Digital Divide accounts and significantly improved the quality and speed of their connection
- Successfully negotiated a two-year collective bargaining agreement with FOP and IAFF
- Enhanced the Utility Billing Integrated Voice Response System and reduced processing time from four to two minutes
- Implemented the low-income senior and disabled electricity discount programs
- Completed pilot installation and testing of new LED street lighting equipment
- Developed and implemented first-ever Citizen Fire Academy
- Implemented a Crime Free Multi-Housing Program citywide and developed partnerships with more than 50 apartment complexes
- Completed Lykins Gulch Restoration and Greenway Trail Project
- Completed purchase of the Bogott and Sherwood properties

High priority City Council goals for 2011 are as follows:

- Economic Sustainability: Partner with economic development agencies to market community
- Economic Sustainability: New/redevelopment opportunities and future job growth
- Economic Sustainability: FasTracks – Regional Transportation District Connectivity
- Economic Sustainability: Public transportation ridership
- Economic Sustainability: Downtown revitalization and sustainability as historic and cultural hub
- Economic Sustainability: Primary employer rebate/incentive system
- Economic Sustainability: Retail recruitment
- Neighborhood Revitalization/Stabilization: Neighborhood revitalization strategy within midtown
- Prosperity to End Poverty: Road to Independence, Security and Empowerment program
- Environmental Sustainability: Plan for sustainable future
- Envision a Connected City – Telecommunications: Upgrade community's telecommunications infrastructure to leverage competitive advantage
- Water Issues – Button Rock and Windy Gap: Enhance water resources through watershed protection and planning
- St. Vrain River Corridor: Strategic vision and investment strategy
- Focus on Longmont Life: review accomplishments and update Focus on Longmont Strategic Plan

The City provides funding to LAEC for the purpose of economic development and business retention, particularly in terms of primary employers. Additional partnerships exist with Longmont Area Visitors Association (LAVA), Longmont Downtown Development Authority (LDDA), and Boulder Small Business Development Center (SBDC). The City enhanced the coordination of economic development activities within the city organization in 2009 by transforming the Community Development Department into the Department of Economic Development and devoting greater resources to economic development activities. At the same time the City is continuing to enhance the one stop Development Services Center which is designed to streamline the delivery of services. Elements of sound economic expansion such as transportation, utility infrastructure, recreation and cultural facilities, planning considerations, and managed growth continue to be high priorities. A 2006 City-wide Strategic Plan, entitled Focus on Longmont, developed community-supported strategic policies intended to attain a balance of resources and expenditures that sustain Longmont's capacity to provide desired services as build out of the planning area is approached. The City continued to build on this effort during 2010 with work on the City's draft Integrated Sustainability Plan. The City is confident that the consequences of these efforts will enhance the quality of life within Longmont and protect long-term financial stability.

**Capital Improvement Program.**

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

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

Most of the projects are funded from business-type activities. Other major projects are in the Streets Fund, Transportation Community Investment Fee Fund, Public Building Community Investment Fee Fund, Park Improvement Fund and Public Improvement Fund. The five-year CIP includes funded projects, partially-funded and unfunded projects. A summary of the five-year plan for 2011–2015 is shown below. The projects detailed are funded primarily through business-type activity revenues, through sales and use tax revenues of the Street and Public Improvement governmental activities, and through growth-related community investment fees. Additionally, there are approximately one hundred and ten (110) projects identified as unfunded with an estimated cost of \$240 million, some of which may never be realized as they are new services or enhanced services dependent upon new sources of revenue.

Category	Number of Projects	Amount Funded
Downtown Redevelopment	2	\$ 3,690,000
Drainage	3	3,232,000
Electric	6	4,977,000
Parks and Recreation	20	15,808,773
Public Buildings/Facilities	17	9,914,392
Transportation	8	39,436,271
Sewer	5	17,726,433
Water	11	38,507,864
Telecommunication	1	140,000

## **Financial Policies.**

For the past twenty-nine years, the City has maintained comprehensive financial policies developed to provide the City with continuity of financial management through changes in financial staff and/or City Council. The policies are reviewed and updated annually by City Council. There are currently ninety-eight (98) policies organized within the following eight categories:

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

## **Financial Management and Internal Controls**

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

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

Cash management met full compliance with Colorado statutes and the City's investment policy which was updated by the City Council in 2006. All funds are invested using a "pooled assets" investment fund, focusing on the investment objectives of safety, liquidity, and yield. The majority of temporary investments made by the City in 2010 were in government agencies and securities. The fair value return on the investment portfolio during the year was 1.13% and the amount of income was \$1,626,000. This was \$648,000 less than fiscal year 2009, with the fair value rate of return dropping by .20%.

Colorado law grants governmental immunity to all governments, limiting the loss on any one general or automobile claim for negligence to \$150,000 per person, \$600,000 per occurrence. Longmont retains risk of \$300,000 per claim and purchases excess insurance with limits of \$2,000,000 for general and auto liability claims not covered by governmental immunity. The City retains risk for workers' compensation up to a limit of \$400,000 per general worker claim, \$425,000 per firefighter claim, \$500,000 per electrical worker claim and carries excess insurance beyond those limits. The City retains risk of \$25,000 for property losses and carries insurance up to \$75,000,000 for any one property loss occurrence except for \$100,000 retention for general flood and earth quake and \$500,000 retention for A zone flood losses. The City's risk management staff (4 ¾ full time positions) includes a Safety Officer for the purpose of loss control and prevention.

All benefitted City employees are covered by one or more of six pension plans. Most uniformed employees are covered by the Fire and Police Money Purchase Plans, two separate defined contribution plans. One active participant remains in the Fire Pension Plan and none in the Police Pension Plan at December 31, 2010. All other eligible City employees are covered by both a defined contribution plan and a defined benefit plan. Actuarial studies on the Fire Pension Plan and the Police Pension Plan are performed biannually with the last study for each plan performed as of January 1, 2010. An actuarial study on the Employee Pension Plan is performed annually with the last study performed as of January 1, 2010. Actuarial information regarding the plans is included in the notes to the financial statements.

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

## Awards and Acknowledgements

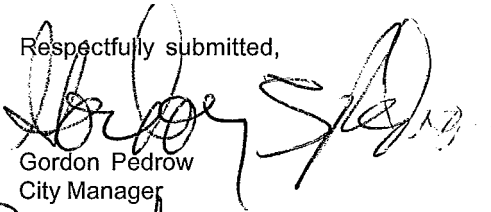
The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Longmont, Colorado for its comprehensive annual financial report (CAFR) for the fiscal year ended December 31, 2009. The City has been awarded a Certificate of Achievement for thirty-one (31) of its last thirty-two (32) CAFRs. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR conforming to program standards. Such reports must satisfy both generally accepted accounting principles (GAAP) and applicable legal requirements.

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

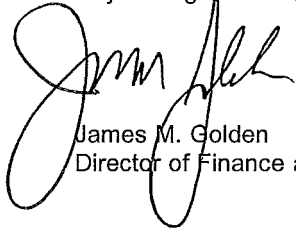
In addition, the City also received the GFOA's Distinguished Budget Presentation Award for its annual budget document for the fiscal year beginning January 1, 2010. To qualify for the Distinguished Budget Presentation Award, the City's budget document had to be judged proficient as a policy document, a financial plan, an operations guide, and a communications device.

A Certificate of Achievement is the highest form of recognition in the area of governmental financial reporting, and its attainment represents a significant accomplishment by a governmental unit. The preparation of this report on a timely basis could not have been accomplished without the effective and dedicated services of Assistant Director of Finance Molly Kostelecky, Senior Accountant Keith Hobson, Budget/Accounting Analyst Brian McGill, Accountant Melody Brenckle, Revenue Manager Ezequiel Vasquez, Executive Assistant Tammy Bality and the entire staff of the Finance Department. Credit is also due the Mayor and the members of City Council for their support for maintaining the highest standards of professionalism in the management of the City of Longmont's finances.

Respectfully submitted,



Gordon Pedrow  
City Manager



James M. Golden  
Director of Finance and Support Services

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Longmont  
Colorado

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
December 31, 2009

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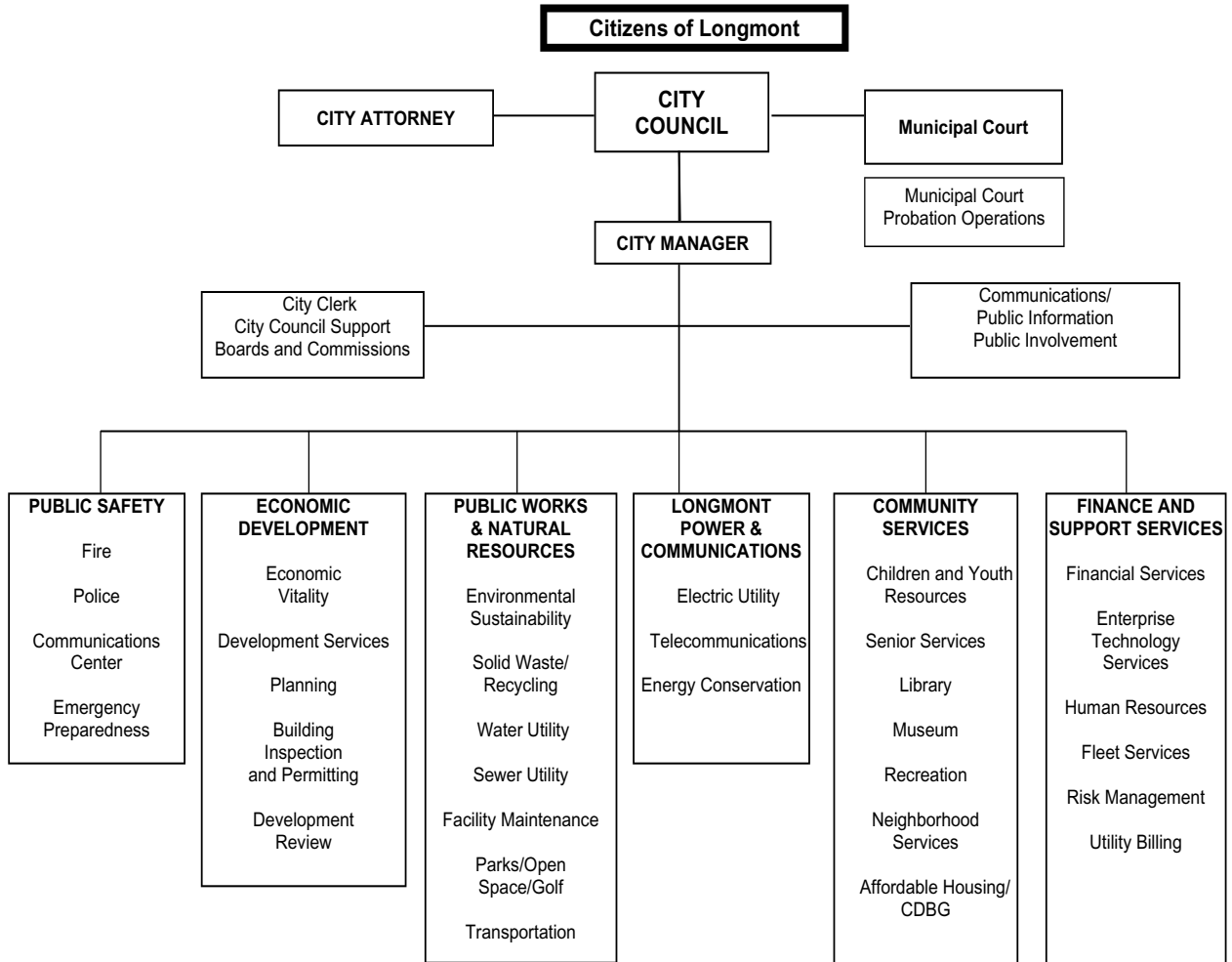


President

Executive Director



**LONGMONT CITY GOVERNMENT - ORGANIZATIONAL CHART**



**OFFICIALS**

**City of Longmont, Colorado**

**CITY COUNCIL**

Bryan Baum  
Mayor

Katie Witt

Alex Sammoury

Brian Hansen

Sarah Levison

Sean McCoy

Gabe Santos

**CITY MANAGER**

Gordon Pedrow

Brad Powers ..... Director of Economic Development  
Tom Roiniotis ..... Director of Power and Communications  
Michael Butler ..... Chief of Public Safety  
Dale Rademacher ..... Director of Public Works and Natural Resources  
Eugene T. Mei ..... City Attorney  
James M. Golden ..... Director of Finance and Support Services  
Karen L. Roney ..... Director of Community Services

## **Section II**

### **Financial Section**



## Independent Auditor's Report

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Longmont, Colorado, as of and for the year ended December 31, 2010, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Longmont, Colorado's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Longmont, Colorado, as of December 31, 2010, and the respective changes in financial position and the cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund and the Streets System Maintenance and Improvements Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 5, 2011 on our consideration of the City of Longmont, Colorado's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis and the required supplemental information for the Employee, Fire and Police Pension Plan and the Retiree Health Insurance Plan on pages 19 through 29 and 93 through 96 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Longmont, Colorado's basic financial statements. The combining and individual nonmajor fund financial statements and other schedules, listed in the table of contents as supplementary information, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Nonprofit Organizations, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The accompanying introductory and statistical sections, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. This information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

*McGladrey & Pullen, LLP*

Denver, Colorado  
May 5, 2011

## MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of the City of Longmont's (the City) financial statements as of and for the year ended December 31, 2010, provides a narrative overview of its financial activities. Please consider the information presented here in conjunction with additional information we have furnished in our letter of transmittal, which starts on page 9 of this report.

### Financial Highlights

- The City's net assets of \$1.042 billion are divided between Governmental Activities (\$369 million) and Business-type Activities (\$673 million). Both types of activities increased net assets in 2010: business-type by \$11.9 million and governmental by \$3.3 million.
- At December 31, 2010, the City of Longmont's governmental funds reported combined ending fund balances of over \$81 million, an \$11 million increase from the prior year. This statement combines 37 funds, including the City's General Fund and the Streets Systems Fund. The following funds showed the most significant increases in fund balance: the Open Space Special Revenue Fund – \$10.3 million; Streets Systems Fund – \$3.3 million, and General Fund – \$2.1 million. The Open Space Special Revenue Fund balance increased because the City issued Open Space Sales and Use Tax bonds in October 2010.
- The portion of unreserved fund balance, within the governmental funds, is \$46 million. One third (40%) of this \$46 million balance represents reserves built up for identified capital acquisitions or construction as follows: Transportation Projects, \$5.6 million; Water System Projects, \$3.3 million; Public Improvement Fund capital projects, \$1.4 million; and Municipal Systems projects, \$1.4 million. An additional \$4.5 million has been appropriated and/or committed to 2011 projects in the General Fund. Additionally, \$2.5 million has been identified for emergencies.
- The unreserved fund balance for the General Fund, at the end of the current fiscal year was \$10 million, which was 17% of total General Fund expenditures.
- The City of Longmont's total debt increased by \$20 million during 2010. This increase was primarily the net result of \$8 million principal payments on existing debt and the addition of a new revenue bonds for wastewater of \$13 million for wastewater system improvements and new open space revenue bonds in the amount of \$15 million for open space projects.

### Overview of the Financial Statements

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

**City-wide Financial statements.** The city-wide financial statements are intended to provide readers with a broad overview of the City of Longmont's financial position, in a manner similar to private-sector business. The *statement of net assets* is essentially a balance sheet that combines all funds on a citywide basis. Changes in net assets over time may be an indicator of whether the City's financial position is improving or worsening.

The *statement of activities* combines all funds on a citywide basis for income statement presentation. All changes in net assets are reported as soon as the underlying event occurs, **regardless of the timing of the related cash flows**. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future years (e.g., uncollected taxes and earned but unused vacation leave.)

Both of these city-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all costs or a significant portion thereof through user fees and charges (*business-type activities*). The governmental activities of the City include general government, public safety, highways and streets, and culture and recreation. The business-type activities of the City include sanitation, golf, electric, telecommunications, water, sewer, storm drainage, and airport operations.

The City-wide financial statements include not only the City of Longmont itself (*the primary government*), but also the legally separate Downtown Development Authority (*component unit*) for which the City is financially accountable. Financial

information for the component unit is reported separately from the financial information of the City. The General Improvement District, although also legally separate, functions for all practical purposes as a department of the City, and is therefore, included as an integral part of the primary government.

The City-wide financial statements are Exhibits 1 and 2 of this report.

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

**Governmental funds.** *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the City-wide financial statements. However, unlike the city-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources available* at the end of the fiscal year. Financial information based on spendable resources is useful in evaluating the City's short-term financing requirements.

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

The City maintains 37 individual governmental funds. Information is presented separately in the governmental balance sheet and in the governmental statement of revenues, expenditures, and changes in fund balances for the General Fund, and the Streets Systems Fund, both of which meet the criteria to be considered major funds of the City under generally accepted accounting principles (GAAP). Financial information from the other 35 funds is combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* and individual fund statements elsewhere in this report.

The basic governmental fund financial statements are Exhibits 3 through 6 of this report.

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

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

**Fiduciary funds.** Fiduciary funds are used to account for resources held for the benefit of parties external to the City. Fiduciary funds are **not** reflected in the city-wide financial statement because the resources of those funds are **not** available to support the City of Longmont's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The basic fiduciary funds financial statements can be found on page 52 and 53 of this report.

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the city-wide and fund financial statements. The notes to the financial statements can be found beginning on page 54 of this report.

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

CITY OF LONGMONT, COLORADO

The combining and individual fund statements earlier referenced in connection with non-major funds and internal service funds are presented immediately following the required supplementary information on pensions. Combining and individual fund statements and schedules can be found on pages 104-190 of this report.

**REPORTING THE CITY AS A WHOLE**  
**City-wide Financial Analysis**  
**City-wide Statement of Net Assets**

As highlighted earlier, net assets may serve over time as a useful indicator of a government's financial position. The City's combined net assets exceed \$1.042 billion at December 31, 2010. Governmental activities make up \$369 million of these assets, with business-type activities comprising \$673 million. Total net assets increased by \$15 million in 2010. The increase is comprised of the following:

- Governmental net assets increased by \$3.3 million primarily due to a net decrease in governmental activities expenses of \$1 million as well as an increase of \$1 million in franchise taxes and \$2 million in sales and use taxes.
- Business-type net assets increased by \$11.9 primarily due to an increase of \$7 million in Water contributed capital and charges for services.

The largest portion (75%) of the City's net assets reflects its investments in capital assets (e.g., land, utility systems, buildings, machinery, and equipment), less any outstanding debt used to acquire those assets. These assets are used to provide services to citizens and thus are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it is important to note that the resources needed for debt repayment must be provided from other sources, since the capital assets themselves cannot be used to liquidate liabilities.

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

**The City-wide Statement of Activities**

**Net Assets**  
**as of December 31**

	Governmental activities		Business-type activities		Total	
	2010	2009	2010	2009	2010	2009
Current and other assets	\$ 137,431,864	\$ 127,403,277	\$ 74,567,268	\$ 67,476,645	\$ 211,999,132	\$ 194,879,922
Capital assets	314,976,729	314,640,644	530,410,363	516,896,697	845,387,092	831,537,341
Investment in joint venture	-	-	117,533,185	116,393,371	117,533,185	116,393,371
<b>Total assets</b>	<b>452,408,593</b>	<b>442,043,921</b>	<b>722,510,816</b>	<b>700,766,713</b>	<b>1,174,919,409</b>	<b>1,142,810,634</b>
Long-term liabilities	57,204,686	47,425,284	41,719,956	31,817,893	98,924,642	79,243,177
Other liabilities	25,932,569	28,646,814	8,375,351	8,396,371	34,307,920	37,043,185
<b>Total liabilities</b>	<b>83,137,255</b>	<b>76,072,098</b>	<b>50,095,307</b>	<b>40,214,264</b>	<b>133,232,562</b>	<b>116,286,362</b>
<b>Net Assets:</b>	<b>\$ 369,271,338</b>	<b>\$ 365,971,823</b>	<b>\$ 672,415,509</b>	<b>\$ 660,552,449</b>	<b>\$ 1,041,686,847</b>	<b>\$ 1,026,524,272</b>
Invested in capital assets, net of related debt	\$ 270,382,692	\$ 268,747,804	\$ 507,056,869	\$ 493,511,315	\$ 777,439,561	\$ 762,259,119
Restricted	66,741,761	56,858,647	18,817,163	9,167,995	85,558,924	66,026,642
Unrestricted	32,146,885	40,365,372	146,541,477	157,873,139	178,688,362	198,238,511
<b>Total net assets</b>	<b>\$ 369,271,338</b>	<b>\$ 365,971,823</b>	<b>\$ 672,415,509</b>	<b>\$ 660,552,449</b>	<b>\$ 1,041,686,847</b>	<b>\$ 1,026,524,272</b>

**Governmental Activities.** Governmental activities increased the City's net assets by \$3.3 million. Most of this increase in governmental net assets was the result of a net decrease in governmental activities expenses for Streets and Highways. Also contributing to the increase was an increase in general revenues including sales and use taxes of \$2 million. This increase can be attributed to an increase in sales volume and not the result of a tax rate increase.



CITY OF LONGMONT, COLORADO

Franchise taxes also increased by \$1 million, which is combination of electric and water franchise fees.

As detailed in Note 2A, program revenues are directly associated with a specific activity and account for 28% of total revenues related to governmental activities. General revenues, consisting primarily of taxes, are not generally associated directly with any operational governmental function. However, the City has sales and use taxes that are specifically earmarked for open space, streets, public safety and public improvement expenditures, and thus are not available for any other governmental activities. The relationships between program revenues and expenditures for governmental activities are displayed on the following page.

Total revenues from the governmental activities are depicted as a percentage of the whole on page 23.

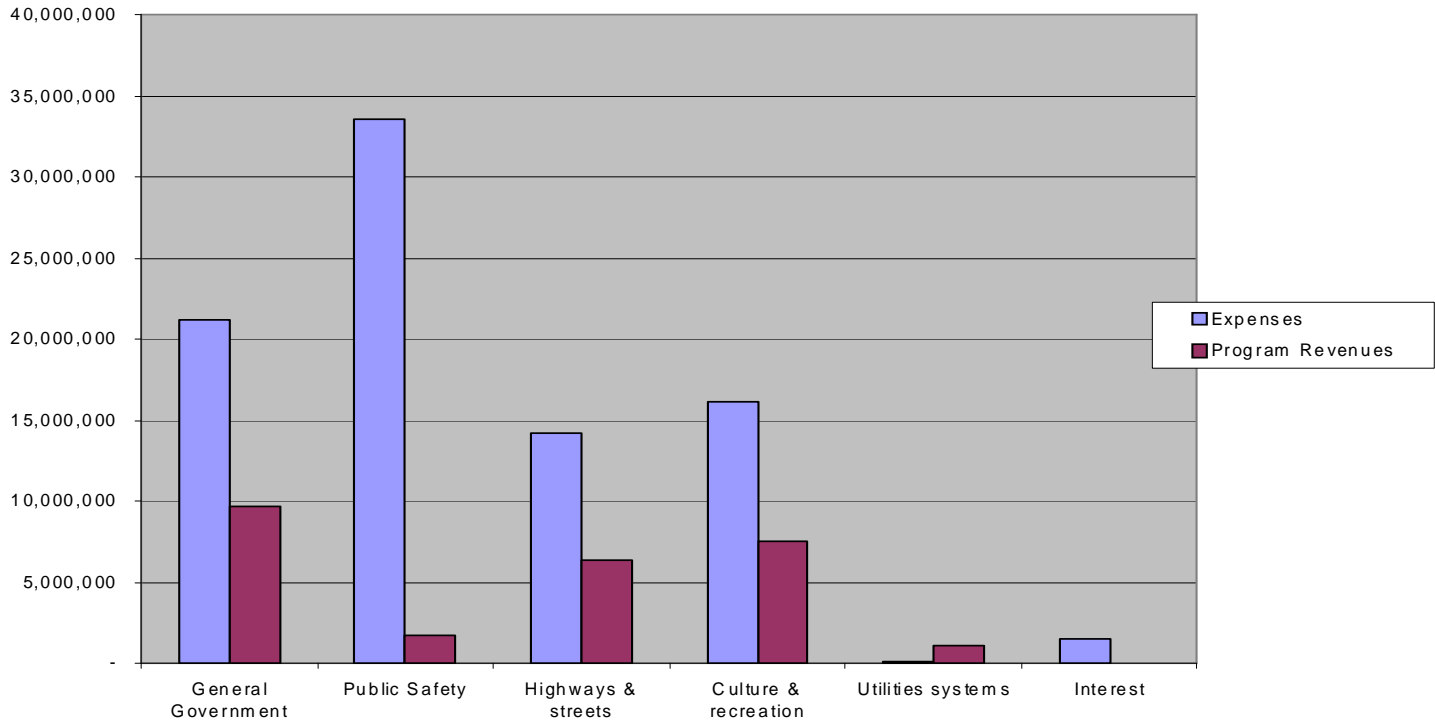
Change in Net Assets  
(in thousands)

	Governmental activities		Business-type activities		Total	
	2010	2009	2010	2009	2010	2009
Revenues:						
Program revenues:						
Charges for services	\$ 16,115	\$ 13,827	\$ 81,530	\$ 75,362	\$ 97,645	\$ 89,189
Operating grants & contributions	5,052	5,770	514	547	5,566	6,317
Capital grants & contributions	5,177	7,125	8,963	6,394	14,140	13,519
General revenues:						
Property taxes	15,357	15,540	-	-	15,357	15,540
Sales & use taxes	44,576	42,684	-	-	44,576	42,684
Other taxes	6,764	5,699	-	-	6,764	5,699
Other	1,261	1,543	1,090	579	2,351	2,122
Total revenues	<u>94,302</u>	<u>92,188</u>	<u>92,097</u>	<u>82,882</u>	<u>186,399</u>	<u>175,070</u>
Expenses:						
General government	21,238	18,773	-	-	21,238	18,773
Public Safety	33,562	32,842	-	-	33,562	32,842
Highways & streets	14,192	17,180	-	-	14,192	17,180
Culture & recreation	16,139	16,073	-	-	16,139	16,073
Municipal utilities systems	82	174	-	-	82	174
Interest on long-term debt	1,542	2,303	-	-	1,542	2,303
Sanitation	-	-	5,714	5,358	5,714	5,358
Golf	-	-	2,084	2,185	2,084	2,185
Electric	-	-	51,614	47,780	51,614	47,780
Telecommunications	-	-	195	164	195	164
Water	-	-	12,648	12,975	12,648	12,975
Sewer	-	-	8,691	8,368	8,691	8,368
Storm drainage	-	-	3,134	3,086	3,134	3,086
Airport	-	-	401	329	401	329
Total expenses	<u>86,755</u>	<u>87,345</u>	<u>84,481</u>	<u>80,245</u>	<u>171,236</u>	<u>167,590</u>
Excess before special items and transfers	7,547	4,843	7,616	2,637	15,163	7,480
Transfers	(4,248)	(1,283)	4,248	1,283	-	-
Increase in net assets	<u>\$ 3,299</u>	<u>\$ 3,560</u>	<u>\$ 11,864</u>	<u>\$ 3,920</u>	<u>\$ 15,163</u>	<u>\$ 7,480</u>
Net assets - January 1	365,972	362,412	660,552	656,632	1,026,524	1,019,044
Net assets - December 31	369,271	365,972	672,416	660,552	1,041,687	1,026,524

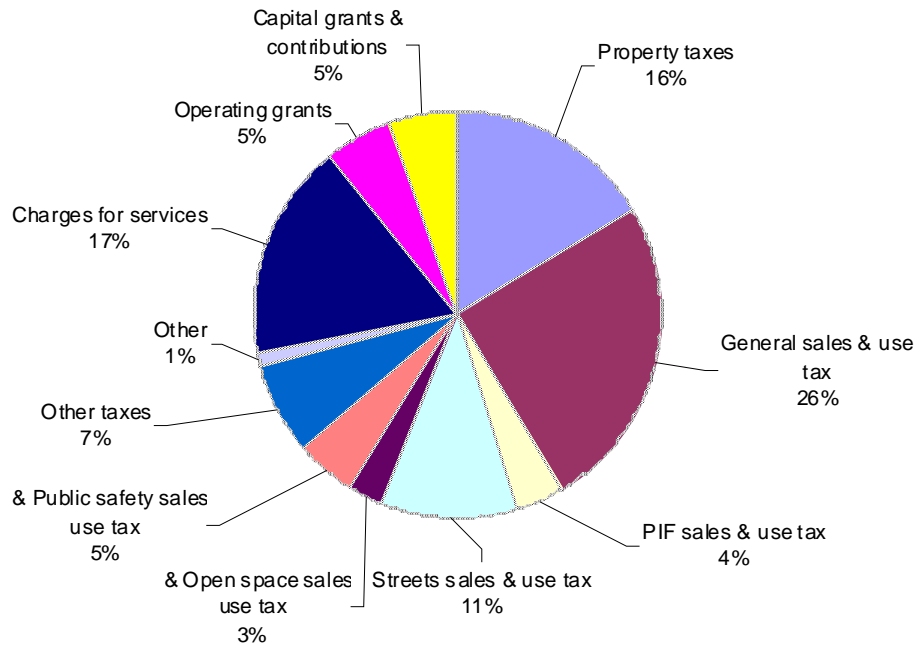
In order to understand the Governmental Funds in detail, the Statement of Revenues, Expenditures and Changes in Fund Balances, Exhibit 4 is useful. Major governmental funds are later analyzed in this discussion.

CITY OF LONGMONT, COLORADO

Expenses and Program Revenues - Governmental Activities

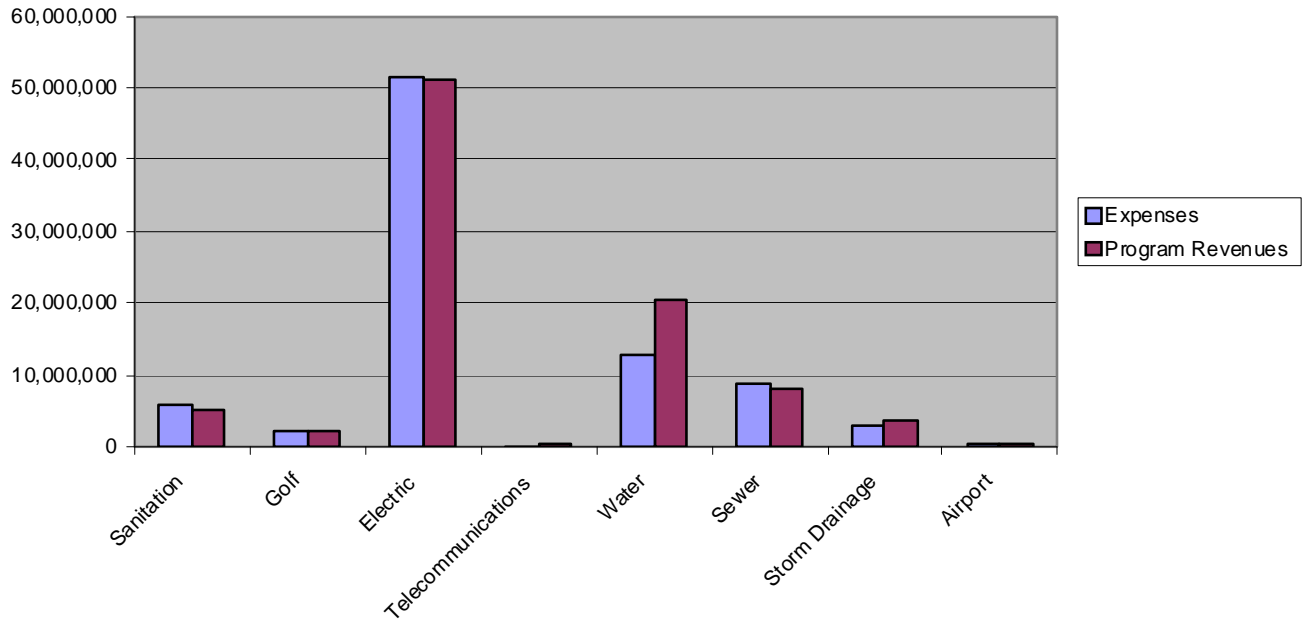


Revenues by Source Governmental Activities



**Business-type Activities.** Net assets increased by \$11.9 million from business-type activities. This increase can be attributed to an increase in contributed capital and charges for services in the Water Fund.

**Expenses and Program Revenues - Business-type Activities**



**THE CITY’S FUNDS (Financial Analysis of Specific Funds)**

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

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

**GENERAL FUND**

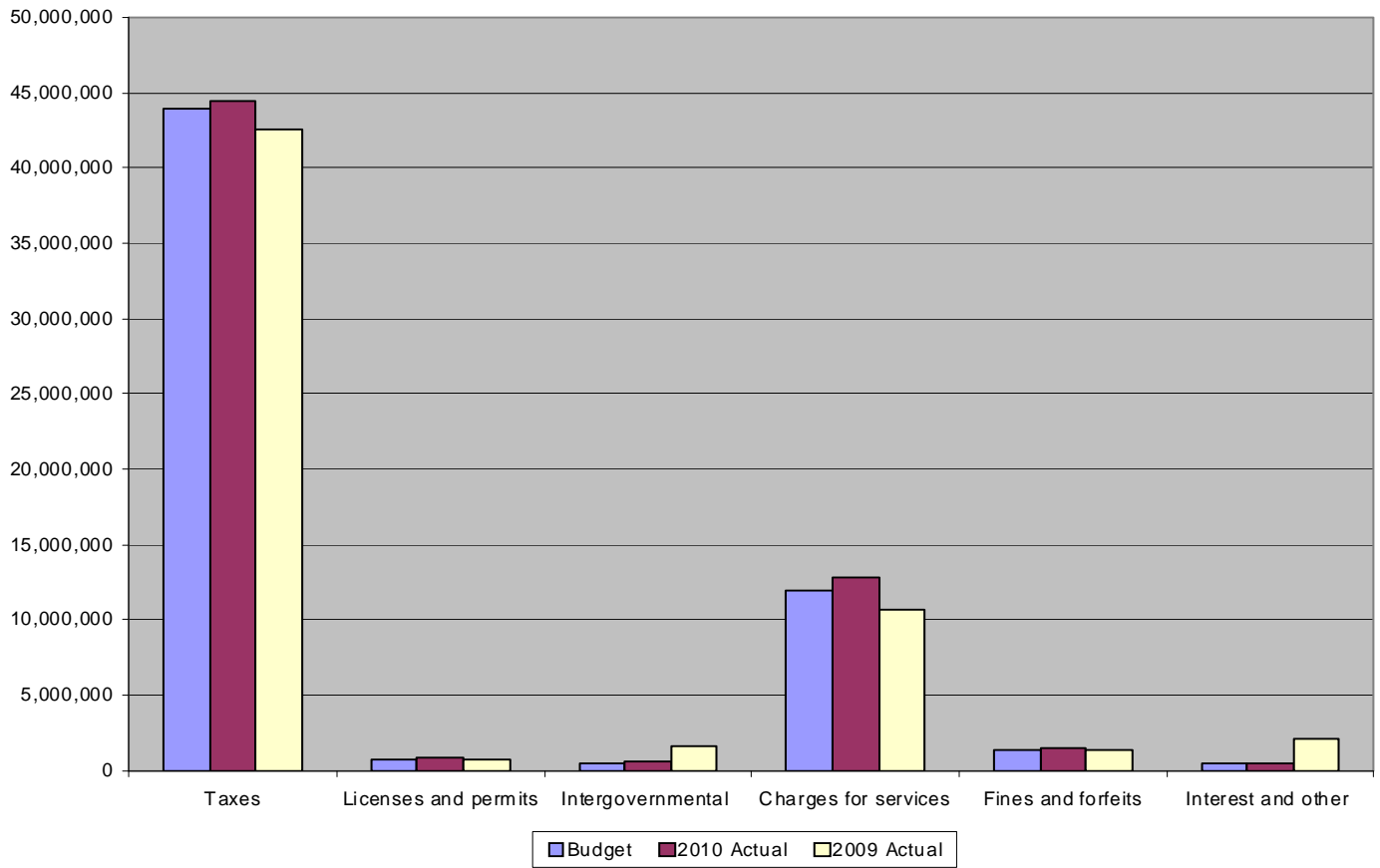
The general fund unreserved fund balance of \$9,660,185 increased by \$1,595,094 from last year.

The 2010 General Fund budget was adopted without the use of fund balance to fund ongoing operating expenditures. Fund balance of \$1,950,906 was budgeted for the purpose of one-time expenditures or capital acquisitions. This practice was formally adopted by the City Council in 1989, and has been continued with the 2011 Budget which also uses fund balance only for the purpose of one-time expenditures or capital purchases. It includes \$3,390,355 for this purpose, reflected as *designated for subsequent year’s expenditures* on the December 31, 2010 balance sheet of the general fund.

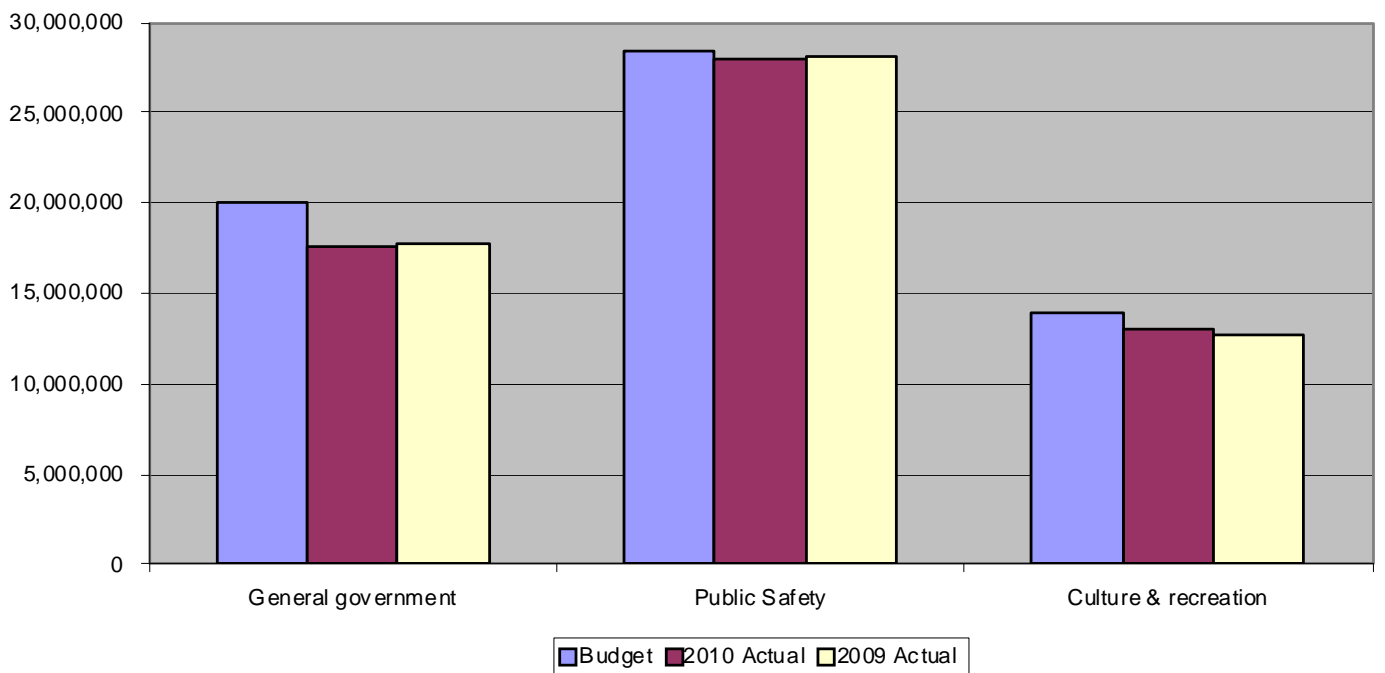
The original budget in the general fund was \$60,451,956. Supplemental appropriations were primarily comprised of encumbrances and carryover of uncompleted capital projects for a final budget of \$62,464,470. Actual general fund expenditures totaled \$58,570,680, and other than department-specific savings targeting one-time expenditures, there were no significant budget to actual variations.

Revenues and other financing sources in the general fund totaled \$60,635,103 in 2010, an increase of 3%, or \$1,605,668. While this change was small, it is the net result of some notable increases. The increases were primarily driven by an increase in administrative transfer fees of \$1,114,000, franchise taxes of \$1,045,000, sales and use tax of \$890,000, and parks maintenance fee of \$447,000. The negative offset resulted from decreases of \$700,000 in grants and \$1,360,000 in transfers from the Subdividers Escrow Fund. Lesser impacts were made by other revenue sources: building permit revenues increased by \$200,000 and court fines and forfeits increased by \$100,000. Investment earnings increased in 2010 \$20,000 from 2009; however, interest rates continue to be very low.

**Budget and Actual Revenue by Source - General Fund**



**Budget and Actual Expenditures by Function - General Fund**



Information on the major governmental funds of the City follows the government wide financial statements. These funds are accounted for using the modified accrual basis of accounting. At the end of 2010, the City reported a combined fund balance of \$81 million, of which \$46 million was unreserved and available for spending at the City's discretion within the respective funds for all governmental funds. The remainder of the fund balance is reserved and not available for new spending as follows in millions:

Reserved for encumbrances	\$ 1.6
Reserved for emergencies	3.4
Reserved for prepaids and receivables	0.3
Reserved for contracts, grants & donations	0.2
Reserved for construction	26.9
Reserved for endowments	2.6

**STREETS SYSTEM MAINTENANCE AND IMPROVEMENTS FUND**

The Streets System Maintenance and Improvements Fund was created as a result of a special election held June 3, 1986, authorizing a 3/4 cent sales tax increase. The revenues from the sales tax increase are exclusively for use on City street system expenditures. An election held in November of 2009 authorized the extension of the tax for five years through 2016. The election passed by a 3 to 2 margin.

The Streets System Fund collected \$11.2 million of sales and use tax revenues in 2010, an increase of \$350,000 from 2009. At December 31, 2010, the fund balance of the fund was \$10.9 million. Of this amount \$243,000 is reserved for encumbrances, loans receivable and prepaid expenditures. The unreserved, undesignated portion of the fund balance is \$4.6 million. The total fund balance increased by \$3.3 million from 2009 in this fund. Sales and use tax contributed to this increase by \$350,000 based on an increase in taxable sales. In addition, expenditures for capital projects decreased by \$5 million.

**WATER SYSTEM CONSTRUCTION RESERVE FUND**

The Water System Construction Reserve Special Revenue Fund was created to collect and use certain development fees to make system improvements. Building activity increased in 2010 which more than doubled water development fees to \$445,000. The major expenditure in 2010 was a \$2 million portion of a City land purchase which expands water storage and water quality capacity. Thus the fund balance was reduced by about \$1.8 million to \$15 million at December 31, 2010. This fund is not reported as a major fund in 2010, but is included in this narrative discussion through management choice.

**PUBLIC IMPROVEMENT CAPITAL PROJECTS FUND**

The Public Improvement Capital Projects Fund is used to account for financial resources used for the acquisition and construction of major capital facilities and improvements of the primary government except those financed by the Enterprise Funds. At December 31, 2010, the fund has a fund balance of \$5.4 million of which \$2.7 million is designated for projects in progress and \$356,991 is designated for debt service.

The primary revenue for the Public Improvement Capital Projects Fund (use tax) increased by over \$200,000 in 2010. Prior to 2008, the tax revenue for this fund was derived from 0.3 cents of the City's 3.275 cent sales and use tax levy. The 0.3 cents represented a council policy allocation of the total 2.0 cents to be split with the General Fund. In 2008, the policy was changed to allocate 94.08% of the 2.0 cents of use tax to the Public Improvement Fund and none of the 2.0 cents of sales tax; and this use tax-only allocation for the Public Improvement Fund was increased to 95.75% in 2009 and reduced to 92.93% in 2010. This allocation is described further in Note 4. A large portion of the fund's revenue (\$2.67 million) paid the annual debt service on the Civic Center expansion and the Recreation Center and Museum Bonds, and many of the capital projects were deferred. This fund is not reported as a major fund in 2010, but is included in this narrative discussion through management choice.

**GOLF/AIRPORT ENTERPRISE FUNDS**

To identify and control the revenues and expenses attributable to golf course services and airport services, the Golf Enterprise Fund was created as of January 1, 1985, and the Airport Enterprise Fund was created as of January 1, 1987. The Golf Fund is funded through revenues derived from greens fees, season pass sales and other related revenues. The Airport Fund is funded through revenues from aircraft fees, airport land rentals and gasoline fees. Results from operations resulted in a net asset increase of nearly \$215,000 in the Golf Fund and a decrease of \$130,000 in the Airport Fund. Budgetary comparison data for the Airport Fund can be found in Schedule D-7 and for the Golf Fund in Schedule D-5 in the Financial Section.

**ELECTRIC UTILITY FUND**

The City's electric utility increased operating revenues by 11% over 2009. The operating loss decreased in 2010 to \$2,105,159 from a loss of \$3,272,634 in 2009. Operating revenue went up by \$5 million during 2010, resulting from a rate increase of 8.3%. Operating expenses rose 8% overall with an 8% increase in purchased power. Purchased power costs increased by 8.9% in 2005, 2.4% in 2006, 3.6% in 2007, 1.3% in 2008 and 0.4% in 2009. The fund remains in good financial condition with current assets exceeding current liabilities by \$7 million.

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

The Electric Fund has no outstanding long-term debt other than accrued sick and vacation leave and other post employment benefit obligation.

Operating data for the electric utility are contained in Exhibit 8 of the Financial Section. The revenue for the increase in the City's investment in Platte River Power Authority, a joint venture with the cities of Estes Park, Ft. Collins and Loveland, is recorded in the non-operating revenue (expense) section of the fund operating statement. It is the reason for the substantial difference between operating loss and change in net assets and amounted to \$2.6 million in 2005, \$3.9 million in 2006, \$5.4 in 2007, \$3.2 million in 2008, \$3.2 in 2009 and \$1.1 million in 2010. Net assets decreased

## Electric Utility Fund

	2010	2009	2008	2007	2006
Operating revenues	\$ 49,440,782	\$ 44,507,482	\$ 44,020,481	\$ 44,829,165	\$ 43,843,190
Operating (loss)	(2,105,159)	(3,272,634)	(2,759,171)	(324,965)	(231,054)
Change in net assets	(210,595)	880,521	1,653,601	9,664,555	6,275,432

\$210,000 in 2010 which was a result in the reduction of contributed capital in 2010.

**TELECOMMUNICATIONS UTILITY FUND**

The Telecommunications Utility Enterprise Fund was established in 1997 for the purpose of providing municipal telecommunications services through revenues derived from related fees, lease payments and other charges. Construction of the fiber optic backbone was completed in 1998. An agreement with a service provider/partner in 2001 ended with a 2002 bankruptcy filing by that partner and receipt of \$900,000 in performance bond forfeitures in 2002. Revenues from service provider/partners totaled \$128,133 in 2006, \$141,149 in 2007, \$216,387 in 2008, \$234,185 in 2009, and \$293,519 in 2010. The fund experienced operating losses for 2006 and 2007 and of \$41,680 and \$10,350 respectively. In 2008, 2009, and 2010, operations yielded operating income of \$50,168, \$70,056, and \$102,846 respectively. The gradual improvement since 2005 has been due to reduced operating expenses and moderate growth in operating revenues.

**WATER UTILITY FUND**

Operating revenues increased by 8% from 2009 as a result of increased water consumption due to drier weather during 2010 as well as a 3% increase in the monthly service charge. Operating income for 2010 was \$680,000 represented an increase over an operating loss of over \$554,000 in 2009. This increase was substantially the result of increased water sales and revenues as well as a slight reduction in operating expenses. Unrestricted working capital in excess of \$27 million reflects the strong financial condition of the fund.

Operating data for the water utility are contained in Exhibit 8 of the Financial Section. Comparative data for the last five fiscal years are presented in the following tabulation. The volatile changes in net assets over the past five years were caused by capital contributions from special revenue funds established to collect developer water-related developer

## Water Utility Fund

	2010	2009	2008	2007	2006
Operating revenues	\$ 12,756,467	\$ 11,901,142	\$ 13,673,429	\$ 14,113,472	\$ 14,437,960
Operating income	681,030	(554,229)	1,408,176	2,511,041	3,861,713
Change in net assets	11,549,238	2,966,466	8,242,641	22,917,102	10,066,107

fees. The increase in net assets in 2010 resulted primarily from \$10 million of capital contributions.

### **SEWER UTILITY FUND**

A rate increase raised operating revenues by 6% over 2009. Sewer rates are based upon winter water usage. The operating loss improved slightly over 2009, primarily due to increased revenues, but also impacted negatively by higher operating expenses. The fund increased its unrestricted working capital to \$6 million by the end of 2010. The net assets increased by \$75,000, primarily due to an increase in non-operating revenues. Normally contributions of capital from the sewer construction fund have significant impact on the change of Sewer Fund net assets, but that normal impact was minimized by low development activity in 2010. The second phase of a five-year phased rate increase is effective January 1, 2010.

