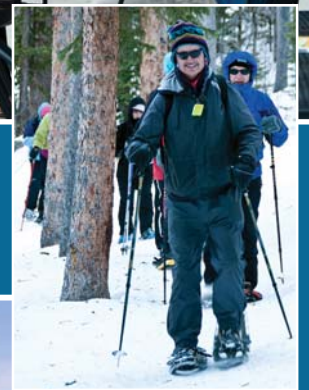
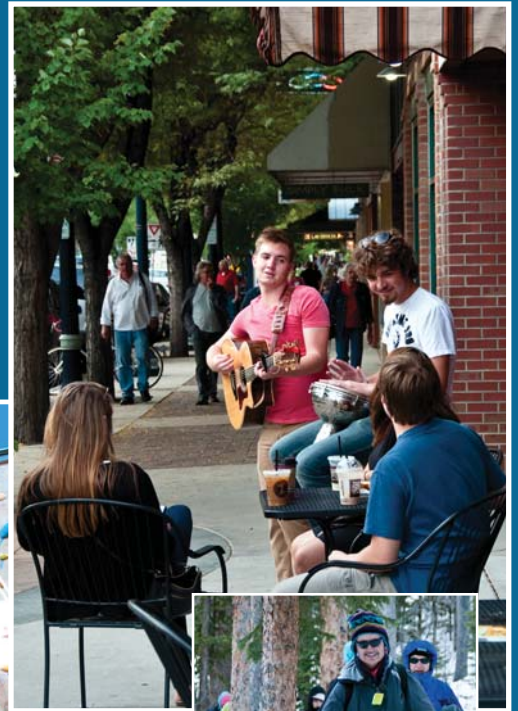


City of Longmont, Colorado

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the year ended December 31, 2014



City of Longmont, Colorado

The seal of the City of Longmont, Colorado, is a circular emblem. It features a central illustration of a mountain range with a green evergreen tree in the foreground. The words "CITY OF LONGMONT" are written in a semi-circle at the top, and "COLORADO" is written in a semi-circle at the bottom. The seal is rendered in a light blue, semi-transparent style.

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

Year Ended December 31, 2014

Prepared by
Department of Finance
James M. Golden
Director of Finance

COMPREHENSIVE ANNUAL FINANCIAL REPORT

YEAR ENDED DECEMBER 31, 2014

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July 28, 2015

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, 2014, 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 Citywide and Fund basis. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

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

Profile of the City and Services

Longmont is 35 miles north of Denver, comprising 27-plus square miles in the highly desirable northern Front Range area. Incorporated in 1873 and chartered as a home rule city in 1961, Longmont is a full service, Council-Manager-governed municipality providing the following services to its 91,911 residents: public safety, highways and streets, culture and recreation, public improvements, planning and zoning, and general administrative services as well as sanitation, electric service, 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 and further explained in Note 1 of the financial statements section.

Factors Affecting Financial Condition

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

Local Economy. The City's economic picture continues to improve in 2014 with an increase in sales and use tax, an increase in building permits, and an increase in primary jobs from the slowdown that began in 2008 with the national recession. Sales and use tax revenues increased in 2014 over 2013 and were greater than the total high sales and use tax revenue mark in 2013 by 7.5%. Residential building permit activity increased from 2013, and the City issued commercial permits for more square feet in 2014 than in 2013. Primary jobs increased by 3%. The area unemployment rate was reported at 3.1% in December 2014, which was a 30% reduction from 2013.

During 2014, sales and use tax activity increased 7.5% from 2013. Additionally, 150 building permits were issued for single-family residences and 291 permits for condominiums/townhouse units. The City also issued nonresidential permits for a total of 250,000 square feet with a value of \$31 million. In 2015, 72 single-family homes, 22 condo/townhouse units, and no

commercial/industrial permits for new construction have been issued through April. The combination of sales and use tax for first quarter 2015 is flat when compared to the first quarter of 2014.

The Longmont Area Economic Council's (LAEC) 2014 Annual Report reveals a net increase of 3%, or 325, primary jobs during 2014. Sixty (60) of the 218 existing primary employers (28%) expanded in 2014 while 14 new primary employers became established in the Longmont area. The Longmont area experienced 7 closures/relocations and cutbacks by 67 companies. Longmont's primary employers represent a mixture of industries. Data from the LAEC report indicates that computer-related industries are the largest primary employers in the Longmont area. Other significant industries include software, semiconductors, aerospace, biotech, energy, communications, and medical instruments.