Sewer Utility Fund					
	2010	2009	2008	2007	2006
Operating revenues	\$ 7,836,470	\$ 7,416,039	\$ 7,117,989	\$ 7,168,557	\$ 7,426,871
Operating (loss)	(734,300)	(884,810)	(1,084,153)	(1,246,807)	(1,143,497)
Change in net assets	74,666	(454,664)	1,713,656	1,224,439	1,887,702

During 2010, the City issued \$13.4 million in long-term debt to provide for sewer system capital improvements projects.

### **STORM DRAINAGE UTILITY FUND**

The City created the storm drainage utility in 1984 to identify and control the revenues and expenses attributable to municipal storm drainage services. Revenues are derived from storm drainage user fees and a storm drainage plant investment fee. Operating revenues remained relatively flat during 2010. Operating income of just over \$300,000, decreased by 25% from 2009, as operating expenses increased across the board. Debt in the amount of \$14.5 was issued in 2008 for five major storm drainage construction projects, with \$6 million remaining to be spent at year end 2010. Operating data for the storm drainage utility is contained in Exhibit 8. Comparative data for the last five fiscal years

Storm Drainage Utility Fund					
	2010	2009	2008	2007	2006
Operating revenues	\$ 3,420,656	\$ 3,428,994	\$ 3,421,596	\$ 3,386,711	\$ 3,053,929
Operating income	300,354	400,900	966,413	1,023,976	788,290
Change in net assets	468,867	531,057	1,386,436	1,471,027	4,323,275

is tabulated in the box on this page. The most recent rate increase occurred in 2007.

### **Capital Assets and Debt Administration**

**Capital Assets.** The City of Longmont's investment in capital assets for its governmental and business type activities as of December 31, 2010, net of depreciation, equals \$845.4 million. This investment in capital assets includes land, buildings, utility systems, improvements to land, machinery and equipment, park facilities, and infrastructure. Additional information on the City's capital assets can be found in note 11 on pages 74-76 of this report, as well as in the transmittal letter.

**Long-term Debt.** As of December 31, 2010, the City of Longmont had total bonded debt outstanding of \$76,370,000. Of this amount \$2,325,000 comprises debt backed by the full faith and credit of the City. An additional amount of \$47,145,000 of the City of Longmont's debt represents revenue bonds secured solely by sales and use taxes. The final \$26,900,000 of debt represents revenue bonds backed by storm drainage and sewer revenues.

The legal debt margin as prescribed by City Charter is limited to 3% of the actual value of the taxable property. In 2010, this debt limit amounted to \$264,574,063. The total amount of debt applicable to the debt limit was \$2,325,000 leaving a legal debt margin of \$262,249,063. Additional information on the City's long-term debt can be found in Note 9 on pages 68-71.

The 2000 Sales and Use Tax revenue bonds were upgraded to AA+ by Standard and Poor's in 2007. The 2006 Sales and Use tax refunding revenue bonds carry the AA+ rating as well. All outstanding General Obligation Bonds of the City are now rated Aa2 by Moody's Investor Service on the new Global Scale, and AA rating from Standard and Poor's. The 2008

Storm Drainage Revenue Bonds were rated AA by Standard and Poor's. The 2010 Sewer Revenue Bonds received a rating of AA from Standard and Poor's. The 2010 Open Space Sales and Use Tax revenues bonds received a rating of A2 from Moody's and a rating of A from Standard and Poor's.

### **Impacts on Future Years**

Budget amendments are made by ordinance on a routine, periodic basis and are in compliance with Colorado statutes and the City charter. Note 2-D-7 illustrates the comparison of original and final budgets for all funds requiring a budget. Reported budget amendments were primarily for encumbrances and uncompleted capital projects. The 2010 budget amendments will have no significant impact on future services.

The 2011 balanced budget was approved by City Council as required by Colorado law and was filed with the State by January 30.

### **Contacting the City's Financial Management**

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the City's finances and to demonstrate the City's accountability for resources. If you have questions about this report or need additional financial information please contact Molly Kostecky, Assistant Director of Finance, as follows:

City of Longmont  
350 Kimbark Street  
Longmont, CO 80501  
(303) 651-8670  
molly.kostecky@ci.longmont.co.us





Photo courtesy of Curtis Lee Jones  
Golden Ponds

## STATEMENT OF NET ASSETS

December 31, 2010

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	
<b>ASSETS</b>				
Current assets:				
Equity in pooled cash & cash equivalents	\$ 94,136,203	\$ 44,830,690	\$ 138,966,893	\$ 7,409,762
Cash and cash equivalents	118,647	-	118,647	45,896
Receivables (net of allowance for uncollectibles):	23,323,970	9,242,196	32,566,166	1,256,681
Internal balances	1,362,751	(1,362,751)	-	-
Inventory of materials and supplies	2,691,795	-	2,691,795	-
Restricted equity in pooled cash & cash equivalents	1,791,413	1,970,213	3,761,626	-
Restricted cash & cash equivalents	9,609,343	18,190,161	27,799,504	-
Prepaid expenses	591,515	850	592,365	-
<b>Total current assets</b>	<b>133,625,637</b>	<b>72,871,359</b>	<b>206,496,996</b>	<b>8,712,339</b>
Noncurrent assets:				
Loan receivable-component unit	146,000	-	146,000	-
Net pension asset	2,835,845	1,211,034	4,046,879	-
Unamortized bond/lease issuance costs	824,382	484,875	1,309,257	-
Capital Assets				
Land and water rights	-	182,821,239	182,821,239	443,018
Construction in progress	-	-	-	30,247
Depreciable buildings, property, and equipment, net	314,976,729	347,589,124	662,565,853	1,076,981
Investment in joint venture	-	117,533,185	117,533,185	-
<b>Total noncurrent assets</b>	<b>318,782,956</b>	<b>649,639,457</b>	<b>968,422,413</b>	<b>1,550,246</b>
<b>Total assets</b>	<b>\$ 452,408,593</b>	<b>\$ 722,510,816</b>	<b>\$ 1,174,919,409</b>	<b>\$ 10,262,585</b>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable and accrued expenses	\$ 3,883,255	\$ 5,124,553	\$ 9,007,808	\$ 29,974
Accrued interest	1,023,172	345,361	1,368,533	-
Unearned revenues	14,241,738	-	14,241,738	1,220,154
Deposits	2,994,435	765,137	3,759,572	-
Current portion of long-term obligations	3,789,969	2,140,300	5,930,269	1,789
<b>Total current liabilities</b>	<b>25,932,569</b>	<b>8,375,351</b>	<b>34,307,920</b>	<b>1,251,917</b>
Noncurrent liabilities:				
Loan payable-primary government	-	-	-	146,000
Noncurrent portion of long-term obligations	57,204,686	41,719,956	98,924,642	2,864
<b>Total noncurrent liabilities</b>	<b>57,204,686</b>	<b>41,719,956</b>	<b>98,924,642</b>	<b>148,864</b>
<b>Total liabilities</b>	<b>\$ 83,137,255</b>	<b>\$ 50,095,307</b>	<b>\$ 133,232,562</b>	<b>\$ 1,400,781</b>
<b>NET ASSETS</b>				
Invested in capital assets, net of related debt	270,382,692	507,056,869	777,439,561	1,550,246
Restricted for:				
Construction/acquisition/debt service	46,305,500	18,817,163	65,122,663	7,107,866
Community development projects	838,748	-	838,748	-
Transportation improvements	12,374,996	-	12,374,996	-
Public safety	2,652,118	-	2,652,118	-
Permanent fund				
Expendable	490,353	-	490,353	-
Nonexpendable	644,576	-	644,576	-
Statutory emergency requirement	3,435,470	-	3,435,470	63,955
Unrestricted	32,146,885	146,541,477	178,688,362	139,737
<b>Total net assets</b>	<b>369,271,338</b>	<b>672,415,509</b>	<b>1,041,686,847</b>	<b>8,861,804</b>
<b>Total liabilities and net assets</b>	<b>\$ 452,408,593</b>	<b>\$ 722,510,816</b>	<b>\$ 1,174,919,409</b>	<b>\$ 10,262,585</b>

CITY OF LONGMONT, COLORADO  
**STATEMENT OF ACTIVITIES**  
For The Year Ended December 31, 2010

Functions/Programs	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>PRIMARY GOVERNMENT</b>				
<b>Governmental activities:</b>				
General Government	\$ 21,237,772	\$ 8,324,058	\$ 1,202,104	\$ 168,766
Public Safety	33,562,076	1,223,119	525,672	-
Highways & Streets	14,191,614	620,595	3,044,902	2,631,648
Culture & Recreation	16,138,524	5,947,012	279,271	1,271,719
Municipal utilities systems	82,033	-	-	1,105,048
Interest and Fiscal charges on long-term debt	1,542,188	-	-	-
<b>Total governmental activities</b>	<b>86,754,207</b>	<b>16,114,784</b>	<b>5,051,949</b>	<b>5,177,181</b>
<b>Business-type Activities</b>				
Sanitation	5,713,703	5,265,217	4,059	-
Golf	2,084,456	2,220,975	-	10,108
Electric	51,614,473	49,487,659	63,551	1,523,819
Telecommunications	194,834	293,519	-	48,495
Water	12,648,106	12,757,083	301,877	7,239,800
Sewer	8,690,949	7,846,470	140,186	5,746
Storm Drainage	3,134,594	3,420,656	4,059	120,618
Airport	400,939	239,006	-	14,266
<b>Total business-type activities</b>	<b>84,482,054</b>	<b>81,530,585</b>	<b>513,732</b>	<b>8,962,852</b>
<b>Total Primary Government</b>	<b>\$ 171,236,261</b>	<b>\$ 97,645,369</b>	<b>\$ 5,565,681</b>	<b>\$ 14,140,033</b>
<b>Component unit:</b>				
<b>Downtown Development Authority</b>	<b>\$ 732,954</b>	<b>\$ 87,658</b>	<b>\$ 131,006</b>	<b>\$ -</b>

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

Total General Revenues & Transfers

Change in Net Assets

Net Assets - Beginning January 1

Net Assets - Ending December 31

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

<b>Net (Expense) Revenue and Changes in Net Assets</b>			
<b>Primary Government</b>			<b>Component Unit</b>
<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>	
\$ (11,542,844)	\$ -	\$ (11,542,844)	\$ -
(31,813,285)	-	(31,813,285)	-
(7,894,469)	-	(7,894,469)	-
(8,640,522)	-	(8,640,522)	-
1,023,015	-	1,023,015	-
(1,542,188)	-	(1,542,188)	-
(60,410,293)	-	(60,410,293)	-
-	(444,427)	(444,427)	-
-	146,627	146,627	-
-	(539,444)	(539,444)	-
-	147,180	147,180	-
-	7,650,654	7,650,654	-
-	(698,547)	(698,547)	-
-	410,739	410,739	-
-	(147,667)	(147,667)	-
-	6,525,115	6,525,115	-
(60,410,293)	6,525,115	(53,885,178)	-
-	-	-	(514,290)
15,357,141	-	15,357,141	1,317,160
23,640,672	-	23,640,672	-
3,581,110	-	3,581,110	-
10,208,168	-	10,208,168	-
2,722,178	-	2,722,178	-
4,423,539	-	4,423,539	-
263,041	-	263,041	-
185,916	-	185,916	-
6,314,911	-	6,314,911	-
1,241,858	500,293	1,742,151	74,432
19,354	589,572	608,926	9,207
(4,248,080)	4,248,080	-	-
63,709,808	5,337,945	69,047,753	1,400,799
3,299,515	11,863,060	15,162,575	886,509
365,971,823	660,552,449	1,026,524,272	7,975,295
\$ 369,271,338	\$ 672,415,509	\$ 1,041,686,847	\$ 8,861,804

CITY OF LONGMONT, COLORADO

**BALANCE SHEET  
GOVERNMENTAL FUNDS  
December 31, 2010**

	<b>General</b>	<b>Streets Systems</b>	<b>Other Governmental Funds</b>	<b>TOTAL Governmental Funds</b>
<b>ASSETS</b>				
Equity in pooled cash & cash equivalents	\$ 9,612,272	\$ 10,271,574	\$ 47,552,562	\$ 67,436,408
Cash and cash equivalents	62,309	-	56,338	118,647
Receivables (net of allowance for uncollectibles):				
Taxes	16,847,381	1,156,629	1,301,941	19,305,951
Miscellaneous	700,365	-	-	700,365
Grants	59,176	1,695,450	271,325	2,025,951
Loans	61,123	3,112	2,997	67,232
Fees	311,235	-	779	312,014
Accrued interest	63,863	47,585	287,056	398,504
Due from other funds	2,201,526	-	-	2,201,526
Due from other governments	88,505	295,484	473	384,462
Prepaid items	150,367	37,411	5,334	193,112
Restricted assets:				
Equity in pooled cash and cash equivalents	-	-	1,230,413	1,230,413
Cash and cash equivalents	-	-	9,609,343	9,609,343
<b>Total assets</b>	<b>\$ 30,158,122</b>	<b>\$ 13,507,245</b>	<b>\$ 60,318,561</b>	<b>\$ 103,983,928</b>

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

**BALANCE SHEET  
GOVERNMENTAL FUNDS  
December 31, 2010**

	General	Streets Systems	Other Governmental Funds	TOTAL Governmental Funds
<b>LIABILITIES</b>				
Accounts payable	\$ 684,598	\$ 318,258	\$ 642,852	\$ 1,645,708
Construction contracts payable	54,444	573,866	191,626	819,936
Accrued liabilities	987,932	65,528	83,892	1,137,352
Deferred revenue	14,153,102	1,695,450	301,355	16,149,907
Deposits	72,882	-	2,921,553	2,994,435
<b>Total liabilities</b>	<b>15,952,958</b>	<b>2,653,102</b>	<b>4,141,278</b>	<b>22,747,338</b>
<b>FUND BALANCES</b>				
Reserved for:				
Encumbrances	746,440	203,010	672,067	1,621,517
Emergencies: state-imposed	3,432,135	-	3,335	3,435,470
Loans/notes receivable	61,123	3,112	2,739	66,974
Prepaid items	150,367	37,411	5,334	193,112
Staff contracts	150,142	-	-	150,142
Grants	-	-	26,585	26,585
Construction projects	-	-	28,170,834	28,170,834
Endow ment/donations	799	-	1,338,669	1,339,468
Fire donations/fees	3,973	-	-	3,973
Unreserved:				
Designated for:				
Future carryover projects	1,042,797	4,146,337	1,482,564	6,671,698
Subsequent years' expenditures	3,390,355	1,419,332	6,853,554	11,663,241
Future council 1-time expenditures	115,205	-	87,290	202,495
Debt service	-	-	1,574,230	1,574,230
Emergencies	2,464,173	425,653	-	2,889,826
Undesignated:				
General fund	2,647,655	-	-	2,647,655
Special revenue funds	-	4,619,288	13,640,504	18,259,792
Capital projects fund	-	-	2,319,578	2,319,578
<b>Total fund balances</b>	<b>14,205,164</b>	<b>10,854,143</b>	<b>56,177,283</b>	<b>81,236,590</b>
<b>Total liabilities and fund balances</b>	<b>\$ 30,158,122</b>	<b>\$ 13,507,245</b>	<b>\$ 60,318,561</b>	<b>\$ 103,983,928</b>

(continued)

## CITY OF LONGMONT, COLORADO

## Reconciliation of the Balance Sheet

## to the Statement of Net Assets

December 31, 2010

Total Governmental Fund Balances		\$	81,236,590
Amounts reported for governmental activities in the statement of net assets are different because:			
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.			304,425,393
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.			
Adjustment of deferred revenue	1,908,169		
Unamortized debt issuance expense	824,382		
Net pension asset	<u>2,755,221</u>		
			5,487,772
Internal service funds are used by management to charge the costs of certain activities, such as fleet, warehouse and insurance to individual funds. The assets and liabilities of certain internal service funds are included in governmental activities in the statement of net assets.			38,901,057
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.			(60,669,765)
Internal service fund allocated to business type activities			<u>(109,709)</u>
Net assets of governmental activities		\$	<u><u>369,271,338</u></u>

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

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -  
GOVERNMENTAL FUNDS  
Year Ended December 31, 2010**

	General	Streets Systems	Other Governmental Funds	TOTAL Governmental Funds
<b>REVENUES</b>				
Taxes	\$ 44,438,338	\$ 11,176,416	\$ 11,081,922	\$ 66,696,676
Licenses and permits	911,127	37,657	2,200,347	3,149,131
Developer/owner participation	-	790,337	352,710	1,143,047
Intergovernmental	619,302	3,044,902	1,690,088	5,354,292
Charges for services	12,783,664	-	287,252	13,070,916
Fines and forfeits	1,442,613	-	108,564	1,551,177
Investment income	170,908	99,173	645,580	915,661
Miscellaneous	119,482	96,837	539,905	756,224
<b>Total revenues</b>	<b>60,485,434</b>	<b>15,245,322</b>	<b>16,906,368</b>	<b>92,637,124</b>
<b>EXPENDITURES</b>				
Current:				
General government	17,508,296	-	1,649,265	19,157,561
Public safety	28,014,680	-	5,058,439	33,073,119
Highways and streets	-	12,284,726	1,061,259	13,345,985
Culture and recreation	12,856,376	-	9,768,094	22,624,470
Municipal utility systems	-	-	3,707,650	3,707,650
Capital projects	-	-	893,318	893,318
Debt service:				
Principal retired	-	-	1,690,000	1,690,000
Interest and fiscal charges	-	-	1,362,961	1,362,961
Bond issuance costs	-	-	408,421	408,421
<b>Total expenditures</b>	<b>58,379,352</b>	<b>12,284,726</b>	<b>25,599,407</b>	<b>96,263,485</b>
Excess of revenues (under) expenditures	2,106,082	2,960,596	(8,693,039)	(3,626,361)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	75,581	337,388	256,241	669,210
Transfers out	(191,328)	(1,906)	(654,317)	(847,551)
Payment to bond refunding escrow agent	-	-	(14,732,432)	(14,732,432)
Issuance of long-term debt	-	-	29,770,000	29,770,000
Premium on issuance of long-term debt	-	-	177,173	177,173
Lease proceeds	74,088	-	-	74,088
Total other financing sources (uses)	(41,659)	335,482	14,816,665	15,110,488
Net change in fund balances	2,064,423	3,296,078	6,123,626	11,484,127
<b>FUND BALANCES, January 1</b>	<b>12,140,741</b>	<b>7,558,065</b>	<b>50,053,657</b>	<b>69,752,463</b>
<b>FUND BALANCES, December 31</b>	<b>\$ 14,205,164</b>	<b>\$ 10,854,143</b>	<b>\$ 56,177,283</b>	<b>\$ 81,236,590</b>

(continued)

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



CITY OF LONGMONT, COLORADO

Exhibit 4  
(continued)

Reconciliation of the Statement of Revenues,  
Expenditures, and Changes in Fund Balances  
of Governmental Funds  
to the Statement of Activities  
For the Year Ended December 31, 2010

Net change in fund balances - total governmental funds	\$ 11,484,127
Amounts reported for governmental activities in the statement of activities (Exhibit 2) are different because:	
Contributions of capital assets increase net assets in the statement of activities, but do not appear in the governmental funds because they are not financial resources.	1,035,612
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which the capital outlays exceeded depreciation in the current period.	(1,157,529)
In the statement of activities only the losses on the sale or disposal of assets are reported, whereas in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net assets differs from the change in fund balance by the book value of the assets sold or disposed.	(25,406)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	283,515
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	(8,768,009)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	1,203,932
Internal service funds are used by management to charge the costs of certain activities, such as warehouse, fleet and insurance, to individual funds. The net revenue (expense) of the internal service funds is reported with governmental activities.	(647,018)
Change in internal service funds allocated to business-type activities	<u>(109,709)</u>
Change in net assets of governmental activities	<u>\$ 3,299,515</u>

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL -  
GENERAL (LEGAL BASIS) FUND  
Year Ended December 31, 2010**

	Budget		Actual (Legal Basis)	Variance From Final Budget
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 43,905,136	\$ 43,905,136	\$ 44,438,338	\$ 533,202
Licenses and permits	769,312	769,312	911,127	141,815
Intergovernmental	240,131	538,467	619,302	80,835
Charges for services	11,878,344	11,952,589	12,783,664	831,075
Fines and forfeits	1,341,600	1,341,600	1,442,613	101,013
Investment income	249,097	249,097	170,908	(78,189)
Miscellaneous	62,147	100,069	119,482	19,413
<b>Total revenues</b>	<b>58,445,767</b>	<b>58,856,270</b>	<b>60,485,434</b>	<b>1,629,164</b>
<b>EXPENDITURES</b>				
Current:				
General government	19,214,103	20,083,957	17,541,249	2,542,708
Public safety	27,853,667	28,378,980	28,014,680	364,300
Culture & recreation	13,384,186	14,001,533	13,014,751	986,782
<b>Total expenditures</b>	<b>60,451,956</b>	<b>62,464,470</b>	<b>58,570,680</b>	<b>3,893,790</b>
Excess of revenues over (under) expenditures	(2,006,189)	(3,608,200)	1,914,754	5,522,954
<b>OTHER FINANCING SOURCES</b>				
Transfers in	55,283	75,581	75,581	-
Lease Proceeds	-	74,088	74,088	-
<b>Total other financing sources</b>	<b>55,283</b>	<b>149,669</b>	<b>149,669</b>	<b>-</b>
<b>Net changes in fund balances</b>	<b>(1,950,906)</b>	<b>(3,458,531)</b>	<b>2,064,423</b>	<b>5,522,954</b>
<b>FUND BALANCE, January 1</b>	<b>9,055,813</b>	<b>6,741,598</b>	<b>12,140,741</b>	<b>5,399,143</b>
<b>FUND BALANCE, December 31</b>	<b>\$ 7,104,907</b>	<b>\$ 3,283,067</b>	<b>\$ 14,205,164</b>	<b>\$ 10,922,097</b>

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

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**STREETS SYSTEMS FUND**  
**Year Ended December 31, 2010**

	Budgeted Amounts		Actual	Variance From Final Budget
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 10,733,061	\$ 10,733,061	\$ 11,176,416	\$ 443,355
Licenses and permits	10,000	10,000	37,657	27,657
Developer/owner participation	-	-	790,337	790,337
Intergovernmental	2,360,458	2,950,804	3,044,902	94,098
Investment income	212,500	212,500	99,173	(113,327)
Miscellaneous	155,000	155,000	96,837	(58,163)
<b>Total revenues</b>	<b>13,471,019</b>	<b>14,061,365</b>	<b>15,245,322</b>	<b>1,183,957</b>
<b>EXPENDITURES</b>				
Highways and streets	14,376,232	17,764,033	12,462,472	5,301,561
<b>Excess of revenues (under) expenditures</b>	<b>(905,213)</b>	<b>(3,702,668)</b>	<b>2,782,850</b>	<b>6,485,518</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in				
Water	178,800	178,800	178,800	-
Sewer	89,400	89,400	89,400	-
Storm Drainage	125,160	125,160	125,160	-
Fleet	-	-	337,388	337,388
Transfers out				
Electric fund	(1,906)	(1,906)	(1,906)	-
Water fund	(215,614)	(215,614)	(215,614)	-
<b>Total other financing sources (uses)</b>	<b>175,840</b>	<b>175,840</b>	<b>513,228</b>	<b>337,388</b>
<b>Net changes in fund balance</b>	<b>(729,373)</b>	<b>(3,526,828)</b>	<b>3,296,078</b>	<b>6,822,906</b>
<b>FUND BALANCE, January 1</b>	<b>6,541,902</b>	<b>559,259</b>	<b>7,558,065</b>	<b>6,998,806</b>
<b>FUND BALANCE, December 31</b>	<b>\$ 5,812,529</b>	<b>\$ (2,967,569)</b>	<b>\$ 10,854,143</b>	<b>\$ 13,821,712</b>

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



Golden Ponds  
photo courtesy of Curtis Lee Jones

CITY OF LONGMONT, COLORADO

**STATEMENT OF NET ASSETS  
PROPRIETARY FUNDS  
December 31, 2010**

	Electric	Water	Sewer
<b>ASSETS</b>			
Current assets:			
Equity in pooled cash & cash equivalents	\$ 5,146,629	\$ 28,037,085	\$ 5,686,881
Accounts receivable (net of allowance for uncollectibles)	6,047,478	864,064	934,182
Intergovernmental receivable	52,641	-	-
Loans receivable	5,872	3,633	1,165
Interest receivable	15,222	128,710	26,833
Inventory of materials and supplies	-	-	-
Advance to other funds, current portion	-	-	-
Prepaid expenses	-	570	-
<b>Total unrestricted current assets</b>	<b>11,267,842</b>	<b>29,034,062</b>	<b>6,649,061</b>
Restricted assets:			
Bond debt service:			
Equity in pooled cash & cash equivalents	-	-	1,290,344
Interest receivable	-	-	4,729
Workers' Compensation			
Equity in pooled cash & cash equivalents	-	-	-
Storm drainage/Sewer construction:			
Equity in pooled cash & cash equivalents	-	-	52,533
Cash and cash equivalents	-	-	12,021,284
Interest receivable	-	-	1,010
<b>Total restricted current assets</b>	<b>-</b>	<b>-</b>	<b>13,369,900</b>
<b>Total current assets</b>	<b>11,267,842</b>	<b>29,034,062</b>	<b>20,018,961</b>
Noncurrent assets:			
Net pension asset	407,637	409,625	138,281
Loan receivable-component unit	-	-	-
Unamortized bond/lease/loan issuance costs	-	137,399	228,270
Capital assets:			
Land and water rights	890,284	163,584,235	3,135,108
Buildings	8,825,101	68,977,370	61,575,323
Improvements (other than buildings)	77,942,955	152,561,110	60,012,220
Equipment	2,032,914	1,728,258	1,915,060
Construction in progress	66,374	1,813,199	602,639
<b>Total capital assets</b>	<b>89,757,628</b>	<b>388,664,172</b>	<b>127,240,350</b>
Less - accumulated depreciation	43,050,505	58,225,536	37,867,201
<b>Net capital assets</b>	<b>46,707,123</b>	<b>330,438,636</b>	<b>89,373,149</b>
Investment in joint venture	117,533,185	-	-
<b>Total noncurrent assets</b>	<b>164,647,945</b>	<b>330,985,660</b>	<b>89,739,700</b>
<b>Total assets</b>	<b>\$ 175,915,787</b>	<b>\$ 360,019,722</b>	<b>\$ 109,758,661</b>

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

<b>Storm Drainage</b>	<b>Other Enterprise Funds</b>	<b>TOTALS</b>	<b>Governmental Activities- Internal Service Funds</b>
1,466,984 \$	4,493,111 \$	44,830,690 \$	26,699,795
423,560	673,490	8,942,774	-
-	24,266	76,907	-
-	861	11,531	1,190
10,840	23,523	205,128	128,301
-	-	-	2,691,795
-	-	-	1,472,460
280	-	850	398,403
<b>1,901,664</b>	<b>5,215,251</b>	<b>54,067,880</b>	<b>31,391,944</b>
627,336	-	1,917,680	-
117	-	4,846	-
-	-	-	561,000
-	-	52,533	-
6,168,877	-	18,190,161	-
-	-	1,010	-
<b>6,796,330</b>	<b>-</b>	<b>20,166,230</b>	<b>561,000</b>
<b>8,697,994</b>	<b>5,215,251</b>	<b>74,234,110</b>	<b>31,952,944</b>
69,844	185,647	1,211,034	80,624
-	-	-	146,000
119,206	-	484,875	-
6,889,129	8,322,483	182,821,239	47,767
605,568	3,307,875	143,291,237	1,928,437
45,110,402	6,481,604	342,108,291	145,711
249,352	3,112,703	9,038,287	34,593,671
4,743,032	14,143	7,239,387	7,813
<b>57,597,483</b>	<b>21,238,808</b>	<b>684,498,441</b>	<b>36,723,399</b>
<b>9,501,120</b>	<b>5,443,716</b>	<b>154,088,078</b>	<b>26,172,063</b>
<b>48,096,363</b>	<b>15,795,092</b>	<b>530,410,363</b>	<b>10,551,336</b>
-	-	117,533,185	-
<b>48,285,413</b>	<b>15,980,739</b>	<b>649,639,457</b>	<b>10,777,960</b>
<b>56,983,407 \$</b>	<b>21,195,990 \$</b>	<b>723,873,567 \$</b>	<b>42,730,904</b>

(continued)

## CITY OF LONGMONT, COLORADO

**STATEMENT OF NET ASSETS**  
**PROPRIETARY FUNDS**  
**December 31, 2010**

	Electric	Water	Sewer
<b>LIABILITIES AND FUND EQUITY</b>			
<b>Current liabilities:</b>			
Payable from current assets:			
Accounts payable	\$ 3,185,966	\$ 300,982	\$ 141,252
Construction contracts payable	-	63,692	-
Accrued liabilities	281,858	83,050	42,894
Due to other funds	-	-	-
Accrued sick and vacation - current portion	54,148	50,160	27,968
Advances from other funds - current portion	-	-	-
Loans payable - current portion	-	961,909	208,579
Claims payable - current portion	-	-	-
Accrued interest	-	200,901	7,547
Customer deposits	758,507	6,630	-
<b>Total current liabilities</b> (payable from current assets)	<b>4,280,479</b>	<b>1,667,324</b>	<b>428,240</b>
Payable from restricted assets:			
Accounts payable	-	-	57,814
Construction contracts payable	-	-	-
Accrued interest	-	-	90,777
Bonds payable - current portion	-	-	275,000
<b>Total current liabilities</b> (payable from restricted assets)	<b>-</b>	<b>-</b>	<b>423,591</b>
<b>Total current liabilities</b>	<b>4,280,479</b>	<b>1,667,324</b>	<b>851,831</b>
<b>Long-term liabilities:</b>			
Loan payable	-	13,149,931	148,608
Long-term construction liability	-	844,025	13,726
Accrued sick and vacation	458,673	441,017	186,135
Net other post employment benefit obligation	20,252	14,031	10,493
Advances from other funds	-	-	-
Bonds payable	-	-	13,154,434
<b>Net long-term liabilities</b>	<b>478,925</b>	<b>14,449,004</b>	<b>13,513,396</b>
<b>Total liabilities</b>	<b>4,759,404</b>	<b>16,116,328</b>	<b>14,365,227</b>
<b>Net assets:</b>			
Invested in capital assets, net of related debt	46,707,123	315,482,771	89,217,702
Restricted for construction	-	-	12,017,013
Restricted for debt service	-	-	929,296
Restricted for workers' compensation	-	-	-
Restricted for long-term disability	-	-	-
Unrestricted	124,449,260	28,420,623	(6,770,577)
<b>Total net assets</b>	<b>171,156,383</b>	<b>343,903,394</b>	<b>95,393,434</b>
<b>Total liabilities and net assets</b>	<b>\$ 175,915,787</b>	<b>\$ 360,019,722</b>	<b>\$ 109,758,661</b>

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

CITY OF LONGMONT, COLORADO

Exhibit 7  
(continued)

	Storm Drainage	Other Enterprise Funds	TOTALS	Governmental Activities- Internal Service Funds
\$	22,134	\$ 368,941	\$ 4,019,275	\$ 252,172
	162,521	-	226,213	-
	19,435	44,674	471,911	23,297
	-	-	-	2,201,526
	4,208	28,328	164,812	13,233
	-	18,464	18,464	-
	-	-	1,170,488	-
	-	-	-	1,220,224
	-	-	208,448	-
	-	-	765,137	-
	208,298	460,407	7,044,748	3,710,452
	405	-	58,219	-
	348,935	-	348,935	-
	46,136	-	136,913	-
	530,000	-	805,000	-
	925,476	-	1,349,067	-
	1,133,774	460,407	8,393,815	3,710,452
	-	-	13,298,539	-
	-	-	857,751	-
	47,000	183,760	1,316,585	115,442
	3,174	8,645	56,595	3,953
	-	1,453,996	1,453,996	-
	13,036,052	-	26,190,486	-
	13,086,226	1,646,401	43,173,952	119,395
	14,220,000	2,106,808	51,567,767	3,829,847
	41,326,641	14,322,632	507,056,869	10,551,336
	5,819,537	-	17,836,550	-
	51,317	-	980,613	-
	-	-	-	561,000
	-	-	-	325,000
	(4,434,088)	4,766,550	146,431,768	27,463,721
	42,763,407	19,089,182	672,305,800	38,901,057
\$	56,983,407	\$ 21,195,990	723,873,567	\$ 42,730,904

109,709  
\$ 672,415,509

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

Net assets business-type activities



**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS  
PROPRIETARY FUNDS  
For the Year Ended December 31, 2010**

	<b>Electric</b>	<b>Water</b>	<b>Sewer</b>
<b>OPERATING REVENUES</b>			
Charges for services	\$ 49,440,782	\$ 12,756,467	\$ 7,836,470
Warehouse sales	-	-	-
Contributions	-	-	-
Total operating revenues	49,440,782	12,756,467	7,836,470
<b>OPERATING EXPENSES</b>			
Administration	2,049,311	3,214,237	921,756
Purchased power/cost of sales/premiums	36,496,730	-	-
Transmission/distribution	5,180,353	1,454,022	905,219
Maintenance/development	-	-	-
Trash collection	-	-	-
Landfill	-	-	-
Treatment/disposal	-	2,233,677	3,340,403
Fleet services	-	-	-
Depreciation	2,245,962	3,683,438	2,296,515
Administrative fees	1,633,634	1,226,393	784,377
Franchise fee	3,939,951	263,670	322,500
Benefit payments	-	-	-
Claims	-	-	-
Total operating expenses	51,545,941	12,075,437	8,570,770
<b>Operating income (loss)</b>	<b>(2,105,159)</b>	<b>681,030</b>	<b>(734,300)</b>
<b>NON-OPERATING REVENUES (EXPENSES)</b>			
Investment income	35,973	286,237	72,225
Miscellaneous	160,509	86,391	3,677
Intergovernmental	63,551	301,877	140,186
Other sales	46,877	-	-
Interest expense	-	(489,439)	(65,999)
Gain (loss) on disposal of assets	-	616	10,000
Amortization of bond/note issuance expense	-	(10,919)	(11,493)
Equity in net income from Joint Venture	1,139,814	-	-
Net non-operating revenues	1,446,724	174,763	148,596
<b>Change in net assets before transfers and capital contributions</b>	<b>(658,435)</b>	<b>855,793</b>	<b>(585,704)</b>
CAPITAL CONTRIBUTIONS	396,801	10,591,998	266,369
TRANSFERS			
Transfers in	86,685	146,359	405,891
Transfers out	(35,646)	(44,912)	(11,890)
<b>Change in net assets</b>	<b>(210,595)</b>	<b>11,549,238</b>	<b>74,666</b>
<b>TOTAL NET ASSETS-January 1</b>	<b>171,366,978</b>	<b>332,354,156</b>	<b>95,318,768</b>
<b>TOTAL NET ASSETS-December 31</b>	<b>\$ 171,156,383</b>	<b>\$ 343,903,394</b>	<b>\$ 95,393,434</b>

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

	Storm Drainage	Other Enterprise Funds	Totals	Governmental Activities- Internal Service Funds
\$	3,420,656	\$ 8,018,717	\$ 81,473,092	\$ 14,713,754
	-	-	-	803,529
	-	-	-	2,181,014
	3,420,656	8,018,717	81,473,092	17,698,297
	900,119	397,544	7,482,967	378,233
	-	-	36,496,730	9,209,171
	-	37,200	7,576,794	-
	745,619	1,811,187	2,556,806	-
	-	4,923,736	4,923,736	-
	-	4,212	4,212	-
	-	-	5,574,080	-
	-	-	-	3,076,343
	956,836	410,738	9,593,489	2,959,653
	517,728	967,627	5,129,759	972,483
	-	11,312	4,537,433	-
	-	-	-	508,251
	-	-	-	2,018,569
	3,120,302	8,563,556	83,876,006	19,122,703
	300,354	(544,839)	(2,402,914)	(1,424,406)
	55,580	50,278	500,293	326,197
	42,464	296,531	589,572	238,077
	4,059	4,059	513,732	-
	-	-	46,877	-
	(16,895)	(93,178)	(665,511)	-
	-	-	10,616	657,236
	(6,653)	(21,181)	(50,246)	-
	-	-	1,139,814	-
	78,555	236,509	2,085,147	1,221,510
	378,909	(308,330)	(317,767)	(202,896)
	120,618	72,869	11,448,655	-
	7,121	113,820	759,876	600,406
	(37,781)	(7,184)	(137,413)	(1,044,528)
	468,867	(128,825)	11,753,351	(647,018)
	42,294,540	19,218,007	660,552,449	39,548,075
\$	42,763,407	\$ 19,089,182	672,305,800	\$ 38,901,057

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

109,709  
\$ 11,863,060

Change in net assets of business-type activities

## CITY OF LONGMONT, COLORADO

**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
For the Year Ended December 31, 2010

	Electric	Water	Sewer
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash received from customers	\$ 49,291,357	\$ 12,928,261	\$ 7,879,640
Cash paid to suppliers	(44,678,733)	(4,957,664)	(3,870,865)
Cash paid to employees	(5,172,844)	(3,480,093)	(2,365,364)
Claims/Benefits paid	-	-	-
Net cash provided (used) by operating activities	(560,220)	4,490,504	1,643,411
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>			
Transfers in	86,685	146,359	405,891
Transfers out	(35,646)	(44,912)	(7,565)
Advances to other funds	-	-	-
Repayment of advances	-	-	-
Net cash provided (used) by non-capital financing activities	51,039	101,447	398,326
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Proceeds from issuance of bonds	-	-	13,434,225
Acquisition and construction of capital assets	(1,001,715)	(4,336,137)	(892,861)
Bond/loan/lease principal paid	-	(958,627)	(204,672)
Bond/loan/lease interest paid	-	(276,357)	(213,115)
Bond issuance expenses	-	-	(234,987)
Proceeds from sale of equipment	-	616	10,000
Contributed capital received	384,005	338,369	-
Net cash (used) by capital and related financing activities	(617,710)	(5,232,136)	11,898,590
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Investment income received	51,086	369,306	77,969
Net cash provided by investing activities	51,086	369,306	77,969
Net increase (decrease) in cash and cash equivalents	(1,075,805)	(270,879)	14,018,296
<b>CASH AND CASH EQUIVALENTS, January 1</b>	6,222,434	28,307,964	5,032,746
<b>CASH AND CASH EQUIVALENTS, December 31</b>	\$ 5,146,629	\$ 28,037,085	\$ 19,051,042

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

	<b>Storm Drainage</b>	<b>Other Enterprise Funds</b>	<b>TOTALS</b>	<b>Governmental Activities- Internal Service Funds</b>
\$	3,480,689	\$ 8,528,606	\$ 82,108,553	\$ 18,032,690
	(1,500,133)	(5,523,711)	(60,531,106)	(12,681,510)
	(835,843)	(2,696,810)	(14,550,954)	(1,113,623)
		-	-	(2,125,603)
	1,144,713	308,085	7,026,493	2,111,954
	-	112,965	751,900	250,000
	(30,660)	1,466,131	1,347,348	(1,044,528)
	-	-	-	(1,994,083)
	-	-	-	2,809,818
	(30,660)	1,579,096	2,099,248	21,207
	-	-	13,434,225	-
	(4,901,828)	(197,096)	(11,329,637)	(2,500,734)
	(520,000)	(1,919,455)	(3,602,754)	-
	(569,232)	(93,178)	(1,151,882)	-
	-	-	(234,987)	-
	-	-	10,616	768,349
	120,618	72,869	915,861	-
	(5,870,442)	(2,136,860)	(1,958,558)	(1,732,385)
	102,280	65,678	666,319	392,945
	102,280	65,678	666,319	392,945
	(4,654,109)	(184,001)	7,833,502	793,721
	12,917,306	4,677,112	57,157,562	26,467,074
\$	8,263,197	4,493,111	\$ 64,991,064	\$ 27,260,795

(continued)

CITY OF LONGMONT, COLORADO  
**STATEMENT OF CASH FLOWS**  
 PROPRIETARY FUNDS  
 For the Year Ended December 31, 2010

	Electric	Water	Sewer
<b>RECONCILIATION OF NET OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>			
Net operating income (loss)	\$ (2,105,159)	\$ 681,030	\$ (734,300)
Adjustments to reconcile net operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	2,245,962	3,683,438	2,296,515
Miscellaneous income	207,386	86,391	3,677
Intergovernmental operating income	63,551	78,045	97,023
Change in assets and liabilities:			
(Increase) decrease in accounts receivable	(382,276)	(6,953)	(43,811)
(Increase) decrease in loans receivable	2,069	1,197	175
(Increase) decrease in intergovernmental receivable	(38,360)	14,281	14,281
(Increase) decrease in inventory of materials	-	-	-
(Increase) decrease in prepaid expenses	-	(570)	-
(Increase) decrease in net pension asset	(90,937)	(82,990)	(19,849)
Increase (decrease) in accounts payable	(469,568)	(30,296)	28,716
Increase (decrease) in contracts payable	-	-	-
Increase (decrease) in accrued liabilities	27,430	16,515	7,983
Increase (decrease) in deferred revenue	-	-	-
Increase (decrease) in accrued sick and vacation - current portion	13,885	17,399	2,922
Increase (decrease) in claims payable - current portion	-	-	-
Increase (decrease) in net other post employment benefit obligation	(12,086)	(8,220)	(5,075)
Increase (decrease) in accrued sick and vacation - long-term portion	(22,391)	41,207	(4,846)
Increase (decrease) in deposits/deferred revenue	274	30	-
Total adjustments	1,544,939	3,809,474	2,377,711
Net cash provided (used) by operating activities	\$ (560,220)	\$ 4,490,504	\$ 1,643,411
<b>RECONCILIATION OF CASH AND CASH EQUIVALENTS PER STATEMENT OF CASH FLOWS TO THE BALANCE SHEET</b>			
Per balance sheet:			
Equity in pooled cash and cash equivalents	\$ 5,146,629	\$ 28,037,085	\$ 5,686,881
Restricted equity in pooled cash and cash equivalents	-	-	1,342,877
Restricted cash and cash equivalents	-	-	12,021,284
Cash and Cash Equivalents per statement of cash flows	\$ 5,146,629	\$ 28,037,085	\$ 19,051,042
<b>NON-CASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES</b>			
The following non-cash transactions occurred during 2010:			
Contributed capital from developers	\$ -	\$ 6,901,431	\$ 5,746
Contributed capital from other funds	12,796	3,352,198	260,623
Equity in net income from joint venture	1,139,814	-	-
Investment in joint venture	(1,139,814)	-	-
Capitalized interest	-	-	277,284
Transfers of assets to other funds	-	-	(4,325)
Transfers of assets from other funds	-	-	-
Change in contracts payable for purchase of capital assets	-	39,484	(33,825)
Amortization of bond premium/discount	-	-	4,791
Bond premium/discount	-	-	(4,791)
(Gain)/Loss on sale of assets	-	616	10,000
Intergovernmental revenue	-	223,832	71,163
Debt service expense	-	(223,832)	(71,163)
Amortization of bond issue expense	-	(10,919)	(11,493)
Bond issuance expense	-	10,919	11,493

CITY OF LONGMONT, COLORADO

Exhibit 9  
(continued)

	Storm Drainage	Other Enterprise Funds	Totals	Governmental Activities- Internal Service Funds
\$	300,354	\$ (544,839)	\$ (2,402,914)	\$ (1,424,406)
	956,836	410,738	9,593,489	2,959,653
	42,464	504,542	844,460	238,077
	4,059	4,059	246,737	-
	(771)	(35,417)	(469,228)	-
	139	(5)	3,575	(678)
	14,281	36,705	41,188	-
	-	-	-	202,346
	(280)	-	(850)	16,498
	(8,967)	(48,531)	(251,274)	(18,929)
	(165,210)	(38,684)	(675,042)	(74,164)
	-	-	-	-
	5,016	10,078	67,022	6,344
	-	-	-	(199,171)
	(2,481)	11,157	42,882	(380)
	-	-	-	401,217
	(1,761)	(4,962)	(32,104)	(2,350)
	1,034	3,244	18,248	7,897
	-	-	304	-
	844,359	852,924	9,429,407	3,536,360
\$	1,144,713	\$ 308,085	\$ 7,026,493	\$ 2,111,954
\$	1,466,984	\$ 4,493,111	\$ 44,830,690	\$ 26,699,795
	6,796,213	-	8,139,090	561,000
	-	-	12,021,284	-
\$	8,263,197	\$ 4,493,111	\$ 64,991,064	\$ 27,260,795
\$	-	\$ -	\$ 6,907,177	\$ -
	-	-	3,625,617	-
	-	-	1,139,814	-
	-	-	(1,139,814)	-
	547,908	-	825,192	-
	(2,328)	-	(6,653)	-
	-	-	-	350,406
	22,329	(11,212)	16,776	-
	-	-	4,791	-
	-	-	(4,791)	-
	(20,856)	-	(10,240)	(111,113)
	-	-	294,995	-
	-	(21,181)	(316,176)	-
	(6,653)	-	(29,065)	-
	6,653	21,181	50,246	-

**STATEMENT OF FIDUCIARY NET ASSETS**  
**FIDUCIARY FUNDS**  
**December 31, 2010**

	<b>Employee Retirement Plans</b>
<hr/>	
<b>ASSETS</b>	
Equity in pooled cash & cash equivalents	\$ 309,769
Cash and cash equivalents	1,977,780
Investments	
Common Stock	62,800,360
Corporate bonds	42,085,888
Receivables	
Accrued interest	753
<hr/>	
<b>Total Assets</b>	<b>\$ 107,174,550</b>
<hr/>	
<b>LIABILITIES</b>	
Accounts payable	\$ 76,203
<hr/>	
<b>Total Liabilities</b>	<b>76,203</b>
<hr/>	
<b>NET ASSETS</b>	
Held in trust for pension & OPEB benefits	\$ 107,098,347
<hr/>	

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

**STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS**  
**FIDUCIARY FUNDS**  
**Year Ended December 31, 2010**

	<b>Employee Retirement Plans</b>
<b>ADDITIONS</b>	
Contributions	
Employer	\$ 3,117,602
Plan members	1,571,097
<b>Total Contributions</b>	<b>4,688,699</b>
Investment income	
Net appreciation in fair value of investments	10,234,149
Interest	1,496,150
Dividends	845,539
Less investment expense	(319,491)
Net investment gain	12,256,347
<b>Total additions</b>	<b>16,945,046</b>
<b>DEDUCTIONS</b>	
Benefits	3,960,204
Refunds of contributions	242,000
Administrative expense	37,229
<b>Total deductions</b>	<b>4,239,433</b>
Net increase	12,705,613
NET ASSETS HELD IN TRUST FOR PENSION AND OPEB BENEFITS, January 1	94,392,734
<b>December 31</b>	<b>\$ 107,098,347</b>

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



CITY OF LONGMONT, COLORADO

NOTES TO FINANCIAL STATEMENTS  
December 31, 2010

**NOTE 1 - REPORTING ENTITY**

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

**Blended Component Units**

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

Longmont Urban Renewal Authority (LURA) – On January 10, 2006, City Council created LURA, authorized to exercise powers and carry out duties provided in the Colorado Urban Renewal Law to remedy deterioration of land use, environment and structures. The Longmont City Council members govern LURA as the ex-officio commission. While the Urban Renewal Plan for the Southeast Longmont Urban Renewal Project was adopted in November, 2006 and the Urban Renewal Plan for Twin Peaks Mall was adopted in October, 2008, LURA remained financially inactive at December 31, 2010, and no separate financial statement is issued.

**Discretely Presented Component Units**

Longmont Downtown Development Authority - The Longmont Downtown Development Authority (DDA) is a discretely presented component unit and is reported in a separate column to emphasize that it is legally separate from the City. The DDA was created by the City of Longmont through an area election and by City Ordinance to halt and prevent deterioration of property values within the area, to assist in the development and redevelopment of the area and to promote the general welfare of the area. The Longmont City Council appoints the Authority board members. A tax is levied on the real property of the area to finance operations in subsequent years. Under Colorado law the DDA has the ability to use tax increment financing. All taxes levied on the increased valuation of the property within the DDA area over the 1983 base valuations are distributed to the Authority. \$2,600,000 of Tax Increment Bonds issued in 1998 for the purpose of traffic improvements, landscaped mid-block safety islands, and extension of streetscaping were paid off in 2007. A \$146,000 loan was taken from the City's Fleet Fund for marketing purposes in 2007. The DDA does not issue a separate financial statement.

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

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

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

This report, the accounting systems and the classifications of accounts conform to standards of the Governmental Accounting Standards Board and the Government Finance Officers Association of the United States and Canada, published in "Governmental Accounting, Auditing and Financial Reporting." Accounting treatments and financial statements also incorporate current recommendations of the Committee on Governmental Accounting and Auditing of the American Institute of Certified Public Accountants, included in the industry audit guide Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

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

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****A. City-wide and Fund Financial Statements**

The City-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the City and its component units. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which are normally supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Likewise, the City is reported separately from the legally separate DDA *component unit* for which the City is financially accountable.