The City's economic environment continues to improve after the recession in 2008/2009. Longmont is a desirable location and has a well-balanced, diversified economic base. Growth-related goals set forth in the City's Comprehensive Plan support growth and development that allows Longmont to become a sustainable community over the long-term – one that balances economic, environmental and community needs. With a population of 91,119, the City has reached approximately 80% of residential build out, and 45% 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 2014 include:

Flood Related/Flood Recovery Efforts

- Completed reconstruction of destroyed Parks building
- Managed spring runoff successfully without major damage
- Issued voter-approved Storm Drainage revenue bonds for rehabilitation of the St. Vrain Creek drainageway
- Reopened 10 miles of trails
- Reconstructed Longmont Dam Road, which provides access to City's main water supply
- Completed demolition of the Kanemoto Park activity pool and installation of bank stabilization

Other 2014 Accomplishments

- Issued Certificates of Participation to facilitate the redevelopment of the Twin Peaks Mall area
- Issued broadband bonds/began Phase 1 of the citywide broadband build out
- Completed phase 1 of the budget prioritization process
- Continued phase 1 of ERP implementation
- The Children, Youth and Families Division celebrated 30 years of service to our community
- The Museum completed the capital campaign for Museum expansion with \$4.56 million and Initiated Museum auditorium construction
- Successfully launched the NextLight™ broadband brand and made the first area available for NextLight services in November. Within four months, achieved a 45% penetration rate (expectation was approximately 5% for this time period)
- Began Ken Pratt/Main Street Intersection Improvements to widen the roadway
- Completed design and began construction of new vehicle storage building and new City fueling station at O&M facility on Airport Road

The City Council's focus for 2015 is varied. A major initiative for the City for 2015 is continued recovery from the September 2013 flood. This includes continuing flood assistance to citizens and businesses with the Longmont Cares! initiative. Additionally, the City is focused on rebuilding damaged and destroyed infrastructure with the Longmont Works! initiative. Finally, the City's Longmont Prepares! initiative is focused on post-flood awareness and spring runoff planning.

The City also is focused on buildout of broadband service and the strategic initiative of redeveloping the Twin Peaks Mall, which will benefit the City economically. Additionally, the City is continuing the steps of priority based budgeting. The City will use the strategic direction identified by the City Council to reset the budget. The priority based budget process includes these steps:

- Identify desired outcomes/results
- Clarify results definitions
- Identify programs and services
- Value programs based on results
- Allocate resources based on prioritization

The City provides funding to LAEC for the purpose of economic development and business retention, particularly related to primary employers. Additional partnerships exist with Visit Longmont, 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. 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 Citywide 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 2014. The City is confident that the effects 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 projects and unfunded projects. A summary of the five-year plan for 2015-2019 is shown below. The projects detailed are funded primarily through business-type activity revenues, through sales and use tax revenues of the Street and Public Improvement governmental funds, and through growth-related community investment fees. Additionally, there are approximately ninety (90) projects identified as unfunded with an estimated cost of \$282 million, some of which may never be realized as they are new services or enhanced services dependent upon new sources of revenue.

Financial Policies

For the past 30 years, the City has maintained comprehensive financial policies developed to provide the City with continuity of financial management through changes in financial staff and City Council. The policies are reviewed and updated annually by City Council. There are currently ninety-five (95) policies organized within the following eight categories:

1. Revenue (11)
2. Operating (22)
3. Fees for Service (5)
4. Investment and Debt (11)
5. Reserves (10)
6. Administrative and Franchise Fees (7)
7. Enterprise Funds (15)
8. Capital improvement (14)

Financial Management and Internal Controls

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

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

Cash management met full compliance with Colorado statutes and the City's investment policy, which was last updated by the City Council in 2012. 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 2014 were in government agencies and securities. The fair value return on the investment portfolio during the year was 1%, which resulted in an unrealized net gain for 2014.