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

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

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

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

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

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

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

The City reports the following major governmental funds:

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

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

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of all the enterprise and internal service funds are charges to customers for sales and services. The Water Fund also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise

CITY OF LONGMONT, COLORADO

NOTES TO FINANCIAL STATEMENTS  
December 31, 2010

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

funds and internal service funds include the cost of sales and services, administration expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The City reports the following major proprietary funds:

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

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

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

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

Additionally, the City reports the following fund types:

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

The *Employee Retirement Plan Funds* account for the accumulation of resources for pension and other post-employment benefit payments upon retirement to all eligible City employees and/or their spouses. The four Trust Funds are: *Employees Pension Fund*, *Fire Pension Fund*, *Police Pension Fund* and *Other Post-Employment Benefits (OPEB) Trust Fund*.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both City-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. The City has elected not to choose the *option* of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation.

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

**C. Assets, Liabilities and Net Assets or Equity**

**1. Deposits and Investments**

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

City and component unit investments are reported at fair value. The reported value of the local government investment pool is equal to the fair value of the pool shares.

**2. Receivables and payables**

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

All trade and property tax receivables, including those for DDA, are shown net of an allowance for uncollectibles. The allowance for uncollectible utility accounts receivable is based on a three year average and approximates 2%. The property tax receivable allowance is 2% of outstanding property taxes at December 31, 2010.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

In 2008, the City changed its estimate of allowance for doubtful accounts for the loans receivable in the Affordable Housing and Community Development Block Grant Funds. The allowance for uncollectible housing assistance loans is estimated to be the full value of the loans.

**3. Inventories and prepaid items**

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

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

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

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

**4. Restricted Assets**

Certain proceeds of bonds as well as resources set aside for their repayment are classified as restricted assets. Also restricted due to legally limited use are proceeds of certain developer contributions. The State of Colorado requires restriction of \$561,000 for risk retention in the Workers Compensation Fund.

**5. Capital Assets**

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), are reported in the applicable governmental or business-type activities columns in the City-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life exceeding two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Retroactive reporting of general governmental infrastructure was implemented in 2006.

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included in the capitalized value of assets constructed. In 2010, there was \$547,908 of interest incurred and included in the capital costs of the Storm Drainage Fund and \$277,284 of interest incurred and included in the capital costs of the Sewer Fund.

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

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

**6. Deferred and unearned revenues**

In the government funds, deferred revenues represent amounts due, which are measurable, but not available. In the statement of net assets and governmental funds, unearned revenues represent the deferral of property tax receivables which are levied for a future period.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**7. Compensated absences**

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

**8. Long-term obligations**

In the City-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statements of net assets. Bond premiums and discounts, as well as issuance costs are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

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

**9. Fund Balance**

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

**10. Net Assets**

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net assets invested in capital assets, net of related debt for business-type activities, excludes unspent debt proceeds of \$20,166,230. Net assets are reported as restricted when there are limitations imposed on their use through enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulation of other governments. Net assets restricted by enabling legislation include \$46,305,500 for construction, acquisition/debt service, \$838,748 for community development projects, \$12,374,996 for transportation improvements, \$2,652,118 for public safety projects, and \$3,435,470 for statutory emergency requirement.

**11. Capital Contributions**

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

**12. Investment in Joint Venture**

The Electric Enterprise Fund reports its interest in the Platte River Power Authority as a joint venture and its share of the equity of Platte River is disclosed on the balance sheet as an "Investment in Joint Venture." Increases (decreases) in the investment are reported as non-operating revenue (expense) on the statement of revenues, expenses and changes in net assets. The increase (decrease) may not necessarily be equal to the City's share of net income reported in the joint venture footnote (see Note 22) because the residual interest of the City varies each year based on payments to the Authority for electric power.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**13. Use of Estimates**

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

**D. Budgetary Information**

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

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

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

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

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

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

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

CITY OF LONGMONT, COLORADO

NOTES TO FINANCIAL STATEMENTS  
December 31, 2010

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

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

<b>Fund</b>	<b>Original Appropriation</b>	<b>Supplemental Appropriations</b>	<b>Amended Appropriations</b>
<b>General Fund</b>	\$ 60,451,956	\$ 2,012,514	\$ 62,464,470
<b>Special Revenue Funds:</b>			
Conservation Fund	-	2,347,226	2,347,226
Park Improvement Fund	141,454	324,657	466,111
General Improvement			
District #1 Fund	86,745	17,324	104,069
Community Development Fund	1,082,885	808,251	1,891,136
Downtown Parking Fund	68,575	330,132	398,707
Judicial Wedding Fee Fund	2,283	-	2,283
Streets System Fund	14,593,752	3,387,801	17,981,553
Police Seizures Fund	-	35,836	35,836
Police Prevention/Education Fund	-	139,244	139,244
Art in Public Places	117,667	1,067	118,734
Youth Services Fund	6,000	51,997	57,997
Transportation Community			
Investment Fee Fund	-	1,082,559	1,082,559
Public Buildings Community			
Investment Fee Fund	300,000	67,814	367,814
Electric Community			
Investment Fee Fund	375,000	-	375,000
Water System Construction			
Reserve Fund	1,469,773	2,365,547	3,835,320
Water Acquisition Fund	300,000	789,195	1,089,195
Raw Water Fund	10,000	-	10,000
Sewer Construction Fund	354,929	235,623	590,552
Library Services Fund	71,000	61,248	132,248
Museum Services Fund	91,582	38,791	130,373
Callahan House Fund	77,239	-	77,239
Senior Services Fund	157,647	17,000	174,647
Parks Grants & Donations Fund	-	20,000	20,000
Affordable Housing Fund	840,585	79,802	920,387
Open Space Sales Tax Fund	3,368,295	23,323,725	26,692,020
Public Safety	4,802,147	1,898,295	6,700,442
Lodgers Tax Fund	250,535	62,463	312,998
Probation Services Fund	79,093	1,321	80,414
Museum Trust Fund	19,200	8,500	27,700
<b>Capital Projects Funds:</b>			
Public Improvement Fund	4,618,191	9,134	4,627,325
<b>Enterprise Funds:</b>			
Sanitation Fund	5,697,697	290,069	5,987,766
Golf Fund	2,807,984	1,483,457	4,291,441
Electric Fund	54,818,062	1,206,629	56,024,691
Telecommunications Fund	486,796	-	486,796
Water Fund	19,418,858	2,462,099	21,880,957
Sewer Fund	7,915,031	2,507,865	10,422,896
Storm Drainage Fund	9,014,552	6,016,413	15,030,965
Airport Fund	219,183	456,128	675,311
<b>Fleet Internal Service Fund</b>	7,510,900	876,124	8,387,024
<b>Component Unit-DDA</b>			
Development Authority			
Operations	207,754	37,012	244,766
Debt Service	471,992	75,000	546,992
Capital Construction	2,800,000	253,551	3,053,551
Building permit	21,900	30,000	51,900
Marketing	146,623	110,416	257,039
Façade Improvement	-	1,300,000	1,300,000
	<b>\$ 205,273,865</b>	<b>\$ 56,621,829</b>	<b>\$ 261,895,694</b>

CITY OF LONGMONT, COLORADO  
 NOTES TO FINANCIAL STATEMENTS  
 December 31, 2010

**NOTE 3 - RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

- A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net assets

The governmental fund balance sheet includes a reconciliation between *fund balance-total governmental funds and net assets-governmental activities* as reported in the government-wide statement of net assets. One element of that reconciliation explains that “long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.” The details of the \$60,669,765 difference are as follows:

Bonds Payable	\$49,470,000
Less: Deferred charge on refunding (to be amortized as interest expense)	(1,474,734)
Less: Issuance discount (to be amortized as interest expense)	(14,888)
Issuance premium (to be amortized against interest expense)	1,210,238
Accrued interest payable	1,023,172
Capital leases payable	5,057,886
Net other post employment benefit obligation	175,635
Compensated absences	<u>5,222,456</u>
 Net adjustment to reduce <i>fund balance-total governmental funds to arrive at net assets-governmental activities</i>	 <u>\$60,669,765</u>

- B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes reconciliation between *net changes in fund balances-total governmental funds* and *changes in net assets of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that “Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.” The details of the \$1,157,529 difference are as follows:

Capital outlay	\$11,844,425
Depreciation expense	<u>(13,001,954)</u>
 Net adjustment to decrease <i>net changes in fund balances-total governmental funds to arrive at changes in net assets of governmental activities</i>	 <u>\$(1,157,529)</u>



CITY OF LONGMONT, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2010

**NOTE 3 - RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (continued)**

Another element of that reconciliation states that “the issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.” The details of this \$8,768,009 difference are as follows:

Issuance of debt:		
Lease proceeds	\$	(74,088)
Issuance of long-term debt		(29,770,000)
Premium on debt issuance		(177,173)
Principal repayments:		
Revenue bond debt		1,100,000
General obligation debt		14,860,000
Payments of capital leases		<u>5,293,252</u>
Net adjustments to decrease net changes in fund balances-total governmental funds to arrive at changes in net assets of governmental activities	\$	<u><u>(8,768,009)</u></u>

Another element of that reconciliation states that “Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.” The details of this \$1,203,932 difference are as follows:

Compensated absences	\$	(149,331)
Accrued interest		(49,629)
Net pension obligation decrease		539,163
Other post employment benefits increase		102,680
Deferred loss on refunding		462,432
Bond issuance costs		408,421
Amortization of deferred charge on refunding		(172,272)
Amortization of issuance costs		(59,719)
Amortization of bond discount		(1,668)
Amortization of bond premium		<u>123,855</u>
Net adjustment to increase net changes in fund balances-total governmental funds to arrive at changes in net assets of governmental activities	\$	<u><u>1,203,932</u></u>

**NOTE 4- PROPERTY TAX AND SALES AND USE TAX**

Property Taxes:

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

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

Sales and Use Tax:

A 3.275% tax is imposed on the sale or use of all tangible personal property in the City except for certain specified exemptions. The City administers the collection of such taxes from licensed businesses. The 3.275% is allocated as follows in 2010:

**Earmarked Sales and Use Tax**

· Streets System Special Revenue Fund	0.750%
· Open Space Special Revenue Fund	0.200%
· Public Safety Sales Tax Fund	0.325%

**General Sales Tax**

· General Fund	2.000%
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**General Use Tax**

· General Fund	0.141%
· Public Improvements Capital Projects Fund	1.859%

**NOTE 5- DEPOSITS AND INVESTMENTS**

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

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

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

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

CITY OF LONGMONT, COLORADO

NOTES TO FINANCIAL STATEMENTS  
December 31, 2010

**NOTE 5 - DEPOSITS AND INVESTMENTS**

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

	<b>Total</b>
Statement of Net Assets:	
Equity in pooled cash and cash equivalents-primary government	\$ 138,966,893
Equity in pooled cash and cash equivalents-restricted	3,761,626
Cash and cash equivalents-primary government	118,647
Cash and cash equivalents-restricted	27,799,504
	<b>\$ 170,646,670</b>

**DEPOSITS - Custodial Credit Risk.** Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. Deposits are carried at cost. Accrued interest is recorded as a receivable. Deposits include certificates of deposit and bank balances representing equity in pooled cash and investments and savings accounts of certain individual funds. Colorado statutes require that all eligible public depositories pledge collateral having a fair value equal to at least 102% of the aggregate of all public deposits. The City's investment policy parallels the State collateralization requirements. All institutions holding City of Longmont deposits are currently certified as eligible public depositories in accordance with the statutes. As of December 31, 2010, the City's deposits had a bank balance of \$23,225,552 with a corresponding book balance of \$22,539,863.

**INVESTMENTS - Other Investments** include investments in local government pools of government-backed securities. Local government investment pools in Colorado must be organized under Colorado Revised Statutes, and are therefore subject to oversight by the Colorado Securities Commission, with quarterly reporting and annual audits required. The fair value of the City's position in the external investment pools is the same as the value of the pool shares.

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

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

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

The City invests in Colorado Government Liquid Asset Trust Plus (Colotrust Plus) and the Colorado Surplus Asset Fund Trust (CSAFE), both established for Colorado local governments surplus fund pooling. Both pools are regulated by the Colorado Securities Commissioner. Pool investments consist of U.S. Treasury bills, notes and note strips, commercial paper allowed by state statute and repurchase agreements collateralized by U.S. Treasury securities and or instrumentalities. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. Securities owned by the pools are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian's internal records identify the investments owned by the

CITY OF LONGMONT, COLORADO

NOTES TO FINANCIAL STATEMENTS  
December 31, 2010

**NOTE 5 - DEPOSITS AND INVESTMENTS**

specific pool. ColoTrust Plus and C-SAFE are 2a7-like investment pools and are both rated by Standard and Poor's, and Moody's with current ratings of AAA and Aaa. Investments and investment pools are recorded at fair value.

Interest Rate Risk – The City minimizes the risk that fair value of securities in the portfolio will fall due to changes in general interest rates, by: Structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities prior to maturity. This is accomplished by investing operating funds and non- operating funds in shorter term securities (with a maximum of no more than five years), mutual funds and local investment pools. Weighted average market duration as of December 31, 2010 was 1.28 years. The City's investment policy does not otherwise limit interest risk.

As of December 31, 2010, the City had the following investments:

Investment Type	Fair Value	Weighted Average Market Duration (in years)	Rating	% of Portfolio
U.S. Treasuries	\$ 22,859,081	0.66	Not Rated	13.07
U.S. Instrumentality-FHLMC	27,793,669	2.92	AAA	15.89
U.S. Instrumentality-FNMA	40,869,928	1.25	AAA	23.36
U.S. Instrumentality-FHLB	28,582,283	0.94	AAA	16.34
U.S. Instrumentality-FFCB	17,420,364	1.41	AAA	9.96
Money Market Funds	19,103,116	0.00	AAA	10.92
Local Investment Pools	<u>18,301,064</u>	0.00	AAA	10.46
Total fair value	<u>\$ 174,929,505</u>			
Portfolio duration		1.28		
Percentage of Portfolio				100.00

The value of the pooled investments includes \$309,769 and \$7,409,762 of pooled cash and cash equivalents of the Fiduciary Funds and the discretely presented component unity, respectively.

**INVESTMENTS – FIDUCIARY FUNDS** - The City has fiduciary responsibility for three defined benefit pension plans as described in Note 19 and other post-employment benefits as described in Note 17. The majority of the funds available in each of the fiduciary funds are invested in fixed income and equity securities through an independent money manager selected by the pension boards. For marketable equity securities held for investment purposes, fair values are based on quoted market prices or dealer quotes. For other securities held as investments, fair value equals quoted market price, if available. If a quoted market price is not available, fair value is estimated using quoted market prices for similar securities.

The Pension Master Trust investment policy statement objectives are to be viewed over the long term with investments in both equity and fixed income instruments to provide a rate of return which exceeds the inflation rate, as measured by the Consumer Price Index, by 4.5% per year. The plan's investment guidelines are based upon an investment horizon of greater than 5 years and a targeted risk tolerance of -15.2% in any one year to be reviewed each year. In accordance with its investment policy, permissible investments for the plan include publicly-traded stocks and fixed income securities, whether interest-bearing or discount instruments, including money market instruments, subject to any restrictions specified by the plan

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

CITY OF LONGMONT, COLORADO  
 NOTES TO FINANCIAL STATEMENTS  
 December 31, 2010

**NOTE 5 - DEPOSITS AND INVESTMENTS (continued)**

Concentration of Credit Risk - Concentration of credit risk is the risk loss attributed to the concentration of the pension's investment in a single issuer. The policy states that the plans assets should be diversified with a strategic asset allocation of 32% in both Domestic Large Cap Value and Domestic Large Cap Growth, 7% in Domestic Small and Mid Cap, 15% in International Equity, 28% in Domestic Fixed Income and 4% in High Yield Credit, 2% in Commodities, 4% in Global REITs and 8% in Corporate Loans. As of December 31, 2010 these strategic targets have been met.

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

Interest Rate Risk- This is the risk that changes in interest rates will adversely affect the portfolio's fair value. The pensions fund's investment policy specifies a targeted rate of return of 4.5% over the Consumer Price Index. The Policy also states that the investment guidelines are based upon an investment horizon of greater than five years, so that interim fluctuations should be viewed with appropriate perspective. For 2010, the actual return for the plan was 13.6% while the targeted rate of return was 6.00%.

As of December 31, 2010, the Fiduciary Funds had the following investments.

Employee, Police and Fire Pension Plans:

<b>Investment Type</b>	<b>Fair Value</b>	<b>% of Portfolio</b>	<b>Rating</b>
Domestic Equities	\$ 45,873,301	43.08%	Not available
International Equities	16,654,284	15.64%	Not available
Domestic Fixed Income	25,602,179	24.04%	Not available
Corporate Loans	6,541,832	6.14%	Not available
High Yield Credit	4,458,153	4.19%	Not available
Commodities	3,148,044	2.96%	Not available
Global REIT'S	3,926,313	3.69%	Not available
Cash & Cash Equivalents	286,605	0.26%	Not available
Total	\$ <u>106,490,711</u>	100.00%	

OPEB Trust Fund:

<b>Investment Type</b>	<b>Fair Value</b>	<b>% of Portfolio</b>	<b>Rating</b>
Cash & Cash Equivalents	373,317	100.00%	Not available
Total	\$ <u>373,317</u>	100.00%	

**NOTE 6 - DONOR-RESTRICTED ENDOWMENTS**

The City is the recipient of two nonexpendable trusts for which the corpora are as follows: \$629,576 Mosher Trust for library purposes and \$15,000 Kanemoto Trust for Kanemoto Park purposes. Net appreciation on these investments are available for expenditure upon appropriation by City Council in the amounts of \$485,903 and \$4,450, respectively. City Financial Policy requires that the interest earnings on these endowments be expended on the recommendation of the related advisory board.

**NOTE 7 - LEASED PROPERTY UNDER CAPITAL LEASES**

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

The following is an analysis of the equipment and facilities under capital leases by activity and fund, and by type as of December 31, 2010:

<b>Governmental Activities</b>	
Terry St. Fire Station	3,180,836
Energy Equipment Lease	2,053,227
Cannon Copier	<u>74,088</u>
Total Governmental Activities	\$ <u>5,308,151</u>

CITY OF LONGMONT, COLORADO  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2010

**NOTE 7 - LEASED PROPERTY UNDER CAPITAL LEASES continued**

The following is a schedule by years of future lease payments under capital leases together with the present value of the net lease payments by activity type as of December 31, 2010:

Governmental Activities			
Year	Principal	Interest	Total
2011	\$ 290,132	\$ 245,796	\$ 535,928
2012	312,301	230,707	543,008
2013	336,101	214,505	550,606
2014	365,169	196,912	562,081
2015	386,693	177,968	564,661
2016-2020	2,397,092	574,621	2,971,713
2021-2025	970,398	95,458	1,065,856
<b>Total</b>	<b>5,057,886</b>	<b>1,735,967</b>	<b>6,793,853</b>

**NOTE 8 - PRIOR-YEAR DEFEASANCE OF DEBT**

On October 14, 2010, the City issued \$19,330,000 of Open Space Sales and Use Tax Revenue Refunding Bonds, Series 2010A, with interest rates ranging from 2.0 to 3.75 percent, to advance refund \$13,120,000 relating to outstanding Series 2001 Sales and Use Tax Revenue bonds, with an interest rate of 4.7 percent and the \$5,023,000 Sherwood Open Space Land Lease. The net proceeds of \$14,732,432 were used to purchase state and local government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the 2001 bonds and the lease referred to above. As a result, the 2001 bonds and the lease are considered to be defeased and the liability for those long-term liabilities has been removed from the government-wide state of net assets.

The advance refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt in the amount of \$462,432. This difference, reported in the accompanying financial statements as a deferral on refunding, is being charged to operations through the year 2019 using a method which approximates the interest method. The City completed the advance refunding to reduce its total debt service payments by \$1,005,823 and to obtain an economic gain (difference between the present values of the old and new debt service payments) of \$178,333.

CITY OF LONGMONT, COLORADO  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2010

**NOTE 9 - LONG-TERM DEBT**

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

Changes in long-term liabilities

Long-term liability activity for the year end December 31, 2010, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Governmental Activities:</b>					
Bonds Payable:					
General Obligation Bonds	\$ 3,425,000	\$ -	\$ (1,100,000)	\$ 2,325,000	\$ 1,140,000
Revenue Bond	32,235,000	29,770,000	(14,860,000)	47,145,000	1,700,000
Amortization of refunding loss	(1,184,574)	(462,432)	172,272	(1,474,734)	-
Amortization of discount/premium	1,140,364	177,173	(122,187)	1,195,350	-
Total bonds payable	<u>35,615,790</u>	<u>29,484,741</u>	<u>(15,909,915)</u>	<u>49,190,616</u>	<u>2,840,000</u>
Capital Leases	10,277,050	74,088	(5,293,252)	5,057,886	290,132
Claims (see Note 14)	819,007	1,946,651	(1,545,434)	1,220,224	692,243
Net OPEB Obligation	284,618	179,588	(284,618)	179,588	-
Compensated Absences	5,237,339	4,823,688	(4,714,686)	5,346,341	607,594
Governmental activity long-term liabilities	<u>\$ 52,233,804</u>	<u>\$ 36,508,756</u>	<u>\$ (27,747,905)</u>	<u>\$ 60,994,655</u>	<u>\$ 4,429,969</u>
<b>Business-type Activities:</b>					
Revenue Bonds Payable	\$ 14,030,000	\$ 13,390,000	\$ (520,000)	\$ 26,900,000	\$ 805,000
Amortization of premium	59,181	44,225	(7,920)	95,486	-
Capital Leases	1,919,455	-	(1,919,455)	-	-
Compensated Absences	1,420,267	1,088,338	(1,027,208)	1,481,397	164,812
Loans payable	15,536,964	-	(1,155,525)	14,381,439	1,170,488
Amortization of discount/premium	92,507	-	(4,919)	87,588	-
Net OPEB Obligation	88,699	56,595	(88,699)	56,595	-
Construction contracts	915,270	-	(57,519)	857,751	-
	<u>\$ 34,062,343</u>	<u>\$ 14,579,158</u>	<u>\$ (4,781,245)</u>	<u>\$ 43,860,256</u>	<u>\$ 2,140,300</u>
<b>Component Unit :</b>					
Loans payable - primary government	\$ 146,000	\$ -	\$ -	\$ 146,000	\$ -
Compensated Absences	15,266	9,371	(19,984)	4,653	1,789
	<u>\$ 161,266</u>	<u>\$ 9,371</u>	<u>\$ (19,984)</u>	<u>\$ 150,653</u>	<u>\$ 1,789</u>

CITY OF LONGMONT, COLORADO  
 NOTES TO FINANCIAL STATEMENTS  
 December 31, 2010

**NOTE 9 - LONG-TERM DEBT (continued)**

**A. Governmental Activities:**

**General Obligation Bonds:**

\$9,335,000 2002 Civic Center refunding bonds due in annual installments of \$1,110,000 to \$1,185,000 through November 15, 2012; interest rates range from 3.3% to 3.5% (unamortized premium of \$9,396) \$ 2,325,000

**Revenue Bonds:**

\$17,375,000 2006 Sales and Use Tax Revenue Refunding Bonds due in annual installments of \$645,000 to \$2,705,000 through May 15, 2019; interest rates range from 4.0 to 6.0 percent (unamortized premium of \$999,134.) Total principal and interest remaining to be paid is \$22,147,588 and is expected to require less than 10% of pledged revenue. Total payment in 2010 was \$1,463,575 and pledged revenue was \$27,221,782. \$ 17,375,000

\$19,330,000 2010 Open Space Sales and Use Tax Revenue Refunding Bonds due in annual installments of \$1,060,000 to \$1,330,000 through November 15, 2026; interest rates range 2 to 3.75 percent (plus amortized premium of \$174,866). Total principal and interest remaining to be paid is \$24,824,664 and is expected to require less than 65% of pledged revenue. There were no payments due in 2010 and pledged revenue was \$2,722,178. 19,330,000

\$10,440,000 2010 Sales and Use Tax Revenue Bonds due in annual installments of \$85,000 to \$1,570,000 through November 15, 2033; interest rates range from 5.0 to 5.45 percent with a 35% interest rate subsidy under the Build America Bonds program. Total principal and interest remaining to be paid is \$17,744,884 and is expected to require less than 10% of pledged revenue. There was no payments in 2010 and pledged revenue was \$2,722,178. 10,440,000

**\$ 47,145,000**

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

Year Ending	General Obligation		Revenue Bonds			City Total
	Principal	Interest	Principal	Interest	Interest Subsidy	
December 31						
2011	\$ 1,140	\$ 80	\$ 1,700	\$ 2,032	\$ (212)	\$ 4,740
2012	1,185	41	1,790	1,886	(195)	4,707
2013	-	-	3,130	1,807	(195)	4,742
2014	-	-	3,225	1,703	(195)	4,733
2015	-	-	3,320	1,596	(195)	4,721
2016-2020	-	-	15,845	5,872	(975)	20,742
2021-2025	-	-	6,425	3,725	(975)	9,175
2026-2030	-	-	7,095	2,378	(815)	8,658
2031-2033	-	-	4,615	507	(177)	4,945
	\$ 2,325	\$ 121	\$ 47,145	\$ 21,506	\$ (3,934)	\$ 67,163



CITY OF LONGMONT, COLORADO  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2010

**NOTE 9 - LONG-TERM DEBT (continued)**

The following is a summary of changes in governmental activity long-term debt (other than bonded debt) for the City of Longmont for the year ended December 31, 2010.

**Capital Lease**

Lease obligations per Note 7. Payable from  
General Fund and Public Safety Fund \$ 5,057,886

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**Net Other Post Employment Benefit Obligation**

Implicit Subsidy for blended rate retiree healthcare \$ 179,588

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**Accrued Sick and Vacation**

Accrual of compensated absences per Note 2-C7.  
Payable from revenues of the General Fund,  
Streets Fund, Community Development Fund, Public Safety Fund and Fleet Fund \$ 5,346,341

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**B. Business-type Activities**

The following is a summary of changes in proprietary long-term debt (other than bonded debt) for the City of Longmont for the year ended December 31, 2010:

**Revenue Bonds:**

\$14,540,000 2008 Storm Drainage Revenue Bonds for the purpose of storm drainage system replacements and improvements including Lykins Gulch Drainage way, State Highway 66 Regional drainage improvements, Spring Gulch #2 Drainage, and Left Hand Creek bridge replacement at South Pratt Parkway. Future customer fees net of certain operating expenses, are expected to exceed the annual payments by 33%. Total principal and interest paid in 2010 was \$1,089,231 compared to net pledged fees of \$1,355,234. Due in installments of \$520,000 to \$1,065,000 through December 1, 2028; interest rates range from 3.0 to 4.5 percent (unamortized premium of \$56,052). \$ 13,510,000

\$2,300,000 2010A Sewer Revenue Bonds for the purpose of wastewater system improvements. Future customer fees net of certain operating expenses, are expected to exceed the annual payments by 38%. Total principal and interest paid in 2010 was \$17,122 compared to net pledged fees of \$1,638,117. Due in installments of \$275,000 to \$570,000 through November 1, 2015 with an interest rate of 2 percent (unamortized premium of \$39,434). 2,300,000

\$11,090,000 2010B Sewer Revenue Bonds for the purpose of wastewater system improvements. Future customer fees net of certain operating expenses, are expected to exceed the annual payments by 38%. Total principal and interest paid in 2010 was \$120,647 compared to net pledged fees of \$1,638,117. Due in installments of \$590,000 to \$935,000 through November 1, 2030; interest rates range from 3.1 to 5.2 percent with a 35% interest rate subsidy under the Build America Bonds program. 11,090,000

\$ 26,900,000

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

Year Ending December 31	Revenue Bonds			City Total
	Principal	Interest	Interest Subsidy	
2011	\$ 805	\$ 1,098	\$ (175)	\$ 1,728
2012	895	1,076	(175)	1,796
2013	1,115	1,051	(175)	1,991
2014	1,145	1,020	(175)	1,990
2015	1,175	988	(175)	1,988
2016-2020	6,525	4,300	(799)	10,026
2021-2025	7,850	2,849	(561)	10,138
2026-2030	7,390	960	(239)	8,111
	<u>\$ 26,900</u>	<u>\$ 13,342</u>	<u>\$ (2,474)</u>	<u>\$ 37,768</u>

**Accrued Sick and Vacation**

Accrual of compensated absences per Note 2-C7.  
Payable from the Enterprise Funds \$ 1,481,397

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CITY OF LONGMONT, COLORADO  
 NOTES TO FINANCIAL STATEMENTS  
 December 31, 2010

**NOTE 9 - LONG-TERM DEBT (continued)**

**Loans Payable**

\$3,500,000 from the Colorado Water Resources and Power Authority for an ammonia removal system at the wastewater treatment plant. The loan is to be repaid from the revenues of the Sewer Fund. Annual installments of \$266,851 continue through August 1, 2012, at an interest rate of 4.17 percent (less unamortized discount of \$10,229). \$ 367,416

\$14,998,044 from the Colorado Water Resources and Power Authority for the construction of a water treatment plan to be repaid from the revenues of the Water Fund. Annual installments vary from \$1,354,967 to \$1,356,206 through August 1, 2023 at 3.11% (plus unamortized premium of \$97,818). 14,014,023

\$ 14,381,439

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

Year Ending December 31	Principal	Interest	Total
2011	\$ 1,170	\$ 525	\$ 1,695
2012	1,132	482	1,614
2013	990	427	1,417
2014	1,006	398	1,404
2015	1,017	369	1,386
2016-2020	5,418	1,276	6,694
2021-2023	3,648	273	3,921
Total	<u>\$ 14,381</u>	<u>\$ 3,750</u>	<u>\$ 18,131</u>

**Net Other Post Employment Benefit Obligation**

Implicit Subsidy for blended rate retiree healthcare \$ 56,595

**Construction Contracts**

Developer participation contracts for oversizing of water and sewer lines. Contracts established in 1996 through 2010, pending final acceptance of improvements, with minimum annual installments of \$200,000. \$ 857,751

**C. Component Unit**

**Loans Payable:**

\$146,000 from City of Longmont Fleet Fund for Marketing Fund expenses to be repaid from tax increment property taxes, due 12/31/13. Interest rate equal to City's annual rate of return, 2.07% in 2010; \$13,909 interest accrued at 12/31/10 \$ 146,000

Accrual of compensated absences per Note 2-C7. \$ 4,653

CITY OF LONGMONT, COLORADO  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2010

**NOTE 10 - ADJUSTMENTS TO CONVERT LEGAL BASIS TO GAAP BASIS**

The following adjustments are needed to reconcile the difference in the results of operations from the legal basis to the generally accepted accounting principles basis:

	General Fund	Street Systems Special Revenue Fund	Sanitation Enterprise Fund	Golf Enterprise Fund
Excess of revenues over (under) expenditures - Legal basis	\$ 1,914,754	\$ 2,782,850	\$ (407,681)	\$ (189,692)
Add:				
Transfers out not included as an increase of legal basis expenditures	191,328	(215,614)	-	-
Transfers in not included as a reduction of legal basis expenditures	-	393,360	-	-
Additions to plant and equip- ment included as legal basis expenditures	-	-	23,954	23,387
Principal retired included as legal basis expenditures	-	-	-	1,919,455
Capitalized salaries/expenses included in legal basis expenditures	-	-	-	-
Capitalized interest included in legal basis expenditures	-	-	-	-
Capital contributions not included as legal revenues	-	-	-	-
Property and equipment transferred from other funds	-	-	-	-
Gain on disposal of assets	-	-	-	-
Equity in net income from joint venture	-	-	-	-
Excess of revenues over expenditures: Public Improvement capital projects fund	-	-	-	-
Less:				
Depreciation	-	-	(179,722)	(64,354)
Loss on disposal of assets	-	-	-	-
Advance proceeds included as legal basis revenues	-	-	-	(1,472,460)
Property and equipment transferred to other funds	-	-	-	-
Excess of revenues over (under) expenditures - GAAP basis	\$ 2,106,082	\$ 2,960,596		
Change in net assets - GAAP basis			\$ (563,449)	\$ 216,336

CITY OF LONGMONT, COLORADO  
 NOTES TO FINANCIAL STATEMENTS  
 December 31, 2010

**NOTE 10: ADJUSTMENTS TO CONVERT LEGAL BASIS TO GAAP BASIS (continued)**

Electric Enterprise Fund	Telecom- munications Enterprise Fund	Water Enterprise Fund	Sewer Enterprise Fund	Storm Drainage Enterprise Fund	Airport Enterprise Fund	Fleet Internal Service Fund
\$ (118,959)	\$ 339,547	\$ (334,791)	\$ 802,411	\$ (5,030,963)	\$ (93,139)	\$ (334,521)
-	-	-	-	-	-	-
-	-	-	-	-	-	-
729,758	49,371	4,068,952	709,646	5,326,242	76,546	3,203,768
-	-	950,853	204,672	520,000	-	-
271,958	12,625	293,417	105,126	62,516	-	-
-	-	-	277,282	547,908	-	-
-	-	6,901,431	5,746	-	-	-
12,796	-	3,352,198	260,623	-	-	350,406
-	-	616	10,000	-	-	657,236
1,139,814	-	-	-	-	-	-
-	-	-	-	-	-	-
(2,245,962)	(54,321)	(3,683,438)	(2,296,515)	(956,836)	(112,341)	(2,959,653)
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	(4,325)	-	-	-
\$ (210,595)	\$ 347,222	\$ 11,549,238	\$ 74,666	\$ 468,867	\$ (128,934)	\$ 917,236

CITY OF LONGMONT, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2010

**NOTE 11 - CHANGES IN CAPITAL ASSETS**

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Deletions</b>
<b>Governmental activities:</b>			
Capital assets, not being depreciated:			
Land and water rights	\$ 95,467,798	\$ 1,226,262	\$ -
Construction in progress	14,925,764	8,508,997	-
Total capital assets, not being depreciated	<u>110,393,562</u>	<u>9,735,259</u>	<u>-</u>
Capital assets, being depreciated:			
Buildings	64,793,002	257,627	-
Improvements other than buildings	299,575,049	2,542,478	-
Equipment	43,847,303	3,832,159	(1,726,122)
Equipment under capital leases	101,864	74,088	(101,864)
Total capital assets, being depreciated	<u>408,317,218</u>	<u>6,706,352</u>	<u>(1,827,986)</u>
Less accumulated depreciation for:			
Buildings	(21,160,110)	(1,895,840)	-
Improvements other than buildings	(149,064,049)	(9,801,182)	-
Equipment	(33,825,605)	(4,257,175)	1,663,694
Equipment under capital leases	(20,372)	(7,409)	20,372
Total accumulated depreciation	<u>(204,070,136)</u>	<u>(15,961,606)</u>	<u>1,684,066</u>
Total capital assets, being depreciated, net	<u>204,247,082</u>	<u>(9,255,254)</u>	<u>(143,920)</u>
Governmental activities capital assets, net	<u>\$ 314,640,644</u>	<u>\$ 480,005</u>	<u>\$ (143,920)</u>
<b>Business-type activities:</b>			
Capital assets, not being depreciated:			
Land and water rights	\$ 170,928,267	\$ 11,892,972	\$ -
Construction in progress	1,420,577	7,239,386	-
Total capital assets, not being depreciated	<u>172,348,844</u>	<u>19,132,358</u>	<u>-</u>
Capital assets, being depreciated:			
Buildings	142,716,641	445,141	-
Improvements other than buildings	337,330,932	3,385,627	-
Equipment	9,008,520	144,029	(13,650)
Total capital assets, being depreciated	<u>489,056,093</u>	<u>3,974,797</u>	<u>(13,650)</u>
Less accumulated depreciation for:			
Buildings	(37,808,463)	(2,765,806)	-
Improvements other than buildings	(99,168,524)	(6,429,697)	-
Equipment	(7,531,253)	(397,986)	13,650
Total accumulated depreciation	<u>(144,508,240)</u>	<u>(9,593,489)</u>	<u>13,650</u>
Total capital assets, being depreciated, net	<u>344,547,853</u>	<u>(5,618,692)</u>	<u>-</u>
Business-type activities capital assets, net	<u>\$ 516,896,697</u>	<u>\$ 13,513,666</u>	<u>\$ -</u>

CITY OF LONGMONT, COLORADO  
 NOTES TO FINANCIAL STATEMENTS  
 December 31, 2010

**NOTE 11 - CHANGES IN CAPITAL ASSETS**

Transfers	Ending Balance
\$ -	\$ 96,694,060
(14,925,764)	8,508,997
<u>(14,925,764)</u>	<u>105,203,057</u>
14,925,764	79,976,393
-	302,117,527
-	45,953,340
-	74,088
<u>14,925,764</u>	<u>428,121,348</u>
-	(23,055,950)
-	(158,865,231)
-	(36,419,086)
-	(7,409)
<u>-</u>	<u>(218,347,676)</u>
<u>14,925,764</u>	<u>209,773,672</u>
<u>\$ -</u>	<u>\$314,976,729</u>

Transfers	Ending Balance
\$ -	\$182,821,239
(1,420,576)	7,239,387
<u>(1,420,576)</u>	<u>190,060,626</u>
129,455	143,291,237
1,391,733	342,108,292
(100,612)	9,038,287
<u>1,420,576</u>	<u>494,437,816</u>
-	(40,574,269)
-	(105,598,221)
-	(7,915,589)
<u>-</u>	<u>(154,088,079)</u>
<u>1,420,576</u>	<u>340,349,737</u>
<u>\$ -</u>	<u>\$530,410,363</u>

CITY OF LONGMONT, COLORADO

NOTES TO FINANCIAL STATEMENTS  
December 31, 2010

**NOTE 11 - CHANGES IN CAPITAL ASSETS (continued)**

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

Governmental activities:	
General government	\$ 5,177,948
Public safety	730,275
Highway and streets	8,514,972
Culture and recreation	1,538,411
	<hr/>
Total depreciation expense - governmental activities	<u>\$15,961,606</u>
Business-type activities:	
Sanitation	\$ 179,722
Golf	64,354
Electric	2,245,962
Telecommunications	54,321
Water	3,683,438
Sewer	2,296,515
Storm drainage	956,836
Airport	112,341
	<hr/>
Total depreciation expense - business-type activities	<u>\$ 9,593,489</u>

**Discretely presented component units**

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Deletions</b>	<b>Ending Balance</b>
<b>Downtown development authority:</b>				
Capital assets, not being depreciated:				
Land and water rights	\$ 443,018	\$ -	\$ -	\$ 443,018
Construction in progress	-	30,247	-	30,247
Total capital assets, not being depreciated	<hr/> 443,018	<hr/> 30,247	<hr/> -	<hr/> 473,265
Capital assets, being depreciated:				
Buildings	82,455	-	-	82,455
Improvements other than buildings	3,114,245	-	-	3,114,245
Equipment	2,542	-	-	2,542
Total capital assets, being depreciated	<hr/> 3,199,242	<hr/> -	<hr/> -	<hr/> 3,199,242
Less accumulated depreciation for:				
Buildings	(30,552)	(1,757)	-	(32,309)
Improvements other than buildings	(1,882,624)	(206,951)	-	(2,089,575)
Equipment	(292)	(85)	-	(377)
Total accumulated depreciation	<hr/> (1,913,468)	<hr/> (208,793)	<hr/> -	<hr/> (2,122,261)
Total capital assets, being depreciated, net	<hr/> 1,285,774	<hr/> (208,793)	<hr/> -	<hr/> 1,076,981
Downtown development authority capital assets, net	<hr/> <u>\$ 1,728,792</u>	<hr/> <u>\$ (178,546)</u>	<hr/> <u>\$ -</u>	<hr/> <u>\$ 1,550,246</u>

CITY OF LONGMONT, COLORADO  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2010

**NOTE 12 - INFORMATION FOR ENTERPRISE FUNDS**

The City maintains eight Enterprise Funds which provide sanitation, golf, electricity, telecommunications, water, sewer, storm drainage and airport services.

Information for the year ended December 31, 2010, is as follows.

	Sanitation	Golf	Electric	Telecom - munications	Water	Sewer	Storm Drainage	Airport	Total
Operating revenue	\$ 5,265,217	\$ 2,220,975	\$ 49,440,782	\$ 293,519	\$ 12,756,467	\$ 7,836,470	\$ 3,420,656	\$ 239,006	\$ 81,473,092
Depreciation expense	179,722	64,354	2,245,962	54,321	3,683,438	2,296,515	956,836	112,341	9,593,489
Operating income (loss)	(712,466)	225,049	(2,105,159)	102,846	681,030	(734,300)	300,354	(160,268)	(2,402,914)
Transfers:									
Transfers In	112,965	855	86,685	-	146,359	405,891	7,121	-	759,876
Transfers Out	(1,906)	(2,140)	(35,646)	(1,906)	(44,912)	(11,890)	(37,781)	(1,232)	(137,413)
Equity in net income	-	-	1,139,814	-	-	-	-	-	1,139,814
Change in net assets	(563,449)	216,336	(210,595)	347,222	11,549,238	74,666	468,867	(128,934)	11,753,351
Current capital -									
contributions	-	10,108	396,801	48,495	10,591,998	266,369	120,618	14,266	11,448,655
Plant, property &									
equipment:									
Additions	23,954	23,387	1,001,716	61,996	4,362,369	1,092,054	5,936,666	76,546	12,578,688
Net working capital	3,336,024	261,148	6,987,363	865,592	27,366,738	19,167,130	7,564,220	292,080	65,840,295
Investment in joint									
venture	-	-	117,533,185	-	-	-	-	-	117,533,185
Total assets	6,218,118	8,138,125	175,915,787	2,403,294	360,019,722	109,758,661	56,983,407	4,436,453	723,873,567
Bonds & other long-									
term liabilities	93,212	1,536,317	478,925	359	14,449,004	13,513,396	13,086,226	16,513	43,173,952
Total net assets	5,885,521	6,553,629	171,156,383	2,257,412	343,903,394	95,393,434	42,763,407	4,392,620	672,305,800



CITY OF LONGMONT, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2010

**NOTE 13 - OPERATING LEASE**

In 2003, the City leased exclusive surface rights to McIntosh Reservoir with the intention of creating a district park linking Dawson Park, Flanders Park and Boulder County's Lohr Open Space. The cancelable operating lease was extended through 2012, with an additional five year extension period, which if exercised would terminate on December 31, 2017. Total cost of this recreational purpose lease for 2010 was \$57,000. The future minimum lease payments as of December 31, 2010 are as follows:

<u>Year Ending December 31</u>	<u>Amount</u>
2011	\$57,000
2012	57,000

**NOTE 14 - RISK MANAGEMENT**

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

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

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

All funds of the City participate in these programs and make payments to the appropriate risk retention internal service fund based on actuarial estimates of the amounts needed to pay prior- and current-year claims and to establish a reserve for catastrophic losses. The claims liability of \$1,220,224 reported in these funds at December 31, 2010 is based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

Changes in the funds' claims liabilities amounts in fiscal 2009 and 2010 were:

<u>Fund</u>	<u>Beginning Claims Liability</u>	<u>Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>Year end Claims Liability</u>
<b>2009</b>				
Self Insurance	\$ 83,367	\$ 610,564	\$ 202,354	\$ 491,577
Employee Benefit	86,432	619,624	614,615	91,441
Workers Compensation	393,559	557,335	714,905	235,989
	<u>\$ 563,358</u>	<u>\$ 1,787,523</u>	<u>\$ 1,531,874</u>	<u>\$ 819,007</u>
<b>2010</b>				
Self Insurance	\$ 491,577	\$ 332,465	\$ 252,366	\$ 571,676
Employee Benefit	91,441	-	91,441	-
Workers Compensation	235,989	875,761	559,518	552,232
Dental Trust	-	738,425	642,109	96,316
	<u>\$ 819,007</u>	<u>\$ 1,946,651</u>	<u>\$ 1,545,434</u>	<u>\$ 1,220,224</u>

**NOTE 15 - OTHER REQUIRED INDIVIDUAL FUND DISCLOSURES**

A. Interfund receivable and payable balances at December 31, 2010 were:

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
<b>Governmental:</b>		
General	\$ 2,201,526	\$ -
Nonmajor Enterprise		
Golf (Advances)	-	1,472,460
Internal Service:		
Fleet (Advances)	1,472,460	
Warehouse	-	2,201,526
	<u>\$ 3,673,986</u>	<u>\$ 3,673,986</u>

**NOTE 16 - INTERFUND TRANSACTIONS**

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

**A. Administrative Fee** - The Enterprise Funds, the Street System, Open Space and General Improvement District #1 Special Revenue Funds, the Self Insurance, Workers Compensation Insurance, and Fleet Internal Service Funds make monthly payments to the General Fund for administrative expenses. The charge is approved by the City Council as part of the appropriation process, and is calculated to cover ETS, accounting, billing, purchasing and other administrative functions performed and/or paid by the General Fund on behalf of the above mentioned funds. The total administrative fees paid by Enterprise Funds to the General Fund were \$796,570 by the Sanitation Fund, \$127,665 by the Golf Fund, \$1,633,634 by the Electric Fund, \$ 518 by the Telecommunications Fund, \$1,226,393 by the Water Fund, \$784,377 by the Sewer Fund, \$517,728 by the Storm Drainage Fund and \$42,874 by the Airport Fund. Total administrative fees paid by Special Revenue Funds in 2010 were \$770,986 by the Street System Fund, \$171,443 by the Open Space Fund, \$287 by the Community Development Block Grant Fund, \$1,205 by the Affordable Housing Fund, \$301 by the Callahan House Fund, \$43 by the Art in Public Places Fund, \$85 by the Park Improvement Fund, \$9,883 by the Public Safety Sales tax Fund and \$7,020 by the General Improvement District #1 Fund. Total 2010 administrative fees paid to the General Fund by Internal Service funds were \$104,117 by the Self Insurance Fund, \$158,125 by the Workers' Compensation Insurance Fund, \$490,666 by the Employee Benefit Trust Fund and \$219,575 by the Fleet Fund. The Downtown Development Authority component unit paid \$504 in 2010 for administrative fees.

**B. Franchise Fee** - The Electric Fund, Telecommunications Fund, Water Fund and the Sewer Fund pay an annual franchise fee to the General Fund for the exclusive right to provide electric, telecommunications, water and sewer service (respectively) within the City of Longmont. The Electric Fund fee is 8% of the current year revenues of the Electric Fund, or \$3,939,951 in 2010. The Telecommunications fee approximates 5% of the prior year actual revenue, or \$11,312 in 2010. The Water Fund franchise fee approximates 2% of the Fund's current year budgeted revenues, or \$263,670 in 2010. The Sewer Fund franchise fee approximates 4% of the Fund's current year budgeted revenues, or \$322,500 in 2010.

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

**D. Fleet Lease Charges** - The Fleet Internal Service Fund charges all operating departments a fleet lease charge for vehicle operating, maintenance, and replacement costs. The charge is approved by the City Council as part of the appropriation process and is based on each department's actual vehicle usage and needs. The total payments included in the accompanying financial statements in 2010 were \$2,275,370 by the General Fund, \$884,040 by the Street System Fund, \$1,958,157 by the Sanitation Fund, \$284,267 by the Golf Fund, \$456,418 by the Electric Fund, \$178,011 by the Water Fund, \$225,145 by the Sewer Fund, \$172,637 by the Storm Drainage Fund, \$652 by the Airport Fund, \$295,595 by the Public Safety Sales Tax Special Revenue Fund and \$8,304 by the Open Space Special Revenue Fund.

CITY OF LONGMONT, COLORADO  
 NOTES TO FINANCIAL STATEMENTS  
 December 31, 2010

**NOTE 16 - INTERFUND TRANSACTIONS (continued)**

**E Vehicle Transfers** - Any new vehicle additions representing increased service levels are purchased through the appropriate fund and ownership of the vehicles is subsequently transferred to the Fleet Internal Service Fund. Such transfers are considered routine transfers. The amounts of vehicle transfers in 2010 were \$4,325 from the Sewer Fund and \$346,081 from the Public Safety Sales Tax Special Revenue Fund.

**F Art Transfers**- The Art in Public Places Fund is funded through transfers from the operating funds of the City. Any construction project costing \$50,000 or more must transfer 1% of the construction cost to the Art fund. Certain funds with legal limitations on their monies are exempt from this requirement. The amounts of such operating transfers in 2010 were \$234 from the Golf Fund, \$2,146 from the Electric Fund, \$14,226 from the Water Fund, \$3,181 from the Sewer Fund, \$35,875 from the Storm Drainage Fund, \$1,232 from the Airport Fund, \$5,467 from the Public Improvement Fund, \$521 from the Sewer Construction Fund, \$1,238 from the Water Construction Fund, \$72 from the Downtown Parking Fund, \$39 from the Park Improvement Fund, \$604 from the Public Safety Sales tax Fund and \$78 from the Fleet Fund.

**G DDA Building Permits** - An amount equal to the revenues from building permits issued in the DDA area is transferred to the Component Unit DDA Building Permit Special Revenue fund by the primary government funds receiving the revenues. The amounts of such transfers during 2010 were \$12,602 from the General Fund, \$57 from the Water Fund, \$55 from the Sewer Fund, \$4,494 from the Public Improvement Fund, \$1,814 from the Streets System Fund, \$484 from the Open Space Fund, \$786 from the Public Safety Sales Tax Fund.