Colorado law grants governmental immunity to all governments, limiting the loss on any one general or automobile claim for negligence to \$350,000 per person, and \$990,000 per occurrence. Beginning January 1, 2018, and every four years thereafter, the Attorney General (AG) is required to adjust the caps based on the Consumer Price Index for Denver-Boulder-Greeley. The adjusted amounts are to be published on the AG's website. Longmont retains risk of \$300,000 per claim and purchases excess insurance with limits of \$1,000,000 for general and auto liability claims not covered by governmental immunity. The City retains risk for workers' compensation up to a limit of \$500,000 per general worker claim; \$600,000 per firefighter and police officer claim; and \$600,000 per electrical worker claim and carries excess insurance beyond those limits. The City retains risk of \$25,000 for property losses and carries insurance up to \$75,000,000 for any one property loss occurrence except for \$100,000 retention for general flood and earthquake and \$500,000 retention for zone A flood losses. The City's risk management staff (4¾ full-time positions) includes a Safety Officer for the purpose of loss control and prevention.

All benefitted City employees are covered by one or more of 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, 2014. All other eligible City employees are covered by both a defined contribution plan and a defined benefit plan. Actuarial studies on the Fire Pension Plan and the Police Pension Plan are performed annually with the last study for each plan performed as of January 1, 2014. An actuarial study on the Employee Pension Plan is performed annually with the last study performed as of January 1, 2014. Actuarial information regarding the plans is included in the notes to the financial statements.

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

Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Longmont, Colorado, for its comprehensive annual financial report (CAFR) for the fiscal year ended December 31, 2013. The City has been awarded a Certificate of Achievement for thirty-four (34) consecutive CAFRs. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR conforming to program standards. Such reports must satisfy both generally accepted accounting principles (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, 2014. 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, Accounting Supervisor Keith Hobson, Budget Analyst Melody Pallaoro, Senior Accountants Nancy Johnsen and Marjo Tinsley, Public Information Specialist Anne Jordan, and the entire staff of the Finance Department. Credit is also due the Mayor and the members of City Council for their support for maintaining the highest standards of professionalism in the management of the City of Longmont's finances.

Respectfully submitted,



Harold Dominguez
City Manager



James M. Golden
Director of Finance



Government Finance Officers Association

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

Presented to

**City of Longmont
Colorado**

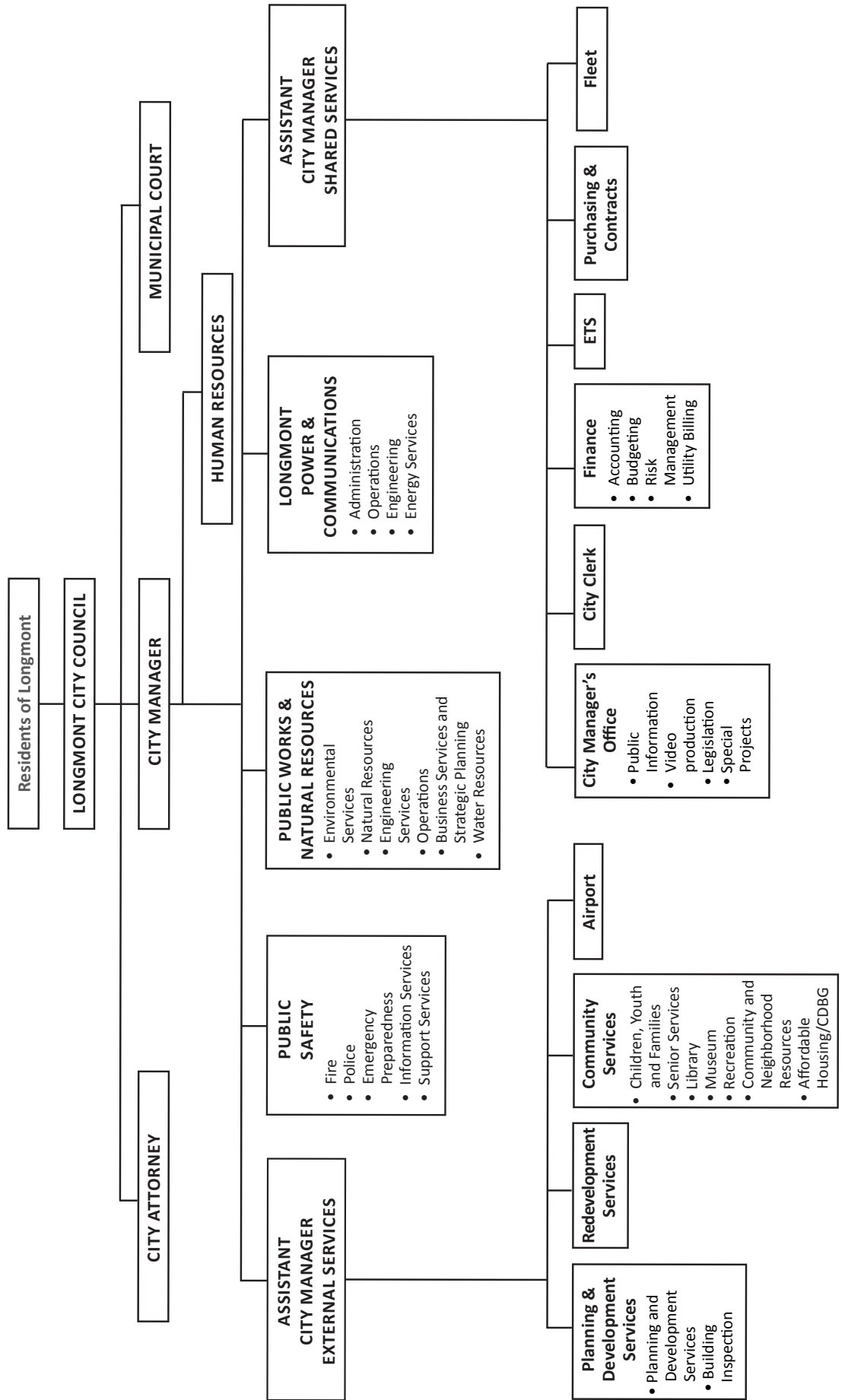
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2013