**H Insurance Charges for Services** - The Self Insurance Internal Service Fund, the Employee Benefit Internal Service Fund and the Workers' Compensation Insurance Internal Service Fund each charge all of the operating funds an amount for the insurance coverage accounted for in each of the respective funds. The Self Insurance charge is based on the potential for liability claims in each of the departments. The Employee Benefit charge is a percentage of payroll. The Workers Compensation Insurance charge is based on the type of duties each employee performs and is also a percentage of payrolls. The total insurance charges for 2010 from each fund were:

	Self- Insurance	Employee Benefit	Workers' Compensation Insurance	Unemployment Insurance	Dental Trust
General Fund	\$ 366,018	\$ 3,942,413	\$ 410,061	\$ 64,229	\$ 141,364
Component Unit					
Downtown Development Authority Special Revenue Fund	-	16,070	-	249	576
Probation Services Special Revenue Fund	114	6,932	17	113	249
Community Development Special Revenue Fund	568	13,293	50	160	476
Affordable Housing Special Revenue Fund	203	10,431	31	170	374
Streets System Special Revenue Fund	72,314	279,592	38,229	4,540	10,023
Callahan House Special Revenue Fund	131	5,230	131	85	188
Art in Public Places Special Revenue Fund	438	3,291	11	53	118
Park Improvement Special Revenue Fund	190	8,770	29	143	314
Open Space Special Revenue Fund	1,165	11,027	415	179	395
Public Safety Sales Tax Special Revenue Fund	13,066	311,642	15,364	5,044	11,174
Sanitation Enterprise Fund	50,471	141,273	44,838	2,294	5,065
Golf Enterprise Fund	17,688	72,028	8,762	1,171	2,582
Electric Enterprise Fund	127,236	566,327	32,425	9,328	20,306
Telecommunications Fund	4,785	18,942	14	444	679
Water Enterprise Fund	39,533	368,457	43,751	5,984	13,211
Sewer Enterprise Fund	87,251	227,858	32,783	3,700	8,170
Storm Drainage Enterprise Fund	14,449	82,013	4,258	1,331	2,940
Airport Enterprise Fund	620	9,641	34	157	346
Fleet Internal Service Fund	3,760	106,457	18,797	1,730	3,817
<b>TOTAL</b>	<b>\$ 800,000</b>	<b>\$ 6,201,687</b>	<b>\$ 650,000</b>	<b>\$ 101,104</b>	<b>\$ 222,367</b>

CITY OF LONGMONT, COLORADO  
 NOTES TO FINANCIAL STATEMENTS  
 December 31, 2010

**NOTE 16 - INTERFUND TRANSACTIONS (continued)**

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

- General Improvement District #1 Special Revenue Fund paid \$16,325 to the Component Unit DDA Special Revenue Fund for administrative services.
- Downtown Parking Improvement Special Revenue Fund paid \$13,500 to the component unit DDA Special Revenue Fund for administrative costs.
- The General Fund paid \$22,800 to the Component Unit DDA Special Revenue Fund to fund specific projects.
- The General Fund transferred \$18,748 to the Callahan House Special Revenue Fund to fund operations.
- The General Fund transferred \$32,953 to the Downtown Parking Special Revenue Fund to provide a secondary funding source for operations.
- The Electric Enterprise Fund transferred \$23,000 to the General Fund to fund a tree planting project, \$5,000 to the General Fund to assist in the funding of the ice rink, \$5,000 to assist in the funding of Longmont Lights and \$500 to assist in the funding of the Cinco De Mayo celebration.
- The Water Enterprise Fund transferred \$223,573 and the Sewer Enterprise Fund transferred \$74,524 to the Electric Enterprise Fund to fund their shares of meter reading expenses. These transfers were reclassified as a reduction of expenses to the receiving fund and an increase in expenses to the funds paying for the services on the Statement of Revenues, Expense and Changes in Fund Net Assets.
- The Sewer Construction Special Revenue Fund transferred \$258,214 to the Sewer Fund to pay current debt service on the sewer loan.
- The Library Special Revenue Fund transferred \$37,798 to the General Fund to fund book purchases.
- The Water Enterprise Fund transferred \$30,686, the Sewer Enterprise Fund transferred \$4,384, the Sanitation Enterprise Fund transferred \$1,906, the Golf Enterprise Fund transferred \$1,906, the Telecommunications Enterprise Fund transferred \$1,906, the Storm Drainage Enterprise Fund transferred \$1,906 the Fleet Internal Service Fund transferred \$1,906 and the Streets Special Revenue Fund transferred \$1,906 to the Electric Enterprise Fund to fund their shares of warehouse administrative costs.
- The General Fund transferred \$139,627 to the Affordable Housing Fund to fund operating expenses.
- The Lodgers Tax Special Revenue Fund transferred \$3,000 to the General Fund to assist in the funding of Longmont Lights.
- The General Fund transferred \$50,535, the Sewer Enterprise Fund transferred \$175,187, the Storm Drainage Enterprise Fund transferred \$141,497 and the Streets Special Revenue Fund transferred \$215,614 to the Water Enterprise Fund to fund their shares of technical services and surveying costs. These transfers were reclassified as a reduction of expenses to the receiving fund and an increase in expenses to the funds paying for the services on the Statement of Revenues, Expense and Changes in Fund Net Assets.
- The Water Enterprise Fund transferred \$178,800, the Sewer Enterprise Fund transferred \$89,400 and the Storm Drainage Enterprise Fund transferred \$125,160 to the Streets Special Revenue Fund to fund their shares of construction inspection costs. These transfers were reclassified as a reduction of expenses to the receiving fund and an increase in expenses to the funds paying for the services on the Statement of Revenues, Expense and Changes in Fund Net Assets.
- The Sanitation Enterprise Fund transferred \$321,300 to the General Fund to fund their shares of Parks maintenance costs.
- The Fleet Internal Service Fund transferred \$112,965 to the Sanitation Enterprise Fund, \$855 to the Golf Enterprise Fund, \$40,179 to the Electric Enterprise Fund, \$146,359 to the Water Enterprise Fund, \$147,677 to the Sewer Enterprise Fund, \$7,121 to the Storm Drainage Enterprise Fund and \$337,388 to the Streets Special Revenue Fund to reimburse the funds for sales of vehicles used in their funds.
- The Employee Benefit Trust Internal Service Fund transferred \$250,000 to the Dental Trust Internal Service Fund to assist in the start-up of the fund.
- The Employee Benefit Trust Internal Service Fund transferred \$373,317 to the OPEB Trust Fund to assist in the funding of the OPEB liability.
- The Judicial Wedding Special Revenue fund transferred \$1,283 to the General fund to assist in offsetting costs.

Primary Government

Transfers from	Transfers to:										Total
	General Fund	Streets Fund	Nonmajor Governmental Funds	Electric Fund	Water Fund	Sewer Fund	Storm Drainage Fund	Nonmajor Enterprise Funds	Internal Service Funds		
General Fund	\$ -	\$ -	\$ 191,328	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 191,328
Water Construction Fund	-	-	1,238	-	-	-	-	-	-	-	1,238
Public Improvement Fund	-	-	5,467	-	-	-	-	-	-	-	5,467
Streets Fund	-	-	-	1,906	-	-	-	-	-	-	1,906
Nonmajor Governmental Funds	42,081	-	1,236	-	-	258,214	-	-	346,081	-	647,612
Electric Fund	33,500	-	2,146	-	-	-	-	-	-	-	35,646
Water Fund	-	-	14,226	30,686	-	-	-	-	-	-	44,912
Sewer Fund	-	-	3,181	4,384	-	-	-	-	4,325	-	11,890
Storm Drainage Fund	-	-	35,875	1,906	-	-	-	-	-	-	37,781
Nonmajor Enterprise Funds	-	-	1,466	5,718	-	-	-	-	-	-	7,184
Internal Service Funds	-	337,388	78	42,085	146,359	147,677	7,121	113,820	250,000	-	1,044,528
	\$ 75,581	\$ 337,388	\$ 256,241	\$ 86,685	\$ 146,359	\$ 405,891	\$ 7,121	\$ 113,820	\$ 600,406	\$ -	\$ 2,029,492

CITY OF LONGMONT, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2010

**NOTE 17 - OTHER POSTEMPLOYMENT BENEFITS**

*Plan Description.* City of Longmont Retiree Health Insurance Plan is a single-employer substantive defined benefit plan that provides an implicit medical plan subsidy to participating retirees up to age 63 ½ through blended rates. Stand alone Plan Financial Reports are not issued. Medical plan group rates are determined using both retirees and active employees as a group. Plan rates are negotiated annually based on total covered population and are adopted by the City Council as a part of the annual budget. Retirees may enroll in the plan upon retirement and may continue in the plan without interruption until age 63 1/2, paying the total premium.

*Contributions.* The contribution requirements of plan members and the City are established and may be amended by the City Manager. Plan members receiving benefits contributed 100% of their total premiums, through their required contribution of \$312 per month for HMO retiree-only coverage, \$636 per month for HMO retiree plus one coverage, or \$1,247 for HMO retiree plus family coverage. Those respective monthly rates for the POS option were: \$399, \$814, and \$1,596. The required contribution is based on projected pay as you go financing. The City contributes \$0 towards the premium payments. The implicit subsidy for the blended rates requires the City make contributions adequate to finance that implicit subsidy on a sound actuarial basis. An actuarial study is performed biennially using the entry age actuarial cost method. The most recent annual study for the Retiree Health Insurance Plan was performed as of January 1, 2010.

*Annual OPEB Cost and Net OPEB Obligation.* The City's annual other postemployment benefit (OPEB) cost is calculated based on the annual required contribution of the City (ARC), and amount actuarially determined in accordance with GASB 45. The ARC represents a funding level that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liability over a period not to exceed 30 years. Following table shows the components of the City's annual OPEB cost for the year ended December 31, 2010, the amount actually contributed to the plan, and changes in the City's OPEB obligation.

Normal Cost with Interest	\$	147,018
Amortization of Unfunded AAL		
Over 30 years		91,140
Annual Required Contribution (ARC)		<u>238,158</u>
Interest on NOPEBO		14,933
ARC Adjustment		<u>(16,908)</u>
Annual OPEB Cost		236,183
Contributions Made		<u>(373,317)</u>
Net OPEB Obligation Change		<u>(137,134)</u>
Net OPEB 12/31/09		<u>373,317</u>
Net OPEB 12/31/10	\$	<u>236,183</u>

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

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
12/31/07	\$199,758	37.2%	\$125,456
12/31/08	207,587	39.7	250,642
12/31/09	205,076	40.2	373,317
12/31/10	236,183	158.0	236,183

*Funded Status.* As of the most recent actuarial valuation date, January 1, 2010, the funded ratio was 18.6%. The actuarial accrued liability for these implicit benefits was \$2,012,348, and the actuarial value of assets was \$373,319, leaving the unfunded actuarial accrued liability (UAAL) at \$1,639,029. The covered payroll (annual payroll of active employees covered by the plan) was \$53 million, and the ratio of the UAAL to the covered payroll was 3.07 percent.

*Actuarial Methods and Assumptions.* Projections of benefits for financial reporting purposes are based upon the substantive plan (the terms of the medical benefits for retirees as understood by the plan members and the City). In the City's case this is only an implicit subsidy through blended rates for retirees and active employees at the time of the evaluation and the historical pattern of that implicit subsidy to that point. The actuarial methods and assumptions used

**NOTE 17 - OTHER POSTEMPLOYMENT BENEFITS**

are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with long-term perspective of the calculations. Actuarially determined amounts are subject to continual revision. The required supplemental information section immediately following the Notes presents a schedule of funding progress for this plan intended to provide multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

In the most current actuarial valuation, January 1, 2010, the entry age actuarial cost method was used. The actuarial assumptions included a 4.0% investment rate of return, and an annual health care cost trend rate of 9.6% for 2010, decreasing approximately 0.4% each year until 6.5% in year 2017 and after. Both rates include a 3.5% inflation factor. The UAAL is being amortized as a level dollar amount of projected payroll on an open basis. The remaining amortization period at December 31, 2010 was 29 years.

**NOTE 18 - SECTION 20 TO ARTICLE X OF THE COLORADO CONSTITUTION (TABOR)**

In November, 1992, an amendment to the Colorado Constitution was passed by the voters imposing various revenue and expenditure limits on the City. Prior voter approval is necessary to increase the City's real property tax revenues or spending from one year to the next in excess of the rate of inflation plus a "growth factor", based on the net percentage change in the actual value of all real property within the City. Any new tax, tax rate increase, mill levy increase, or extension of an expiring tax which causes a net tax revenue gain requires voter approval. The Colorado Constitution also requires that any revenue collected, kept or spent in excess of these limitations must be refunded, with interest. In November 1996, City of Longmont voters approved a "Voter Approved Revenue Change" that allows the City to keep any revenue collected in excess of the 1992 amendment limits. To the best of the City's knowledge, the City is in compliance with all requirements of this amendment, and no refunds are due at December 31, 2010.

The amendment requires local governments to establish Emergency Reserves equal to at least 3% of Fiscal Year Spending as defined in the amendment. These emergency reserves cannot be used to compensate for economic conditions, revenue shortfalls, or salary and benefit increases. At December 31, 2010, the amount required as an Emergency Reserve in compliance with the Amendment is \$3,432,135 for the City; \$3,335 for the GID component unit and \$63,955 for the DDA component unit. These are shown as reservation of fund balance in the General Fund and in the GID and DDA funds, respectively.

**NOTE 19 - RETIREMENT COMMITMENTS**

The City sponsors, administers and has fiduciary responsibility for three single-employer defined benefit plans — General Employees' Retirement Plan (Employee Retirement), "Old Hire" Firefighters' Pension Plan (Fire Pension), and the "Old Hire" Police Officers' Pension Plan (Police Pension). Stand-alone Plan Financial Reports are not issued. Although the assets of the plans are commingled for investment purposes, each plan's assets may be used only for the payment of benefits to the members of the plan in accordance with the terms of the plan.

A Plan Provisions

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

	<b>Employee Retirement</b>	<b>Fire Pension</b>	<b>Police Pension</b>
Benefit percent per year of service	2.2% per year Age 65 (less 3% per each year below age 65 except when Rule of 80 is satisfied)	2.5% per year up to 20 years (plus 1% per year for each year in excess of 20 before age 50 plus 2% per year in excess of 20 after age 50 but before age 55)	2.5% per year up to 20 years
Average annual compensation	Highest 36 consecutive calendar months	-	-
Average monthly compensation	-	Last full month	Last full month
Years of service required for vesting	5 years	10 years	10 years
Age and year of service eligible for benefit	Age 65 or 25 years and Age 55	Age 50 and 20 years	Age 55 and 20 years or 25 years

**NOTE 19 - RETIREMENT COMMITMENTS**

B. Plan Descriptions and Contribution Information

Membership in each plan consisted of the following at January 1, 2010:

	<b>Employee Retirement</b>	<b>Fire Pension</b>	<b>Police Pension</b>
Retirees & beneficiaries currently receiving benefits	202	11	13
Terminated employees entitled to benefits but not yet receiving them	101	0	0
Current employees:			
Fully vested	400	1	0
Partially vested	0	0	0
Non-vested	189	0	0

**Employee Retirement Plan**

Plan Description. The Employee Retirement plan is a single-employer defined benefit pension plan established through the authority of the City Charter and City ordinances. The plan covers all non-uniformed regular employees and provides retirement and death benefits to plan members and their beneficiaries. Cost-of-living adjustments are provided at the discretion of City Council within the restrictions of Article X Section 20 of the Colorado Constitution. Administrative changes to conform with federal legislation were adopted effective January 1, 2008.

Contributions. Plan members are required to contribute 5% of their covered salary. The City is required to contribute at a rate that is determined actuarially. The plan requires that the City make contributions adequate to finance the benefits provided by the plan on a sound actuarial basis. An actuarial study is performed annually using the entry age actuarial cost method. The last annual study for the Employees' Retirement plan was performed as of January 1, 2010. The City currently contributes 8.36% of the covered annual payroll.

**Fire Pension Plan**

Plan Description. The Fire Pension plan is a single-employer defined benefit pension plan established under Colorado statutes and governed by City ordinance. Plan amendments that increase or decrease benefits require consent of 65% of active participants. Firefighters hired before April 8, 1978, are covered either by this plan or have transferred to a defined contribution plan, as detailed in a later section entitled "Participant Changes". Membership in the Fire Pension plan is limited to employees whose covered employment began prior to April 8, 1978. Administrative changes to conform with federal legislation were adopted effective January 1, 2008.

Contributions. Plan members are required to contribute 10% of their covered salary. The City is required to contribute at a rate that is determined actuarially. The plan requires that the City make contributions adequate to finance the benefits provided by the plan on a sound actuarial basis. An actuarial study is performed biennially using the entry age actuarial cost method. The last annual study for the Fire Pension plan was performed as of January 1, 2010. In 2010, the City contributed \$94,712.

**Police Pension Plan**

Plan Description. The Police Pension plan is a single-employer defined benefit pension plan established under Colorado statutes and governed by City ordinance. Plan amendments that increase or decrease benefits require consent of 65% of plan members. Police officers hired before April 8, 1978, are covered either by this plan or have transferred to a defined contribution plan, as detailed in a later section entitled "Participant Changes". Membership in the Police Pension plan is limited to employees whose covered employment began prior to April 8, 1978. Administrative changes to conform with federal legislation were adopted effective January 1, 2008.

Contributions. There are no current employee plan members. The City is required to contribute at a rate that is determined actuarially. The plan requires that the City make contributions adequate to finance the benefits provided by the plan on a sound actuarial basis. An actuarial study is performed biennially using the entry age actuarial cost method. The last annual study for the Police Pension plan was performed as of January 1, 2010. In 2010, the City contributed \$34,508.



CITY OF LONGMONT, COLORADO  
 NOTES TO FINANCIAL STATEMENTS  
 December 31, 2010

**NOTE 19 - RETIREMENT COMMITMENTS (continued)**

C. Contributions and Reserves

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

Actuarially determined contribution requirements for 2010 were as follows:

	<b>Employee Retirement</b>	<b>Fire Pension</b>	<b>Police Pension</b>
Contributions to:			
Normal cost	\$3,445,173	\$ -	\$ -
as % of covered payroll	11.00%	0.00%	N/A
Amortization of the unfunded			
Actuarial accrued liability	\$247,647	\$ -	\$ -
as % of covered payroll	0.80%	0.00%	N/A
Total contributions required			
as % of covered payroll	11.00%	0.00%	N/A
Employee Portion	5.00%	10.00%	N/A
City Portion	8.36%	10.00%	N/A

CITY OF LONGMONT, COLORADO  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2010

**NOTE 19 - RETIREMENT COMMITMENTS (continued)**

Funding Policy and Annual Pension Cost. The City's funding policy and annual pension cost for the current year and related information for each plan is as follows:

	<u>Employee Retirement</u>	<u>Fire Pension</u>	<u>Police Pension</u>
<u>Contribution rates:</u>			
City	8.4%	21.0%	N/A
Plan members	5.0%	10.0%	N/A
Annual pension cost	\$1,911,419	\$10,637	\$12,863
<u>Contributions made:</u>			
City	\$0	\$0	\$0
Plan members	\$4,179,110	\$101,764	\$0
Actuarial valuation date	January 1, 2010	January 1, 2010	January 1, 2010
Actuarial cost method	Entry age Normal, Level Percentage of Pay	Entry age Normal	Entry age Normal
Amortization method	Level dollar, open	14-year level dollar, open	10-year level dollar, open
Remaining amortization period	N/A	0	0
Asset valuation method	5-year smoothed market	market value	market value
<u>Actuarial assumptions:</u>			
Investment rate of return*	7.5% per annum, compounded annually, net of investment expenses	7.5% per annum, compounded annually	7.5% per annum, compounded annually
Projected salary increases*	4.3-13.5%	5.0-7.5%	5.0-7.5%
*Includes inflation at	3.5% per year, rounded down to nearest \$10,000	4.5%	4.5%
Cost-of-living adjustments	None	None	None

Annual Pension Cost and Net Pension Obligation:

Annual required contribution	\$1,882,680	\$7,043	\$0
Interest on net pension obligation	(222,867)	(6,299)	(13,647)
Adjustment to annual required contribution	<u>251,606</u>	<u>9,893</u>	<u>26,510</u>
Annual pension cost	1,911,419	10,637	12,863
Contributions made	<u>(2,615,065)</u>	<u>(94,712)</u>	<u>(34,508)</u>
Increase(decrease) in net pension obligation(asset)	(703,646)	(84,075)	(21,645)
Net pension obligation(asset) beginning of year	<u>(2,971,562)</u>	<u>(83,986)</u>	<u>(181,965)</u>
Net pension obligation(asset) end of year	<u>(3,675,208)</u>	<u>(168,061)</u>	<u>(203,610)</u>

Funding Progress:

Actuarial valuation of assets	\$97,270,998	\$2,895,737	\$1,918,903
Actuarial accrued liability	100,415,167	2,960,014	1,601,285
Unfunded actuarial liability (UAL)	3,144,169	64,277	(317,618)
Funded ratio	96.9%	97.8%	119.8%
Covered payroll	31,249,853	74,586	-
UAL as percentage of covered payroll	10.1%	86.20%	-

CITY OF LONGMONT, COLORADO  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2010

**NOTE 19 - RETIREMENT COMMITMENTS (continued)**

**Three Year Trend Information**

	Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation (Asset)
<b>Employees</b>	12/31/2008	1,339,881	113%	(4,159,663)
<b>Retirement Plan</b>	12/31/2009	2,825,740	58%	(2,971,562)
	12/31/2010	1,911,419	137%	(3,675,208)

	Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation (Asset)
<b>Fire</b>	12/31/2008	84,001	98%	(82,001)
<b>Retirement Plan</b>	12/31/2009	62,852	103%	(83,986)
	12/31/2010	10,637	890%	(168,061)

	Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation (Asset)
<b>Police</b>	12/31/2008	62,002	103%	(64,000)
<b>Retirement Plan</b>	12/31/2009	18,306	744%	(181,965)
	12/31/2010	12,863	268%	(203,610)

**D. Summary of Significant Accounting Policies**

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

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

**E. Investment Concentrations**

At December 31, 2010, the market value of pooled plan investments total \$106,490,711. These investments included shares in the Pimco Total Return Fund Institutional Class #35 with a market value of \$25,602,179, representing 24.04% of total plan assets; shares in the RCM Global Inv Large Cap Growth separate account with a market value of \$18,179,238, representing 17.07% of total plan assets; Davis Adv. with a market value of \$10,494,711, representing 9.86% of total plan assets; Cambiar with a market value of \$7,293,449, representing 6.85% of total plan assets; Fidelity Floating with a market value of \$6,591,045, representing 6.19% of total plan assets; shares in LKCM Small Cap Core separate account with a market value of \$6,118,491, representing 5.75% of total plan assets; Dodge & Cox International Equity Fund separate account with a market value of \$5,813,560, representing 5.46% of total plan assets; Thornburg International Value Fund separate account with a market value of \$5,440,863, representing 5.11% of total plan assets; Europacific Growth Fund #16 with a market value of \$5,399,862, representing 5.07% of total plan assets; JP Morgan with a market value of \$4,488,756, representing 4.22% of the total plan assets; RE Funds with a market value of \$3,847,894, representing 3.61% of total plan assets; shares in the American Funds Pimco Commodity Real Return Strategy Institutional Class 45 with a market value of \$3,148,044, representing 2.96% of total plan assets and shares in I-Shares Mid Cap S&P 400 Index separate account with a market value of \$2,468,128, representing 2.32% of the total plan assets. There are no investments in, loans to, or leases with any City official or other related party in any of the plans.

**F. Participant Changes**

Legislation enacted by the Colorado General Assembly in 1989 allowed firefighters and police officers hired before April 8, 1978 to make an individual choice between the defined benefit plan that they had been participants of or a money

**NOTE 19 - RETIREMENT COMMITMENTS (continued)**

purchase plan to provide their retirement benefits. Individual selections were made in November of 1990; 17 of the 23 active participants of the Fire Pension plan and 13 of the 16 active participants of the Police Pension plan chose to enter the money purchase plan.

The City offered these participants the opportunity to enter the Fire and Police Money Purchase Plans, defined contribution plans discussed below. Participants were allowed to withdraw an amount equal to the total of their personal contributions to the plan plus an equal amount representing City contributions. Alternatively, those participants whose accumulated actuarial benefit was greater than the total contributions were allowed to withdraw that amount. Interest was allocated to those amounts based on the estimated historical rates of return on the pension fund investments. Total amounts transferred for Police and Fire were \$1,454,326 and \$2,199,856, respectively.

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

**G. Defined Contribution Plans**

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

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

Covered payroll for the plan during 2010 was \$15,957,969. Both the City and the participants contributed the required 10% to this money purchase plan in 2008 amounting to \$1,595,797 each from the City and from employees for a total of \$3,191,594 of contributions. Vesting schedule for the plan is as follows:

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

**Money Accumulation Pension Plan.** The City provides the Money Accumulation Pension Plan for all regular City employees other than firefighters and police officers. This plan, a defined contribution plan, was adopted on January 1, 1980, in lieu of participation in Social Security. The City has no future liability to this Plan. Administrative changes to conform with federal legislation were adopted effective January 1, 2008. Contributions of 5% of base pay are required from all participants and a matching contribution of 5% is made by the City to the Plan. Covered payroll for the plan during 2010 was \$31,316,600. Both the City and the participants contributed the required 5% of base compensation to the plan in 2010 amounting to \$1,565,830 each from City and from employees for a total of \$3,131,659 of contributions. Vesting schedule for the plans is as follows:

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

CITY OF LONGMONT, COLORADO

NOTES TO FINANCIAL STATEMENTS  
December 31, 2010

**NOTE 19 - RETIREMENT COMMITMENTS (continued)**

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

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

**NOTE 20 - DEFERRED COMPENSATION PLAN**

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

**NOTE 21 - WINDY GAP WATER PROJECT**

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

This water supply is being provided through the Windy Gap Project for water diversion. The project was completed in 1985 and the City may receive 8,000 acre feet of water per year. The City may attempt to lease or sell a portion of this water to assist in the payment of its annual assessed contributions to the Subdistrict. One-sixth of a system development fee charged by the City which became effective January 1, 1983, is used for payment of the annual assessed contributions. In addition, a specified portion of the water rate is used for payment of the annual assessment contributions. During 2010, less than 1% of the total rate revenue was collected for this purpose.

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

The total of annual assessed contributions paid by the City to the Subdistrict through December 31, 2010, is \$45,516,729 of which \$1,721,355 was paid in 2010. The assessed contribution to be paid in 2011 is \$1,652,539.

Bonds were issued by the Subdistrict in 1981 to finance the cost of the Windy Gap Project. The issue was refinanced in multiple subsequent years to take advantage of more favorable interest rates. The bonds issued by the Subdistrict are serviced by Water Allotment contracts entered into with each of the six participants. Therefore, the City is liable only for the annual payment billed under the Water Allotment Contract which is 16 2/3% of the debt service annual costs related to the Subdistrict's acquisition, construction, operation and maintenance of renewals and replacements to the project. The bonds are secured by a pledge of the revenues of the Subdistrict attributable to the project, including all annual charges to the participating municipalities and any other revenues derived from operations of the project. The bonds are not considered general obligations of the City. The Subdistrict may levy assessments against property owners within the Subdistrict. The estimated amount of payments by the City to the Subdistrict through the year 2017 appears below. The schedule includes only the estimated debt service portion. An estimate of other annual costs is unavailable.

2011	\$	1,676,204	2015	\$	1,676,992
2012		1,675,979	2016		1,678,408
2013		1,676,092	2017		1,700,408
2014		1,675,825			

**NOTE 22 - JOINT VENTURE - PLATTE RIVER POWER AUTHORITY**

In June, 1975, the City of Longmont executed a contract with the cities of Fort Collins and Loveland and the Town of Estes Park (all Colorado municipalities) establishing the Platte River Power Authority (Platte River) as a separate governmental entity and political subdivision of the State of Colorado. Platte River was created to generate and distribute electric power to the four participating municipalities and has an electric power contract with the City of Longmont to supply all its electric power and energy needs through the year 2020. Platte River has no stockholders or members. Each of the four participating municipalities has a residual interest in Platte River's assets and liabilities upon dissolution which is proportional to the total electric power purchased by each municipality since Platte River was organized. Based upon electric revenues billed through December 31, 2009 and 2010, the residual interest of the City of Longmont was approximately 26.36% and 26.30% respectively. The City purchased \$36,496,730 of electric power during 2010 of which \$3,030,704 is outstanding as an account payable of the Electric Enterprise Fund at December 31, 2010.

Platte River is administered by an eight-member Board of Directors comprised of the Mayor and the Utilities Director of each of the four municipalities. The Board has full control over the budgeting and financing activities of Platte River. At December 31, 2010, Platte River had \$256,170,000 of long-term debt outstanding of which \$19,365,000 represents current bonds outstanding. Principal and interest payments are met from net operating revenues of Platte River earned from wholesale electric rates charged to the municipalities and others. Wholesale electric energy charges to the municipalities are based on rates to yield net revenues at least equal to 1.10 times the Electric Revenue Bond debt service requirement. Platte River debt service coverage for 2010 was 1.58 times debt service on revenue bonds.

The financial statement for year ended December 31, 2010 for the Platte River Power Authority may be obtained by request from mailing address 2000 East Horsetooth Road, Fort Collins, Colorado, 80525-5721, or phone number (970) 226-4000. That financial statement reports total assets of \$772.6 million; net assets of \$446.8 million and operating income of \$13.6 million.

**NOTE 23 - COMMITTED CONSTRUCTION**

At December 31, 2010, there were the following uncompleted construction contracts:

Fund	Project Title	Remaining Committed Construction
<b>Enterprise Funds:</b>		
Water Fund	6MG Montgomery Water Storage Tank Painting & Rehab	489,537
	2010 Water Treatment Plant Improvements	288,139
	Design & Construction Mgmt Svcs f/WWTP Improv	165,457
Sewer Fund	Design & Construction Mgmt Svcs f/WWTP Improv	173,653
Storm Drainage Fund	Clover Basin Community Park Design Services	24,798
	Engineering Services for CIP Designs, Storm Drainage, FEMA Flood Plan Studies	18,928
	Left Hand Creek Flood Control Project - Phase 1 Design	16,081
		1,176,593
<b>Capital Project Funds:</b>		
Public Improvement Fund	Sunset Bathhouse Construction	706,839
	Lanyon Park Pedestrian Bridge	61,128
	City Office Space Design & Construction	21,873
	Remodel of City Offices for Community Development	18,467
		808,307
<b>General Fund:</b>		
	Web Content Management System	76,000
	Sunset Bathhouse Construction	58,774
	Web Content Management System	18,173
		152,947
<b>Special Revenue Funds:</b>		
Public Buildings Capital Investment Fee Fund	Sunset Bathhouse Construction	275,290
Conservation Trust Fund	St Vrain Greenway Phases 9 & 10	46,354
		321,644
<b>TOTAL COMMITTED CONSTRUCTION</b>		<b>\$ 2,459,491</b>

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

CITY OF LONGMONT, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2010

**NOTE 24 - CONTINGENCIES**

The City has various litigation pending. It is the opinion of the City Attorney that the potential loss from such litigation would be adequately covered by the Self Insurance Internal Service Fund.

**REQUIRED SUPPLEMENTAL INFORMATION**

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



CITY OF LONGMONT, COLORADO

**EMPLOYEE, FIRE AND POLICE PENSION PLANS  
SCHEDULES OF FUNDING PROGRESS  
REQUIRED SUPPLEMENTAL INFORMATION  
December 31, 2010**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) -- Entry Age (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b - a) / c)
<b>Employee Retirement Plan</b>						
01/01/10	\$ 97,270,998	\$100,415,167	\$ 3,144,169	96.9 %	\$ 31,249,853	10.1 %
01/01/09	82,849,523	95,551,661	12,702,138	86.7	31,451,589	40.4
01/01/08	92,633,601	87,468,435	(5,165,166)	105.9	30,225,949	(17.1)
01/01/07	84,088,683	81,047,370	(3,041,313)	103.8	30,165,538	(10.1)
01/01/06	78,196,616	N/A	N/A	N/A	29,300,456	N/A
01/01/05	73,703,433	N/A	N/A	N/A	28,391,301	N/A
01/01/04	69,116,820	N/A	N/A	N/A	27,161,322	N/A
01/01/03	64,884,037	N/A	N/A	N/A	27,254,696	N/A
01/01/02	61,558,269	N/A	N/A	N/A	27,588,554	N/A
01/01/01	55,970,336	N/A	N/A	N/A	25,485,104	N/A
01/01/00	49,746,452	N/A	N/A	N/A	23,268,958	N/A
01/01/99	43,404,020	N/A	N/A	N/A	21,324,942	N/A
01/01/98	37,878,519	N/A	N/A	N/A	20,351,087	N/A
<b>Fire Pension Plan</b>						
01/01/10	\$2,895,737	\$2,960,014	64,277	97.8 %	\$74,586	86.2 %
01/01/09	2,382,611	3,019,250	636,639	78.9	73,785	862.8
01/01/08	3,498,430	2,990,205	(508,225)	117.0	70,821	(717.6)
01/01/06	3,221,196	3,039,932	(181,264)	106.0	62,738	(288.9)
01/01/04	3,108,539	3,092,786	(15,753)	100.5	60,338	(26.1)
01/01/02	3,298,368	3,167,196	(131,172)	104.1	60,637	(216.3)
01/01/00	3,410,872	3,166,596	(244,276)	107.7	53,173	(459.4)
01/01/98	3,243,432	3,106,103	(137,329)	104.4	150,351	(91.3)
<b>Police Pension Plan</b>						
01/01/10	\$1,918,903	\$1,601,285	(317,618)	119.8 %	N/A	N/A
01/01/09	1,531,160	1,644,068	112,908	93.1	N/A	N/A
01/01/08	2,279,368	1,686,238	(593,130)	135.2	N/A	N/A
01/01/06	2,157,079	1,877,805	(279,274)	114.9	N/A	N/A
01/01/04	2,090,886	2,193,800	102,914	95.3	N/A	N/A
01/01/02	2,273,272	2,342,332	69,060	97.1	N/A	N/A
01/01/00	2,295,842	2,434,102	138,260	94.3	N/A	N/A
01/01/98	2,171,618	2,616,424	444,806	83.0	N/A	N/A

The Employee Retirement Plan used the aggregate actuarial cost method through 2008. In 2007 and 2008 funding progress is presented using the entry age actuarial cost method and that the information presented is intended to serve as a surrogate for the funded status and funding progress of the plan. Prior to 2007 the entry age data was unavailable.

**EMPLOYEES, FIRE AND POLICE PENSION PLANS  
SCHEDULES OF CONTRIBUTIONS FROM EMPLOYER  
REQUIRED SUPPLEMENTAL INFORMATION  
December 31, 2010**

Year	Employer Contributions								
	Employee Retirement Plan			Fire Pension Plan			Police Pension Plan		
Beginning January 1	Annual Required Contribution	Amount of Contribution	Percentage Contributed	Annual Required Contribution	Amount of Contribution	Percentage Contributed	Annual Required Contribution	Amount of Contribution	Percentage Contributed
2010	\$ 1,882,680	\$ 2,615,065	139 %	\$ 7,043	\$ 94,712	1345 %	\$ -	\$ 34,508	N/A
2009	2,785,511	1,637,639	59	59,712	64,837	109	14,357	136,271	949 %
2008	1,135,270	1,520,457	134	-	82,000	N/A	-	64,000	N/A
2007	1,417,948	1,519,724	107	-	84,000	N/A	-	62,000	N/A
2006	1,393,723	1,485,963	107	-	84,000	N/A	-	62,000	N/A
2005	1,242,115	1,455,445	117	-	62,000	N/A	28,583	84,000	294
2004	729,730	1,367,415	187	-	62,000	N/A	28,583	84,000	294
2003	1,136,210	1,344,311	118	-	62,000	N/A	13,686	84,000	614
2002	812,101	1,379,437	170	-	62,000	N/A	13,686	84,000	614
2001	530,795	1,274,258	240	-	74,204	N/A	-	101,664	N/A

**Actuarial Assumptions:**

	Employee Retirement Plan	Fire Pension Plan	Police Pension Plan
Investment Rate of Return	7.5%	7.5%	7.5%
Projected Salary Increases	4.3 - 13.5%	5.0 - 7.5%	5.0 - 7.5%
Includes inflation at:	3.5%	4.5%	4.5%

CITY OF LONGMONT, COLORADO

**RETIREE HEALTH INSURANCE PLAN  
SCHEDULES OF FUNDING PROGRESS  
REQUIRED SUPPLEMENTAL INFORMATION  
December 31, 2010**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) -- Entry Age (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b - a) / c)
01/01/10	\$ 373,319	\$ 2,012,348	\$ 1,639,029	18.6 %	\$ 53,402,002	3.07%
01/01/08	-	1,592,495	1,592,495	0.0 %	35,382,364	4.50%
01/01/07	-	1,500,182	1,500,182	0.0 %	34,252,047	4.38%

**Actuarial Methods and Assumptions:**

Actuarial valuation date: 1/1/10

Method: Entry age actuarial cost

Investment rate of return: 4%

Healthcare cost trend rate: 9.6% with an ultimate rate of 6.5%

Inflation factor: 3.5%

Amortization Method: level dollar amount, open



Photos courtesy of Curtis Lee Jones  
Golden Ponds

## GENERAL FUND

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

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

**GENERAL FUND**  
**SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES**  
**COMPARED TO BUDGET (LEGAL BASIS)**  
**Year Ended December 31, 2010**

	Budget	Actual	Variance from Final Budget
<b>TAXES</b>			
General property taxes:			
Current	\$ 14,385,467	\$ 14,297,043	\$ (88,424)
Prior years	-	(204)	(204)
General sales and use tax	22,930,569	23,640,672	710,103
Selected sales and use tax -			
Cigarette	190,000	185,916	(4,084)
Franchise taxes:			
Gas	692,000	715,269	23,269
Cable Television	740,000	777,524	37,524
Telephone	219,770	284,685	64,915
Electric	4,153,360	3,939,951	(213,409)
Telecommunications	7,800	11,312	3,512
Water	263,670	263,670	-
Wastewater	322,500	322,500	-
	43,905,136	44,438,338	533,202
<b>LICENSES AND PERMITS</b>			
Business licenses and permits:			
Liquor	33,000	36,473	3,473
Business	4,600	4,980	380
Sales Tax	28,000	27,553	(447)
Non-Business licenses and permits:			
Building	591,712	729,591	137,879
Wood burning	-	80	80
Contractor	105,000	106,340	1,340
Parade / use of public places	7,000	6,110	(890)
	769,312	911,127	141,815
<b>INTERGOVERNMENTAL REVENUE</b>			
Federal revenue	161,613	175,526	13,913
State shared revenue:			
Severance tax	30,000	40,622	10,622
Grants	103,359	108,541	5,182
Non-grant state revenue	5,147	57,048	51,901
Local government shared revenue:			
Shared Fines	55,000	57,886	2,886
Sales tax / baseball district	11,000	-	(11,000)
Grants / School Resource Officer	172,348	179,679	7,331
	538,467	619,302	80,835

(continued)

**GENERAL FUND  
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES  
COMPARED TO BUDGET (LEGAL BASIS)  
Year Ended December 31, 2010**

	Budget	Actual	Variance from Final Budget
<b>CHARGES FOR SERVICE</b>			
<b>General government:</b>			
Zoning and hearing	\$ 60,000	\$ 33,380	\$ (26,620)
Disconnect Tag Fees	-	394,034	394,034
Maps and publications	1,200	1,403	203
Pcard rebate	20,000	29,514	9,514
Print shop charges	223,593	173,378	(50,215)
Sales tax commission	19,300	7,611	(11,689)
<b>Public safety:</b>			
Criminal justice records	22,000	25,615	3,615
Off duty officer reimbursement	38,998	38,609	(389)
Fire inspection & fire works fees	56,000	65,347	9,347
Offender registration/impound fees	14,800	13,184	(1,616)
Emergency dispatch reimbursement	99,096	105,547	6,451
Elevator inspection	34,230	31,501	(2,729)
<b>Highways and streets:</b>			
Work in right of way permit			
Plan check fees	155,941	211,194	55,253
Variance/Appeals board	1,775	1,975	200
Right-of-way maintenance	233,620	233,620	-
Downtown maintenance	47,000	39,312	(7,688)
<b>Culture and Recreation:</b>			
Recreation center - all fees	1,424,000	1,584,999	160,999
Pool fees	429,000	481,149	52,149
Reservoir fees	215,000	240,788	25,788
Activity fees	971,925	1,132,754	160,829
Facility use fees	244,532	291,395	46,863
Concessions	111,080	123,944	12,864
Parks maintenance	447,000	447,702	702
<b>Senior citizens:</b>			
Activity fees	500	594	94
Facility fees	18,000	11,116	(6,884)
<b>Administrative reimbursements:</b>			
Sanitation	796,570	796,570	-
Golf	127,665	127,665	-
Electric	1,633,634	1,633,634	-
Telecommunications	518	518	-
Water	1,226,393	1,226,393	-
Sewer	784,377	784,377	-
Storm Drainage	517,728	517,728	-
Airport	42,874	42,874	-
Community Development Block Grant	287	287	-
Affordable Housing	1,205	1,205	-
Streets	770,986	770,986	-
Callahan House	301	301	-
Art In Public Places	43	43	-
Park Improvement	85	85	-
Open Space	171,443	171,443	-
Public Safety	9,883	9,883	-
Fleet	219,575	219,575	-
Self Insurance	104,117	104,117	-
Employee Benefit	490,666	490,666	-
Workers Compensation	158,125	158,125	-
General Improvement District	7,020	7,020	-
Downtown Development Authority	504	504	-
	<b>11,952,589</b>	<b>12,783,664</b>	<b>831,075</b>
<b>FINES AND FORFEITS</b>			
<b>Court:</b>			
Parking	120,000	112,569	(7,431)
Other court fines	725,000	787,515	62,515
Court fine surcharge	102,800	105,428	2,628
Jury fees	200	100	(100)
Bond forfeitures	19,500	20,462	962
Court education fees	48,000	44,769	(3,231)
Court costs reimbursements	129,600	154,053	24,453
Probation & home detention monitoring fees	30,000	30,816	816
Outstanding judgments/w arrants	3,500	5,685	2,185
<b>Library fines</b>	<b>90,000</b>	<b>102,677</b>	<b>12,677</b>
<b>False alarm fines</b>	<b>55,000</b>	<b>55,595</b>	<b>595</b>
<b>Weed cutting fines</b>	<b>12,000</b>	<b>20,269</b>	<b>8,269</b>
<b>Other fines</b>	<b>6,000</b>	<b>2,675</b>	<b>(3,325)</b>
	<b>1,341,600</b>	<b>1,442,613</b>	<b>101,013</b>

**GENERAL FUND**  
**SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES**  
**COMPARED TO BUDGET (LEGAL BASIS)**  
**Year Ended December 31, 2010**

	Budget	Actual	Variance from Final Budget
<b>INVESTMENT INCOME AND MISCELLANEOUS REVENUE</b>			
Investment income	\$ 249,097	\$ 170,908	\$ (78,189)
Miscellaneous	59,538	72,328	12,790
Private grants/donations	35,531	36,903	1,372
Oil and gas royalties	5,000	10,251	5,251
	349,166	290,390	(58,776)
<b>OTHER FINANCING SOURCES</b>			
Transfers in:			
Electric Fund	33,500	33,500	-
Library Services Fund	37,798	37,798	-
Lodgers Tax Fund	3,000	3,000	-
Judicial Wedding Fund	1,283	1,283	-
Proceeds from Lease Purchase	74,088	74,088	-
Total other financing sources	149,669	149,669	-
Total revenues and other sources (legal basis)	\$ 59,005,939	60,635,103	\$ 1,629,164
<b>RECONCILIATION TO GAAP BASIS</b>			
Less - other financing sources		(149,669)	
<b>Total revenues (GAAP basis)</b>		\$ 60,485,434	



**GENERAL FUND**  
**SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES**  
**COMPARED TO BUDGET (LEGAL BASIS)**  
**Year Ended December 31, 2010**

	Budget	Actual	Variance from Final Budget
<b>DEPARTMENT OF FINANCE AND SUPPORT SERVICES</b>			
GENERAL GOVERNMENT:			
Accounting	\$ 825,975	\$ 739,983	\$ 85,992
Budget and Fiscal Analysis	199,934	194,201	5,733
Finance Director	309,769	286,781	22,988
Enterprise Technology Services	3,013,055	2,511,472	501,583
Mail Delivery	59,220	58,767	453
Parking Assessment	87,157	81,890	5,267
Telephone System	450,654	297,236	153,418
Print Shop	298,403	286,905	11,498
Purchasing	432,899	431,796	1,103
Risk Management	511,349	463,661	47,688
Treasury / Information Desk	343,480	252,871	90,609
Utility Billing	1,206,190	1,146,894	59,296
Human Resources	979,101	810,999	168,102
	8,717,186	7,563,456	1,153,730
<b>DEPARTMENT OF COMMUNITY SERVICES</b>			
GENERAL GOVERNMENT:			
Community Services Director	650,664	545,635	105,029
Neighborhood Resources	375,902	340,985	34,917
Outside Agencies	934,719	937,719	(3,000)
	1,961,285	1,824,339	136,946
PUBLIC SAFETY:			
Code Enforcement	329,644	281,153	48,491
	329,644	281,153	48,491
CULTURE AND RECREATION:			
Recreation	4,027,845	4,003,833	24,012
Library	3,243,666	2,933,882	309,784
Museum	644,313	578,112	66,201
Senior Center	597,846	595,604	2,242
Youth Services	754,171	631,370	122,801
	9,267,841	8,742,801	525,040
	11,558,770	10,848,293	710,477
<b>DEPARTMENT OF PUBLIC SAFETY</b>			
Police	15,776,104	15,394,944	381,160
Fire	9,192,815	9,423,715	(230,900)
Public Safety Director	527,621	534,408	(6,787)
Communications	1,371,968	1,295,548	76,420
Support Services	500,399	395,342	105,057
	27,368,907	27,043,957	324,950
<b>DEPARTMENT OF ECONOMIC DEVELOPMENT</b>			
GENERAL GOVERNMENT:			
Economic Development Director	250,734	224,669	26,065
Economic Development	1,032,767	667,457	365,310
Development Review	347,940	335,382	12,558
Planning	574,903	449,588	125,315
	2,206,344	1,677,096	529,248
PUBLIC SAFETY:			
Inspection	680,429	689,570	(9,141)
	2,886,773	2,366,666	520,107

**GENERAL FUND**  
**SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES**  
**COMPARED TO BUDGET (LEGAL BASIS)**  
**Year Ended December 31, 2010**

	Budget	Actual	Variance from Final Budget
<b>DEPARTMENT OF PUBLIC WORKS AND NATURAL RESOURCES</b>			
<b>CULTURE AND RECREATION:</b>			
Parks	\$ 4,733,692	\$ 4,271,950	\$ 461,742
<b>GENERAL GOVERNMENT:</b>			
Municipal Buildings	3,069,995	2,819,560	250,435
	7,803,687	7,091,510	712,177
<b>NON-DEPARTMENTAL</b>			
<b>GENERAL GOVERNMENT:</b>			
City Attorney	904,793	854,454	50,339
City Manager / non-departmental	1,109,469	1,005,853	103,616
City Clerk	616,002	415,424	200,578
Municipal Court	513,035	494,614	18,421
Probation	255,108	251,708	3,400
Mayor and City Council	730,740	634,745	95,995
	4,129,147	3,656,798	472,349
Total expenditures (legal basis)	\$ 62,464,470	58,570,680	\$ 3,893,790
<b>RECONCILIATION TO GAAP BASIS</b>			
Transfers out:			
Affordable Housing Fund		(139,627)	
Downtown Parking Fund		(32,953)	
Callahan House Fund		(18,748)	
Total expenditures (GAAP Basis)		\$ 58,379,352	

CITY OF LONGMONT, COLORADO

NONMAJOR SPECIAL REVENUE FUNDS

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

Conservation Fund	This fund was established to account for receipts from the State of Colorado Lottery specifically earmarked for environmental enhancements.
Park Improvement Fund	Permit fees received from subdividers are the chief source of financing for the Park Improvement Fund. These funds are earmarked for the development of new parks.
General Improvement District #1 Operating Fund	The ordinary operations of the General Improvement District #1 are accounted for in this fund. The operations are financed by taxes and other general revenues.
Community Development Block Grant Fund	This fund is used to account for funds granted by the Community Development Block Grant program administered by the Department of Housing and Urban Development.
Downtown Parking Fund	The sale of downtown parking permits is the source of revenue for this fund. The revenues generated will be used for improvements to downtown parking.
Judicial Wedding Fee Fund	Fees for wedding services performed by the municipal judge are accumulated in this fund. The revenues are used for defraying the costs of the municipal judicial system.
Police Seizures Fund	Assets seized in drug-related arrests are accounted for in this fund. They are used for Public Safety expenditures.
Prevention/Education Fund	This fund is used to accumulate donations to the Police Department's Drug Prevention and Education program.
Art in Public Places Fund	This fund was established in 1988 to accumulate monies for the purchase of art to be displayed in public places. Revenues are received through transfers from operating funds equal to 1% of the construction cost for projects exceeding \$50,000.
Youth Services Fund	Donations specifically earmarked for the use of the Youth Service Division are accounted for in this fund.
Air Quality Control Fund	Collection of special fees identified as a license to pollute with wood-burning fireplaces are collected in this fund to be used to help finance air quality programs.
Transportation Community Investment Fee Fund	Collection of community investment fees to meet development-created demands for arterial street and intersection improvements are accounted for in this fund.
Public Buildings Community Investment Fee Fund	Collection of community investment fees to meet development-created needs for public buildings are accounted for in this fund.
Electric Community Investment Fee Fund	Collection of community investment fees to meet development-created needs for electric system improvements are accounted for in this Fund.
Water System Construction Reserve	The Water System Construction Reserve Fund was created to make system improvements funded with development fees.
Water Acquisition Fund	The Water Acquisition Fund was created for the purpose of acquiring additional water rights for the City as needed to support its water enterprise system. The Fund is funded with the cash payments received in lieu of water rights.
Raw Water Storage Reserve Fund	The Raw Water Storage Reserve Fund was created for the purpose of developing the City's winter water supply at part of the City's water enterprise system. The Fund was initially funded with proceeds from the sale of the High Mountain Dams.