Executive Director/CEO



CITY OF LONGMONT



OFFICIALS

City of Longmont, Colorado

CITY COUNCIL

Dennis Coombs
Mayor

Brian Bagley	Gabe Santos
Jeff Moore	Sarah Levison
Bonnie Finley	Polly Christensen

CITY MANAGER

Harold Dominguez

Sandra Seader..... Assistant City Manager
Shawn Lewis..... Assistant City Manager
James M. Golden..... Director of Finance
Karen L. Roney..... Director of Community Services
Joni Marsh Director of Planning & Development Services
Tom Roiniotis General Manager, Power & Communications
Mike Butler Chief of Public Safety
Dale Rademacher General Manager, Public Works and Natural Resources
Eugene T. Mei City Attorney

INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Longmont, as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the entity's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Honorable Mayor and Members of the City Council
City of Longmont

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Longmont as of December 31, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Longmont's basic financial statements. The combining and individual fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards, as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, is also presented for purposes of additional analysis and is not a required part of the basic financial statements.

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

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

Honorable Mayor and Members of the City Council
City of Longmont

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 20, 2015, on our consideration of the City of Longmont's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the result of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Longmont's internal control over financial reporting and compliance.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Broomfield, Colorado
July 20, 2015

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, 2014, provide a narrative overview of its financial activities. Please consider the information presented here in conjunction with additional information we have furnished in our letter of transmittal, which starts on page 9 of this report.

In September of 2013, the St. Vrain and Lefthand Creek drainages experienced a 1,000-year rainfall event that created flows through the city that exceeded 500-year flood levels. The damage to City-owned infrastructure, including parks and greenways, is estimated at \$65 million. The estimated cost to create a channel through the City that can adequately pass a 100-year flood is estimated at \$85 million. The City is working closely with state and federal agencies during recovery efforts and is aggressively pursuing all sources of grant funding, including FEMA, State of Colorado, CDBG-DR, U.S. Army Corps of Engineers and others.