CITY OF LONGMONT, COLORADO

NONMAJOR SPECIAL REVENUE FUNDS (continued)

Sewer Construction Fund	The Sewer Construction Fund was created for the purpose of making improvements to the City's sewer enterprise system related to growth of the entire system. The fund is funded with applicable development.
Library Services Fund	Donations and grants specifically earmarked for the use of the Library are accounted for in this Fund.
Museum Services Fund	Donations and grants specifically earmarked for the use of the Museum are accounted for in this Fund.
Historical Preservation Fund	This fund was established to collect monies from the applications for state income tax credits for rehabilitations to qualified historical properties and to carry out related historic preservation activities.
Callahan House Fund	This fund was established in 1995 to account for monies received for the specific use and benefit of the Callahan House, a gift to the City for the use of citizens.
Senior Services Fund	Donations and grants specifically earmarked for Senior Services are accounted for in this fund.
Parks Grants & Donations Fund	This fund was established in 1996 to collect revenues for improvements to existing parks.
Affordable Housing Fund	This fund was established in 1997 to be used for down payment assistance and to implement other affordable housing programs.
Subdividers Escrow Fund	This fund was established to account for escrow deposits made by developers for certain capital improvements which are legally required of the developers. Refunds are made to the developers upon satisfactory completion of the improvements by the developers. Certain improvements are made by the City in which case the developer forfeits the deposit and the funds are used to reimburse the construction costs incurred by the City.
Open Space Fund	The Open Space Fund was established to account sales and use tax revenues specifically earmarked for acquisition, improvement, maintenance and preservation of open space.
Public Safety Fund	This fund was established in 2007 for the purpose of collecting sales and use tax revenues earmarked for public safety expenditures.
Lodgers Tax Fund	This fund was established in 2008 for the purpose of collecting a tax on lodging services to be used to promote tourism.
Probation Services Fund	This fund was established in 2007 for the purpose of collecting a surcharge on all fines to fund court probation services.
Library Trust Fund	This fund was established to account for gifts and donations made to the library including the Empson Gift, the Sigley Gift and the DePoncet Endowment. The expenditures from these funds are under the administrative jurisdiction of the Library Board.
Museum Trust Fund	The Museum Trust is administered by the Museum Board and its purpose is to provide funds to restore, rehabilitate, etc., the Pioneer Historical Museum.
Jones Foundation Trust Fund	This fund was established to account for donations received for the purpose of improving the Izaak Walton Pond area and the St. Vrain Greenway.

NONMAJOR CAPITAL PROJECTS FUND

Public Improvement Fund	The Public Improvement Fund is a capital projects fund financed from sales and/or use tax revenues. The portion of City sales and use tax collected and earmarked for this fund is set annually by City ordinance.
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NONMAJOR PERMANENT FUND

Mosher/Kanemoto Trust Fund	This fund was established to account for monies provided by private donors to finance library and park improvements. The principal amounts of the gifts must remain intact while interest earnings can be used for the improvements.
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CITY OF LONGMONT, COLORADO

**COMBINING BALANCE SHEET**  
**Nonmajor Governmental funds**  
**December 31, 2010**

	Conservation	Park Improvement	General Improvement District #1 Operating	Community Development Block Grant	Downtown Parking
<b>ASSETS</b>					
Equity in pooled cash & cash equivalents	\$ 4,585,167	\$ 4,090,264	\$ 122,451	\$ 124,168	\$ 407,492
Cash and cash equivalents	-	-	-	-	-
Receivables (net of allowance for uncollectibles):					
Taxes	-	-	88,636	-	-
Grants	-	-	-	211,047	-
Loans	-	-	-	-	-
Fees	-	-	-	-	-
Accrued Interest	21,528	18,814	656	640	1,818
Prepays	-	-	-	-	-
Due from other governments	-	-	473	-	-
Restricted assets:					
Equity in pooled cash & cash equivalents	-	-	-	-	-
<b>Total assets</b>	<b>\$ 4,606,695</b>	<b>\$ 4,109,078</b>	<b>\$ 212,216</b>	<b>\$ 335,855</b>	<b>\$ 409,310</b>
<b>LIABILITIES</b>					
Accounts payable	\$ 339,393	\$ 75,502	\$ 138	\$ 83,060	\$ 1,740
Construction contracts payable	129,479	427	-	-	-
Accrued liabilities	-	-	-	3,128	-
Deferred revenue	-	-	88,636	174,166	-
Deposits	-	-	-	-	-
<b>Total liabilities</b>	<b>468,872</b>	<b>75,929</b>	<b>88,774</b>	<b>260,354</b>	<b>1,740</b>
<b>FUND EQUITY</b>					
Fund balances:					
Reserved for encumbrances	78,808	63,100	132	75,501	132
Reserved for loans receivable	-	-	-	-	-
Reserved for grants	-	-	-	-	-
Reserved for prepaid expenditures	-	-	-	-	-
Reserved for construction/acquisition	-	-	-	-	-
Reserved for emergencies: state-imposed	-	-	3,335	-	-
Reserved for endowment/donations	-	54,094	-	-	-
Unreserved:					
Designated for debt service	-	-	-	-	-
Designated for St. Vrain Phase 9/10	800,853	-	-	-	-
Designated for Sunset Campus	-	-	-	-	-
Designated for Fire Station #6	-	-	-	-	-
Designated for Police Firing Range	-	-	-	-	-
Designated for future Council 1-time expenditures	-	-	-	-	-
Designated for future Transportation Improvements	-	-	-	-	-
Designated for subsequent years' expenditures	-	254,722	5,021	-	36,232
Undesignated	3,258,162	3,661,233	114,954	-	371,206
<b>Total fund equity</b>	<b>4,137,823</b>	<b>4,033,149</b>	<b>123,442</b>	<b>75,501</b>	<b>407,570</b>
<b>Total liabilities and fund equity</b>	<b>\$ 4,606,695</b>	<b>\$ 4,109,078</b>	<b>\$ 212,216</b>	<b>\$ 335,855</b>	<b>\$ 409,310</b>

CITY OF LONGMONT, COLORADO

Statement B-1

Judicial Wedding Fee	Police Seizures	Prevention/ Education	Art In Public Places	Youth Services	Air Quality Control	Transportation Community Investment Fee
\$ 27,492	\$ 75,805	\$ 84,804	\$ 339,068	\$ 120,078	\$ 15,588	\$ 1,513,931
-	-	-	-	-	-	-
-	-	3,520	-	-	-	-
-	-	-	258	-	-	-
125	295	380	1,441	565	73	6,922
-	-	-	-	965	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 27,617</u>	<u>\$ 76,100</u>	<u>\$ 88,704</u>	<u>\$ 340,767</u>	<u>\$ 121,608</u>	<u>\$ 15,661</u>	<u>\$ 1,520,853</u>
\$ -	\$ -	\$ -	\$ -	\$ 1,548	\$ -	\$ -
-	-	-	-	-	-	-
-	-	2,124	574	-	-	-
-	-	1,300	-	-	-	-
-	-	-	-	-	-	-
-	-	3,424	574	1,548	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	8,736	-	-
-	-	-	-	965	-	-
-	-	-	-	-	-	-
-	-	43,306	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	21,300
-	-	-	-	-	-	682,173
27,617	76,100	41,974	340,193	110,359	15,661	817,380
27,617	76,100	85,280	340,193	120,060	15,661	1,520,853
<u>\$ 27,617</u>	<u>\$ 76,100</u>	<u>\$ 88,704</u>	<u>\$ 340,767</u>	<u>\$ 121,608</u>	<u>\$ 15,661</u>	<u>\$ 1,520,853</u>

(continued)

CITY OF LONGMONT, COLORADO

**COMBINING BALANCE SHEET**  
**Nonmajor Governmental funds**  
**December 31, 2010**

	Public Buildings Community Investment Fee	Electric Community Investment Fee	Water System Construction Reserve	Water Acquisition
<b>ASSETS</b>				
Equity in pooled cash & cash equivalents	\$ 570,783	\$ 951,357	\$ 14,982,496	\$ 3,446,344
Cash and cash equivalents	-	-	-	-
Receivables (net of allowance for uncollectibles):				
Taxes	-	-	-	-
Grants	-	-	-	-
Loans	-	-	-	-
Fees	-	-	-	-
Accrued Interest	3,073	4,326	78,645	19,565
Prepays	-	-	-	-
Due from other governments	-	-	-	-
Restricted assets:				
Equity in pooled cash & cash equivalents	-	-	-	-
<b>Total assets</b>	<b>\$ 573,856</b>	<b>\$ 955,683</b>	<b>\$ 15,061,141</b>	<b>\$ 3,465,909</b>
<b>LIABILITIES</b>				
Accounts payable	\$ 1,130	\$ -	\$ 12,495	\$ 4,668
Construction contracts payable	15,658	-	-	-
Accrued liabilities	-	-	-	-
Deferred revenue	-	-	-	-
Deposits	-	-	-	-
<b>Total liabilities</b>	<b>16,788</b>	<b>-</b>	<b>12,495</b>	<b>4,668</b>
<b>FUND EQUITY</b>				
Fund balances:				
Reserved for encumbrances	213,442	-	120,099	35,287
Reserved for loans receivable	-	-	-	-
Reserved for grants	-	-	-	-
Reserved for prepaid expenditures	-	-	-	-
Reserved for construction/acquisition	-	955,683	11,626,374	3,209,354
Reserved for emergencies: state-imposed	-	-	-	-
Reserved for endowment/donations	-	-	-	-
Unreserved:				
Designated for debt service	-	-	-	-
Designated for St. Vrain Phase 9/10	-	-	-	-
Designated for Sunset Campus	3,887	-	-	-
Designated for Fire Station #6	-	-	-	-
Designated for Police Firing Range	-	-	-	-
Designated for future Council 1-time expenditures	-	-	-	-
Designated for future Transportation Improvements	-	-	-	-
Designated for subsequent years' expenditures	190,594	-	3,302,173	216,600
Undesignated	149,145	-	-	-
<b>Total fund equity</b>	<b>557,068</b>	<b>955,683</b>	<b>15,048,646</b>	<b>3,461,241</b>
<b>Total liabilities and fund equity</b>	<b>\$ 573,856</b>	<b>\$ 955,683</b>	<b>\$ 15,061,141</b>	<b>\$ 3,465,909</b>

CITY OF LONGMONT, COLORADO

Statement B-1  
(continued)

Special Revenue Funds

Raw Water Storage Reserve	Sewer Construction	Library Services	Museum Services	Historic Preservation	Callahan House
\$ 398,759	\$ 1,471,139	\$ 51,432	\$ 44,812	\$ 7,368	\$ 20,933
-	-	51,254	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	779	-	-	-	-
1,880	6,804	192	205	35	104
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 400,639</u>	<u>\$ 1,478,722</u>	<u>\$ 102,878</u>	<u>\$ 45,017</u>	<u>\$ 7,403</u>	<u>\$ 21,037</u>
\$ -	\$ 8,304	\$ 261	\$ -	\$ -	\$ 105
-	-	-	-	-	-
-	-	-	67	-	909
-	-	-	-	-	-
-	-	-	-	-	-
-	8,304	261	67	-	1,014
-	433	-	8,135	-	-
-	-	-	-	-	-
-	-	-	11,000	-	-
-	-	-	-	-	-
397,639	1,162,275	-	25,815	-	-
-	-	-	-	-	-
-	-	102,617	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
3,000	307,710	-	-	-	10,573
-	-	-	-	7,403	9,450
<u>400,639</u>	<u>1,470,418</u>	<u>102,617</u>	<u>44,950</u>	<u>7,403</u>	<u>20,023</u>
<u>\$ 400,639</u>	<u>\$ 1,478,722</u>	<u>\$ 102,878</u>	<u>\$ 45,017</u>	<u>\$ 7,403</u>	<u>\$ 21,037</u>

(continued)



CITY OF LONGMONT, COLORADO  
**COMBINING BALANCE SHEET**  
**Nonmajor Governmental funds**  
**December 31, 2010**

	Senior Services	Parks Grants & Donations	Affordable Housing	Subdividers Escrow	Open Space	Public Safety
<b>ASSETS</b>						
Equity in pooled cash & cash equivalents	\$ 174,070	\$ 628,759	\$ 1,456,258	\$ 3,539,579	\$ 896,096	\$ 2,155,817
Cash and cash equivalents	-	-	-	-	-	-
Receivables (net of allowance for uncollectibles):						
Taxes	-	-	-	-	308,436	501,202
Grants	-	-	-	-	-	56,758
Loans	-	-	-	-	-	2,739
Fees	-	-	-	-	-	-
Accrued Interest	834	2,962	6,705	16,724	52,433	10,588
Prepays	1,869	-	-	-	-	2,500
Due from other governments	-	-	-	-	-	-
Restricted assets:						
Equity in pooled cash & cash	-	-	-	-	-	-
Cash and cash equivalents	-	-	-	-	9,609,343	-
<b>Total assets</b>	<b>\$ 176,773</b>	<b>\$ 631,721</b>	<b>\$ 1,462,963</b>	<b>\$ 3,556,303</b>	<b>\$ 10,866,308</b>	<b>\$ 2,729,604</b>
<b>LIABILITIES</b>						
Accounts payable	\$ 2,076	\$ -	\$ -	\$ -	\$ 33,975	\$ 12,933
Construction contracts payable	-	-	-	-	46,062	-
Accrued liabilities	294	-	1,742	-	3,244	70,606
Deferred revenue	-	-	-	-	-	37,253
Deposits	-	-	-	2,921,553	-	-
<b>Total liabilities</b>	<b>2,370</b>	<b>-</b>	<b>1,742</b>	<b>2,921,553</b>	<b>83,281</b>	<b>120,792</b>
<b>FUND EQUITY</b>						
Fund balances:						
Reserved for encumbrances	-	-	-	-	2,507	71,491
Reserved for loans receivable	-	-	-	-	-	2,739
Reserved for grants	-	-	-	-	-	6,849
Reserved for prepaid expenditures	1,869	-	-	-	-	2,500
Reserved for construction/acquisition	-	-	-	-	9,563,281	-
Reserved for emergencies: state-imposed	-	-	-	-	-	-
Reserved for endow ment/donations	-	3,723	-	-	-	-
Unreserved:						
Designated for debt service	-	-	-	-	1,217,239	-
Designated for St. Vrain Phase 9/10	-	20,000	-	-	-	-
Designated for Sunset Campus	-	-	-	-	-	-
Designated for Fire Station #6	-	-	-	-	-	136,524
Designated for Police Firing Range	-	-	-	-	-	500,000
Designated for future Council 1-time expenditures	-	-	-	-	-	87,290
Designated for future Transportation Improvements	-	-	-	-	-	-
Designated for subsequent years' expenditures	-	-	232,521	-	-	136,064
Undesignated	172,534	607,998	1,228,700	634,750	-	1,665,355
<b>Total fund equity</b>	<b>174,403</b>	<b>631,721</b>	<b>1,461,221</b>	<b>634,750</b>	<b>10,783,027</b>	<b>2,608,812</b>
<b>Total liabilities and fund equity</b>	<b>\$ 176,773</b>	<b>\$ 631,721</b>	<b>\$ 1,462,963</b>	<b>\$ 3,556,303</b>	<b>\$ 10,866,308</b>	<b>\$ 2,729,604</b>

CITY OF LONGMONT, COLORADO

Statement B-1

(continued)

Special Revenue Funds						Capital Project Fund	Permanent Fund	Total Nonmajor Governmental Funds
Lodgers Tax	Probation Services	Library Trust	Museum Trust	Jones Foundation Trust	TOTALS	Public Improvement Capital Projects	Mosher/Kanemoto Trust	
91,568 \$	76,851 \$	- \$ 5,084	88,660 \$	59,310 \$	42,618,699 \$ 56,338	3,804,262 \$	1,129,601 \$	47,552,562 \$ 56,338
13,607	-	-	-	-	911,881	390,060	-	1,301,941
-	-	-	-	-	271,325	-	-	271,325
-	-	-	-	-	2,997	-	-	2,997
-	-	-	-	-	779	-	-	779
387	363	23	402	279	259,786	21,942	5,328	287,056
-	-	-	-	-	5,334	-	-	5,334
-	-	-	-	-	473	-	-	473
-	-	-	-	-	-	1,230,413	-	1,230,413
-	-	-	-	-	9,609,343	-	-	9,609,343
105,562 \$	77,214 \$	5,107 \$	89,062 \$	59,589 \$	53,736,955	5,446,677 \$	1,134,929 \$	60,318,561 \$
2,000 \$	- \$	- \$	- \$	- \$	579,328	63,524 \$	-	642,852 \$
-	-	-	-	-	191,626	-	-	191,626
-	1,204	-	-	-	83,892	-	-	83,892
-	-	-	-	-	301,355	-	-	301,355
-	-	-	-	-	2,921,553	-	-	2,921,553
2,000	1,204	-	-	-	4,077,754	63,524	-	4,141,278
-	-	-	3,000	-	672,067	-	-	672,067
-	-	-	-	-	2,739	-	-	2,739
-	-	-	-	-	26,585	-	-	26,585
-	-	-	-	-	5,334	-	-	5,334
-	-	-	-	-	26,940,421	1,230,413	-	28,170,834
-	-	-	-	-	3,335	-	-	3,335
-	-	-	-	-	203,740	-	1,134,929	1,338,669
-	-	-	-	-	1,217,239	356,991	-	1,574,230
-	-	-	-	-	820,853	-	-	820,853
-	-	-	-	-	3,887	-	-	3,887
-	-	-	-	-	136,524	-	-	136,524
-	-	-	-	-	500,000	-	-	500,000
-	-	-	-	-	87,290	-	-	87,290
-	-	-	-	-	21,300	-	-	21,300
-	-	-	-	-	5,377,383	1,476,171	-	6,853,554
103,562	76,010	5,107	86,062	59,589	13,640,504	2,319,578	-	15,960,082
103,562	76,010	5,107	89,062	59,589	49,659,201	5,383,153	1,134,929	56,177,283
105,562 \$	77,214 \$	5,107 \$	89,062 \$	59,589 \$	53,736,955	5,446,677 \$	1,134,929 \$	60,318,561 \$

CITY OF LONGMONT, COLORADO

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
NON MAJOR GOVERNMENTAL FUNDS  
For the Year Ended December 31, 2010**

	Conservation	Park Improvement	General Improvement District #1	Community Development Block Grant	Downtown Parking	Judicial Wedding Fees
<b>REVENUES</b>						
Taxes	\$ -	\$ -	\$ 92,054	\$ -	\$ -	\$ -
Licenses and permits	-	460,944	-	-	53,140	-
Developer/owner participation	-	23,671	-	-	-	-
Intergovernmental	748,517	-	-	588,315	-	-
Charges for services	-	-	-	-	-	1,150
Fines and forfeits	-	-	-	-	-	-
Investment income	53,012	43,043	1,812	13,390	4,038	306
Private grants/donations	-	7,900	-	-	-	-
Miscellaneous	-	-	17,287	93,938	-	-
<b>Total revenues</b>	<b>801,529</b>	<b>535,558</b>	<b>111,153</b>	<b>695,643</b>	<b>57,178</b>	<b>1,456</b>
<b>EXPENDITURES</b>						
Current:						
General governmental	-	-	81,145	838,238	35,427	740
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Culture and recreation	1,476,707	383,762	-	-	-	-
Municipal utility system	-	-	-	-	-	-
Capital Projects	-	-	-	-	-	-
Debt service:						
Bond principal retired	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
Bond issuance costs	-	-	-	-	-	-
<b>Total expenditures</b>	<b>1,476,707</b>	<b>383,762</b>	<b>81,145</b>	<b>838,238</b>	<b>35,427</b>	<b>740</b>
Excess of revenues over (under) expenditures	(675,178)	151,796	30,008	(142,595)	21,751	716
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	-	-	-	-	32,953	-
Transfers out	-	(39)	-	-	(72)	(1,283)
Issuance of long-term debt	-	-	-	-	-	-
Premium on issuance of long-term debt	-	-	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>(39)</b>	<b>-</b>	<b>-</b>	<b>32,881</b>	<b>(1,283)</b>
Net change in fund balances	(675,178)	151,757	30,008	(142,595)	54,632	(567)
<b>FUND BALANCES, January 1</b>	<b>4,813,001</b>	<b>3,881,392</b>	<b>93,434</b>	<b>218,096</b>	<b>352,938</b>	<b>28,184</b>
<b>FUND BALANCES, December 31</b>	<b>\$ 4,137,823</b>	<b>\$ 4,033,149</b>	<b>\$ 123,442</b>	<b>\$ 75,501</b>	<b>\$ 407,570</b>	<b>\$ 27,617</b>

Special Revenue Funds

Police Seizures	Prevention Education	Art In Public Places	Youth Services	Air Quality Control	Transportation Community Investment Fee	Public Buildings Community Investment Fee	Electric Community Investment Fee	Water System Construction Reserve	Water Acquisition
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	734,903	-	227,163	446,419	-
-	-	-	-	-	-	168,766	-	-	7,626
46,116	26,697	-	7,500	-	-	-	-	-	-
-	28,960	-	12,903	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
587	931	3,423	1,119	171	20,064	6,556	8,946	183,333	46,394
-	-	-	48,108	-	-	-	-	-	-
-	30,095	-	2,210	-	-	-	-	-	-
46,703	86,683	3,423	71,840	171	754,967	175,322	236,109	629,752	54,020
-	-	-	-	-	-	150,486	-	-	-
22,998	73,701	-	-	-	-	-	-	-	-
-	-	-	-	-	1,061,259	-	-	-	-
-	-	56,719	30,499	-	-	-	-	-	-
-	-	-	-	-	-	-	12,796	2,509,127	925,104
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
22,998	73,701	56,719	30,499	-	1,061,259	150,486	12,796	2,509,127	925,104
23,705	12,982	(53,296)	41,341	171	(306,292)	24,836	223,313	(1,879,375)	(871,084)
-	-	64,913	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	(1,238)	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	64,913	-	-	-	-	-	(1,238)	-
23,705	12,982	11,617	41,341	171	(306,292)	24,836	223,313	(1,880,613)	(871,084)
52,395	72,298	328,576	78,719	15,490	1,827,145	532,232	732,370	16,929,259	4,332,325
\$ 76,100	\$ 85,280	\$ 340,193	\$ 120,060	\$ 15,661	\$ 1,520,853	\$ 557,068	\$ 955,683	\$ 15,048,646	\$ 3,461,241

(continued)

CITY OF LONGMONT, COLORADO

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
NON MAJOR GOVERNMENTAL FUNDS  
For the Year Ended December 31, 2010**

	Raw Water Storage Reserve	Sewer Construction	Library Services	Museum Services
<b>REVENUES</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	277,028	-	-
Developer/owner participation	-	146,647	-	-
Intergovernmental	-	-	22,474	12,000
Charges for services	-	-	-	43,029
Fines and forfeits	-	-	-	-
Investment income	4,362	17,467	829	632
Private grants	-	-	-	28,158
Miscellaneous	-	165	95,836	1,233
<b>Total revenues</b>	<b>4,362</b>	<b>441,307</b>	<b>119,139</b>	<b>85,052</b>
<b>EXPENDITURES</b>				
Current:				
General governmental	-	-	-	-
Public safety	-	-	-	-
Highways and streets	-	-	-	-
Culture and recreation	-	-	78,529	96,125
Municipal utility system	-	260,623	-	-
Capital Projects	-	-	-	-
Debt service:				
Bond principal retired	-	-	-	-
Interest and fiscal charges	-	-	-	-
Bond issuance costs	-	-	-	-
<b>Total expenditures</b>	<b>-</b>	<b>260,623</b>	<b>78,529</b>	<b>96,125</b>
Excess of revenues over (under) expenditures	4,362	180,684	40,610	(11,073)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	-	-
Transfers out	-	(258,735)	(37,798)	-
Issuance of long-term debt	-	-	-	-
Premium on issuance of long-term debt	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>(258,735)</b>	<b>(37,798)</b>	<b>-</b>
Net change in fund balances	4,362	(78,051)	2,812	(11,073)
FUND BALANCES, January 1	396,277	1,548,469	99,805	56,023
<b>FUND BALANCES, December 31</b>	<b>\$ 400,639</b>	<b>\$ 1,470,418</b>	<b>\$ 102,617</b>	<b>\$ 44,950</b>

Special Revenue Funds

	Historic Preservation	Callahan House	Senior Services	Parks Grants & Donations	Affordable Housing	Subdividers Escrow
\$	-	\$ -	\$ -	\$ -	\$ -	\$ -
	750	-	-	-	-	-
	-	-	-	-	-	-
	-	34,316	166,894	-	-	-
	-	-	-	-	-	-
	75	286	1,835	6,140	24,928	47,107
	-	3,675	3,063	20	-	-
	-	2,381	5,253	20,000	68,036	-
	825	40,658	177,045	26,160	92,964	47,107
	-	-	-	-	431,209	39,352
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	68,665	155,915	123	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	68,665	155,915	123	431,209	39,352
	825	(28,007)	21,130	26,037	(338,245)	7,755
	-	18,748	-	-	139,627	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	18,748	-	-	139,627	-
	825	(9,259)	21,130	26,037	(198,618)	7,755
	6,578	29,282	153,273	605,684	1,659,839	626,995
\$	7,403	\$ 20,023	\$ 174,403	\$ 631,721	\$ 1,461,221	\$ 634,750

(continued)

CITY OF LONGMONT, COLORADO

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
NON MAJOR GOVERNMENTAL FUNDS  
For the Year Ended December 31, 2010**

Special Revenue Funds

	Open Space	Public Safety	Lodgers Tax	Probation Services	Library Trust
<b>REVENUES</b>					
Taxes	2,722,178	\$ 4,423,539	\$ 263,041	\$ -	\$ -
Licenses and permits	-	-	-	-	-
Developer/owner participation	-	-	-	-	-
Intergovernmental	-	205,882	-	-	-
Charges for services	-	-	-	-	-
Fines and forfeits	-	-	-	108,564	-
Investment income	50,191	27,449	730	599	54
Private grants/donations	-	1,071	-	-	-
Miscellaneous	74,583	60	-	-	-
<b>Total revenues</b>	<b>2,846,952</b>	<b>4,658,001</b>	<b>263,771</b>	<b>109,163</b>	<b>54</b>
<b>EXPENDITURES</b>					
Current:					
General governmental	-	-	-	72,668	-
Public safety	-	4,961,740	-	-	-
Highways and streets	-	-	-	-	-
Culture and recreation	6,979,820	125,010	296,514	-	-
Municipal utility system	-	-	-	-	-
Capital Projects	-	-	-	-	-
Debt service:					
Bond principal retired	-	-	-	-	-
Interest and fiscal charges	378,338	-	-	-	-
Bond issuance costs	408,421	-	-	-	-
<b>Total expenditures</b>	<b>7,766,579</b>	<b>5,086,750</b>	<b>296,514</b>	<b>72,668</b>	<b>-</b>
Excess of revenues over (under) expenditures	(4,919,627)	(428,749)	(32,743)	36,495	54
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-	-	-	-	-
Transfers out	-	(346,685)	(3,000)	-	-
Issuance of long-term debt	29,770,000	-	-	-	-
Premium on issuance of long-term debt	177,173	-	-	-	-
Payment to refunded bond escrow agent	(14,732,432)	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>15,214,741</b>	<b>(346,685)</b>	<b>(3,000)</b>	<b>-</b>	<b>-</b>
Net change in fund balances	10,295,114	(775,434)	(35,743)	36,495	54
<b>FUND BALANCES, January 1</b>	<b>487,913</b>	<b>3,384,246</b>	<b>139,305</b>	<b>39,515</b>	<b>5,053</b>
<b>FUND BALANCES, December 31</b>	<b>10,783,027</b>	<b>\$ 2,608,812</b>	<b>\$ 103,562</b>	<b>\$ 76,010</b>	<b>\$ 5,107</b>

			Capital Projects	Permanent	
			Fund	Fund	
Museum Trust	Jones Foundation Trust	TOTALS	Public Improvement Capital Projects	Mosher/Kanemoto Trust	Total Nonmajor Governmental Funds
-	\$ -	\$ 7,500,812	\$ 3,581,110	\$ -	\$ 11,081,922
-	-	2,200,347	-	-	2,200,347
-	-	346,710	6,000	-	352,710
-	-	1,657,501	32,587	-	1,690,088
-	-	287,252	-	-	287,252
-	-	108,564	-	-	108,564
949	648	571,406	61,818	12,356	645,580
3,634	-	95,629	-	-	95,629
14,584	-	425,661	18,615	-	444,276
<u>19,167</u>	<u>648</u>	<u>13,193,882</u>	<u>3,700,130</u>	<u>12,356</u>	<u>16,906,368</u>
-	-	1,649,265	-	-	1,649,265
-	-	5,058,439	-	-	5,058,439
-	-	1,061,259	-	-	1,061,259
19,706	-	9,768,094	-	-	9,768,094
-	-	3,707,650	-	-	3,707,650
-	-	-	893,318	-	893,318
-	-	-	1,690,000	-	1,690,000
-	-	378,338	984,623	-	1,362,961
-	-	408,421	-	-	408,421
<u>19,706</u>	<u>-</u>	<u>22,031,466</u>	<u>3,567,941</u>	<u>-</u>	<u>25,599,407</u>
<u>(539)</u>	<u>648</u>	<u>(8,837,584)</u>	<u>132,189</u>	<u>12,356</u>	<u>(8,693,039)</u>
-	-	256,241	-	-	256,241
-	-	(648,850)	(5,467)	-	(654,317)
-	-	29,770,000	-	-	29,770,000
-	-	177,173	-	-	177,173
-	-	(14,732,432)	-	-	(14,732,432)
<u>-</u>	<u>-</u>	<u>14,822,132</u>	<u>(5,467)</u>	<u>-</u>	<u>14,816,665</u>
<u>(539)</u>	<u>648</u>	<u>5,984,548</u>	<u>126,722</u>	<u>12,356</u>	<u>6,123,626</u>
<u>89,601</u>	<u>58,941</u>	<u>43,674,653</u>	<u>5,256,431</u>	<u>1,122,573</u>	<u>50,053,657</u>
<u>89,062</u>	<u>\$ 59,589</u>	<u>\$ 49,659,201</u>	<u>\$ 5,383,153</u>	<u>\$ 1,134,929</u>	<u>\$ 56,177,283</u>



**CONSERVATION SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-**  
**BUDGET (GAAP BASIS) AND ACTUAL**  
**Year Ended December 31, 2010**

	Final Budget	Actual	Variance From Final Budget
<b>REVENUES</b>			
Intergovernmental	\$ 800,000	\$ 748,517	\$ (51,483)
Investment income	100,000	53,012	(46,988)
Total revenues	900,000	801,529	(98,471)
<b>EXPENDITURES</b>			
Culture and recreation	2,347,226	1,476,707	870,519
Net change in fund balance	(1,447,226)	(675,178)	772,048
<b>FUND BALANCE, January 1</b>	4,813,001	4,813,001	-
<b>FUND BALANCE, December 31</b>	\$ 3,365,775	\$ 4,137,823	\$ 772,048

**PARK IMPROVEMENT SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET (GAAP BASIS) AND ACTUAL**  
**Year Ended December 31, 2010**

	Final Budget	Actual	Variance From Final Budget
<b>REVENUES</b>			
Licenses and permits	\$ 354,039	\$ 460,944	\$ 106,905
Developer participation	-	23,671	23,671
Investment income	36,031	43,043	7,012
Private grants/donations	-	7,900	7,900
Total revenues	390,070	535,558	145,488
<b>EXPENDITURES</b>			
Culture and recreation	463,735	383,762	79,973
Excess of revenues over (under) expenditures	(73,665)	151,796	225,461
<b>OTHER FINANCING (USES)</b>			
Transfer out			
Art in public places fund	(2,376)	(39)	2,337
Net change in fund balance	(76,041)	151,757	227,798
<b>FUND BALANCE, January 1</b>	3,881,392	3,881,392	-
<b>FUND BALANCE, December 31</b>	\$ 3,805,351	\$ 4,033,149	\$ 227,798

**GENERAL IMPROVEMENT DISTRICT #1 SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET (GAAP BASIS) AND ACTUAL**  
**Year Ended December 31, 2010**

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance From Final Budget</b>
<b>REVENUES</b>			
Taxes	\$ 93,974	\$ 92,054	\$ (1,920)
Investment income	-	1,812	1,812
Miscellaneous	17,192	17,287	95
<b>Total revenues</b>	<b>111,166</b>	<b>111,153</b>	<b>(13)</b>
<b>EXPENDITURES</b>			
General government	104,069	81,145	22,924
<b>Net change in fund balance</b>	<b>7,097</b>	<b>30,008</b>	<b>22,911</b>
<b>FUND BALANCE, January 1</b>	<b>93,434</b>	<b>93,434</b>	<b>-</b>
<b>FUND BALANCE, December 31</b>	<b>\$ 100,531</b>	<b>\$ 123,442</b>	<b>\$ 22,911</b>

**COMMUNITY DEVELOPMENT BLOCK GRANT SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET (GAAP BASIS) AND ACTUAL**  
**Year Ended December 31, 2010**

	Final Budget	Actual	Variance From Final Budget
<b>REVENUES</b>			
Intergovernmental	\$ 1,785,129	\$ 588,315	\$ (1,196,814)
Investment income	-	13,390	13,390
Miscellaneous	103,970	93,938	(10,032)
Total revenues	1,889,099	695,643	(1,193,456)
<b>EXPENDITURES</b>			
General government	1,891,136	838,238	1,052,898
Net change in fund balance	(2,037)	(142,595)	(140,558)
<b>FUND BALANCE, January 1</b>	218,096	218,096	-
<b>FUND BALANCE, December 31</b>	\$ 216,059	\$ 75,501	\$ (140,558)

**DOWNTOWN PARKING SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET (GAAP BASIS) AND ACTUAL**  
**Year Ended December 31, 2010**

	Final Budget	Actual	Variance From Final Budget
<b>REVENUES</b>			
Licenses and permits	\$ 55,440	\$ 53,140	\$ (2,300)
Investment income	6,500	4,038	(2,462)
Total revenues	61,940	57,178	(4,762)
<b>EXPENDITURES</b>			
General government	398,707	35,427	363,280
Excess of revenues over (under) expenditures	(336,767)	21,751	358,518
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfer in			
General Fund	46,913	32,953	(13,960)
Transfer out			
Art in public places fund	-	(72)	(72)
Total other financing sources (uses)	46,913	32,881	(14,032)
Net change in fund balance	(289,854)	54,632	344,486
<b>FUND BALANCE, January 1</b>	352,938	352,938	-
<b>FUND BALANCE, December 31</b>	\$ 63,084	\$ 407,570	\$ 344,486

**JUDICIAL WEDDING FEE SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET (GAAP BASIS) AND ACTUAL**  
**Year Ended December 31, 2010**

	Final Budget	Actual	Variance From Final Budget
<b>REVENUES</b>			
Charges for services	\$ 2,400	\$ 1,150	\$ (1,250)
Investment income	1,000	306	(694)
<hr/>			
Total revenues	3,400	1,456	(1,944)
<b>EXPENDITURES</b>			
General government	1,000	740	260
<hr/>			
Excess of revenues over (under) expenditures	2,400	716	(1,684)
<b>OTHER FINANCING (USES)</b>			
Transfer out			
General fund	(1,283)	(1,283)	-
<hr/>			
Net change in fund balance	1,117	(567)	(1,684)
<hr/>			
<b>FUND BALANCE, January 1</b>	28,184	28,184	-
<hr/>			
<b>FUND BALANCE, December 31</b>	\$ 29,301	\$ 27,617	\$ (1,684)

**POLICE SEIZURES SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET (GAAP BASIS) AND ACTUAL**  
**Year Ended December 31, 2010**

	Final Budget	Actual	Variance From Final Budget
<b>REVENUES</b>			
Intergovernmental	\$ 13,000	\$ 46,116	\$ 33,116
Investment income	-	587	587
<hr/>			
Total revenues	13,000	46,703	33,703
<b>EXPENDITURES</b>			
Public safety	35,836	22,998	12,838
<hr/>			
Net change in fund balance	(22,836)	23,705	46,541
<hr/>			
<b>FUND BALANCE, January 1</b>	52,395	52,395	-
<hr/>			
<b>FUND BALANCE, December 31</b>	\$ 29,559	\$ 76,100	\$ 46,541

**PREVENTION/EDUCATION SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET (GAAP BASIS) AND ACTUAL**  
**Year Ended December 31, 2010**

	Final Budget	Actual	Variance From Final Budget
<b>REVENUES</b>			
Charges for services	\$ 27,267	\$ 28,960	\$ 1,693
Intergovernmental	65,157	26,697	(38,460)
Investment income	-	931	931
Miscellaneous	26,000	30,095	4,095
<b>Total revenues</b>	<b>118,424</b>	<b>86,683</b>	<b>(31,741)</b>
<b>EXPENDITURES</b>			
Public safety	139,244	73,701	65,543
<b>Net change in fund balance</b>	<b>(20,820)</b>	<b>12,982</b>	<b>33,802</b>
<b>FUND BALANCE, January 1</b>	<b>72,298</b>	<b>72,298</b>	<b>-</b>
<b>FUND BALANCE, December 31</b>	<b>\$ 51,478</b>	<b>\$ 85,280</b>	<b>\$ 33,802</b>



**ART IN PUBLIC PLACES SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-**  
**BUDGET (GAAP BASIS) AND ACTUAL**  
**Year Ended December 31, 2010**

	Final Budget	Actual	Variance From Final Budget
<b>REVENUES</b>			
Investment income	\$ -	\$ 3,423	\$ 3,423
<b>EXPENDITURES</b>			
Culture and recreation	118,734	56,719	62,015
Excess of revenues over (under) expenditures	(118,734)	(53,296)	65,438
<b>OTHER FINANCING SOURCES</b>			
Transfers in			
Sanitation fund	394	-	(394)
Golf fund	-	234	234
Electric fund	13,084	2,146	(10,938)
Water fund	52,009	14,226	(37,783)
Water construction fund	10,135	1,238	(8,897)
Sewer fund	4,664	3,181	(1,483)
Sewer construction fund	-	521	521
Storm drainage fund	2,494	35,875	33,381
Airport fund	-	1,232	1,232
Public improvement fund	15,547	5,467	(10,080)
Parking Fund	-	72	72
Parks improvement fund	-	39	39
Public building CIF fund	2,970	-	(2,970)
Open space fund	872	-	(872)
Public safety fund	-	604	604
Component unit	12,079	-	(12,079)
Fleet fund	-	78	78
Total other financing sources	114,248	64,913	(49,335)
Net change in fund balance	(4,486)	11,617	16,103
<b>FUND BALANCE, January 1</b>	328,576	328,576	-
<b>FUND BALANCE, December 31</b>	\$ 324,090	\$ 340,193	\$ 16,103

**YOUTH SERVICES SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET (GAAP BASIS) AND ACTUAL**  
**Year Ended December 31, 2010**

	Final Budget	Actual	Variance From Final Budget
<b>REVENUES</b>			
Intergovernmental	\$ -	\$ 7,500	\$ 7,500
Charges for services	-	12,903	12,903
Investment income	-	1,119	1,119
Private grant	48,715	48,108	(607)
Miscellaneous	546	2,210	1,664
<b>Total revenues</b>	<b>49,261</b>	<b>71,840</b>	<b>22,579</b>
<b>EXPENDITURES</b>			
Culture and recreation	57,997	30,499	27,498
<b>Net change in fund balance</b>	<b>(8,736)</b>	<b>41,341</b>	<b>50,077</b>
<b>FUND BALANCE, January 1</b>	<b>78,719</b>	<b>78,719</b>	<b>-</b>
<b>FUND BALANCE, December 31</b>	<b>\$ 69,983</b>	<b>\$ 120,060</b>	<b>\$ 50,077</b>

**TRANSPORTATION COMMUNITY INVESTMENT FEE SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET (GAAP BASIS) AND ACTUAL**  
**Year Ended December 31, 2010**

	Final Budget	Actual	Variance From Final Budget
<b>REVENUES</b>			
Licenses and permits	\$ 84,826	\$ 734,903	\$ 650,077
Investment income	23,074	20,064	(3,010)
Total revenues	107,900	754,967	647,067
<b>EXPENDITURES</b>			
Highways and streets	1,082,559	1,061,259	21,300
Net change in fund balance	(974,659)	(306,292)	668,367
<b>FUND BALANCE, January 1</b>	1,827,145	1,827,145	-
<b>FUND BALANCE, December 31</b>	\$ 852,486	\$ 1,520,853	\$ 668,367

**PUBLIC BUILDINGS COMMUNITY INVESTMENT FEE SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET (GAAP BASIS) AND ACTUAL**  
**Year Ended December 31, 2010**

	Final Budget	Actual	Variance From Final Budget
<b>REVENUES</b>			
Developer participation	\$ 76,080	\$ 168,766	\$ 92,686
Investment income	16,500	6,556	(9,944)
Total revenues	92,580	175,322	82,742
<b>EXPENDITURES</b>			
General Government	367,814	150,486	217,328
Net change in fund balance	(275,234)	24,836	300,070
<b>FUND BALANCE, January 1</b>	532,232	532,232	-
<b>FUND BALANCE, December 31</b>	\$ 256,998	\$ 557,068	\$ 300,070

**ELECTRIC COMMUNITY INVESTMENT FEE SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET (GAAP BASIS) AND ACTUAL**  
**Year Ended December 31, 2010**

	Final Budget	Actual	Variance From Final Budget
<b>REVENUES</b>			
Licenses and permits	\$ 190,000	\$ 227,163	\$ 37,163
Investment income	18,100	8,946	(9,154)
Total revenues	208,100	236,109	28,009
<b>EXPENDITURES</b>			
Municipal utility systems	375,000	12,796	362,204
Net change in fund balance	(166,900)	223,313	390,213
<b>FUND BALANCE, January 1</b>	732,370	732,370	-
<b>FUND BALANCE, December 31</b>	\$ 565,470	\$ 955,683	\$ 390,213

**WATER SYSTEM CONSTRUCTION RESERVE SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET (GAAP BASIS) AND ACTUAL**  
**Year Ended December 31, 2010**

	Final Budget	Actual	Variance From Final Budget
<b>REVENUES</b>			
Licenses and permits	\$ 226,100	\$ 446,419	\$ 220,319
Developer participation	-	-	-
Investment income	301,100	183,333	(117,767)
Miscellaneous	-	-	-
<b>Total revenues</b>	<b>527,200</b>	<b>629,752</b>	<b>102,552</b>
<b>EXPENDITURES</b>			
Municipal utility systems	3,824,427	2,509,127	1,315,300
<b>Excess of revenues over (under) expenditures</b>	<b>(3,297,227)</b>	<b>(1,879,375)</b>	<b>1,417,852</b>
<b>OTHER FINANCING (USES)</b>			
Transfer out			
Art in public places fund	(10,893)	(1,238)	9,655
<b>Net change in fund balance</b>	<b>(3,308,120)</b>	<b>(1,880,613)</b>	<b>1,427,507</b>
<b>FUND BALANCE, January 1</b>	<b>16,929,259</b>	<b>16,929,259</b>	<b>-</b>
<b>FUND BALANCE, December 31</b>	<b>\$ 13,621,139</b>	<b>\$ 15,048,646</b>	<b>\$ 1,427,507</b>

**WATER ACQUISITION SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET (GAAP BASIS) AND ACTUAL**  
**Year Ended December 31, 2010**

	Final Budget	Actual	Variance From Final Budget
<b>REVENUES</b>			
Developer participation	\$ 5,000	\$ 7,626	\$ 2,626
Investment income	77,300	46,394	(30,906)
Miscellaneous	-	-	-
Total revenues	82,300	54,020	(28,280)
<b>EXPENDITURES</b>			
Municipal utility systems	1,089,195	925,104	164,091
Net change in fund balance	(1,006,895)	(871,084)	135,811
<b>FUND BALANCE, January 1</b>	4,332,325	4,332,325	-
<b>FUND BALANCE, December 31</b>	\$ 3,325,430	\$ 3,461,241	\$ 135,811

**RAW WATER STORAGE RESERVE SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET (GAAP BASIS) AND ACTUAL**  
**Year Ended December 31, 2010**

	Final Budget	Actual	Variance From Final Budget
<b>REVENUES</b>			
Investment income	\$ 7,000	\$ 4,362	\$ (2,638)
<b>EXPENDITURES</b>			
Municipal utility system	10,000	-	10,000
Net change in fund balance	(3,000)	4,362	7,362
<b>FUND BALANCE, January 1</b>	<b>396,277</b>	<b>396,277</b>	<b>-</b>
<b>FUND BALANCE, December 31</b>	<b>\$ 393,277</b>	<b>\$ 400,639</b>	<b>\$ 7,362</b>



**SEWER CONSTRUCTION SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET (GAAP BASIS) AND ACTUAL**  
**Year Ended December 31, 2010**

	Final Budget	Actual	Variance From Final Budget
<b>REVENUES</b>			
Licenses and permits	\$ 357,400	\$ 277,028	\$ (80,372)
Developer participation	-	146,647	146,647
Investment income	21,800	17,467	(4,333)
Miscellaneous	-	165	165
<b>Total revenues</b>	<b>379,200</b>	<b>441,307</b>	<b>62,107</b>
<b>EXPENDITURES</b>			
Municipal utility systems	288,683	260,623	28,060
<b>Excess of revenues over expenditures</b>	<b>90,517</b>	<b>180,684</b>	<b>90,167</b>
<b>OTHER FINANCING (USES)</b>			
Transfer out			
Sewer Fund	(299,761)	(258,214)	41,547
Art in public places fund	(2,108)	(521)	1,587
<b>Total other financing (uses)</b>	<b>(301,869)</b>	<b>(258,735)</b>	<b>43,134</b>
<b>Net change in fund balance</b>	<b>(211,352)</b>	<b>(78,051)</b>	<b>133,301</b>
<b>FUND BALANCE, January 1</b>	<b>1,548,469</b>	<b>1,548,469</b>	<b>-</b>
<b>FUND BALANCE, December 31</b>	<b>\$ 1,337,117</b>	<b>\$ 1,470,418</b>	<b>\$ 133,301</b>

**LIBRARY SERVICES SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET (GAAP BASIS) AND ACTUAL**  
**Year Ended December 31, 2010**

	Final Budget	Actual	Variance From Final Budget
<b>REVENUES</b>			
Intergovernmental	\$ 17,000	\$ 22,474	\$ 5,474
Investment income	1,000	829	(171)
Private grants/donations	87,485	95,836	8,351
<b>Total revenues</b>	<b>105,485</b>	<b>119,139</b>	<b>13,654</b>
<b>EXPENDITURES</b>			
Culture and recreation	94,450	78,529	15,921
<b>Excess revenues over expenditures</b>	<b>11,035</b>	<b>40,610</b>	<b>29,575</b>
<b>OTHER FINANCING (USES)</b>			
Transfer out			
General fund	(37,798)	(37,798)	-
<b>Net change in fund balance</b>	<b>(26,763)</b>	<b>2,812</b>	<b>29,575</b>
<b>FUND BALANCE, January 1</b>	<b>99,805</b>	<b>99,805</b>	<b>-</b>
<b>FUND BALANCE, December 31</b>	<b>\$ 73,042</b>	<b>\$ 102,617</b>	<b>\$ 29,575</b>

**MUSEUM SERVICES SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET (GAAP BASIS) AND ACTUAL**  
**Year Ended December 31, 2010**

	Final Budget	Actual	Variance From Final Budget
<b>REVENUES</b>			
Intergovernmental	\$ 12,500	\$ 12,000	\$ (500)
Charges of services	55,587	43,029	(12,558)
Investment income	500	632	132
Private grants/donations	33,750	28,158	(5,592)
Miscellaneous	1,650	1,233	(417)
<b>Total revenues</b>	<b>103,987</b>	<b>85,052</b>	<b>(18,935)</b>
<b>EXPENDITURES</b>			
Culture and recreation	130,373	96,125	34,248
<b>Net change in fund balance</b>	<b>(26,386)</b>	<b>(11,073)</b>	<b>15,313</b>
<b>FUND BALANCE, January 1</b>	<b>56,023</b>	<b>56,023</b>	<b>-</b>
<b>FUND BALANCE, December 31</b>	<b>\$ 29,637</b>	<b>\$ 44,950</b>	<b>\$ 15,313</b>