Financial Highlights

- The City's net position of \$980 million are divided between Governmental Activities (\$395 million) and Business-type Activities (\$585 million). Governmental activities had an increase in net position in 2014 of \$4 million while the business-type activities had an increase in net position of \$15 million.
- At December 31, 2014, the City of Longmont's governmental funds balance sheet reported combined ending fund balances of almost \$113 million, a \$23 million increase from the prior year. This statement combines 37 funds, including the City's General Fund, Streets Systems Fund and the Village at the Peaks Fund. The Village at the Peaks Fund showed the most significant increases in fund balance of \$15.7 million.
- The fund balance, within the governmental funds, is \$113 million. Most of that fund balance, \$95 million or 84%, is restricted for use for specific purposes as required by external parties. \$58 million of this \$73 million balance represents capital acquisitions or construction as follows: Water System Projects, \$23.3 million; Transportation Projects, \$10.3 million; Open Space acquisitions, \$6.3 million; Public Improvement Fund capital projects, \$5.4 million; Conservation Trust capital projects, \$7.0 million; Parks capital projects, \$5.4 million; and various other. Additionally, \$3.3 million has been identified for emergencies.
- The unassigned fund balance for the General Fund at the end of the current fiscal year was \$6.6 million, which was 9.6% of total General Fund expenditures.
- The City of Longmont's total debt increased by \$87.1 million during 2014. This increase was the result of an issuance of certificates of participation of \$29.5 million, \$20.5 million of storm drainage revenue bonds, and \$38 million of Electric and Broadband revenue bonds, along with \$5.1 million principal payments on existing debt.

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 comprise three components: 1) citywide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

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

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

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

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

The citywide financial statements are Exhibits 1 and 2 of this report.

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

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

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

The City maintains 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, the Streets Systems Fund, and the Village at the Peaks Fund, all of which meet the criteria to be considered major funds of the City under generally accepted accounting principles (GAAP). Financial information from the other 34 funds is combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements and individual fund statements elsewhere in this report.

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

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

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

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties external to the City. Fiduciary funds are not reflected in the citywide financial statement because the resources of those funds are not available to support the City of Longmont's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The basic fiduciary funds financial statements can be found on pages 54 and 55 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the citywide and fund financial statements. The notes to the financial statements can be found beginning on page 56 of this report.

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

The combining and individual fund statements earlier referenced in connection with non-major funds and internal service funds are presented immediately following the required supplementary information on pensions. Combining and individual fund statements and schedules can be found on pages 116 - 204 of this report.

REPORTING THE CITY AS A WHOLE

Citywide Financial Analysis

Citywide Statement of Net Position

As highlighted earlier, net position may serve over time as a useful indicator of a government's financial position. The City's combined net position exceeds \$980 million at December 31, 2014. Governmental activities make up \$395 million of the net position, with business-type activities comprising \$585 million. Total net position increased by \$19 million in 2014. The change is from the following:

- Governmental activities increased the City's net position by \$3.3 million primarily due to an increase in capital grants and contributions of \$3.1 million and an increase of \$3.2 million in operating grants and contributions, as well as an increase of \$3.9 million in sales and use taxes. These increases more than offset increases in governmental activities expenses, which increased by \$17.8 million and which saw individual increases of \$16 million by general government due to the Village at the Peaks project and \$4.2 million by highways and streets while culture and recreation decreased \$3.3 million.
- Business-type net position increased by \$15.3 million. This change is due primarily to increased revenues from user fees of \$8 million and \$8.2 million from grants and contributions related to recoveries from the September 2013 flood event.

The largest portion (82%) of the City's net position reflects its investments in capital assets (i.e., 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 position, as shown below, is the portion of net position that can be used to finance day-to-day operations without external constraints of debt covenants, legislation or other legal requirements. It is composed of fund balances, reserves and other funds that are earmarked for capital project spending.