**CALLAHAN HOUSE SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET (GAAP BASIS) AND ACTUAL**  
**Year Ended December 31, 2010**

	Final Budget	Actual	Variance From Final Budget
<b>REVENUES</b>			
Charges for services	\$ 46,700	\$ 34,316	\$ (12,384)
Investment income	1,000	286	(714)
Private Grants/donations	250	3,675	3,425
Miscellaneous	-	2,381	2,381
Total revenues	47,950	40,658	(7,292)
<b>EXPENDITURES</b>			
Culture and recreation	77,239	68,665	8,574
Excess of revenues (under) expenditures	(29,289)	(28,007)	1,282
<b>OTHER FINANCING SOURCES</b>			
Transfer in			
General fund	18,748	18,748	-
Net change in fund balance	(10,541)	(9,259)	1,282
<b>FUND BALANCE, January 1</b>	29,282	29,282	-
<b>FUND BALANCE, December 31</b>	\$ 18,741	\$ 20,023	\$ 1,282

**SENIOR SERVICES SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET (GAAP BASIS) AND ACTUAL**  
**Year Ended December 31, 2010**

	Final Budget	Actual	Variance From Final Budget
<b>REVENUES</b>			
Charges for services	\$ 152,000	\$ 166,894	\$ 14,894
Investment income	-	1,835	1,835
Private Grants/donations	5,000	3,063	(1,937)
Miscellaneous	10,000	5,253	(4,747)
Total revenues	167,000	177,045	10,045
<b>EXPENDITURES</b>			
Culture and recreation	174,647	155,915	18,732
Net change in fund balance	(7,647)	21,130	28,777
<b>FUND BALANCE, January 1</b>	153,273	153,273	-
<b>FUND BALANCE, December 31</b>	\$ 145,626	\$ 174,403	\$ 28,777

**PARKS GRANTS AND DONATIONS SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET (GAAP BASIS) AND ACTUAL**  
**Year Ended December 31, 2010**

	Final Budget	Actual	Variance From Final Budget
<b>REVENUES</b>			
Miscellaneous	\$ 20,000	\$ 20,000	\$ -
Investment income	-	6,140	6,140
Private Grants / donations	-	20	20
<hr/>			
Total revenues	20,000	26,160	6,160
<b>EXPENDITURES</b>			
Culture and recreation	20,000	123	19,877
<hr/>			
Net change in fund balance	-	26,037	26,037
<hr/>			
<b>FUND BALANCE, January 1</b>	605,684	605,684	-
<hr/>			
<b>FUND BALANCE, December 31</b>	\$ 605,684	\$ 631,721	\$ 26,037

**AFFORDABLE HOUSING SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET (GAAP BASIS) AND ACTUAL**  
**Year Ended December 31, 2010**

	Final Budget	Actual	Variance From Final Budget
<b>REVENUES</b>			
Licenses and permits	\$ 33,180	\$ -	\$ (33,180)
Investment income	-	24,928	24,928
Miscellaneous	266,820	68,036	(198,784)
Total revenues	300,000	92,964	(207,036)
<b>EXPENDITURES</b>			
General government	920,387	431,209	489,178
Excess of revenues over (under) expenditures	(620,387)	(338,245)	282,142
<b>OTHER FINANCING SOURCES</b>			
Transfer in General fund	139,627	139,627	-
Net change in fund balance	(480,760)	(198,618)	282,142
<b>FUND BALANCE, January 1</b>	1,659,839	1,659,839	-
<b>FUND BALANCE, December 31</b>	\$ 1,179,079	\$ 1,461,221	\$ 282,142

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**OPEN SPACE SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET (GAAP BASIS) AND ACTUAL**  
**Year Ended December 31, 2010**

	Final Budget	Actual	Variance From Final Budget
<b>REVENUES</b>			
Taxes	\$ 2,596,816	\$ 2,722,178	\$ 125,362
Investment income	112,500	50,191	(62,309)
Miscellaneous	30,000	74,583	44,583
<b>Total revenues</b>	<b>2,739,316</b>	<b>2,846,952</b>	<b>107,636</b>
<b>EXPENDITURES</b>			
Current:			
Culture and Recreation	7,400,770	6,979,820	420,950
Debt Service:			
Bond principal retired	1,150,000	-	1,150,000
Bond issuance costs	427,991	408,421	19,570
Interest and fiscal charges	2,978,680	378,338	2,600,342
<b>Total expenditures</b>	<b>11,957,441</b>	<b>7,766,579</b>	<b>4,190,862</b>
Excess of revenues over (under) expenditures	(9,218,125)	(4,919,627)	4,298,498
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers out			
Art in public places fund	(2,147)	-	2,147
Issuance of long-term debt	21,934,381	29,770,000	7,835,619
Premium on issuance of long-term debt	-	177,173	177,173
Payment to refunded bond escrow agent	(14,732,432)	(14,732,432)	-
<b>Total other financing sources (uses)</b>	<b>7,199,802</b>	<b>15,214,741</b>	<b>8,014,939</b>
<b>Net changes in fund balance</b>	<b>(2,018,323)</b>	<b>10,295,114</b>	<b>12,313,437</b>
<b>FUND BALANCE, January 1</b>	<b>487,913</b>	<b>487,913</b>	<b>-</b>
<b>FUND BALANCE, December 31</b>	<b>(1,530,410)</b>	<b>\$ 10,783,027</b>	<b>\$ 12,313,437</b>



**PUBLIC SAFETY SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET (GAAP BASIS) AND ACTUAL**  
**Year Ended December 31, 2010**

	Final Budget	Actual	Variance From Final Budget
<b>REVENUES</b>			
Taxes	\$ 4,219,827	\$ 4,423,539	\$ 203,712
Intergovernmental	348,759	205,882	(142,877)
Investment income	82,500	27,449	(55,051)
Miscellaneous	-	60	60
Private grants/donations	-	1,071	1,071
<b>Total revenues</b>	<b>4,651,086</b>	<b>4,658,001</b>	<b>6,915</b>
<b>EXPENDITURES</b>			
Current:			
Public Safety	6,209,049	4,961,740	1,247,309
Culture and recreation	140,767	125,010	15,757
<b>Total expenditures</b>	<b>6,349,816</b>	<b>5,086,750</b>	<b>1,263,066</b>
Excess of revenues over (under) expenditures	(1,698,730)	(428,749)	1,269,981
<b>OTHER FINANCING (USES)</b>			
Transfers out			
Art in Public Places fund	(1,626)	(604)	1,022
Fleet fund	(349,000)	(346,081)	2,919
<b>Total other financing (uses)</b>	<b>(350,626)</b>	<b>(346,685)</b>	<b>3,941</b>
Net changes in fund balance	(2,049,356)	(775,434)	1,273,922
<b>FUND BALANCE, January 1</b>	<b>3,384,246</b>	<b>3,384,246</b>	<b>-</b>
<b>FUND BALANCE, December 31</b>	<b>\$ 1,334,890</b>	<b>\$ 2,608,812</b>	<b>\$ 1,273,922</b>

**LODGERS TAX SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET (GAAP BASIS) AND ACTUAL**  
**Year Ended December 31, 2010**

	Final Budget	Actual	Variance From Final Budget
<b>REVENUES</b>			
Taxes	250,535	263,041	12,506
Investment income	3,000	730	(2,270)
<hr/>			
Total revenues	253,535	263,771	10,236
<b>EXPENDITURES</b>			
Culture and recreation	312,998	296,514	16,484
<hr/>			
Excess of revenues over (under) expenditures	(59,463)	(32,743)	26,720
<b>OTHER FINANCING (USES)</b>			
Transfers out			
General fund	-	(3,000)	(3,000)
<hr/>			
Net changes in fund balance	(59,463)	(35,743)	23,720
<hr/>			
<b>FUND BALANCE, January 1</b>	139,305	139,305	-
<hr/>			
<b>FUND BALANCE, December 31</b>	\$ 79,842	\$ 103,562	\$ 23,720

**PROBATION SERVICES SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET (GAAP BASIS) AND ACTUAL**  
**Year Ended December 31, 2010**

	Final Budget	Actual	Variance From Final Budget
<b>REVENUES</b>			
Fines and forfeits	102,000	108,564	6,564
Investment income	1,300	599	(701)
Total revenues	103,300	109,163	5,863
<b>EXPENDITURES</b>			
General government	80,414	72,668	7,746
Net changes in fund balance	22,886	36,495	13,609
<b>FUND BALANCE, January 1</b>	39,515	39,515	-
<b>FUND BALANCE, December 31</b>	\$ 62,401	\$ 76,010	\$ 13,609

**MUSEUM TRUST SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET (GAAP BASIS) AND ACTUAL**  
**Year Ended December 31, 2010**

	Final Budget	Actual	Variance From Final Budget
<b>REVENUES</b>			
Investment income	\$ 3,000	\$ 949	\$ (2,051)
Private Grants / donations	3,900	3,634	(266)
Miscellaneous	16,050	14,584	(1,466)
Total revenues	22,950	19,167	(3,783)
<b>EXPENDITURES</b>			
Culture and recreation	27,700	19,706	7,994
Net change in fund balance	(4,750)	(539)	4,211
<b>FUND BALANCE, January 1</b>	89,601	89,601	-
<b>FUND BALANCE, December 31</b>	\$ 84,851	\$ 89,062	\$ 4,211



Golden Ponds  
photo courtesy of Curtis Lee Jones

**CAPITAL PROJECTS FUND**

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

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

CITY OF LONGMONT, COLORADO

**PUBLIC IMPROVEMENT CAPITAL PROJECTS FUND  
PROJECT-LENGTH SCHEDULE OF CONSTRUCTION PROJECTS  
Beginning of Projects to December 31, 2010**

Project Account No.	Project	Appropriations	
		Prior	2010
	<b>TRANSFERS</b>		
40101	DDA Building Permits	\$ 9,577	\$ -
-	Art Transfers	48,046	-
		57,623	-
<b>PUBLIC IMPROVEMENTS CAPITAL PROJECTS</b>			
40101	Debt Service - Principal	15,515,230	1,690,000
	Debt Service - Interest	20,002,244	984,624
	Fiscal Charges	28,585	4,550
43002	Museum Cultural Center	6,426,783	-
43005	Roosevelt Memorial Building	1,484,276	-
43006	Roosevelt Park Improvements	3,409,453	-
43011	Municipal Building Boilers	426,236	37,950
43019	Municipal Buildings Carpet	898,390	80,000
43027	Park Shelter Rehabilitation	1,047,093	24,326
43037	Neighborhood Improvement Program	680,000	50,000
43056	A DA Facility Improvements	908,820	-
43061	Municipal Building Roof Improvements	2,050,599	346,320
43062	Fire Stations-Heat & Exhaust	611,189	40,000
43068	Sport Court Reconstruction	2,284,022	39,780
43082	Outdoor Warning System	405,434	-
43085	Swimming and Wading Pool Improvements	4,332,494	22,532
43090	Municipal Buildings HVAC	1,008,562	110,595
43093	Former Museum & City Hall Renovations	1,160,400	-
43105	Parking Lot Rehabilitation	558,531	-
43107	Park Irrigation Pumps	614,284	42,987
43111	Arterial Landscape	834,933	-
43112	3rd Avenue Entryway	606,550	-
43113	Greenway Connection	831,503	131,200
43125	Police Firing Range	1,050,000	-
43133	East Longmont Entryway	267,500	-
43135	Specialized Equipment Replacement	760,167	105,358
43136	Parks Bridge Replacement	265,056	95,021
43137	Sunset Campus	437,466	706,839
43138	Union Reservoir Master Plan	45,000	-
43147	Kensington Park	482,259	-
43152	Museum Auditorium	1,000,000	-
43157	Oligarchy Bridge @ Union Reservoir	65,500	-
43162	Garden Acres Lights	50,873	-
43163	Municipal Buildings Keyless Entry	121,372	-
43168	Centennial Pool Renovation	28,000	-
43170	Recreation Center Front Desk/Gate	80,000	-
43174	Playground Rehabilitation	45,000	45,000
43181	UPS Repair/Replacement	62,620	61,109
43182	Energy Efficient Equipment	2,282,246	9,134
-	Completed Projects	-	-
		73,168,670	4,627,325
<b>CAPITAL PROJECTS FUND TOTAL</b>		<b>\$ 73,226,293</b>	<b>\$ 4,627,325</b>

CITY OF LONGMONT, COLORADO

Statement C-1

Transfers (to) from				Expenditures		Unexpended
Other	Fund			Prior	2010	Balance
Projects	Balance					
\$ 30,875	\$ 33,505	\$ 69,463	\$ 4,494	\$ -		
328,615	6,111	377,305	5,467	-		
359,490	39,616	446,768	9,961	-		
15,000	-	15,530,230	1,690,000	-		
3,160	(915,493)	19,089,912	984,623	-		
(2,486)	968	22,995	1,700	6,922		
(121,414)	-	6,303,294	-	2,075		
(65,650)	-	1,414,516	-	4,110		
535,410	-	3,924,309	-	20,554		
(2,312)	(195,512)	196,732	36,331	33,299		
1,875	(166,743)	723,862	89,031	629		
(13,631)	(50,774)	978,095	28,919	-		
11,347	(50,000)	611,854	41,735	37,758		
(11,559)	(25,000)	858,084	6,568	7,609		
(32,215)	(470,972)	1,542,717	200,699	150,316		
(10,355)	(71,995)	500,444	59,311	9,084		
(165,777)	(337,189)	1,781,056	28,000	11,780		
27,837	(18,892)	414,379	-	-		
(23,307)	(423,505)	3,666,204	117,671	124,339		
(6,562)	(258,369)	730,627	83,192	40,407		
32,899	(7,369)	1,185,930	-	-		
(12,024)	(90,155)	435,140	18,756	2,456		
(4,605)	(54,850)	532,589	28,957	36,270		
(4,730)	(150,000)	476,964	-	203,239		
(131,328)	(103,909)	371,313	-	-		
(3,852)	(381,389)	446,262	-	131,200		
-	-	30,119	8,766	1,011,115		
122,960	(4,261)	375,699	-	10,500		
(1,482)	(90,975)	553,441	70,622	149,005		
(1,362)	(95,021)	136,236	-	127,458		
-	(437,466)	-	-	706,839		
-	(26)	44,974	-	-		
(4,206)	-	476,833	-	1,220		
-	-	74,930	-	925,070		
-	-	-	-	65,500		
-	-	13,972	-	36,901		
(914)	(29,055)	91,403	-	-		
-	(28,000)	-	-	-		
-	-	29,678	6,368	43,954		
-	(45,000)	-	-	45,000		
(531)	(62,620)	-	53,053	7,525		
11	223	2,282,469	9,145	-		
(489,687)	489,687	-	-	-		
(359,490)	(4,073,662)	65,847,262	3,563,447	3,952,134		
\$ -	\$ (4,034,046)	\$ 66,294,030	\$ 3,573,408	\$ 3,952,134		



**NONMAJOR  
ENTERPRISE FUNDS**

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

CITY OF LONGMONT, COLORADO  
**COMBINING STATEMENT OF NET ASSETS**  
**NON MAJOR ENTERPRISE FUNDS**  
December 31, 2010

	Sanitation	Golf	Telecom- munications	Airport	TOTALS
<b>ASSETS</b>					
Current assets:					
Equity in pooled cash & cash equivalents	\$ 2,879,221	\$ 303,190	\$ 1,006,867	\$ 303,833	\$ 4,493,111
Accounts receivable (net of allow ance for doubtful accounts)	671,502	1,988	-	-	673,490
Grants receivable	10,000	-	-	14,266	24,266
Loans receivable	861	-	-	-	861
Accrued interest receivable	13,825	4,149	4,248	1,301	23,523
<b>Total current assets</b>	3,575,409	309,327	1,011,115	319,400	5,215,251
Net pension asset	115,920	61,299	-	8,428	185,647
Property, plant and equipment:					
Land and w ater rights	581,963	6,548,124	729	1,191,667	8,322,483
Buildings	1,337,656	1,739,308	20,673	210,238	3,307,875
Improvements (other than buildings)	202,924	509,057	2,226,045	3,543,578	6,481,604
Equipment	2,853,970	200,276	52,312	6,145	3,112,703
Construction in progress	-	-	-	14,143	14,143
<b>Total property and equipment</b>	4,976,513	8,996,765	2,299,759	4,965,771	21,238,808
Less - accumulated depreciation	2,449,724	1,229,266	907,580	857,146	5,443,716
<b>Net property and equipment</b>	2,526,789	7,767,499	1,392,179	4,108,625	15,795,092
<b>Total assets</b>	\$ 6,218,118	\$ 8,138,125	\$ 2,403,294	\$ 4,436,453	\$ 21,195,990

(continued)

**COMBINING STATEMENT OF NET ASSETS  
NONMAJOR ENTERPRISE FUNDS  
December 31, 2010**

	Sanitation	Golf	Telecom- munications	Airport	TOTALS
<b>LIABILITIES AND FUND EQUITY</b>					
<b>Current liabilities:</b>					
Payable from current assets:					
Accounts payable	\$ 193,594	\$ 5,255	\$ 144,929	\$ 25,163	\$ 368,941
Accrued liabilities	28,684	13,721	594	1,675	44,674
Accrued sick and vacation - current portion	17,107	10,739	-	482	28,328
Advances from other funds - current portion	-	18,464	-	-	18,464
<b>Total current liabilities</b>	<b>239,385</b>	<b>48,179</b>	<b>145,523</b>	<b>27,320</b>	<b>460,407</b>
<b>Long-term liabilities:</b>					
Net other post employment benefit obligation	5,152	2,768	359	366	8,645
Accrued sick and vacation	88,060	79,553	-	16,147	183,760
Advances from other funds	-	1,453,996	-	-	1,453,996
Net long-term liabilities	93,212	1,536,317	359	16,513	1,646,401
<b>Total liabilities</b>	<b>332,597</b>	<b>1,584,496</b>	<b>145,882</b>	<b>43,833</b>	<b>2,106,808</b>
<b>Net assets:</b>					
Invested in capital assets, net of related debt	2,526,789	6,295,039	1,392,179	4,108,625	14,322,632
Unrestricted	3,358,732	258,590	865,233	283,995	4,766,550
Total net assets	5,885,521	6,553,629	2,257,412	4,392,620	19,089,182
<b>Total liabilities and net assets</b>	<b>\$ 6,218,118</b>	<b>\$ 8,138,125</b>	<b>\$ 2,403,294</b>	<b>\$ 4,436,453</b>	<b>\$ 21,195,990</b>

**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS  
NONMAJOR ENTERPRISE FUNDS  
Year Ended December 31, 2010**

	Sanitation	Golf	Telecom- munications	Airport	TOTALS
<b>OPERATING REVENUES</b>					
Charges for services	\$ 5,265,217	\$ 2,220,975	\$ 293,519	\$ 239,006	\$ 8,018,717
<b>OPERATING EXPENSES</b>					
Administration	73,443	126,038	87,322	110,741	397,544
Transmission/distribution	-	-	37,200	-	37,200
Maintenance/development	-	1,677,869	-	133,318	1,811,187
Trash collection	4,923,736	-	-	-	4,923,736
Landfill	4,212	-	-	-	4,212
Depreciation	179,722	64,354	54,321	112,341	410,738
Administrative fees	796,570	127,665	518	42,874	967,627
Franchise fee	-	-	11,312	-	11,312
Total operating expenses	5,977,683	1,995,926	190,673	399,274	8,563,556
Operating income (loss)	(712,466)	225,049	102,846	(160,268)	(544,839)
<b>NON-OPERATING REVENUES (EXPENSES)</b>					
Investment income	32,867	6,478	7,550	3,383	50,278
Miscellaneous	1,032	90,345	190,237	14,917	296,531
Intergovernmental	4,059	-	-	-	4,059
Interest expense	-	(93,178)	-	-	(93,178)
Amortization of bond/note issuance expense	-	(21,181)	-	-	(21,181)
Net non-operating revenues (expenses)	37,958	(17,536)	197,787	18,300	236,509
Change in net assets before transfers, and capital contributions	(674,508)	207,513	300,633	(141,968)	(308,330)
<b>CAPITAL CONTRIBUTIONS</b>	-	10,108	48,495	14,266	72,869
<b>TRANSFERS</b>					
Transfers In	112,965	855	-	-	113,820
Transfers out	(1,906)	(2,140)	(1,906)	(1,232)	(7,184)
Net operating transfers	111,059	(1,285)	(1,906)	(1,232)	106,636
Change in net assets	(563,449)	216,336	347,222	(128,934)	(128,825)
<b>TOTAL NET ASSETS-January 1</b>	6,448,970	6,337,293	1,910,190	4,521,554	19,218,007
<b>TOTAL NET ASSETS-December 31</b>	\$ 5,885,521	\$ 6,553,629	\$ 2,257,412	\$ 4,392,620	\$ 19,089,182

**COMBINING STATEMENT OF CASH FLOWS  
NONMAJOR ENTERPRISE FUNDS  
For the Year Ended December 31, 2010**

	Sanitation	Golf	Telecom- munications	Airport	TOTALS
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Cash received from customers	\$ 5,249,842	\$ 2,309,332	\$ 616,335	\$ 353,097	\$ 8,528,606
Cash paid to suppliers	(4,193,932)	(971,286)	(89,261)	(269,232)	(5,523,711)
Cash paid to employees	(1,583,344)	(964,953)	(49,462)	(99,051)	(2,696,810)
Net cash provided (used) by operating activities	(527,434)	373,093	477,612	(15,186)	308,085
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>					
Transfers in	112,965	-	-	-	112,965
Transfers out	(1,906)	1,471,175	(1,906)	(1,232)	1,466,131
Net cash provided (used) by non-capital financing activities	111,059	1,471,175	(1,906)	(1,232)	1,579,096
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Acquisition and construction of capital assets	(23,954)	(23,387)	(61,997)	(87,758)	(197,096)
Bond/lease/loan interest paid	-	(93,178)	-	-	(93,178)
Bond/lease principal paid	-	(1,919,455)	-	-	(1,919,455)
Contributed capital received	-	10,108	48,495	14,266	72,869
Net cash (used) by capital and related financing activities	(23,954)	(2,025,912)	(13,502)	(73,492)	(2,136,860)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Investment income received	43,483	10,372	6,935	4,888	65,678
Net cash provided by investing activities	43,483	10,372	6,935	4,888	65,678
Net increase (decrease) in cash and cash equivalents	(396,846)	(171,272)	469,139	(85,022)	(184,001)
<b>CASH AND CASH EQUIVALENTS, January 1</b>	3,276,067	474,462	537,728	388,855	4,677,112
<b>CASH AND CASH EQUIVALENTS, December 31</b>	\$ 2,879,221	\$ 303,190	\$ 1,006,867	\$ 303,833	\$ 4,493,111

(continued)

**COMBINING STATEMENT OF CASH FLOWS  
NONMAJOR ENTERPRISE FUNDS  
For the Year Ended December 31, 2010**

	Sanitation	Golf	Telecom- munications	Airport	TOTALS
<b>RECONCILIATION OF NET OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>					
Net operating income (loss)	\$ (712,466)	\$ 225,049	\$ 102,846	\$ (160,268)	\$ (544,839)
Adjustments to reconcile net operating income (loss) to net cash provided (used) by operating activities:					
Depreciation	179,722	64,354	54,321	112,341	410,738
Miscellaneous income	1,032	90,345	322,816	90,349	504,542
Intergovernmental operating income	4,059	-	-	-	4,059
Change in assets and liabilities:					
(Increase) decrease in accounts receivable	(34,747)	(1,988)	-	1,318	(35,417)
(Increase) decrease in intergovernmental receivable	14,281	-	-	22,424	36,705
(Increase) decrease in loans receivable	(5)	-	-	-	(5)
(Increase) decrease in net pension asset	(34,179)	(12,626)	-	(1,726)	(48,531)
Increase (decrease) in accounts payable	44,887	(1,218)	(2,438)	(79,915)	(38,684)
Increase (decrease) in accrued liabilities	6,580	3,018	160	320	10,078
Increase (decrease) in accrued sick and vacation - current portion	6,755	4,547	-	(145)	11,157
Increase (decrease) in net other post employment benefit obligation	(3,081)	(1,574)	(93)	(214)	(4,962)
Increase (decrease) in accrued sick and vacation - long-term portion	(272)	3,186	-	330	3,244
Total adjustments	185,032	148,044	374,766	145,082	852,924
Net cash provided (used) by operating activities	\$ (527,434)	\$ 373,093	\$ 477,612	\$ (15,186)	\$ 308,085
<b>RECONCILIATION OF CASH AND CASH EQUIVALENTS PER STATEMENT OF CASH FLOWS TO THE BALANCE SHEET</b>					
Per balance sheet:					
Equity in pooled cash and cash equivalents	\$ 2,879,221	\$ 303,190	\$ 1,006,867	\$ 303,833	\$ 4,493,111
Cash and Cash Equivalents per statement of cash flows	\$ 2,879,221	\$ 303,190	\$ 1,006,867	\$ 303,833	\$ 4,493,111
<b>NON-CASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES</b>					
The following non-cash transactions occurred during 2010:					
Change in contracts payable for purchase of capital assets	\$ -	\$ -	\$ -	\$ (11,212)	\$ (11,212)
Amortization of bond issue expense	-	(21,181)	-	-	(21,181)
Bond issuance expense	-	21,181	-	-	21,181

**SANITATION ENTERPRISE FUND**  
**SCHEDULE OF REVENUES AND EXPENSES -**  
**BUDGET (LEGAL BASIS) AND ACTUAL**  
**Year Ended December 31, 2010**

	Budget	Actual	Variance From Budget
<b>REVENUES</b>			
Charges for services	\$ 5,210,850	\$ 5,265,217	\$ 54,367
Intergovernmental	37,419	4,059	(33,360)
Investment income	102,000	32,867	(69,133)
Miscellaneous	5,800	1,032	(4,768)
Transfers in	-	112,965	112,965
<b>Total revenues</b>	<b>5,356,069</b>	<b>5,416,140</b>	<b>60,071</b>
<b>EXPENSES</b>			
Administration	131,502	73,443	58,059
Landfill operations	10,000	4,212	5,788
Trash removal	4,070,566	4,040,099	30,467
Special trash pickup	513,008	663,299	(150,291)
Curbside recycling	999,529	1,018,814	(19,285)
<b>Total operations</b>	<b>5,724,605</b>	<b>5,799,867</b>	<b>(75,262)</b>
Capital outlay	263,161	23,954	239,207
<b>Total expenses</b>	<b>5,987,766</b>	<b>5,823,821</b>	<b>163,945</b>
<b>Excess of revenues over (under) expenses</b>	<b>\$ (631,697)</b>	<b>(407,681)</b>	<b>\$ 224,016</b>
<b>RECONCILIATION TO NET INCOME (GAAP BASIS)</b>			
Add: Additions to plant and equipment		23,954	
Capital outlay		23,954	
		179,722	
Less: Depreciation		179,722	
<b>Net (loss) (GAAP basis)</b>		<b>\$ (563,449)</b>	

**GOLF ENTERPRISE FUND**  
**SCHEDULE OF REVENUES AND EXPENSES**  
**BUDGET (LEGAL BASIS AND ACTUAL)**  
**Year Ended December 31, 2010**

	Budget	Actual	Variance From Budget
<b>REVENUES</b>			
Charges for services	\$ 2,658,000	\$ 2,220,975	\$ (437,025)
Developer participation fee	-	10,108	10,108
Investment income	30,000	6,478	(23,522)
Miscellaneous	10,000	90,345	80,345
Transfers in	-	855	855
Proceeds from advance	1,472,460	1,472,460	-
<b>Total revenues</b>	<b>4,170,460</b>	<b>3,801,221</b>	<b>(369,239)</b>
<b>EXPENSES</b>			
Administration	285,986	255,609	30,377
Course maintenance/development	1,914,825	1,678,103	236,722
<b>Total operations</b>	<b>2,200,811</b>	<b>1,933,712</b>	<b>267,099</b>
Debt service	2,010,630	2,033,814	(23,184)
Capital outlay	80,000	23,387	56,613
<b>Total expenses</b>	<b>4,291,441</b>	<b>3,990,913</b>	<b>300,528</b>
<b>Excess of revenues (under) expenses</b>	<b>\$ (120,981)</b>	<b>(189,692)</b>	<b>\$ (68,711)</b>
<b>RECONCILIATION TO NET INCOME (GAAP BASIS)</b>			
Add: Additions to plant and equipment			
Capital outlay		23,387	
Principal payments capital leases		1,919,455	
		1,942,842	
Less: Depreciation		64,354	
Proceeds from advance		1,472,460	
		1,536,814	
<b>Net income (GAAP basis)</b>		<b>\$ 216,336</b>	



**TELECOMMUNICATIONS ENTERPRISE FUND**  
**SCHEDULE OF REVENUES AND EXPENSES -**  
**BUDGET (LEGAL BASIS) AND ACTUAL**  
**Year Ended December 31, 2010**

	Budget	Actual	Variance From Budget
<b>REVENUES</b>			
Charges for services	\$ 270,100	\$ 293,519	\$ 23,419
Investment income	15,500	7,550	(7,950)
Miscellaneous	-	190,237	190,237
Aid to underground installation	75,000	48,495	(26,505)
<b>Total revenues</b>	<b>360,600</b>	<b>539,801</b>	<b>179,201</b>
<b>EXPENSES</b>			
Administration	252,103	101,058	151,045
Distribution	104,693	49,825	54,868
<b>Total operations</b>	<b>356,796</b>	<b>150,883</b>	<b>205,913</b>
Capital outlay	130,000	49,371	80,629
<b>Total expenses</b>	<b>486,796</b>	<b>200,254</b>	<b>286,542</b>
<b>Excess of revenues over (under) expenses</b>	<b>\$ (126,196)</b>	<b>339,547</b>	<b>\$ 465,743</b>
<b>RECONCILIATION TO NET INCOME (GAAP BASIS)</b>			
Add: Additions to plant and equipment		49,371	
Capital outlay		12,625	
Capitalized salaries		61,996	
		54,321	
Less: Depreciation		54,321	
		54,321	
<b>Net income (GAAP basis)</b>		<b>\$ 347,222</b>	

**AIRPORT ENTERPRISE FUND**  
**SCHEDULE OF REVENUES AND EXPENSES -**  
**BUDGET (LEGAL BASIS) AND ACTUAL**  
Year Ended December 31, 2010

	Budget	Actual	Variance From Budget
<b>REVENUES</b>			
Charges for services	\$ 222,000	\$ 239,006	\$ 17,006
Intergovernmental	282,631	14,266	(268,365)
Investment income	1,100	3,383	2,283
Miscellaneous	28,000	14,917	(13,083)
<b>Total revenues</b>	<b>533,731</b>	<b>271,572</b>	<b>(262,159)</b>
<b>EXPENSES</b>			
Administration	157,533	154,847	2,686
Maintenance	54,238	133,318	(79,080)
<b>Total operations</b>	<b>211,771</b>	<b>288,165</b>	<b>(76,394)</b>
Capital outlay	463,540	76,546	386,994
<b>Total expenses</b>	<b>675,311</b>	<b>364,711</b>	<b>310,600</b>
<b>Excess of revenue over (under) expenses</b>	<b>\$ (141,580)</b>	<b>(93,139)</b>	<b>\$ 48,441</b>
<b>RECONCILIATION TO NET INCOME (GAAP BASIS)</b>			
Add: Capital outlay		76,546	
Less Depreciation		112,341	
		112,341	
<b>Net loss (GAAP basis)</b>		<b>\$ (128,934)</b>	

**MAJOR  
ENTERPRISE FUNDS**

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

**ELECTRIC ENTERPRISE FUND**  
**SCHEDULE OF REVENUES AND EXPENSES -**  
**BUDGET (LEGAL BASIS) AND ACTUAL**  
**Year Ended December 31, 2010**

	Budget	Actual	Variance From Budget
<b>REVENUES</b>			
Charges for services	\$ 51,794,500	\$ 49,440,782	\$ (2,353,718)
Intergovernmental	729,019	63,551	(665,468)
Investment income	175,000	35,973	(139,027)
Miscellaneous	82,000	160,509	78,509
Aid to underground installation	603,000	384,005	(218,995)
Other sales	45,000	46,877	1,877
Transfers in	373,433	384,782	11,349
<b>Total revenues</b>	<b>53,801,952</b>	<b>50,516,479</b>	<b>(3,285,473)</b>
<b>EXPENSES</b>			
Administration	5,087,651	3,966,209	1,121,442
Power purchased	38,141,164	36,496,730	1,644,434
Distribution	6,254,916	5,502,790	752,126
Franchise fee	4,153,360	3,939,951	213,409
<b>Total operations</b>	<b>53,637,091</b>	<b>49,905,680</b>	<b>3,731,411</b>
Capital outlay	2,387,600	729,758	1,657,842
<b>Total expenses</b>	<b>56,024,691</b>	<b>50,635,438</b>	<b>5,389,253</b>
<b>Excess of revenues over (under) expenses</b>	<b>\$ (2,222,739)</b>	<b>(118,959)</b>	<b>\$ 2,103,780</b>
<b>RECONCILIATION TO NET INCOME (GAAP BASIS)</b>			
Add: Additions to plant and equipment			
Capital outlay		729,758	
Capitalized salaries and expenses		271,958	
Capital contributions		12,796	
		1,014,512	
Equity in net income from Joint Venture		1,139,814	
		2,154,326	
Less: Depreciation		2,245,962	
		2,245,962	
<b>Net (loss) (GAAP basis)</b>		<b>\$ (210,595)</b>	

**WATER ENTERPRISE FUND**  
**SCHEDULE OF REVENUES AND EXPENSES -**  
**BUDGET (LEGAL BASIS) AND ACTUAL**  
**Year Ended December 31, 2010**

	Budget	Actual	Variance From Budget
<b>REVENUES</b>			
Charges for services	\$ 13,161,496	\$ 12,756,467	\$ (405,029)
System development fees	113,000	223,209	110,209
Development fee surcharge	49,800	115,160	65,360
Intergovernmental	168,647	301,877	133,230
Investment income - operating	472,300	286,237	(186,063)
Miscellaneous	19,000	86,391	67,391
Transfer in	582,833	729,192	146,359
<b>Total revenues</b>	<b>14,567,076</b>	<b>14,498,533</b>	<b>(68,543)</b>
<b>EXPENSES</b>			
Administration	3,825,205	3,523,959	301,246
Water resources	2,873,286	1,978,681	894,605
Transmission/distribution	1,629,808	1,572,454	57,354
Treatment plant	2,400,467	2,238,067	162,400
<b>Total operations</b>	<b>10,728,766</b>	<b>9,313,161</b>	<b>1,415,605</b>
Debt service	1,458,816	1,451,211	7,605
Capital outlay	9,693,375	4,068,952	5,624,423
<b>Total expenses</b>	<b>21,880,957</b>	<b>14,833,324</b>	<b>7,047,633</b>
<b>Excess of revenue over (under) expenses</b>	<b>\$ (7,313,881)</b>	<b>(334,791)</b>	<b>\$ 6,979,090</b>
<b>RECONCILIATION TO NET INCOME (GAAP BASIS)</b>			
Add: Additions to plant and equipment			
Capital outlay		4,068,952	
Capitalized salaries		293,417	
Capital contributions		10,253,629	
Principal payments on loans		950,853	
Gain on sale of assets		616	
		<b>15,567,467</b>	
Less: Depreciation		3,683,438	
		<b>3,683,438</b>	
<b>Net income (GAAP basis)</b>		<b>\$ 11,549,238</b>	

**SEWER ENTERPRISE FUND**  
**SCHEDULE OF REVENUES AND EXPENSES -**  
**BUDGET (LEGAL BASIS) AND ACTUAL**  
**Year Ended December 31, 2010**

	Budget	Actual	Variance From Budget
<b>REVENUES</b>			
Charges for services	\$ 7,903,300	\$ 7,836,470	\$ (66,830)
Intergovernmental	57,563	140,186	82,623
Investment income	87,300	72,225	(15,075)
Miscellaneous	4,500	3,677	(823)
Transfers in	258,214	405,891	147,677
<b>Total revenues</b>	<b>8,310,877</b>	<b>8,458,449</b>	<b>147,572</b>
<b>EXPENSES</b>			
Administration	2,270,470	2,114,943	155,527
Sewer collection system	1,088,527	930,997	157,530
Sewer disposal plant	3,513,410	3,341,006	172,404
<b>Total operations</b>	<b>6,872,407</b>	<b>6,386,946</b>	<b>485,461</b>
Debt service	465,948	559,446	(93,498)
Capital outlay	3,084,541	709,646	2,374,895
<b>Total expenses</b>	<b>10,422,896</b>	<b>7,656,038</b>	<b>2,766,858</b>
<b>Excess of revenues over (under) expenses</b>	<b>\$ (2,112,019)</b>	<b>802,411</b>	<b>\$ 2,914,430</b>
<b>RECONCILIATION TO NET INCOME (GAAP BASIS)</b>			
Add: Additions to plant and equipment			
Capital outlay		709,646	
Capitalized salaries		105,126	
Capital contributions		266,369	
Gain on asset disposal		10,000	
Capitalized interest		277,282	
		1,368,423	
Principal retired		204,672	
		1,573,095	
Less: Depreciation		2,296,515	
Vehicle transfers		4,325	
		2,300,840	
<b>Net income (GAAP basis)</b>		<b>\$ 74,666</b>	

**STORM DRAINAGE ENTERPRISE FUND  
SCHEDULE OF REVENUES AND EXPENSES -  
BUDGET (LEGAL BASIS) AND ACTUAL  
Year Ended December 31, 2010**

	Budget	Actual	Variance From Budget
<b>REVENUES</b>			
Charges for services	\$ 3,415,000	\$ 3,420,656	\$ 5,656
Plant investment fee	37,500	120,618	83,118
Intergovernmental	4,019	4,059	40
Investment income	165,000	55,580	(109,420)
Miscellaneous	15,000	42,464	27,464
Transfers in	-	7,121	7,121
<b>Total revenues</b>	<b>3,636,519</b>	<b>3,650,498</b>	<b>13,979</b>
<b>EXPENSES</b>			
Administration	108,152	93,460	14,692
Engineering	1,603,073	1,406,734	196,339
Maintenance	860,981	763,569	97,412
<b>Total operations</b>	<b>2,572,206</b>	<b>2,263,763</b>	<b>308,443</b>
Debt service	1,089,231	1,091,456	(2,225)
Capital outlay	11,369,528	5,326,242	6,043,286
<b>Total expenses</b>	<b>15,030,965</b>	<b>8,681,461</b>	<b>6,349,504</b>
<b>Excess of revenues over (under) expenses</b>	<b>\$ (11,394,446)</b>	<b>(5,030,963)</b>	<b>\$ 6,363,483</b>
<b>RECONCILIATION TO NET INCOME (GAAP BASIS)</b>			
Add: Additions to plant and equipment			
Capital outlay		5,326,242	
Capitalized salaries		62,516	
Capitalized interest		547,908	
		5,936,666	
Principal retired		520,000	
		6,456,666	
Less: Depreciation		956,836	
		956,836	
<b>Net income (GAAP basis)</b>		<b>\$ 468,867</b>	

CITY OF LONGMONT, COLORADO

**INTERNAL SERVICE FUNDS**

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



CITY OF LONGMONT, COLORADO

COMBINING STATEMENT OF NET ASSETS  
INTERNAL SERVICE FUNDS  
Year Ended December 31, 2010

	Warehouse	Fleet	Self-Insurance
<b>ASSETS</b>			
Current assets:			
Equity in pooled cash & cash equivalents	\$ -	\$ 15,811,558	\$ 1,901,565
Loans receivable	-	1,190	-
Accrued interest receivable	-	77,344	8,624
Inventory of materials and supplies	2,232,158	459,637	-
Advance to other funds	-	1,472,460	-
Restricted equity in pooled cash & cash equivalents	-	-	-
Prepaid expenses	-	-	283,872
<b>Total current assets</b>	<b>2,232,158</b>	<b>17,822,189</b>	<b>2,194,061</b>
Net pension asset	-	80,624	-
Loan receivable-component unit	-	146,000	-
Property, plant and equipment:			
Land and water rights	-	47,767	-
Buildings	-	1,928,437	-
Improvements (other than buildings)	-	145,711	-
Equipment	-	34,593,671	-
Construction in progress	-	7,813	-
Total property and equipment	-	36,723,399	-
Less - accumulated depreciation	-	26,172,063	-
<b>Net property, plant and equipment</b>	<b>-</b>	<b>10,551,336</b>	<b>-</b>
<b>Total assets</b>	<b>\$ 2,232,158</b>	<b>\$ 28,600,149</b>	<b>\$ 2,194,061</b>
<b>LIABILITIES AND FUND EQUITY</b>			
Current liabilities:			
Accounts payable	\$ 30,632	\$ 90,204	\$ 7,576
Accrued liabilities	-	23,297	-
Due to other funds	2,201,526	-	-
Claims payable - current portion	-	-	571,676
Accrued sick and vacation - current portion	-	13,233	-
<b>Total current liabilities</b>	<b>2,232,158</b>	<b>126,734</b>	<b>579,252</b>
Long-term liabilities:			
Net other post employment benefit obligation	-	3,953	-
Accrued sick and vacation	-	115,442	-
<b>Net long-term liabilities</b>	<b>-</b>	<b>119,395</b>	<b>-</b>
<b>Total liabilities</b>	<b>2,232,158</b>	<b>246,129</b>	<b>579,252</b>
<b>Net assets:</b>			
Invested in capital assets	-	10,551,336	-
Restricted for workers' compensation	-	-	-
Restricted for long-term disability	-	-	-
Unrestricted	-	17,802,684	1,614,809
<b>Total net assets</b>	<b>-</b>	<b>28,354,020</b>	<b>1,614,809</b>
<b>Total liabilities and net assets</b>	<b>\$ 2,232,158</b>	<b>\$ 28,600,149</b>	<b>\$ 2,194,061</b>

CITY OF LONGMONT, COLORADO

Statement E-1

<u>Employee Benefit</u>	<u>Dental Trust</u>	<u>Workers' Compensation Insurance</u>	<u>Unemployment Insurance</u>	<u>TOTALS</u>
\$ 5,677,732	\$ 336,384	\$ 2,943,324	\$ 29,232	\$ 26,699,795
-	-	-	-	1,190
24,908	1,428	15,900	97	128,301
-	-	-	-	2,691,795
-	-	-	-	1,472,460
-	-	561,000	-	561,000
60,423	-	54,108	-	398,403
<u>5,763,063</u>	<u>337,812</u>	<u>3,574,332</u>	<u>29,329</u>	<u>31,952,944</u>
-	-	-	-	80,624
-	-	-	-	146,000
-	-	-	-	47,767
-	-	-	-	1,928,437
-	-	-	-	145,711
-	-	-	-	34,593,671
-	-	-	-	7,813
-	-	-	-	36,723,399
-	-	-	-	26,172,063
-	-	-	-	10,551,336
<u>\$ 5,763,063</u>	<u>\$ 337,812</u>	<u>\$ 3,574,332</u>	<u>\$ 29,329</u>	<u>\$ 42,730,904</u>
\$ 5,386	\$ 84,841	\$ 33,533	\$ -	\$ 252,172
-	-	-	-	23,297
-	-	-	-	2,201,526
-	96,316	552,232	-	1,220,224
-	-	-	-	13,233
<u>5,386</u>	<u>181,157</u>	<u>585,765</u>	<u>-</u>	<u>3,710,452</u>
-	-	-	-	3,953
-	-	-	-	115,442
-	-	-	-	119,395
<u>5,386</u>	<u>181,157</u>	<u>585,765</u>	<u>-</u>	<u>3,829,847</u>
-	-	-	-	10,551,336
-	-	561,000	-	561,000
325,000	-	-	-	325,000
<u>5,432,677</u>	<u>156,655</u>	<u>2,427,567</u>	<u>29,329</u>	<u>27,463,721</u>
<u>5,757,677</u>	<u>156,655</u>	<u>2,988,567</u>	<u>29,329</u>	<u>38,901,057</u>
<u>\$ 5,763,063</u>	<u>\$ 337,812</u>	<u>\$ 3,574,332</u>	<u>\$ 29,329</u>	<u>\$ 42,730,904</u>

CITY OF LONGMONT, COLORADO

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS  
INTERNAL SERVICE FUNDS  
Year Ended December 31, 2010

	Warehouse	Fleet	Self- Insurance
<b>OPERATING REVENUES</b>			
Charges for services	\$ -	\$ 6,738,596	\$ 800,000
Warehouse sales	803,529	-	-
Contributions	-	-	-
<b>Total operating revenues</b>	<b>803,529</b>	<b>6,738,596</b>	<b>800,000</b>
<b>OPERATING EXPENSES</b>			
Administration	-	-	133,518
Cost of sales/premiums	803,529	-	400,804
Fleet services	-	3,076,343	-
Depreciation	-	2,959,653	-
Administrative fees	-	219,575	104,117
Benefit payments	-	-	-
Claims	-	-	332,465
<b>Total operating expenses</b>	<b>803,529</b>	<b>6,255,571</b>	<b>970,904</b>
<b>Operating income (loss)</b>	<b>-</b>	<b>483,025</b>	<b>(170,904)</b>
<b>NON-OPERATING REVENUES</b>			
Investment income	-	201,743	21,973
Miscellaneous	-	19,354	2,462
Gain on disposal of assets	-	657,236	-
<b>Net non-operating revenues</b>	<b>-</b>	<b>878,333</b>	<b>24,435</b>
<b>Income (loss) before transfers</b>	<b>-</b>	<b>1,361,358</b>	<b>(146,469)</b>
<b>TRANSFERS</b>			
Transfers in	-	350,406	-
Transfers out	-	(794,528)	-
<b>Change in net assets</b>	<b>-</b>	<b>917,236</b>	<b>(146,469)</b>
<b>TOTAL NET ASSETS-January 1</b>	<b>-</b>	<b>27,436,784</b>	<b>1,761,278</b>
<b>TOTAL NET ASSETS-December 31</b>	<b>\$ -</b>	<b>\$ 28,354,020</b>	<b>\$ 1,614,809</b>

	<b>Employee Benefit</b>	<b>Dental Trust</b>	<b>Workers' Compensation Insurance</b>	<b>Unemployment Insurance</b>	<b>TOTALS</b>
\$	6,201,687	\$ 222,367	\$ 650,000	\$ 101,104	\$ 14,713,754
	-	-	-	-	803,529
	1,726,898	454,116	-	-	2,181,014
	7,928,585	676,483	650,000	101,104	17,698,297
	203,753	32,672	8,290	-	378,233
	7,918,462	-	86,376	-	9,209,171
	-	-	-	-	3,076,343
	-	-	-	-	2,959,653
	490,666	-	158,125	-	972,483
	508,251	-	-	-	508,251
	-	738,425	875,761	71,918	2,018,569
	9,121,132	771,097	1,128,552	71,918	19,122,703
	(1,192,547)	(94,614)	(478,552)	29,186	(1,424,406)
	62,827	1,169	38,408	77	326,197
	216,040	100	121	-	238,077
	-	-	-	-	657,236
	278,867	1,269	38,529	77	1,221,510
	(913,680)	(93,345)	(440,023)	29,263	(202,896)
	-	250,000	-	-	600,406
	(250,000)	-	-	-	(1,044,528)
	(1,163,680)	156,655	(440,023)	29,263	(647,018)
	6,921,357	-	3,428,590	66	39,548,075
\$	5,757,677	\$ 156,655	\$ 2,988,567	\$ 29,329	\$ 38,901,057

CITY OF LONGMONT, COLORADO

**COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
Year Ended December 31, 2010**

	Warehouse	Fleet	Self- Insurance
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash received from customers	\$ 803,529	\$ 6,757,950	\$ 802,462
Cash paid to suppliers	(803,529)	(2,159,297)	(619,732)
Cash paid to employees	-	(1,113,623)	-
Claims/Benefits paid	-	-	(252,366)
Net cash provided (used) by operating activities	-	3,485,030	(69,636)
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>			
Repayment of advances	-	2,809,818	-
Advances to other funds	-	(1,994,083)	-
Transfers in	-	-	-
Transfers out	-	(794,528)	-
Net cash (used) by non-capital financing activities	-	21,207	-
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Acquisition and construction of capital assets	-	(2,500,734)	-
Proceeds from sale of equipment	-	768,349	-
Net cash (used) by capital and related financing activities	-	(1,732,385)	-
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Investment income received	-	229,586	28,032
Net cash provided by investing activities	-	229,586	28,032
Net increase (decrease) in cash and cash equivalents	-	2,003,438	(41,604)
CASH AND CASH EQUIVALENTS - January 1	-	13,808,120	1,943,169
<b>CASH AND CASH EQUIVALENTS - December 31</b>	<b>\$ -</b>	<b>\$ 15,811,558</b>	<b>\$ 1,901,565</b>

Employee Benefit	Dental Trust	Workers' Compensation Insurance	Unemployment Insurance	TOTALS
\$ 8,144,625	\$ 772,899	\$ 650,121	\$ 101,104	\$ 18,032,690
(8,666,246)	(44,147)	(388,559)	-	(12,681,510)
-	-	-	-	(1,113,623)
(599,692)	(642,109)	(559,518)	(71,918)	(2,125,603)
(1,121,313)	86,643	(297,956)	29,186	2,111,954
-	-	-	-	2,809,818
-	-	-	-	(1,994,083)
-	250,000	-	-	250,000
(250,000)	-	-	-	(1,044,528)
(250,000)	250,000	-	-	21,207
-	-	-	-	(2,500,734)
-	-	-	-	768,349
-	-	-	-	(1,732,385)
85,325	(259)	50,281	(20)	392,945
85,325	(259)	50,281	(20)	392,945
(1,285,988)	336,384	(247,675)	29,166	793,721
6,963,720	-	3,751,999	66	26,467,074
\$ 5,677,732	\$ 336,384	\$ 3,504,324	\$ 29,232	\$ 27,260,795

(continued)

CITY OF LONGMONT, COLORADO

**COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
Year Ended December 31, 2010**

	Warehouse	Fleet	Self- Insurance
<b>Reconciliation of net operation income</b> (loss) to net cash provided (used) by operating activities			
<b>Net operating income (loss)</b>	\$ -	\$ 483,025	\$ (170,904)
Adjustments to reconcile net operating income (loss) to net cash provided (used) by operating activities			
Depreciation	-	2,959,653	-
Miscellaneous income	-	19,354	2,462
Change in assets and liabilities:			
(Increase) decrease in inventory of materials and supplies	203,138	(792)	-
(Increase) decrease in loans receivable	-	(678)	-
(Increase) decrease in prepaid expenses	-	-	18,692
(Increase) decrease in net pension obligation	-	(18,929)	-
Increase (decrease) in accounts payable	(3,967)	31,886	15
Increase (decrease) in contracts payable	-	-	-
Increase (decrease) in accrued liabilities	-	6,344	-
Increase (decrease) in due to other funds	(199,171)	-	-
Increase (decrease) in accrued sick and vacation - current portion	-	(380)	-
Increase (decrease) in claims payable - current portion	-	-	80,099
Increase (decrease) in net other post employment benefit obligation	-	(2,350)	-
Increase (decrease) in accrued sick and vacation - long-term portion	-	7,897	-
<b>Total adjustments</b>	-	3,002,005	101,268
<b>Net cash provided (used) by operating activities</b>	\$ -	\$ 3,485,030	\$ (69,636)
<b>NON-CASH INVESTING, CAPITAL AND FINANCING ACTIVITIES</b>			
The following non-cash transactions occurred during 2010:			
Transfer of assets from other funds	\$ -	\$ 350,406	\$ -
(Loss) on sale of assets	-	(111,113)	-

Employee Benefit	Dental Trust	Workers' Compensation Insurance	Unemployment Insurance	TOTALS
\$ (1,192,547)	\$ (94,614)	\$ (478,552)	\$ 29,186	\$ (1,424,406)
-	-	-	-	2,959,653
216,040	100	121	-	238,077
-	-	-	-	202,346
-	-	-	-	(678)
2,757	-	(4,951)	-	16,498
-	-	-	-	(18,929)
(56,122)	84,841	(130,817)	-	(74,164)
-	-	-	-	-
-	-	-	-	6,344
-	-	-	-	(199,171)
-	-	-	-	(380)
(91,441)	96,316	316,243	-	401,217
-	-	-	-	(2,350)
-	-	-	-	7,897
71,234	181,257	180,596	-	3,536,360
\$ (1,121,313)	\$ 86,643	\$ (297,956)	\$ 29,186	\$ 2,111,954

\$ -	\$ -	\$ -	\$ -	\$ 350,406
-	-	-	-	(111,113)



**FLEET INTERNAL SERVICE FUND  
SCHEDULE OF REVENUES AND EXPENSES -  
BUDGET (LEGAL BASIS) AND ACTUAL  
Year Ended December 31, 2010**

	Budget	Actual	Variance From Final Budget
<b>REVENUES</b>			
Charges for services	\$ 6,738,596	\$ 6,738,596	\$ -
Investment income	533,651	201,743	(331,908)
Miscellaneous	-	19,354	19,354
<b>Total revenues</b>	<b>7,272,247</b>	<b>6,959,693</b>	<b>(312,554)</b>
<b>EXPENSES</b>			
Operations:			
Personal services	1,151,294	1,126,805	24,489
Operating & maintenance	2,177,542	2,169,113	8,429
Transfers out	2,184	794,528	(792,344)
<b>Total operations</b>	<b>3,331,020</b>	<b>4,090,446</b>	<b>(759,426)</b>
Capital outlay	5,056,004	3,203,768	1,852,236
<b>Total expenses</b>	<b>8,387,024</b>	<b>7,294,214</b>	<b>1,092,810</b>
<b>Excess of revenues over (under) expenses</b>	<b>\$ (1,114,777)</b>	<b>(334,521)</b>	<b>\$ 780,256</b>
<b>RECONCILIATION TO NET INCOME (GAAP BASIS)</b>			
Add: Additions to plant and equipment			
Capital outlay		3,203,768	
Property and equipment transferred from other funds		350,406	
Gain on disposal of assets		657,236	
		4,211,410	
Less: Depreciation		2,959,653	
		2,959,653	
<b>Net income (GAAP basis)</b>		<b>\$ 917,236</b>	

CITY OF LONGMONT, COLORADO

**FIDUCIARY FUNDS**

**EMPLOYEE RETIREMENT PLANS**

Employee Pension Fund	This fund was established to provide benefits upon retirement to all eligible City Employees (except fire and police) and/or their spouses.
Fire Pension Fund	This fund was established to provide benefits upon retirement to firefighters and/or their spouses.
Police Pension Fund	This fund was established to provide benefits upon retirement to police officers and/or their spouses.
Other Post-Employment Benefits (OPEB) Trust Fund	The OPEB Trust Fund was established to account for the funds set aside for the future liability associated with other post-employment benefits.