The Citywide Statement of Activities

	Net Position as of December 31					
	Governmental activities		Business-type activities		Total	
	2014	2013	2014	2013	2014	2013
Current and other assets	\$ 172,691,814	\$ 147,266,819	\$ 129,984,856	\$ 69,709,675	\$ 302,676,670	\$ 216,976,494
Capital assets	330,711,782	321,304,874	571,043,682	554,802,654	901,755,464	876,107,528
Total assets	<u>503,403,596</u>	<u>468,571,693</u>	<u>701,028,538</u>	<u>624,512,329</u>	<u>1,204,432,134</u>	<u>1,093,084,022</u>
Deferred Outflow of Resources	840,633	1,005,969	-	-	840,633	1,005,969
Long-term liabilities	77,575,933	49,976,793	101,818,815	42,977,332	179,394,748	92,954,125
Other liabilities	16,567,614	13,820,810	14,372,613	12,007,438	30,940,227	25,828,248
Total liabilities	<u>94,143,547</u>	<u>63,797,603</u>	<u>116,191,428</u>	<u>54,984,770</u>	<u>210,334,975</u>	<u>118,782,373</u>
Deferred Inflow of Resources	14,168,538	13,770,125	-	-	14,168,538	13,770,125
Net Position	<u>\$ 395,932,144</u>	<u>\$ 392,009,934</u>	<u>\$ 584,837,110</u>	<u>\$ 569,527,559</u>	<u>\$ 980,769,254</u>	<u>\$ 961,537,493</u>
Net investment in capital assets	\$ 274,626,844	\$ 280,876,469	\$ 529,204,937	\$ 520,033,029	\$ 803,831,781	\$ 800,909,498
Restricted	97,314,176	75,323,083	1,904,853	9,662,221	99,219,029	84,985,304
Unrestricted	23,991,124	35,810,382	53,727,320	39,832,309	77,718,444	75,642,691
Total net position	<u>\$ 395,932,144</u>	<u>\$ 392,009,934</u>	<u>\$ 584,837,110</u>	<u>\$ 569,527,559</u>	<u>\$ 980,769,254</u>	<u>\$ 961,537,493</u>

Governmental Activities. Governmental activities increased the City's net position by \$3.3 million. Most of this increase in governmental net position was the result of an increase in general revenues including sales and use taxes of \$3.9 million. This increase can be attributed to an increase in sales volume and not the result of a tax rate increase.

As detailed in Note 2A, program revenues are directly associated with a specific activity and account for \$39.3 million or 33% of total revenues related to governmental activities. General revenues, consisting primarily of taxes, are not generally associated directly with any operational governmental function. However, the City has sales and use taxes that are specifically earmarked for open space, streets, public safety and public improvement expenses, and thus are not available for any other governmental activities. The relationships between program revenues and expenses for governmental activities are displayed on the following page.

Total revenues from governmental activities are depicted as a percentage of the whole on page 24.

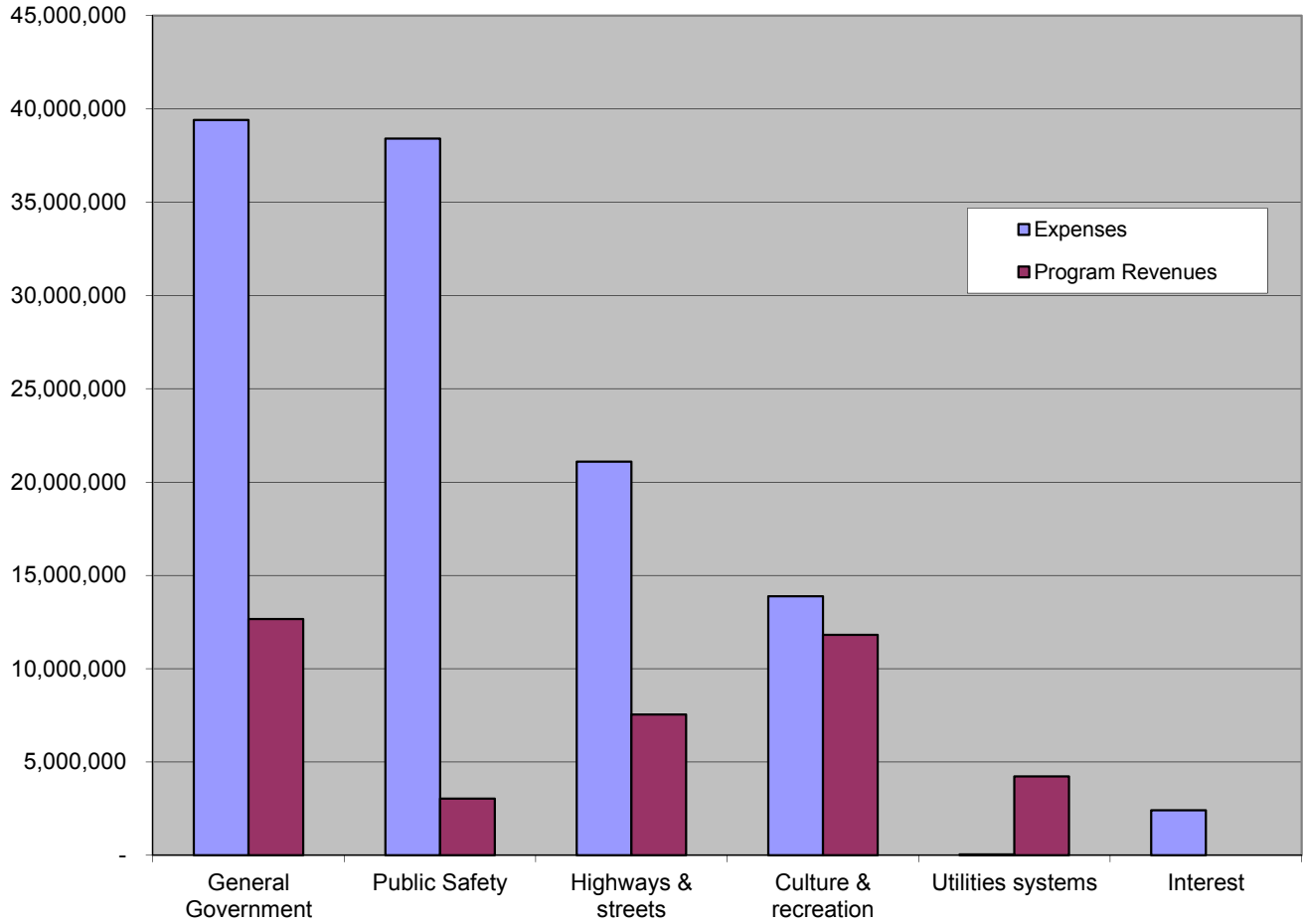
In order to understand the Governmental Funds in detail, the Statement of Revenues, Expenditures and Changes in Fund Balances, Exhibit 4 is useful. Major governmental funds are analyzed later in this discussion.

Changes in Net Position

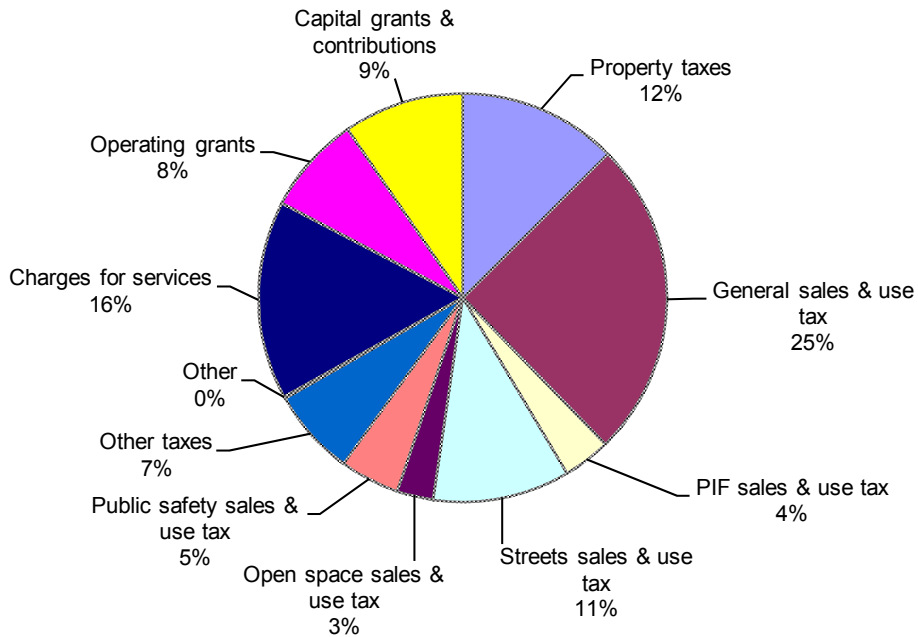
(in thousands)