CITY OF LONGMONT, COLORADO

Statement F-1

COMBINING STATEMENT OF NET ASSETS  
FIDUCIARY FUNDS  
December 31, 2010

	Employee Retirement Plans				Total Fiduciary Funds
	Employee Pension	Fire Pension	Police Pension	OPEB Trust	
<b>ASSETS</b>					
Equity in pooled cash & cash equivalents	\$ 294,167	\$ 9,778	\$ 5,824	\$ -	\$ 309,769
Cash and cash equivalents	1,527,794	46,768	29,901	373,317	1,977,780
Investments					
Common Stock	59,799,450	1,830,565	1,170,345	-	62,800,360
Mutual funds	40,074,817	1,226,760	784,311	-	42,085,888
Receivables					
Accrued interest	735	-	18	-	753
<b>Total Assets</b>	<b>\$ 101,696,963</b>	<b>\$ 3,113,871</b>	<b>\$ 1,990,399</b>	<b>\$ 373,317</b>	<b>\$ 107,174,550</b>
<b>LIABILITIES</b>					
Accounts payable	\$ 72,782	\$ 2,076	\$ 1,345	\$ -	\$ 76,203
<b>Total Liabilities</b>	<b>72,782</b>	<b>2,076</b>	<b>1,345</b>	<b>-</b>	<b>76,203</b>
<b>NET ASSETS</b>					
Held in trust for pension and OPEB benefits	\$ 101,624,181	\$ 3,111,795	\$ 1,989,054	\$ 373,317	\$ 107,098,347

**COMBINING STATEMENT OF CHANGES IN NET ASSETS  
FIDUCIARY FUNDS  
For the Year Ended December 31, 2010**

	<u>Employee Retirement Plans</u>				<u>Total Fiduciary Funds</u>
	<u>Employee Pension</u>	<u>Fire Pension</u>	<u>Police Pension</u>	<u>OPEB Trust</u>	
<b>ADDITIONS</b>					
Contributions					
Employer	\$ 2,615,065	\$ 94,712	\$ 34,508	\$ 373,317	\$ 3,117,602
Plan members	1,564,045	7,052	-	-	1,571,097
<b>Total Contributions</b>	<b>4,179,110</b>	<b>101,764</b>	<b>34,508</b>	<b>373,317</b>	<b>4,688,699</b>
Investment income					
Net appreciation in fair value of investments	9,740,740	302,045	191,364	-	10,234,149
Interest	1,422,192	44,726	29,232	-	1,496,150
Dividends	803,753	25,265	16,521	-	845,539
Less investment expense	(303,617)	(9,633)	(6,241)	-	(319,491)
Net investment gain	11,663,068	362,403	230,876	-	12,256,347
<b>Total additions</b>	<b>15,842,178</b>	<b>464,167</b>	<b>265,384</b>	<b>373,317</b>	<b>16,945,046</b>
<b>DEDUCTIONS</b>					
Benefits	3,518,903	246,870	194,431	-	3,960,204
Refunds of contributions	242,000	-	-	-	242,000
Administrative expense	35,186	1,240	803	-	37,229
<b>Total deductions</b>	<b>3,796,089</b>	<b>248,110</b>	<b>195,234</b>	<b>-</b>	<b>4,239,433</b>
Net increase	12,046,089	216,057	70,150	373,317	12,705,613
NET ASSETS HELD IN TRUST FOR					
PENSION AND OPEB BENEFITS, January 1	89,578,092	2,895,738	1,918,904	-	94,392,734
<b>December 31</b>	<b>\$ 101,624,181</b>	<b>\$ 3,111,795</b>	<b>\$ 1,989,054</b>	<b>\$ 373,317</b>	<b>\$ 107,098,347</b>



Golden Ponds photograph courtesy of  
Curtis Lee Jones

**DOWNTOWN DEVELOPMENT AUTHORITY COMPONENT UNIT**

<b>Downtown Development Authority Special Revenue Fund</b>	The operations of the Downtown Development Authority are accounted for in this fund. A tax levy finances the operations of the fund.
<b>Downtown Development Building Permit Fund</b>	This fund is used to account for the revenues generated from building permits issued for construction in the area of the Downtown Development Authority. The funds are transferred from the individual funds initially receiving the permit revenues.
<b>Downtown Development CDBG Grant Fund</b>	This fund is used to account for the proceeds of CDBG grants to the DDA for improvement loans.
<b>Downtown Development Marketing Fund</b>	This fund is used to account for the proceeds of an advance initiated in 2007 for specific marketing efforts.
<b>Downtown Development Authority Debt Service Fund</b>	Long term debt of the Downtown Development Authority is paid with monies accumulated in this fund.
<b>Downtown Development Authority Construction Capital Projects Fund</b>	This fund is used to account for the capital improvements to the Downtown area.
<b>Downtown Development Façade Improvement Fund</b>	This fund was established in 2008 for the purpose of expending the proceeds of a \$300,000 loan from the City Fleet Fund for the purpose of downtown façade improvement grants.

CITY OF LONGMONT, COLORADO

Statement G-1

DOWNTOWN DEVELOPMENT AUTHORITY COMPONENT UNIT  
 COMBINING BALANCE SHEET  
 December 31, 2010

	Special Revenue	Debt Service	Capital Projects	Totals
<b>ASSETS</b>				
Equity in pooled cash & cash equivalents	\$ 1,619,678	\$ 5,340,085	\$ 449,999	\$ 7,409,762
Cash and cash equivalents	45,896	-	-	45,896
Receivables (net of allowance for uncollectibles):				
Taxes	141,585	1,074,569	-	1,216,154
Loans	6,000	-	-	6,000
Accrued interest	7,802	24,407	1,765	33,974
Intergovernmental	-	-	-	-
Due from other governments	553	-	-	553
<b>Total Assets</b>	<b>\$ 1,821,514</b>	<b>\$ 6,439,061</b>	<b>\$ 451,764</b>	<b>\$ 8,712,339</b>
<b>LIABILITIES</b>				
Accounts payable	\$ 11,782	\$ -	\$ 15,439	\$ 27,221
Accrued liabilities	2,753	-	-	2,753
Deferred revenue	145,585	1,074,569	-	1,220,154
<b>Total liabilities</b>	<b>160,120</b>	<b>1,074,569</b>	<b>15,439</b>	<b>1,250,128</b>
<b>FUND EQUITY</b>				
Fund balances:				
Reserved for encumbrances	707	-	2,560	3,267
Reserved for emergencies	14,143	35,932	13,880	63,955
Reserved for loans receivable	2,000	-	-	2,000
Reserved for construction/acquisition	1,359,421	-	419,885	1,779,306
Unreserved:				
Designated for debt service	-	5,328,560	-	5,328,560
Designated for subsequent years' expenditures	2,500	-	-	2,500
Undesignated	282,623	-	-	282,623
<b>Total fund equity</b>	<b>1,661,394</b>	<b>5,364,492</b>	<b>436,325</b>	<b>7,462,211</b>
<b>Total liabilities and fund equity</b>	<b>\$ 1,821,514</b>	<b>\$ 6,439,061</b>	<b>\$ 451,764</b>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	1,550,246
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds	(1,789)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	(148,864)
Net assets of component unit	<u>\$ 8,861,804</u>

**DOWNTOWN DEVELOPMENT AUTHORITY COMPONENT UNIT**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-**  
**Year Ended December 31, 2010**

	Special Revenue	Debt Service	Capital Projects	Totals
<b>REVENUES</b>				
Taxes	\$ 152,243	\$ 1,164,917	-	\$ 1,317,160
Intergovernmental	36,000	-	84,801	120,801
Investment income	18,388	53,188	2,856	74,432
Charges for service	72,917	-	-	72,917
Miscellaneous	34,153	-	-	34,153
<b>Total revenues</b>	<b>313,701</b>	<b>1,218,105</b>	<b>87,657</b>	<b>1,619,463</b>
<b>EXPENDITURES</b>				
Current:				
General government	428,949	-	132,979	561,928
Debt service:				
General government	-	521,623	-	521,623
Interest and fiscal charges	-	3,093	-	3,093
<b>Total expenditures</b>	<b>428,949</b>	<b>524,716</b>	<b>132,979</b>	<b>1,086,644</b>
Excess of revenues (under) expenditures	(115,248)	693,389	(45,322)	532,819
<b>OTHER FINANCING SOURCES (USES)</b>				
Issuance of debt	146,623	-	375,000	521,623
Transfers in	21,869	-	-	21,869
Transfers out	(1,500)	(20,369)	-	(21,869)
<b>Total other financing sources (uses)</b>	<b>166,992</b>	<b>(20,369)</b>	<b>375,000</b>	<b>521,623</b>
Net changes in fund balances	51,744	673,020	329,678	1,054,442
<b>FUND BALANCES, January 1</b>	<b>1,609,650</b>	<b>4,691,472</b>	<b>106,647</b>	<b>6,407,769</b>
<b>FUND BALANCE, December 31</b>	<b>\$ 1,661,394</b>	<b>\$ 5,364,492</b>	<b>436,325</b>	<b>\$ 7,462,211</b>

Net change in fund balance -component unit	\$ 1,054,442
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures.	
How ever, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	
This is the amount by which depreciation exceeded capital outlays in the current period.	
	(178,546)
The issuance of debt provides current financial resources to governmental funds, while the repayment of the principal of debt consumes current financial resources of the governmental funds. Neither transaction has any effect on net assets.	
Loan proceeds	521,623
Principal repayments on loans	(521,623)
Net adjustment to fund balance	-
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in component unit funds.	
	10,613
Change in net assets of component unit activities	<u>\$ 886,509</u>



CITY OF LONGMONT, COLORADO

Statement G-3

**DOWNTOWN DEVELOPMENT AUTHORITY COMPONENT UNIT  
COMBINING BALANCE SHEET  
SPECIAL REVENUE FUNDS  
Year Ended December 31, 2010**

	<b>Downtown Development Authority</b>	<b>Downtown Development Bldg Permit</b>	<b>Downtown Development CDBG Grant</b>	<b>Downtown Development Marketing</b>	<b>Downtown Development Façade Improvement</b>	<b>Totals</b>
<b>ASSETS</b>						
Equity in pooled cash & cash equivalents	\$ 136,596	\$ 42,196	\$ -	\$ 122,883	\$ 1,318,003	\$ 1,619,678
Cash and cash equivalents	-	-	36,546	9,350	-	45,896
Receivables (net of allowance for uncollectibles):						
Taxes	141,585	-	-	-	-	141,585
Loans	-	-	6,000	-	-	6,000
Accrued interest	964	202	-	608	6,028	7,802
Due from other governments	553	-	-	-	-	553
<b>Total assets</b>	<b>\$ 279,698</b>	<b>\$ 42,398</b>	<b>\$ 42,546</b>	<b>\$ 132,841</b>	<b>\$ 1,324,031</b>	<b>\$ 1,821,514</b>
<b>LIABILITIES</b>						
Accounts payable	\$ 1,054	\$ 3,500	\$ -	\$ 7,228	\$ -	\$ 11,782
Accrued Liabilities	2,533	-	-	220	-	2,753
Deferred revenue	141,585	-	4,000	-	-	145,585
<b>Total liabilities</b>	<b>145,172</b>	<b>3,500</b>	<b>4,000</b>	<b>7,448</b>	<b>-</b>	<b>160,120</b>
<b>FUND EQUITY</b>						
Fund balances:						
Reserved for encumbrances	132	-	-	575	-	707
Reserved for emergencies	6,870	584	-	6,265	424	14,143
Reserved for loan funds	-	-	2,000	-	-	2,000
Reserved for construction/acquisition	-	35,814	-	-	1,323,607	1,359,421
Unreserved:						
Designated for subsequent years' expenditures	-	2,500	-	-	-	2,500
Undesignated	127,524	-	36,546	118,553	-	282,623
<b>Total fund equity</b>	<b>134,526</b>	<b>38,898</b>	<b>38,546</b>	<b>125,393</b>	<b>1,324,031</b>	<b>1,661,394</b>
<b>Total liabilities and fund equity</b>	<b>\$ 279,698</b>	<b>\$ 42,398</b>	<b>\$ 42,546</b>	<b>\$ 132,841</b>	<b>\$ 1,324,031</b>	<b>\$ 1,821,514</b>

**DOWNTOWN DEVELOPMENT AUTHORITY COMPONENT UNIT**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-**  
**SPECIAL REVENUE FUNDS**  
**Year Ended December 31, 2010**

	Downtown Development Authority	Downtown Development Bldg Permit	Downtown Development CDBG Grant	Downtown Development Marketing	Downtown Development Façade Improvement	Totals
<b>REVENUES</b>						
Taxes	\$ 152,243	\$ -	\$ -	\$ -	\$ -	\$ 152,243
Intergovernmental	-	-	-	36,000	-	36,000
Investment income	2,166	679	18	1,392	14,133	18,388
Charges for service	52,625	20,292	-	-	-	72,917
Miscellaneous	9,564	-	-	24,589	-	34,153
<b>Total revenues</b>	216,598	20,971	18	61,981	14,133	313,701
<b>EXPENDITURES</b>						
<b>General Governmental</b>	214,246	53,076	-	161,627	-	428,949
Excess of revenues over (under) expenditures	2,352	(32,105)	18	(99,646)	14,133	(115,248)
<b>OTHER FINANCING SOURCES (USES)</b>						
Issuance of debt	-	-	-	146,623	-	146,623
Transfers in	21,869	-	-	-	-	21,869
Transfers out	-	(1,500)	-	-	-	(1,500)
<b>Total other financing sources (uses)</b>	21,869	(1,500)	-	146,623	-	166,992
Net changes in fund balances	24,221	(33,605)	18	46,977	14,133	51,744
<b>FUND BALANCES, January 1</b>	110,305	72,503	38,528	78,416	1,309,898	1,609,650
<b>FUND BALANCES, December 31</b>	\$ 134,526	\$ 38,898	\$ 38,546	\$ 125,393	\$ 1,324,031	\$ 1,661,394

**DOWNTOWN DEVELOPMENT AUTHORITY COMPONENT UNIT  
DOWNTOWN DEVELOPMENT AUTHORITY SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-  
BUDGET (GAAP BASIS) AND ACTUAL  
Year Ended December 31, 2010**

	Budget	Actual	Variance From Final Budget
<b>REVENUES</b>			
Taxes	\$ 152,944	\$ 152,243	\$ (701)
Investment income	3,300	2,166	(1,134)
Charges for service	52,625	52,625	-
Miscellaneous	9,100	9,564	464
<b>Total revenues</b>	217,969	216,598	(1,371)
<b>EXPENDITURES</b>			
General government	244,766	214,246	30,520
Excess of revenues over (under) expenditures	(26,797)	2,352	29,149
<b>OTHER FINANCING SOURCES</b>			
Transfers in	21,869	21,869	-
Net changes in fund balances	(4,928)	24,221	29,149
<b>FUND BALANCE, January 1</b>	110,305	110,305	-
<b>FUND BALANCE, December 31</b>	\$ 105,377	\$ 134,526	\$ 29,149

**DOWNTOWN DEVELOPMENT AUTHORITY COMPONENT UNIT  
BUILDING PERMIT SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-  
BUDGET (GAAP BASIS) AND ACTUAL  
Year Ended December 31, 2010**

	Budget	Actual	Variance From Final Budget
<b>REVENUES</b>			
Investment income	\$ -	\$ 679	\$ 679
Charges for service	20,000	20,292	292
<b>Total revenues</b>	20,000	20,971	971
<b>EXPENDITURES</b>			
General government	50,400	53,076	(2,676)
Excess of revenues (under) expenditures	(30,400)	(32,105)	(1,705)
<b>OTHER FINANCING USES</b>			
Transfers out	(1,500)	(1,500)	-
Net changes in fund balances	(31,900)	(33,605)	(1,705)
<b>FUND BALANCE, January 1</b>	72,503	72,503	-
<b>FUND BALANCE, December 31</b>	\$ 40,603	\$ 38,898	\$ (1,705)

**DOWNTOWN DEVELOPMENT AUTHORITY COMPONENT UNIT  
CDBG GRANT SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-  
BUDGET (GAAP BASIS) AND ACTUAL  
Year Ended December 31, 2010**

	Budget	Actual	Variance From Final Budget
<b>REVENUES</b>			
Investment income	\$ -	\$ 18	\$ 18
Miscellaneous income	-	2,000	2,000
<b>Total revenues</b>	-	2,018	2,018
<b>EXPENDITURES</b>			
General government	-	-	-
Excess of revenues over expenditures	-	2,018	2,018
<b>FUND BALANCE, January 1</b>	38,528	38,528	-
<b>FUND BALANCE, December 31</b>	<u>\$ 38,528</u>	40,546	<u>\$ 2,018</u>

**Reconciliation to GAAP Basis**

Less Loan repayments	(2,000)
	<u>\$ 38,546</u>

**DOWNTOWN DEVELOPMENT AUTHORITY COMPONENT UNIT  
MARKETING SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-  
BUDGET (GAAP BASIS) AND ACTUAL  
Year Ended December 31, 2010**

	Budget	Actual	Variance From Final Budget
<b>REVENUES</b>			
Intergovernmental	\$ 36,000	\$ 36,000	\$ -
Investment income	-	1,392	1,392
Miscellaneous income	-	24,589	24,589
<b>Total revenues</b>	36,000	61,981	25,981
<b>EXPENDITURES</b>			
General government	257,039	161,627	95,412
Excess of revenues (under) expenditures	(221,039)	(99,646)	121,393
<b>OTHER FINANCING SOURCES</b>			
Issuance of debt	146,623	146,623	-
Net changes in fund balances	(74,416)	46,977	121,393
<b>FUND BALANCE, January 1</b>	78,416	78,416	-
<b>FUND BALANCE, December 31</b>	\$ 4,000	\$ 125,393	\$ 121,393

CITY OF LONGMONT, COLORADO

Schedule G-9

**DOWNTOWN DEVELOPMENT AUTHORITY COMPONENT UNIT**  
**DEBT SERVICE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET (GAAP BASIS) AND ACTUAL**  
**Year Ended December 31, 2010**

	Budget	Actual	Variance From Final Budget
<b>REVENUES</b>			
Taxes	\$ 1,096,499	\$ 1,164,917	\$ 68,418
Investment income	20,369	53,188	32,819
<b>Total revenues</b>	<b>1,116,868</b>	<b>1,218,105</b>	<b>101,237</b>
<b>EXPENDITURES</b>			
Principal retired	521,623	521,623	-
Interest and fiscal charges	5,000	3,093	1,907
<b>Total expenditures</b>	<b>526,623</b>	<b>524,716</b>	<b>1,907</b>
Excess of revenues over expenditures	590,245	693,389	103,144
<b>OTHER FINANCING USES</b>			
Transfers out	(20,369)	(20,369)	-
Net changes in fund balances	569,876	673,020	103,144
<b>FUND BALANCE, January 1</b>	<b>4,691,472</b>	<b>4,691,472</b>	<b>-</b>
<b>FUND BALANCE, December 31</b>	<b>\$ 5,261,348</b>	<b>\$ 5,364,492</b>	<b>\$ 103,144</b>

**DOWNTOWN DEVELOPMENT AUTHORITY COMPONENT UNIT  
CONSTRUCTION CAPITAL PROJECTS FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGET (GAAP BASIS) AND ACTUAL  
Year Ended December 31, 2010**

	Budget	Actual	Variance From Final Budget
<b>REVENUES</b>			
Intergovernmental	\$ 84,801	\$ 84,801	\$ -
Investment income	-	2,856	2,856
<b>Total revenues</b>	<b>84,801</b>	<b>87,657</b>	<b>2,856</b>
<b>EXPENDITURES</b>			
General government	3,053,551	132,979	2,920,572
Excess of revenues (under) expenditures	(2,968,750)	(45,322)	2,923,428
<b>OTHER FINANCING SOURCES</b>			
Issuance of debt	2,875,000	375,000	(2,500,000)
Net changes in fund balances	(93,750)	329,678	423,428
<b>FUND BALANCE, January 1</b>	<b>106,647</b>	<b>106,647</b>	<b>-</b>
<b>FUND BALANCE, December 31</b>	<b>\$ 12,897</b>	<b>\$ 436,325</b>	<b>\$ 423,428</b>



**DOWNTOWN DEVELOPMENT AUTHORITY COMPONENT UNIT  
 FAÇADE IMPROVEMENT PROGRAM  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
 BUDGET (GAAP BASIS) AND ACTUAL  
 Year Ended December 31, 2010**

	Budget	Actual	Variance From Final Budget
<b>REVENUES</b>			
Investment income	\$ -	\$ 14,133	\$ 14,133
<b>Total revenues</b>	-	14,133	14,133
<b>EXPENDITURES</b>			
General government	1,300,000	-	1,300,000
Excess of revenues over (under) expenditures	(1,300,000)	14,133	1,314,133
<b>FUND BALANCE, January 1</b>	1,309,898	1,309,898	-
<b>FUND BALANCE, December 31</b>	\$ 9,898	\$ 1,324,031	\$ 1,314,133

## **Section III**

### **Statistical Section**

CITY OF LONGMONT, COLORADO

Statistical Section

Index

December 31, 2010

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

<b><u>Contents</u></b>	<b><u>Page</u></b>
<b>Financial Trends</b>	<b>192</b>
These schedules contain trend information to ease understanding of the City's financial position and changes over time.	
Net Assets by Component	
Changes in Net Assets	
Fund Balances-Governmental Funds	
Changes in Fund Balances-Governmental Funds	
<b>Revenue Capacity</b>	<b>196</b>
These schedules contain information to understand the City's most significant local revenue sources, property tax and sales and use tax.	
Assessed and Estimated Actual Value of Taxable Property	
Property Tax Rates and Tax Levies - Direct and Overlapping Governments	
Principal Property Taxpayers	
Property Tax Levies and Collections	
Sales and Use Tax Revenue by Type of Industry	
Direct and Overlapping Sales Tax Rates	
Principal Sales and Use Tax Payers	
<b>Debt Capacity</b>	<b>203</b>
These schedules offer demographic and economic indicators to help understand the socioeconomic environment within which the City operates.	
Ratios of Outstanding Debt by Type	
Ratio of Net General Obligation (G/O) Bonded Debt to Assessed Value and Net Bonded Debt Per Capita	
Direct and Overlapping Governmental Activities Debt	
Legal Debt Margin Information	
Pledged Revenue Bond Loan Coverage	
<b>Operating Information</b>	
These schedules contain service and infrastructure data to enhance understanding about the services provided by the City.	<b>208</b>
Demographic and Economic Statistics	
Principal Employers	
Full-time Equivalent Employees by Function/Program	
Operating Indicators by Function/Program	
Capital Asset Statistics by Function	

CITY OF LONGMONT, COLORADO

Schedule 1  
Net Assets by Component  
Last Nine Fiscal Years

	2002	2003	2004	2005	2006	2007	2008	2009	2010
<b>Governmental activities</b>									
Invested in capital assets, net of related debt	\$ 86,485,403	\$ 111,240,038	\$ 123,623,956	\$ 148,413,953	\$ 247,224,992	\$ 255,023,291	\$ 258,841,455	\$ 268,747,804	\$ 270,382,692
Restricted	70,873,929	81,597,725	67,882,305	63,777,532	58,618,824	63,286,907	67,045,402	56,858,647	66,741,761
Unrestricted	27,931,280	27,212,861	42,029,436	37,239,083	40,803,801	41,253,598	36,524,738	40,365,372	32,146,885
<b>Total governmental activities net assets</b>	<b>\$ 185,290,612</b>	<b>\$ 220,050,624</b>	<b>\$ 233,535,697</b>	<b>\$ 249,430,568</b>	<b>\$ 346,647,617</b>	<b>\$ 359,563,796</b>	<b>\$ 362,411,595</b>	<b>\$ 365,971,823</b>	<b>\$ 369,271,338</b>
<b>Business-type activities</b>									
Invested in capital assets, net of related debt	\$ 343,197,163	\$ 359,632,946	\$ 418,102,319	\$ 443,854,331	\$ 457,130,355	\$ 481,563,714	\$ 489,038,783	\$ 493,511,315	\$ 507,056,869
Restricted	1,654,893	1,492,606	-	-	-	-	-	9,167,995	18,817,163
Unrestricted	141,767,806	144,473,371	134,599,512	138,212,150	148,894,983	161,368,686	167,593,678	157,873,139	146,541,477
<b>Total business-type activities net assets</b>	<b>\$ 486,619,862</b>	<b>\$ 505,598,923</b>	<b>\$ 552,701,831</b>	<b>\$ 582,066,481</b>	<b>\$ 606,025,338</b>	<b>\$ 642,932,400</b>	<b>\$ 656,632,461</b>	<b>\$ 660,552,449</b>	<b>\$ 672,415,509</b>
<b>Primary government</b>									
Invested in capital assets, net of related debt	\$ 429,682,566	\$ 470,872,984	\$ 541,726,275	\$ 592,268,284	\$ 704,355,347	\$ 736,587,005	\$ 747,880,238	\$ 762,259,119	\$ 777,439,561
Restricted	72,528,822	83,090,331	67,882,305	63,777,532	58,618,824	63,286,907	67,045,402	66,026,642	85,558,924
Unrestricted	169,699,086	171,686,232	176,628,948	175,451,233	189,698,784	202,622,284	204,118,416	198,238,511	178,688,362
<b>Total primary government net assets</b>	<b>\$ 671,910,474</b>	<b>\$ 725,649,547</b>	<b>\$ 786,237,528</b>	<b>\$ 831,497,049</b>	<b>\$ 952,672,955</b>	<b>\$1,002,496,196</b>	<b>\$1,019,044,056</b>	<b>\$1,026,524,272</b>	<b>\$1,041,686,847</b>

CITY OF LONGMONT, COLORADO

Schedule 2  
Changes in Net Assets  
Last Nine Fiscal Years

	2002	2003	2004	2005	2006	2007	2008	2009	2010
<b>Expenses</b>									
Governmental activities:									
General Government	\$ 13,826,047	\$ 16,275,148	\$ 15,989,850	\$ 20,131,649	\$ 20,551,339	\$ 20,762,868	\$ 25,433,222	\$ 18,772,527	\$ 21,237,772
Public Safety	23,151,989	23,106,212	25,588,323	26,222,421	26,798,046	29,163,736	31,049,011	32,842,216	33,562,076
Highways & Streets	7,033,404	7,161,663	8,011,189	8,783,006	14,130,933	15,006,093	14,947,947	17,180,057	14,191,614
Culture & Recreation	16,477,631	13,572,292	13,935,439	13,240,484	14,838,299	15,884,722	15,665,711	16,073,099	16,138,524
Municipal utilities systems	12,302,068	11,680,138	82,017	48,463	37,904	117,429	100,345	174,499	82,033
Interest and Fiscal charges on long-term debt	2,786,784	2,491,067	2,401,411	2,305,764	1,794,986	2,001,277	1,949,198	2,302,996	1,542,188
Total governmental activities expenses	75,577,923	74,286,520	66,008,229	70,731,787	78,151,507	82,936,125	89,145,434	87,345,394	86,754,207
Business-type activities:									
Sanitation	4,136,415	4,312,219	4,313,129	4,473,264	4,174,022	4,899,295	5,500,624	5,358,336	5,713,703
Golf	2,317,715	2,318,128	2,249,257	2,309,298	2,319,540	2,255,648	2,286,369	2,185,459	2,084,456
Electric	37,806,930	38,152,716	39,389,771	42,991,724	44,074,244	45,154,130	46,779,652	47,780,116	51,614,473
Telecommunications	298,563	187,728	124,511	134,042	169,813	151,499	166,219	164,129	194,834
Water	8,590,670	8,379,036	9,598,975	10,626,323	11,137,061	12,149,962	12,799,254	12,975,167	12,648,106
Sewer	7,547,988	7,909,764	7,769,910	8,188,895	8,667,832	8,496,031	8,277,407	8,368,101	8,690,949
Storm Drainage	1,775,375	2,045,132	2,249,522	2,350,367	2,247,699	2,362,745	2,533,933	3,085,889	3,134,594
Airport	198,806	183,269	164,226	182,631	220,414	242,715	291,899	328,375	400,939
Total business-type activities expenses	62,672,462	63,487,992	65,859,301	71,256,544	73,010,625	75,712,025	78,635,357	80,245,572	84,482,054
Total primary government expenses	\$138,250,385	\$137,774,512	\$131,867,530	\$141,988,331	\$151,162,132	\$158,648,150	\$167,780,791	\$167,590,966	\$171,236,261
<b>Program Revenues</b>									
Governmental activities:									
Charges for services									
General Government	\$ 9,715,334	\$ 6,827,962	\$ 7,164,893	\$ 7,858,329	\$ 7,096,710	\$ 6,700,035	\$ 6,993,588	\$ 6,965,851	\$ 8,324,058
Public Safety	2,305,980	1,949,078	2,280,880	2,081,467	1,629,177	1,448,170	1,297,757	1,039,975	1,223,119
Highways & Streets	1,338,290	1,746,304	1,802,076	2,424,507	1,823,874	771,687	706,732	649,631	620,595
Culture & Recreation	5,742,811	6,646,925	6,416,227	5,501,639	5,162,614	4,097,691	4,681,964	5,171,304	5,947,012
Operating grants and contributions	4,076,412	4,048,082	3,938,769	4,161,124	5,313,124	7,425,910	5,147,423	5,770,130	5,051,949
Capital grants and contributions	15,586,003	12,335,306	14,810,816	12,979,256	7,794,399	7,637,432	3,495,473	7,124,956	5,177,181
Total governmental activities program revenues	38,764,830	33,553,657	36,413,661	35,006,322	28,819,898	28,080,925	22,322,937	26,721,847	26,343,914
Business-type activities:									
Charges for services									
Sanitation	4,531,109	4,805,494	4,970,800	4,948,672	5,027,391	5,116,877	5,169,059	5,105,311	5,265,217
Golf	2,636,283	2,508,972	2,506,758	2,575,147	2,543,686	2,581,174	2,597,381	2,460,988	2,220,975
Electric	36,468,469	36,884,953	38,468,690	41,645,194	44,045,475	44,952,976	44,201,753	44,547,396	49,487,659
Telecommunications	966,241	89,967	91,871	100,026	175,361	144,884	216,387	238,663	293,519
Water	13,291,053	12,846,966	12,758,043	13,353,146	14,539,286	14,185,321	13,748,106	11,936,337	12,757,033
Sewer	8,105,088	7,272,579	7,304,093	7,249,569	7,446,278	7,174,708	7,121,233	7,352,469	7,846,470
Storm Drainage	2,182,586	2,246,718	2,303,680	2,476,672	3,043,207	3,398,017	3,434,723	3,469,114	3,420,656
Airport	174,049	157,046	200,118	184,217	197,537	238,652	251,284	251,376	239,006
Operating grants and contributions	134,714	174,998	122,895	138,296	567,576	458,608	327,993	547,269	513,732
Capital grants and contributions	34,594,683	33,348,142	22,888,715	16,990,141	14,147,803	27,666,764	8,740,582	6,394,173	8,962,852
Total business-type activities program revenues	103,084,275	100,335,835	91,615,663	89,661,080	91,733,600	105,917,981	85,808,501	82,303,096	91,007,169
Total primary government program revenues	\$141,849,105	\$133,889,492	\$128,029,324	\$124,667,402	\$120,553,498	\$133,998,906	\$108,131,438	\$109,024,943	\$117,351,083
<b>Net (Expenses)/Revenue</b>									
Governmental activities	\$ (36,813,093)	\$ (40,732,863)	\$ (29,594,568)	\$ (35,725,465)	\$ (49,331,609)	\$ (54,855,200)	\$ (66,822,497)	\$ (60,623,547)	\$ (60,410,293)
Business-type activities	40,411,813	36,847,843	25,756,362	18,404,536	18,722,975	30,205,956	7,173,144	2,057,524	6,525,115
Total primary government net expense	\$ (3,598,720)	\$ (3,885,020)	\$ (3,838,206)	\$ (17,320,929)	\$ (30,608,634)	\$ (24,649,244)	\$ (59,649,353)	\$ (58,566,023)	\$ (53,885,178)
<b>General Revenues and Other Changes in Net Assets</b>									
Governmental activities:									
Taxes									
Property taxes	\$ 12,336,001	\$ 12,670,126	\$ 13,777,149	\$ 14,042,775	\$ 14,139,391	\$ 14,578,798	\$ 15,493,699	\$ 15,539,641	\$ 15,357,141
General government sales and use taxes	20,365,611	20,858,864	22,905,289	23,181,626	23,798,827	24,252,480	24,207,871	22,751,072	23,640,672
Public improvement sales and use taxes	4,911,004	4,716,398	4,022,853	4,090,876	4,199,793	4,279,848	3,952,522	3,316,107	3,581,110
Streets sales and use taxes	9,478,730	9,590,725	10,098,053	10,227,189	10,499,482	10,699,626	10,560,147	9,775,192	10,208,168
Open space sales and use taxes	2,527,661	2,557,525	2,692,816	2,727,251	2,799,862	2,853,231	2,816,040	2,606,718	2,722,178
Public safety sales and use taxes	-	-	-	-	-	4,635,144	4,576,063	4,235,917	4,423,539
Lodgers taxes	-	-	-	-	-	-	307,877	244,527	263,041
Cigarette taxes	225,585	225,070	244,940	205,507	218,365	212,223	199,546	185,093	185,916
Franchise taxes	3,873,470	4,004,414	4,193,477	4,563,829	4,731,940	4,831,536	4,849,024	5,269,452	6,314,911
Investment income	3,425,138	1,712,056	1,456,920	2,592,970	5,144,710	6,584,535	6,369,843	1,526,527	1,241,858
Miscellaneous	7,705	31,533	7,432	2,123	1,928	5,062	57,837	16,433	19,354
Transfers	551,672	19,126,164	(19,249,329)	(10,013,810)	(3,560,154)	(4,004,935)	(3,720,173)	(1,282,904)	(4,248,080)
Total governmental activities	57,702,577	75,492,875	40,149,600	51,620,336	61,974,144	68,927,548	69,670,296	64,183,775	63,709,808
Business-type activities:									
Miscellaneous	-	-	-	-	-	-	-	-	589,572
Investment income	1,276,095	685,257	794,749	946,304	1,675,728	2,696,171	2,806,744	579,560	500,293
Transfers	(551,672)	(19,126,164)	19,249,329	10,013,810	3,560,154	4,004,935	3,720,173	1,282,904	4,248,080
Special item-gain on release of landfill of landfill liability	-	572,125	-	-	-	-	-	-	-
Total business-type activities	724,423	(17,868,782)	20,044,078	10,960,114	5,235,882	6,701,106	6,526,917	1,862,464	5,337,945
Total primary government	\$ 58,427,000	\$ 57,624,093	\$ 60,193,678	\$ 62,580,450	\$ 67,210,026	\$ 75,628,654	\$ 76,197,213	\$ 66,046,239	\$ 69,047,753
<b>Change in Net Assets</b>									
Governmental activities	\$ 20,889,484	\$ 34,760,012	\$ 10,555,032	\$ 15,894,871	\$ 12,642,535	\$ 14,072,348	\$ 2,847,799	\$ 3,560,228	\$ 3,299,515
Business-type activities	41,136,236	18,979,061	45,800,440	29,364,650	23,958,857	36,907,062	13,700,061	3,919,988	11,863,060
Total primary government	\$ 62,025,720	\$ 53,739,073	\$ 56,355,472	\$ 45,259,521	\$ 36,601,392	\$ 50,979,410	\$ 16,547,860	\$ 7,480,216	\$ 15,162,575

Data available only since year in which GASB 34 was implemented.

CITY OF LONGMONT, COLORADO

**Schedule 3  
Fund Balances, Governmental Funds  
Last Nine Fiscal Years**

	2002	2003	2004	2005	2006	2007	2008	2009	2010
General Fund									
Reserved	\$ 4,079,941	\$ 4,202,216	\$ 4,928,473	\$ 4,807,671	\$ 4,337,821	\$ 4,506,632	\$ 5,095,369	\$ 4,075,650	\$ 4,544,979
Unreserved	9,528,075	9,373,519	9,574,336	9,092,258	7,397,972	7,476,103	6,568,529	8,065,091	9,660,185
Total general fund	<u>\$ 13,608,016</u>	<u>\$ 13,575,735</u>	<u>\$ 14,502,809</u>	<u>\$ 13,899,929</u>	<u>\$ 11,735,793</u>	<u>\$ 11,982,735</u>	<u>\$ 11,663,898</u>	<u>\$ 12,140,741</u>	<u>\$ 14,205,164</u>
All Other Governmental Funds									
Reserved	\$ 37,666,860	\$ 39,407,175	\$ 27,930,909	\$ 35,808,584	\$ 37,698,742	\$ 32,353,892	\$ 32,476,928	\$ 26,385,055	\$ 30,463,096
Unreserved, reported in:									
Special revenue funds	29,450,684	37,848,506	35,276,952	20,987,322	20,583,382	31,070,480	30,664,909	27,193,080	32,415,590
Capital projects funds	5,474,228	6,614,687	8,095,410	8,222,365	5,957,055	4,889,877	4,967,815	4,033,587	4,152,740
Total all other governmental funds	<u>\$ 72,591,772</u>	<u>\$ 83,870,368</u>	<u>\$ 71,303,271</u>	<u>\$ 65,018,271</u>	<u>\$ 64,239,179</u>	<u>\$ 68,314,249</u>	<u>\$ 68,109,652</u>	<u>\$ 57,611,722</u>	<u>\$ 67,031,426</u>

Data available only since year in which GASB 34 was implemented.

CITY OF LONGMONT, COLORADO

**Schedule 4**  
**City of Longmont, Colorado**  
**Changes in Fund Balances, Governmental Funds**  
**Last Nine Fiscal Years**

	2002	2003	2004	2005	2006	2007	2008	2009	2010
<b>Revenues</b>									
Taxes	\$ 53,718,062	\$ 54,623,122	\$ 57,934,577	\$ 59,039,053	\$ 60,387,660	\$ 66,342,886	\$ 66,962,789	\$ 63,923,719	\$ 66,696,676
Licenses and permits	14,176,082	11,688,274	12,034,982	11,480,669	6,461,681	6,319,585	2,785,437	1,519,378	3,149,131
Developer/owner participation	971,363	1,987,336	3,050,303	1,116,032	1,434,799	2,032,823	629,496	2,533,001	1,143,047
Intergovernmental	4,879,111	4,834,217	6,591,580	6,459,758	7,592,786	7,613,336	5,649,691	7,530,226	5,354,292
Charges for services	9,366,109	9,735,558	10,207,341	10,542,033	10,863,269	10,386,406	10,572,260	10,914,591	13,070,916
Fines and forfeits	654,306	672,075	643,519	721,163	755,870	796,912	1,140,815	1,479,993	1,551,177
Investment income	3,012,980	1,486,881	1,248,166	2,097,944	3,948,365	5,019,535	4,899,613	1,148,839	915,661
Other Revenues	1,396,161	1,205,751	2,366,467	666,012	1,133,657	756,318	1,260,921	862,381	756,224
<b>Total revenues</b>	<b>88,174,174</b>	<b>86,233,214</b>	<b>94,076,935</b>	<b>92,122,664</b>	<b>92,578,087</b>	<b>99,267,801</b>	<b>93,901,022</b>	<b>89,912,128</b>	<b>92,637,124</b>
<b>Expenditures</b>									
General government	16,314,325	15,981,841	16,822,872	20,452,477	21,645,074	20,945,076	24,066,704	19,772,116	19,157,561
Public safety	24,145,324	22,706,869	25,005,135	27,732,979	27,970,863	28,989,750	32,278,720	34,855,013	33,073,119
Highways and streets	20,463,185	16,170,657	17,600,477	16,194,259	21,469,617	17,553,984	15,407,398	17,685,696	13,345,985
Culture and recreation	24,317,106	20,543,475	18,194,180	19,395,501	17,721,843	15,055,606	15,526,255	21,097,271	22,624,470
Municipal utility systems	12,302,068	11,680,138	20,000,128	9,537,748	3,267,866	1,855,661	4,231,950	1,689,899	3,707,650
Capital outlay	4,704,562	1,700,255	1,952,544	1,578,830	4,271,369	3,101,154	1,524,043	2,733,830	893,318
Debt Service									
Principal retired	2,050,230	1,315,000	2,290,000	2,360,000	2,440,000	2,530,000	2,620,000	2,725,000	1,690,000
Bond Issuance costs	-	-	-	-	-	-	-	-	408,421
Interest and fiscal charges	2,763,219	2,473,273	2,357,977	2,277,184	1,905,092	1,962,756	1,919,846	1,761,168	1,362,961
<b>Total expenditures</b>	<b>107,060,019</b>	<b>92,571,508</b>	<b>104,223,313</b>	<b>99,528,978</b>	<b>100,691,724</b>	<b>91,993,987</b>	<b>97,574,916</b>	<b>102,319,983</b>	<b>96,263,485</b>
Excess of revenues over (under) expenditures	(18,885,845)	(6,338,294)	(10,146,378)	(7,406,314)	(8,113,637)	7,273,814	(3,673,894)	(12,407,855)	(3,626,361)
<b>Other Financing Sources (Uses)</b>									
Proceeds from leases	-	-	-	101,864	-	-	-	-	74,088
Transfers in	1,609,869	19,605,994	682,273	1,351,285	472,612	1,349,500	822,968	1,990,519	669,210
Transfers out	(1,245,542)	(2,021,355)	(2,554,597)	(934,715)	(1,112,389)	(3,145,133)	(832,508)	(1,885,997)	(847,551)
Payment to bond refunding escrow agent	(9,273,268)	-	-	-	(19,075,319)	-	-	-	(14,732,432)
Proceeds from issuance of long-term debt	9,335,000	-	-	-	17,375,000	-	3,160,000	2,282,246	29,770,000
Premium on issuance of long-term debt	58,696	-	-	-	1,519,835	-	-	-	177,173
<b>Total other financing sources (uses)</b>	<b>484,755</b>	<b>17,584,639</b>	<b>(1,872,324)</b>	<b>518,434</b>	<b>(820,261)</b>	<b>(1,795,633)</b>	<b>3,150,460</b>	<b>2,386,768</b>	<b>15,110,488</b>
<b>Net change in fund balances</b>	<b>\$ (18,401,090)</b>	<b>\$ 11,246,345</b>	<b>\$ (12,018,702)</b>	<b>\$ (6,887,880)</b>	<b>\$ (8,933,898)</b>	<b>\$ 5,478,181</b>	<b>\$ (523,434)</b>	<b>\$ (10,021,067)</b>	<b>\$ 11,484,127</b>
Debt service as a percentage of noncapital expenditures	7%	5%	6%	6%	6%	6%	6%	6%	3%

Data available only since year in which GASB 34 was implemented.

CITY OF LONGMONT, COLORADO

Schedule 5  
Assessed and Estimated Actual Value of Taxable Property  
Last Ten Fiscal Years

FISCAL YEAR	REAL PROPERTY		PERSONAL PROPERTY		TOTAL		RATIO OF TOTAL ASSESSED VALUE/ TOTAL ESTIMATED ACTUAL VALUE	TOTAL DIRECT TAX RATE (MILs)
	ASSESSED VALUE	ESTIMATED ACTUAL VALUE	ASSESSED VALUE	ESTIMATED ACTUAL VALUE	ASSESSED VALUE	ESTIMATED ACTUAL VALUE		
2001	569,253,980	4,393,524,048	116,661,520	402,280,073	685,915,500	4,795,804,121	14.30 (a)	13.42
2002	716,617,380	5,749,495,224	112,722,310	388,696,621	829,339,690	6,138,191,845	13.51 (a)	13.42
2003	754,586,011	6,060,680,885	113,028,041	389,751,936	867,614,052	6,450,432,821	13.45 (a)	13.42
2004	829,839,702	7,370,336,619	110,490,969	381,000,804	940,330,671	7,751,337,423	12.13 (b)	13.42
2005	849,146,110	7,600,099,603	114,171,000	393,690,722	963,317,110	7,993,790,325	12.05 (b)	13.42
2006	873,339,140	7,766,743,401	109,129,260	376,303,804	982,468,400	8,143,047,205	12.07 (b)	13.42
2007	893,196,710	8,038,869,685	108,692,820	374,799,870	1,001,889,530	8,413,669,555	11.91 (b)	13.42
2008	964,428,140	8,592,074,025	112,164,150	386,769,608	1,076,592,290	8,978,843,633	11.99 (b)	13.42
2009	977,820,570	8,699,987,296	107,780,920	371,654,356	1,085,601,490	9,071,641,652	11.97 (b)	13.42
2010	981,685,090	8,428,617,423	113,251,910	390,518,021	1,094,937,000	8,819,135,444	12.42 (b)	13.42

(a) For tax levy years 2000 through 2002, collection years 2001 through 2003, residential property was assessed at 9.15% of actual value while commercial property remained at 29% of actual value.

(b) For tax levy years 2003 through 2009, collection years 2004 through 2010, residential property was assessed at 7.96% of actual value while commercial property remained at 29% of actual value.

Source: Boulder and Weld Counties Assessors' Offices



CITY OF LONGMONT, COLORADO

**SCHEDULE 6**  
**Property Tax Rates and Tax Levies - Direct and Overlapping Governments**  
**(PER \$1000 OF ASSESSED VALUE)**  
**Last Ten Fiscal Years**

LEVY YEAR	COLLECTION YEAR	GENERAL FUND	COMPONENT UNIT			BOULDER COUNTY	ST. VRAIN LEFT-HAND WATER	NO. COLO. WATER CONS.	LONGMONT RURAL FIRE
			SPECIAL REVENUE FUNDS	DEBT SERVICE FUNDS	COMPONENT UNIT (DEBT SERVICE)				
RATES (a)									
TAX									
2000	2001	13.420	10.108	-	83.529	22.245	0.303	1.000	8.917
2001	2002	13.420	10.108	-	75.353	17.621	0.258	1.000	8.657
2002	2003	13.420	10.108	-	82.575	20.087	0.245	1.000	8.577
2003	2004	13.420	10.108	-	81.923	20.088	0.243	1.000	8.417
2004	2005	13.420	10.108	-	82.804	21.267	0.230	1.000	8.397
2005	2006	13.420	10.108	-	83.289	21.867	0.222	1.000	8.257
2006	2007	13.420	10.108	-	81.934	22.467	0.214	1.000	8.137
2007	2008	13.420	10.108	-	81.680	22.467	0.197	1.000	7.937
2008	2009	13.420	10.108	-	90.764	23.067	0.194	1.000	11.747
2009	2010	13.420	10.108	-	91.337	23.667	0.184	1.000	11.747
LEVIES									
TAX									
2000	2001	9,204,986	154,047	-	546,123	78,053,932	284,120	3,330,459	1,633,482
2001	2002	11,129,739	170,664	-	559,080	78,183,325	293,887	3,679,989	2,131,288
2002	2003	11,643,381	195,910	-	697,761	90,859,290	290,964	3,762,094	2,229,895
2003	2004	12,619,238	188,451	-	748,332	94,356,356	307,193	4,035,562	2,268,931
2004	2005	12,927,716	215,110	-	770,713	100,896,978	297,971	4,352,070	2,328,367
2005	2006	13,037,177	151,921	-	906,912	108,354,720	290,063	4,538,972	2,422,949
2006	2007	13,445,358	243,486	-	830,000	112,630,364	287,231	4,593,229	2,621,708
2007	2008	14,461,571	180,854	-	987,419	124,745,065	285,477	5,062,766	2,802,166
2008	2009	14,568,772	183,782	-	1,138,267	129,119,905	283,148	5,146,619	4,265,886
2009	2010	14,512,552	137,562	-	1,226,379	137,564,655	2,691,737	5,347,290	4,609,169

(a) Figure represents a specific mill levy.

**NOTES TO THIS SCHEDULE:**

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

CITY OF LONGMONT, COLORADO

Schedule 7  
**PRINCIPAL PROPERTY TAXPAYERS**  
 CURRENT YEAR AND NINE YEARS AGO

Taxpayer	2010			2001		
	2009 Assessed Value	Rank	Percentage of Total Assessed Value	2000 Assessed Value	Rank	Percentage of Total Assessed Value
AMGEN INC	28,398,660	1	2.58%	44,507,310	1	6.48%
SEAGATE TECHNOLOGY LLC	22,344,640	2	2.04			
CIRCLE CAPITAL LONGMONT LLC	15,185,930	3	1.39	20,414,240	2	2.98
HUB PROPERTIES TRUST	11,564,480	4	1.06			
LONGMONT SANDSTONE LLC	10,783,580	5	0.98			
LONGMONT SPRINGCREST LLC	10,783,580	6	0.98			
LONGMONT WOODHAVEN LLC	10,783,580	7	0.98			
XLINX INC	9,474,320	8	0.87	5,665,080	7	0.83
LONGMONT SQUARE PLAZA LLC	8,159,980	9	0.75			
AMERICAN HONDA MOTOR CO INC	8,083,570	10	0.74			
MAXTOR CORPORATION				8,206,150	3	1.20
SEAGATE PERIPHERALS				7,462,050	6	1.09
QWEST COMMUNICATIONS				7,831,000	4	1.14
K/B FUND IV				4,852,370	8	0.71
McCLANE WESTERN INC.				4,395,620	9	0.64
TWIN PEAKS MALL				7,466,340	5	1.09
SHELDAHL INC				4,331,520	10	0.63
Total Taxable Assessed Value of 10 Largest Taxpayers	135,562,320		12.38	115,131,680		16.79
Total Taxable Assessed Value of Other Taxpayers	959,374,680		87.62	570,783,820		83.21
Total Taxable Assessed Value All Taxpayers	1,094,937,000		100%	685,915,500		100%

Source: Boulder and Weld Counties Assessors' Offices.

CITY OF LONGMONT, COLORADO

SCHEDULE 8  
Property Tax Levies and Collections  
GENERAL FUND  
Last Ten Fiscal Years

LEVY YEAR	COLLECTION YEAR	TOTAL TAX LEVY	CURRENT TAX COLLECTIONS	PERCENT OF LEVY COLLECTED	DELINQUENT TAX COLLECTIONS	TOTAL TAX COLLECTIONS	COLLECTIONS AS % OF CURRENT LEVY	OUTSTANDING DELINQUENT TAXES (a)
2000	2001	9,204,986	9,053,272	98.4	2,236	9,055,508	98.4	-
2001	2002	11,129,739	10,981,104	98.7	28,339	11,009,443	98.9	-
2002	2003	11,643,381	11,420,707	98.1	(18,890) (b)	11,401,817	97.9	-
2003	2004	12,619,238	12,459,430	98.7	(6,779) (b)	12,452,651	98.7	-
2004	2005	12,927,716	12,730,641	98.5	3,852	12,734,493	98.5	-
2005	2006	13,037,177	12,849,208	98.6	7,168	12,856,376	98.6	-
2006	2007	13,445,358	13,286,992	98.8	9,040	13,296,032	98.9	-
2007	2008	14,461,571	14,274,137	98.7	(21,130) (b)	14,253,007	98.6	-
2008	2009	14,568,772	14,398,968	98.8	3,587	14,402,555	98.9	-
2009	2010	14,512,552	14,297,043	98.5	(204) (b)	14,296,839	98.5	-

Component Units Levies and Collections  
Last Ten Fiscal Years

LEVY YEAR	COLLECTION YEAR	TOTAL COMPONENT UNITS LEVY	CURRENT COMPONENT UNITS COLLECTIONS	PERCENT OF LEVY COLLECTED	DELINQUENT COMPONENT UNITS COLLECTIONS	TOTAL COMPONENT UNITS COLLECTIONS	COLLECTIONS AS % OF CURRENT LEVY	OUTSTANDING DELINQUENT COMPONENT UNITS (a)
2000	2001	700,170	680,666	97.2	(109) (b)	680,557	97.2	-
2001	2002	729,744	725,044	99.4	(149) (b)	724,895	99.3	-
2002	2003	893,671	860,143	96.2	(23) (b)	860,120	96.2	-
2003	2004	936,783	921,365	98.4	(4,964) (b)	916,401	97.8	-
2004	2005	985,823	917,046	93.0	(5,294) (b)	911,752	92.5	-
2005	2006	1,058,833	1,068,347	100.9	157	1,068,504	100.9	-
2006	2007	1,073,486	1,017,953	94.8	390	1,018,343	94.9	-
2007	2008	1,168,273	1,139,951	97.6	(3,538) (b)	1,136,413	97.3	-
2008	2009	1,322,049	1,305,319	98.7	15,317	1,320,636	99.9	-
2009	2010	1,363,941	1,394,925	102.3	1,388	1,396,313	102.4	-

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

CITY OF LONGMONT, COLORADO

**Schedule 9  
Sales and Use Tax Revenue by Type of Industry  
Last Ten Fiscal Years**

Fiscal Year	Apparel	Automotive	Food	Home Furnishings	General	Lodging	Lumber	Professional
2001	373,312	3,374,067	8,643,777	975,592	6,113,854	302,745	5,813,263	511,759
2002	354,269	3,267,695	8,696,441	928,578	6,319,922	313,816	4,870,870	565,787
2003	372,240	3,092,709	8,831,450	869,095	6,385,701	325,006	4,608,520	680,953
2004	420,150	3,097,411	9,354,205	933,287	6,486,364	336,099	5,357,676	1,071,522
2005	432,308	3,036,678	9,638,225	892,846	6,456,076	354,880	5,445,677	800,456
2006	609,552	2,840,122	10,252,906	1,027,138	6,980,816	457,225	5,065,157	747,533
2007	839,213	3,430,079	11,790,777	1,523,002	8,291,250	596,018	4,604,885	990,158
2008	811,706	3,076,830	12,351,545	1,487,700	8,102,502	575,018	4,153,626	904,306
2009	769,069	2,807,423	12,088,918	1,437,616	7,720,534	448,409	3,217,098	1,155,241
2010	746,975	2,945,326	12,476,116	1,373,172	7,942,717	473,031	3,761,323	1,246,112

Public Utility	Unclassified	Home Occupation	Manufacturing	Motor Vehicle Use Tax	Accrual	Total Sales and Use Tax	Total Direct Tax Rate
3,339,110	3,546,474	88,315	2,756,534	2,594,084	143,835	38,576,721	2.950 %
2,958,362	3,133,759	103,173	3,110,314	2,590,836	69,184	37,283,006	2.950
3,014,635	3,525,230	105,949	3,100,686	2,394,008	417,330	37,723,512	2.950
3,290,629	3,852,203	108,536	2,922,377	2,350,929	137,623	39,719,011	2.950
3,536,095	4,202,317	117,698	2,988,974	2,292,204	32,507	40,226,941	2.950
3,805,012	4,632,152	149,508	2,514,798	2,196,392	19,624	41,297,935	2.950
4,156,688	5,023,128	149,529	2,285,236	2,495,494	544,267	46,719,724	3.275
4,425,770	4,785,132	154,285	2,927,119	2,458,566	(101,463)	46,112,643	3.275
4,327,560	4,253,903	139,145	2,266,143	2,053,947	(117,625)	42,567,381	3.275
4,611,287	4,890,472	133,207	1,835,299	2,140,629	338,965	44,914,631	3.275

Source: City of Longmont Sales and Use Tax Reports

CITY OF LONGMONT, COLORADO

**Schedule 10**  
**Direct and Overlapping Sales Tax Rates**  
**Last Ten Fiscal Years**

Fiscal Year	City Direct Rate		Overlapping Rates							Total Direct & Overlapping Sales Tax Rate
	City of Longmont	State of Colorado	Boulder County	Regional Transportation District	Scientific and Cultural Facilities District	Metropolitan Sports Stadium District				
2001	2.950 %	2.900 %	0.400 %	0.600 %	0.100 %	0.100 %			7.050 %	
2002	2.950	2.900	0.450	0.600	0.100	0.100			7.100	
2003	2.950	2.900	0.550	0.600	0.100	0.100			7.200	
2004	2.950	2.900	0.550	0.600	0.100	0.100			7.200	
2005	2.950	2.900	0.650	1.000	0.100	0.100			7.700	
2006	2.950	2.900	0.650	1.000	0.100	0.100			7.700	
2007	3.275	2.900	0.650	1.000	0.100	0.100			8.025	
2008	3.275	2.900	0.650	1.000	0.100	0.100			8.025	
2009	3.275	2.900	0.650	1.000	0.100	0.100			8.025	
2010	3.275	2.900	0.650	1.000	0.100	0.100			8.025	

Sources: City of Longmont Sales and Use Tax Reports  
 Colorado Department of Revenue

CITY OF LONGMONT, COLORADO

**Schedule 11  
Principal Sales and Use Tax Payers  
Last Ten Fiscal Years**

	Fiscal Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Aggregate top ten filers <sup>1</sup>	\$ 14,097,461	\$ 12,558,151	\$ 12,587,014	\$ 13,113,576	\$ 13,330,649	\$ 12,478,376	\$ 14,231,545	\$ 14,314,666	\$ 12,735,201	\$ 13,768,827
Aggregate all other filers	<u>24,479,260</u>	<u>24,724,855</u>	<u>25,136,498</u>	<u>26,605,435</u>	<u>26,896,292</u>	<u>28,819,559</u>	<u>32,488,179</u>	<u>31,797,977</u>	<u>29,832,180</u>	<u>31,145,804</u>
Total sales and use tax	<u>\$ 38,576,721</u>	<u>\$ 37,283,006</u>	<u>\$ 37,723,512</u>	<u>\$ 39,719,011</u>	<u>\$ 40,226,941</u>	<u>\$ 41,297,935</u>	<u>\$ 46,719,724</u>	<u>\$ 46,112,643</u>	<u>\$ 42,567,381</u>	<u>\$ 44,914,631</u>
Top ten filers as a percentage of total tax	36.54%	33.68%	33.37%	33.02%	33.14%	30.22%	30.46%	31.04%	29.92%	30.66%

<sup>1</sup> Colorado State Statutes and City of Longmont Ordinances prohibit disclosure of individual sales and use tax returns, therefore the current year top ten filers are listed in alphabetical order as follows: Boulder County, City of Longmont Utilities, City of Longmont Building Permits, Home Depot # 1521, King Soopers # 80 King Soopers # 102, Public Service, Target, Wal-Mart, Wal Mart Supercenter.

Source: City of Longmont Sales and Use Tax Reports

CITY OF LONGMONT, COLORADO

**Schedule 12**  
**Ratios of Outstanding Debt by Type**  
**Last Ten Fiscal Years**

Fiscal Year	Governmental Activities			Business-Type Activities					Total Primary Government	(1) % of Personal Income	(1) Per Capita
	General Obligation Bonds	Sales & Use Tax Revenue Bonds	Capital Leases	General Obligation Bonds	Sewer Revenue Bonds	Storm Drainage Bonds	Loans Payable	Capital Leases			
2001	9,880,000	43,990,000	8,719,309	4,270,000	-	-	1,874,570	7,182,940	75,916,819	2.5%	998
2002	9,335,000	42,710,000	8,466,320	-	-	-	1,877,424	7,738,474	70,127,218	2.2%	907
2003	9,335,000	41,395,000	7,617,683	-	-	-	20,807,879	6,616,291	85,771,853	2.6%	1,081
2004	8,410,000	40,080,000	7,524,146	-	-	-	20,000,405	3,935,460	79,950,011	2.3%	985
2005	7,470,000	38,610,000	7,116,765	-	-	-	19,149,228	3,550,168	75,896,161	2.0%	917
2006	6,500,000	37,035,000	6,709,384	-	-	-	18,185,868	3,142,458	71,572,710	1.8%	846
2007	5,505,000	35,500,000	6,218,945	-	-	-	17,321,395	2,753,556	67,298,896	1.7%	785
2008	4,480,000	33,905,000	8,800,964	-	-	14,540,000	16,438,464	2,346,180	80,510,608	1.9%	934
2009	3,425,000	32,235,000	10,277,050	-	-	14,030,000	15,536,963	1,919,455	77,423,468	1.9%	897
2010	2,325,000	47,145,000	5,057,886	-	-	26,900,000	14,381,439	-	95,809,325	2.1%	1,095

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

CITY OF LONGMONT, COLORADO

**Schedule 13**  
**Ratio of Net General Obligation (G/O) Bonded Debt to Assessed Value**  
**and Net Bonded Debt Per Capita**  
**Last Ten Fiscal Years**

FISCAL YEAR	POPULATION (a)	ASSESSED VALUE (b)	GROSS BONDED DEBT (c)	LESS: DEBT PAY-ABLE FROM ENTERPRISE REVENUES	NET GOVERNMENTAL BONDING DEBT	RATIO OF NET G/O BONDED DEBT TO ASSESSED VALUE	NET G/O BONDED DEBT PER CAPITA
2001	76,098	685,915,500	14,150,000	4,270,000	9,880,000	0.0144	129.83
2002	77,328	829,339,690	9,335,000	-	9,335,000	0.0113	120.72
2003	79,321	867,614,052	9,335,000	-	9,335,000	0.0108	117.69
2004	81,169	940,330,671	8,410,000	-	8,410,000	0.0089	103.61
2005	82,798	963,317,110	7,470,000	-	7,470,000	0.0078	90.22
2006	84,636	971,473,670	6,500,000	-	6,500,000	0.0067	76.80
2007	85,762	1,001,889,530	5,505,000	-	5,505,000	0.0055	64.19
2008	86,194	1,076,592,290	4,480,000	-	4,480,000	0.0042	51.98
2009	86,303	1,085,601,490	3,425,000	-	3,425,000	0.0032	39.69
2010	87,461	1,094,937,000	2,325,000	-	2,325,000	0.0021	26.58

- (a) Bureau of Census; City Department of Economic Development
- (b) Source: Boulder and Weld Counties Assessors' Offices.
- (c) Gross bonded debt includes all long-term general obligation debt.



CITY OF LONGMONT, COLORADO

**Schedule 14**  
**Direct and Overlapping Governmental Activities Debt**  
**As of December 31, 2010**

Governmental Unit	General Obligation Bonded Debt Outstanding	Percentage Applicable To City of Longmont (a)	Estimated Share of Overlapping Debt
Overlapping:			
St. Vrain Valley School District <sup>1</sup>	\$ 452,735,000	46.82%	\$ 211,970,527
Northern Colorado Water Conservancy District <sup>2</sup>	4,234,399	7.61%	<u>322,238</u>
Subtotal, overlapping debt			212,292,765
City of Longmont	2,325,000	100.00%	<u>2,325,000</u>
Total Direct & Overlapping Debt			<u><u>\$ 214,617,765</u></u>

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

Sources:

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

**Schedule 15  
Legal Debt Margin Information  
Last Ten Fiscal Years**

Legal Debt Margin Calculation for Fiscal Year 2010  
 Estimated actual value \$ 8,819,135,444  
 Debt limit (3% of actual value) 264,574,063  
 Debt applicable to limit:  
 General Obligation Bonds 2,325,000  
 Legal Debt Margin \$ 262,249,063

	Fiscal Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Debt Limit	\$ 43,874,124	\$ 184,145,755	\$ 193,512,985	\$ 232,540,123	\$ 239,613,710	\$ 244,291,416	\$ 252,410,087	\$ 269,365,309	\$ 272,149,250	\$ 264,574,063
Total net debt applicable to limit	<u>9,880,000</u>	<u>9,335,000</u>	<u>9,335,000</u>	<u>8,410,000</u>	<u>7,470,000</u>	<u>6,500,000</u>	<u>5,505,000</u>	<u>4,480,000</u>	<u>3,425,000</u>	<u>2,325,000</u>
Legal debt margin	<u>\$ 133,994,124</u>	<u>\$ 174,810,755</u>	<u>\$ 184,177,985</u>	<u>\$ 224,130,123</u>	<u>\$ 232,343,710</u>	<u>\$ 237,791,416</u>	<u>\$ 246,905,087</u>	<u>\$ 264,885,309</u>	<u>\$ 268,724,250</u>	<u>\$ 262,249,063</u>

Total net debt applicable to the limit as a percentage of debt limit	6.87%	5.07%	4.82%	3.62%	3.11%	2.66%	2.8%	166%	126%	0.88%
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CITY OF LONGMONT, COLORADO

SCHEDULE 16  
Pledged Revenue Bond/Loan Coverage  
Last Ten Fiscal Years

FISCAL YEAR	GROSS RESOURCES (a)	EXPENSES (b)	AVAILABLE FOR DEBT SERVICE (c)			TOTAL	COVERAGE
			PRINCIPAL	INTEREST			
SEWER REVENUE BONDS/LOANS							
2001	\$ 12,422,498	\$ 5,431,343	\$ 6,991,155	\$ 178,582	\$ 139,666	\$ 318,248	21.97
2002	10,292,097	6,320,993	3,971,104	180,516	131,704	312,220	12.72
2003	9,688,169	5,785,555	3,902,614	182,677	123,383	306,060	12.75
2004	9,567,737	5,853,779	3,713,958	185,060	114,723	299,783	12.39
2005	9,112,655	6,083,051	3,029,604	187,696	105,681	293,377	10.33
2006	8,937,184	6,503,859	2,433,325	190,649	96,175	286,824	8.48
2007	8,752,680	6,269,116	2,483,564	193,945	86,212	280,157	8.86
2008	7,850,829	6,287,988	1,562,841	197,401	75,946	273,347	5.72
2009	7,706,486	5,944,889	1,761,597	200,973	65,403	266,376	6.61
2010	7,912,372	6,286,145	1,626,227	204,672	65,999	270,671	6.01
WATER BONDS/LOANS							
2001	\$ 26,691,733	\$ 6,224,016	\$ 20,467,717	\$ 2,140,806	\$ 337,951	\$ 2,478,757	8.26
2002	21,636,516	6,291,339	15,345,177	4,270,000 (e)	113,942	4,383,942	3.50
2003	19,735,437	6,250,710	13,484,727	-	351,597	351,597	38.35
2004	20,568,016	6,741,389	13,826,627	630,528	575,645	1,206,173	11.46
2005	19,570,632	7,133,157	12,437,475	645,528	562,920	1,208,448	10.29
2006	18,959,711	7,116,212	11,843,499	670,528	549,895	1,220,423	9.70
2007	19,591,353	8,044,452	11,546,901	660,528	536,612	1,197,140	9.65
2008	17,232,818	8,881,027	8,351,791	685,530	523,082	1,208,612	6.91
2009	12,859,723	8,615,808	4,243,915	700,528	508,877	1,209,405	3.51
2010	13,467,464	8,436,911	5,030,553	950,853	489,439	1,440,292	3.49
STORM DRAINAGE BONDS SERIES 2008							
2008	\$ 3,913,485	\$ 1,894,255	\$ 2,019,230	\$ -	\$ 180,624	\$ 180,624	11.18
2009	3,612,637	2,144,168	1,468,469	510,000	584,425	1,094,425	1.34
2010	3,646,439	2,201,247	1,445,192	520,000	567,931	1,087,931	1.33
SERIES 2000 SALES AND USE TAX REVENUE BONDS							
		<u>Pledged Sales and Use Tax Revenues</u>		<u>Maximum Annual Debt Service on Bonds</u>		<u>Coverage</u>	
2001	\$	26,153,709		2,897,550		9.03	
2002		25,276,615		2,897,550		8.72	
2003		25,575,262		2,897,550		8.83	
2004		26,928,142		2,897,550		9.29	
2005		27,272,502		2,897,550 (f)		9.41	
2006		27,998,620		638,988		43.82	
2007		28,532,328		638,988		44.65	
2008		27,523,978		638,988		43.07	
2009		26,067,719		638,988		40.80	
2010		27,221,782		638,988		42.60	
SERIES 2010A & B OPEN SPACE SALES AND USE TAX REVENUE BONDS							
		<u>Open Space Sales and Use Tax Revenues</u>		<u>Maximum Annual Debt Service on Bonds</u>		<u>Coverage</u>	
2001	\$	2,601,749		1,848,000		1.41	
2002		2,527,661		1,848,000		1.37	
2003		2,557,525		1,848,000		1.38	
2004		2,692,816		1,848,000		1.46	
2005		2,727,250		1,848,000		1.48	
2006		2,799,862		1,848,000		1.52	
2007		2,853,231		1,848,000		1.54	
2008		2,816,040		1,848,000		1.52	
2009		2,606,718		1,848,000		1.41	
2010		2,722,178		2,056,507 (g)		1.32	
SERIES 2006 SALES AND USE TAX REFUNDING REVENUE BONDS							
		<u>Pledged Sales and Use Tax Revenues</u>		<u>Maximum Annual Debt Service on Bonds</u>		<u>Coverage</u>	
2006	\$	27,998,620		2,786,150		10.05	
2007		28,532,328		2,786,150		10.24	
2008		27,523,978		2,786,150		9.88	
2009		26,067,719		2,786,150		9.36	
2010		27,221,782		2,786,150		9.77	

- (a) Gross resources include operating revenues, sales and use tax, miscellaneous revenue and interest income. Also included are annexation fees, plant investment fees, system development fees, developer participation, cash received in lieu of water which are classified as capital contributions under generally accepted accounting principles, and bond proceeds.
- (b) Expenses include all operating expenses except depreciation. Also included are operating transfers to other funds.
- (c) Gross resources in column (2) minus expenses in column (3).
- (d) Sewer Revenue Bonds were paid off in 2000.
- (e) Water Bonds were paid off in 2002.
- (f) Series 2000 Sales and Use Tax Revenue Bonds were partially refunded in 2006.
- (g) Open Space Sales and Use Tax Revenue Bonds were partially refunded in 2010.

CITY OF LONGMONT, COLORADO

**Schedule 17**  
**Demographic and Economic Statistics**  
**Last Ten Fiscal Years**

Fiscal Year	(1) Population	Personal Income (thousands of dollars)	(3) Per Capita Income	(1) Median Age	(4) School Enrollment	(2) Unemployment Rate (%)
2001	76,098	3,077,099	40,436	34.4	19,886	4.7
2002	77,328	3,129,387	40,469	34.7	20,631	5.7
2003	79,321	3,293,170	41,517	34.5	20,913	5.8
2004	81,169	3,542,215	43,640	34.5	21,467	5.0
2005	82,798	3,804,071	45,944	35.1	23,260	4.5
2006	84,636	3,960,965	46,800	35.4	24,009	4.0
2007	85,762	4,144,363	48,324	34.3	24,582	3.7
2008	86,194	4,165,239	48,324	34.3	25,751	5.0
2009	86,303	4,549,808	52,719	34.3	26,724	6.0
2010	87,461	4,153,435	47,489	34.4	26,494	6.8

Source: (1) Bureau of Census; City Department of Economic Development  
(2) Colorado Department of Labor and Employment  
(3) U.S. Bureau of Economic Analysis  
(4) St. Vrain Valley School District

CITY OF LONGMONT, COLORADO

Schedule 18  
Principal Employers  
Current Year and Nine Years Ago

Employer	2010			2010		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
St. Vrain Valley Schools	4,876	1	11.2%	2,856	1	7.1%
Longmont United Hospital	1,282	2	3.0%	1,014	2	2.5%
Seagate Technology	1,160	3	2.7%	1,031	5	2.6%
City of Longmont	814	4	1.9%	736	8	1.8%
Intrado	807	5	1.9%	762	7	1.9%
Amgen	771	6	1.8%	789	6	2.0%
Federal Aviation Administration	566	7	1.3%	540	9	1.3%
Digital Globe	562	8	1.3%			
McLane Western	443	9	1.0%	440	10	1.1%
Crocs	425	10	1.0%			
Butterball / Longmont Foods				1,200	4	3.0%
Maxtor Colorado				1,223	3	3.0%
Total	<u>11,706</u>		<u>27.1%</u>	<u>10,591</u>		<u>26.3%</u>

Source: Longmont Area Economic Council

CITY OF LONGMONT, COLORADO

**Schedule 19**  
 Full-time Equivalent Employees by Function/Program  
 Last Ten Fiscal Years

<b>Function/Program</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
General Government										
City Administration	29	30	38	37	37	37	37	35	36	30
Finance	100	107	103	82	80	82	82	81	80	86
Public Safety										
Police	144	149	147	148	157	157	174	179	185	173
Fire	84	86	86	86	86	86	91	97	96	92
Shared	-	-	-	19	20	20	21	22	23	30
Community Development										
Parks, Open Space and Public Works	156	166	165	161	165	81 *	79	80	78	75
Planning	14	14	12	12	12	12	13	11	11	14
Building Inspection/Code Enforcement	17	18	18	15	15	15	15	13	12	11
Community Services										
Library	35	41	41	41	41	41	41	39	39	39
Museum	7	8	8	8	8	8	8	8	8	7
Recreation	18	22	22	20	22	22	22	21	22	21
Senior Services	7	7	7	7	7	7	7	7	7	7
Children and Youth Services	8	8	8	8	6	6	8	7	6	6
Community Services Administration	16	18	11	10	10	10	10	12	12	11
Public Works and Water Utilities	110	105	99	92	92	175 *	176	169	163	157
Power and Communications	66	66	65	65	68	70	70	71	70	73
<b>Total</b>	<b>811</b>	<b>845</b>	<b>830</b>	<b>811</b>	<b>826</b>	<b>829</b>	<b>854</b>	<b>850</b>	<b>846</b>	<b>832</b>

Source: City Budget Office

\* Public Works reorganization

CITY OF LONGMONT, COLORADO

**Schedule 20**  
 Operating Indicators by Function/Program  
 Last Ten Fiscal Years

<u>Function/Program</u>	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
<b>Police</b>										
DUI Arrests	620	578	522	431	422	310	381	317	270	288
Traffic Violations	6,884	7,447	7,930	7,120	7,288	6,818	9,438	9,261	10,524	11,132
Case Clearance Rate	68%	82%	92%	73%	76%	85%	75%	68%	65%	42%
<b>Fire</b>										
Emergency Responses	2,629	2,584	3,128	3,174	3,318	3,263	3,681	6,638	6,772	7,007
Inspections	2,341	2,323	n/a	n/a	459	860	704	1,206	1,429	1,336
Fires Extinguished	220	207	519	474	165	216	161	228	72	156
Call Response Time										
< 5 mins	86%	85%	85%	86%	43% (a)	73%	71%	75%	51%	0%
> 5 mins	14%	15%	15%	14%	57%	27%	29%	25%	49%	0%
<b>Public Works</b>										
Streets Resurfaced (Miles)	8.99	9.55	8.21	8.72	8.47	8.43	7.09	8.10	10.54	8.75
<b>Parks and Recreation</b>										
<b>Library</b>										
Total Circulation	850,176	931,008	1,009,992	1,094,523	1,109,343	1,116,513	998,040	1,041,788	1,081,428	1,125,345
Total Items Added	19,232	23,414	23,373	25,118	26,161	20,446	23,379	24,330	22,170	22,933
Patrons Visits	241,440	262,545	262,781	275,504	229,144	352,286	326,289	458,469	580,767	531,139
<b>Museum</b>										
Total People Served	51,926	48,000	55,335	55,498	61,339	63,216	63,700	71,831	71,443	70,009
<b>Golf</b>										
Rounds of Golf	119,367	117,055	108,952	109,313	104,286	102,478	105,800	100,488	96,108	89,517
<b>Water</b>										
New connections	960	225	1,541	424	299	2,626	350	116	506	0
Water main breaks	54	55	40	71	36	39	40	23	23	25
Average daily consumption (mgd)	15.48	15.00	14.52	14.07	15.48	16.45	16.33	15.95	13.66	14.51
<b>Wastewater</b>										
Average daily sewage treatment (mgd)	8.27	7.84	8.12	8.22	8.35	7.85	8.21	7.63	7.31	7.22
<b>Power and Communications</b>										
Customers	31,794	32,648	33,489	34,389	35,080	35,561	35,906	36,231	36,383	36,683
Meter Reading Accuracy	99.75%	99.92%	99.97%	99.98%	99.91%	99.92%	99.93%	99.94%	99.94%	99.90%

Source: Various city departments

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

CITY OF LONGMONT, COLORADO

Schedule 21  
Capital Assets Statistics by Function  
Last Ten Fiscal Years

<u>Function/Program</u>	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol Vehicles	52	52	53	55	58	64	66	68	70	63
Fire										
Stations	5	5	5	5	5	5	5	5	5	5
Public Works										
Street (miles)	292	298	305	307	312	315	315	315	319	319
Traffic Signals	5,199	5,845	6,014	6,222	6,658	6,991	7,109	7,204	7,228	7,228
Parks and Recreation										
Parks	38	38	38	44	44	44	44	44	44	44
Park, trail and open space acreage	2,786	3,070	3,731	3,727	3,727	3,727	3,727	3,727	5,213	5,213
Libraries	1	1	1	1	1	1	1	1	1	1
Number of Volumes	247,621	257,223	272,461	283,314	299,519	298,897	300,093	295,723	292,299	283,758
Museum	1	1	1	1	1	1	1	1	1	1
Swimming Pools	5	5	5	5	5	5	5	5	5	5
Golf Courses	3	3	3	3	3	3	3	3	3	3
Water										
Water mains (miles)	393	412	418	424	424	437	439	441	442	441
Water connections	22,877	23,455	24,505	25,063	25,569	26,075	25,919	26,035	26,541	-
Wastewater										
Sanitary sewer (miles)	292	306	314	318	318	323	325	328	328	326
Wastewater connections	22,204	22,982	24,488	24,314	24,842	25,538	25,192	25,795	26,147	-
Power and Communications										
Substations	6	6	6	6	6	6	7	7	7	7

Source: Various city departments



## **Section IV**

### **Compliance Section**

CITY OF LONGMONT, COLORADO

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - YEAR ENDED DECEMBER 31, 2010

	Federal CFDA Number	Pass-through Grantor's Number	Program or Award Amount	Revenue Recognized	Federal Expenditures
<b>Department of Housing and Urban Development</b>					
<b>Development</b>					
Community Development					
2007	14.218	07-MC-08-0011	\$ 552,371	\$ 37,098	\$ 37,098
2008	14.218	08-MC-08-0011	532,646	18,290	19,838
2009	14.218	09-MC-08-0011	542,538	82,352	101,211
ARRA-2009	14.253	09-MY-08-0011	144,674	37,474	37,474
2010	14.218	10-MC-08-0011	587,398	171,185	241,352
Total Community Development Block Grant				346,399	436,973
HOME Consortium Grant 2008	14.239	M-08-DC-08-0202	281,209	1,570	417
HOME Consortium Grant 2009	14.239	M-09-DC-08-0202	313,297	166,633	191,613
HOME Consortium Grant 2010	14.239	M-10-DC-08-0202	307,579	19,907	71,754
HOME STATE Grant 2009 (Passed through Division of Housing)	14.239	H9-HOM-08-039T	112,054	45,098	45,098
HOME STATE Grant 2010	14.239	H8-HOM-08-039	245,300	8,709	8,709
Total HOME Grants				241,917	317,591
TOTAL Department of Housing and Urban Development				588,316	754,564
<b>US Department of Justice</b>					
Justice Assistance Grant - Probation	16.592	OAJJA-2007	15,000	7,500	-
ARRA-Edward Byrne Justice Assistance Grant	16.804	2009-SB-B9-2046	29,339	20,390	20,390
Longmont Ending Domestic Violence Initiative	16.738	29-DJ-03-16-2	50,088	-	1,300
Edward Byrne Memorial Justice Assistance Grant	16.738	2010-H5468-CO-CJ	45,233	6,307	6,307
Bullet Proof Vest Partnership Program	16.607	2009-BUBX09048691	14,400	14,400	14,400
School Based Restorative Justice Project	16.738	29-DJ-03-14-1	52,674	52,674	52,674
School Based Restorative Justice Project	16.738	29-DJ-03-57-2	47,407	13,244	13,244
Internet Crimes Against Children	16.543	2009-MC-CX-K011	14,723	4,428	4,428
Victims of Crime Act	16.801	29-VA-20-80	20,308	20,308	20,308
Total US Department of Justice				139,251	133,051
<b>US Department of Transportation</b>					
Passed through the Colorado Department of Transportation					
Federal Hazard Elimination Program	20.205	SHO-M820-014	270,000	-	183,569
Vance Brand Municipal Airport	20.106	10-LMO-01	150,000	-	-
Click It or Ticket	20.600	LOFD-6112-1	6,000	6,000	6,000
Total US Department of Transportation				6,000	189,569
<b>National Park Service</b>					
Historical and Architectural Surveying	15.904	CO-10-018	24,650	3,738	3,738
Total National Park Service				3,738	3,738
<b>USDA Forest Services</b>					
Passed through Colorado State University					
Front Range Fuels Treatment Partnership	10.664	53-08320-BO1	35,000	4,628	4,628
Forest Stewardship Button Rock Program	10.664	53-0832-007	35,000	35,000	35,000
Colorado Forest Restoration Button Rock Grant	10.664	53-6703-11-BO	60,000	30,000	30,000
Total USDA Forest Services				69,628	69,628
<b>US Department of Homeland Security</b>					
Emergency Management Performance Grant	97.042	10EMOL128	40,000	40,000	40,000
Emergency Management Performance Equipment Grant	97.042	08EM07S128	45,200	-	-
Emergency Management Performance Equipment Grant	97.042	10EM709128	25,000	25,000	25,000
Assistance to Firefighters Grant Program	97.044	EM-2009-FO-03547	203,600	59,770	97,023
Total US Department of Homeland Security				124,770	162,023
<b>US Department of Commerce</b>					
Energy Incubator Grant	11.303	05-06-04939	15,000	13,717	13,717
Total US Department of Commerce				13,717	13,717
<b>US Department of Energy</b>					
ARRA-Energy Efficiency and Conservation Block Grant	81.128	SC0003132	785,100	20,294	20,294
Total US Department of Energy				20,294	20,294
Total Federal Assistance				\$ 965,714	\$ 1,346,584

CITY OF LONGMONT, COLORADO

CITY OF LONGMONT, COLORADO

NOTES TO SCHEDULE OF FEDERAL AWARDS

Year Ended December 31, 2010

**CITY OF LONGMONT, COLORADO**  
**Notes to Schedule of Federal Awards**  
**Year Ended December 31, 2010**

**NOTE 1: BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the City for the year ended December 31, 2010. All federal awards received directly from federal agencies, as well as federal awards passed through other governmental agencies, are included in the schedule. The information in the schedule is presented in accordance with the requirements of OMB Circular A-133. *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in the financial statements.

**NOTE 2: SIGNIFICANT ACCOUNTING POLICIES**

Revenue from federal awards is recognized when the City has done everything necessary to establish its right to revenue and the revenue met the availability criteria. Expenditures of federal awards are recognized in the accounting period in which the liability is incurred and approved for reimbursement.

**NOTE 3: SUBRECIPIENTS**

Of the federal expenditures presented in the schedule of federal awards, the City provided federal awards to subrecipients as follows:

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Amount Provided to Subrecipient</u>
Community Development Block Grant	14.218	\$ 99,514
HOME Program	14.239	53,719

**City of Longmont, Colorado**  
**Summary Schedule of Prior Audit Findings**

**Year Ended December 31, 2010**

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<b>Number</b>	<b>Comment</b>	<b>Status</b>	<b>Corrective Action or Other Explanation</b>
<b>Significant Deficiencies in Internal Control</b>			
09-II-A	There were adjustments made to the trial balance that was presented to us to begin our audit that significantly affected the year-end balances of certain general ledger accounts.	Corrected	N/A
09-II-B	The City is incorrectly capitalizing and depreciating construction-in-progress projects before they are placed in service.	Corrected	N/A

**Findings and Questioned Costs for Federal Awards**

None reported



**Independent Auditor's Report on Internal Control Over  
Financial Reporting and on Compliance and Other Matters  
Based on an Audit of Financial Statements Performed in  
Accordance With Government Auditing Standards**

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

We have audited the governmental activities, business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the City of Longmont, Colorado as of and for the year ended December 31, 2010, which collectively comprise the City of Longmont, Colorado's basic financial statements and have issued our report thereon dated May 5, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control over Financial Reporting**

In planning and performing our audit, we considered the City of Longmont, Colorado's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Longmont, Colorado's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City of Longmont, Colorado's internal control over financial reporting.

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

**Compliance and Other Matters**

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

This report is intended solely for the information and use of the City Council, federal awarding agencies, pass-through entities and management, and is not intended to be and should not be used by anyone other than those specified parties.

*McGladrey & Pullen, LLP*

Denver, Colorado  
May 5, 2011



**Independent Auditor's Report on Compliance With  
Requirements that Could Have a Direct and Material Effect  
on Each Major Program and Internal Control Over  
Compliance in Accordance With OMB Circular A-133**

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

**Compliance**

We have audited the City of Longmont, Colorado's compliance with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular A-133, *Compliance Supplement* that could have a direct and material effect on its major federal program for the year ended December 31, 2010. The City of Longmont, Colorado's major federal program is identified in the summary of auditor's results section of the accompanying *Schedule of Findings and Questioned Costs*. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of the City of Longmont, Colorado's management. Our responsibility is to express an opinion on the City of Longmont, Colorado's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of Longmont, Colorado's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the City of Longmont, Colorado's compliance with those requirements.

In our opinion, the City of Longmont, Colorado complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2010.

**Internal Control over Compliance**

Management of the City of Longmont, Colorado is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the City of Longmont, Colorado's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Longmont, Colorado's internal control over compliance.

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

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

This report is intended solely for the information and use of the City Council, management, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than those specified parties.

*McGladrey & Pullen, LLP*

Denver, Colorado  
May 5, 2011



**City of Longmont, Colorado**

**Schedule of Findings and Questioned Costs  
Year Ended December 31, 2010**

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**I. Summary of the Independent Auditor's Report**

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

- Material weakness(es) identified?  Yes  No
- Significant deficiencies identified that are not considered to be material weaknesses?  Yes  None Reported
- Noncompliance material to financial statements noted?  Yes  No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified?  Yes  No
- Significant deficiencies identified that are not considered to be material weaknesses?  Yes  None Reported

Type of auditor's report issued on compliance for major programs: Unqualified

- Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133?  Yes  No

Identification of major program:

CFDA Number	Name of Federal Program or Cluster
14.218	CDBG - Entitlement Grants Cluster: Community Development Block Grant
14.253	AARA - Community Development Block Grant

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

Auditee qualified as low-risk auditee?  Yes  No

(Continued)

City of Longmont, Colorado

Schedule of Findings and Questioned Costs (Continued)  
Year Ended December 31, 2010

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- I. Findings Related to the Financial Statement Audit Required to be Reported in Accordance with Generally Accepted Auditing Standards
  - A. Significant Deficiencies in Internal Control
    - None reported
  - B. Instances of Noncompliance
    - None reported
  
- II. Findings and Questioned Costs for Federal Awards
  - A. Significant Deficiencies in Administering Federal Awards
    - None reported
  - B. Instances of Noncompliance
    - None reported

**City of Longmont, Colorado**

**Corrective Action Plan  
Year Ended December 31, 2010**

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Comment Number	Comment	Corrective Action Plan	Contact Person	Initial Date of Communication	Anticipated Date of Completion
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None reported

The public report burden for this information collection is estimated to average 380 hours annually.				Financial Planning 02/01 Form # 350-050-36	
<b>LOCAL HIGHWAY FINANCE REPORT</b>				City or County:	
				YEAR ENDING: December 2010	
This Information From The Records Of (example - City of _ or County of _): City of Longmont			Prepared By: Phone:		Brian McGill (303) 651-8642
<b>I. DISPOSITION OF HIGHWAY-USER REVENUES AVAILABLE FOR LOCAL GOVERNMENT EXPENDITURE</b>					
ITEM	<b>A. Local Motor-Fuel Taxes</b>	<b>B. Local Motor-Vehicle Taxes</b>	<b>C. Receipts from State Highway-User Taxes</b>	<b>D. Receipts from Federal Highway Administration</b>	
1. Total receipts available					
2. Minus amount used for collection expenses					
3. Minus amount used for nonhighway purposes					
4. Minus amount used for mass transit					
5. Remainder used for highway purposes					
<b>II. RECEIPTS FOR ROAD AND STREET PURPOSES</b>			<b>III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES</b>		
ITEM	AMOUNT	ITEM	AMOUNT		
<b>A. Receipts from local sources:</b>		<b>A. Local highway disbursements:</b>			
1. Local highway-user taxes		1. Capital outlay (from page 2)	7,248,048		
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	4,392,708		
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:			
c. Total (a.+b.)		a. Traffic control operations	837,865		
2. General fund appropriations	3,095,753	b. Snow and ice removal	447,722		
3. Other local imposts (from page 2)	11,800,346	c. Other	0		
4. Miscellaneous local receipts (from page 2)	162,410	d. Total (a. through c.)	1,285,587		
5. Transfers from toll facilities	0	4. General administration & miscellaneous	666,648		
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	2,034,493		
a. Bonds - Original Issues	0	6. Total (1 through 5)	15,627,484		
b. Bonds - Refunding Issues	0	<b>B. Debt service on local obligations:</b>			
c. Notes	0	1. Bonds:			
d. Total (a. + b. + c.)	0	a. Interest	0		
7. Total (1 through 6)	15,058,509	b. Redemption	0		
<b>B. Private Contributions</b>	790,337	c. Total (a. + b.)	0		
<b>C. Receipts from State government</b> (from page 2)	3,074,716	2. Notes:			
<b>D. Receipts from Federal Government</b> (from page 2)	0	a. Interest	0		
<b>E. Total receipts (A.7 + B + C + D)</b>	18,923,562	b. Redemption	0		
		c. Total (a. + b.)	0		
		3. Total (1.c + 2.c)	0		
		<b>C. Payments to State for highways</b>	0		
		<b>D. Payments to toll facilities</b>	0		
		<b>E. Total disbursements (A.6 + B.3 + C + D)</b>	15,627,484		
<b>IV. LOCAL HIGHWAY DEBT STATUS</b> (Show all entries at par)					
		Opening Debt	Amount Issued	Redemptions	Closing Debt
<b>A. Bonds (Total)</b>					0
1. Bonds (Refunding Portion)					
<b>B. Notes (Total)</b>					0
<b>V. LOCAL ROAD AND STREET FUND BALANCE</b>					
	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	7,558,065	18,923,562	15,627,484	10,854,143	0
<b>Notes and Comments:</b>					

<b>LOCAL HIGHWAY FINANCE REPORT</b>		STATE:	
		Colorado	
		YEAR ENDING (mm/yy):	
		December 2010	

**II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL**

ITEM	AMOUNT	ITEM	AMOUNT
<b>A.3. Other local imposts:</b>		<b>A.4. Miscellaneous local receipts:</b>	
a. Property Taxes and Assessments	0	a. Interest on investments	99,172
b. Other local imposts:		b. Traffic Fines & Penalties	0
1. Sales Taxes	10,208,168	c. Parking Garage Fees	0
2. Infrastructure & Impact Fees	37,657	d. Parking Meter Fees	0
3. Liens	0	e. Sale of Surplus Property	0
4. Licenses	0	f. Charges for Services	0
5. Specific Ownership &/or Other	1,554,521	g. Other Misc. Receipts	0
6. Total (1. through 5.)	11,800,346	h. Other	63,238
c. Total (a. + b.)	11,800,346	i. Total (a. through h.)	162,410
	(Carry forward to page 1)		(Carry forward to page 1)

ITEM	AMOUNT	ITEM	AMOUNT
<b>C. Receipts from State Government</b>		<b>D. Receipts from Federal Government</b>	
1. Highway-user taxes	2,627,171	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	0
a. State bond proceeds		b. FEMA	0
b. Project Match		c. HUD	0
c. Motor Vehicle Registrations	282,545	d. Federal Transit Admin	0
d. Other (Specify) - Grant	165,000	e. U.S. Corps of Engineers	0
e. Other (Specify)	0	f. Other Federal	0
f. Total (a. through e.)	447,545	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	3,074,716	3. Total (1. + 2.g)	
			(Carry forward to page 1)

**III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL**

	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
<b>A.1. Capital outlay:</b>			
a. Right-Of-Way Costs	0	286,475	286,475
b. Engineering Costs	0	408,163	408,163
c. Construction:			
(1). New Facilities	0	0	0
(2). Capacity Improvements	0	3,245,956	3,245,956
(3). System Preservation	0	3,307,454	3,307,454
(4). System Enhancement & Operation	0	0	0
(5). Total Construction (1) + (2) + (3) + (4)	0	6,553,410	6,553,410
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	7,248,048	7,248,048
			(Carry forward to page 1)

**Notes and Comments:**