	Governmental activities		Business-type activities		Total	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Revenues:						
Program revenues:						
Charges for services	\$ 18,631	\$ 17,212	\$ 104,025	\$ 96,089	\$ 122,656	\$ 113,301
Operating grants & contributions	9,266	6,021	5,920	562	15,186	6,583
Capital grants & contributions	13,507	8,248	7,161	4,322	20,668	12,570
General revenues:						
Property taxes	14,947	14,767	-	-	14,947	14,767
Sales & use taxes	56,268	52,320	-	-	56,268	52,320
Other taxes	8,201	7,837	-	-	8,201	7,837
Other	1,001	740	(947)	(7,684)	54	(6,944)
Total revenues	<u>121,821</u>	<u>107,145</u>	<u>116,159</u>	<u>93,289</u>	<u>237,980</u>	<u>200,434</u>
Expenses:						
General government	39,410	23,403	-	-	39,410	23,403
Public Safety	38,417	37,546	-	-	38,417	37,546
Highways & streets	22,589	16,881	-	-	22,589	16,881
Culture & recreation	13,883	17,128	-	-	13,883	17,128
Municipal utilities systems	46	48	-	-	46	48
Interest on long-term debt	2,406	2,488	-	-	2,406	2,488
Sanitation	-	-	5,714	5,717	5,714	5,717
Golf	-	-	2,325	2,076	2,325	2,076
Electric & Broadband	-	-	62,429	60,238	62,429	60,238
Telecommunications	-	-	-	801	-	801
Water	-	-	15,740	14,227	15,740	14,227
Sewer	-	-	10,813	10,267	10,813	10,267
Storm drainage	-	-	4,421	3,755	4,421	3,755
Airport	-	-	556	516	556	516
Total expenses	<u>116,751</u>	<u>97,494</u>	<u>101,998</u>	<u>97,597</u>	<u>218,749</u>	<u>195,091</u>
Excess before special items and transfers	5,070	9,651	14,161	(4,308)	19,231	5,343
Transfers	(1,148)	1,285	1,148	(1,285)	-	-
Increase in net position	<u>\$ 3,922</u>	<u>\$ 10,936</u>	<u>\$ 15,309</u>	<u>\$ (5,593)</u>	<u>\$ 19,231</u>	<u>\$ 5,343</u>
Net position - January 1	392,010	381,074	569,528	575,121	961,538	956,195
Net position - December 31	395,932	392,010	584,837	569,528	980,769	961,538

Expenses and Program Revenues - Governmental Activities

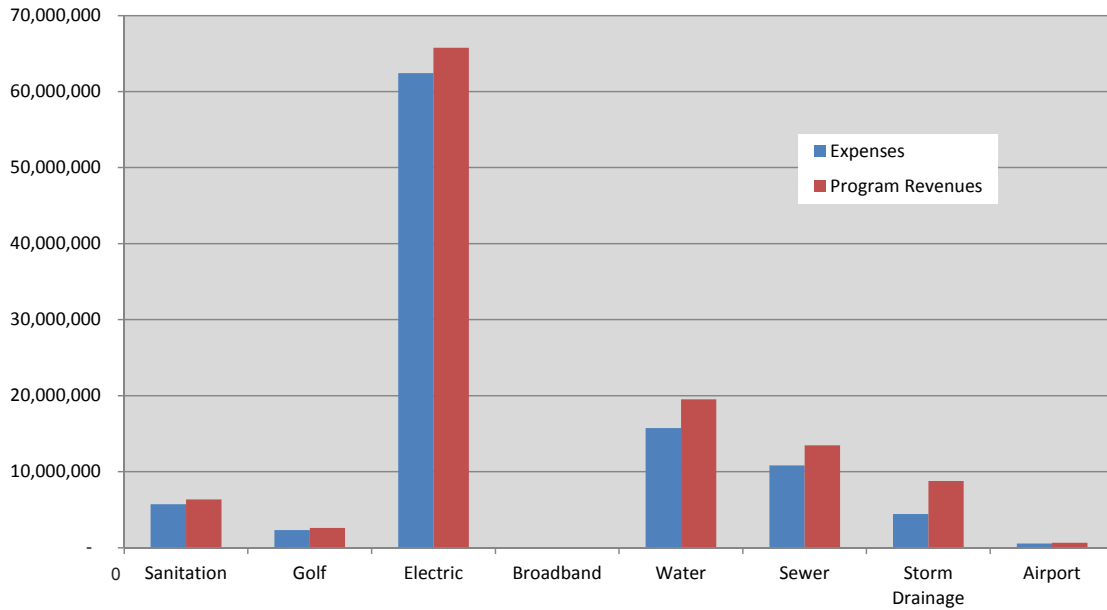


Revenues by Source - Governmental Activities

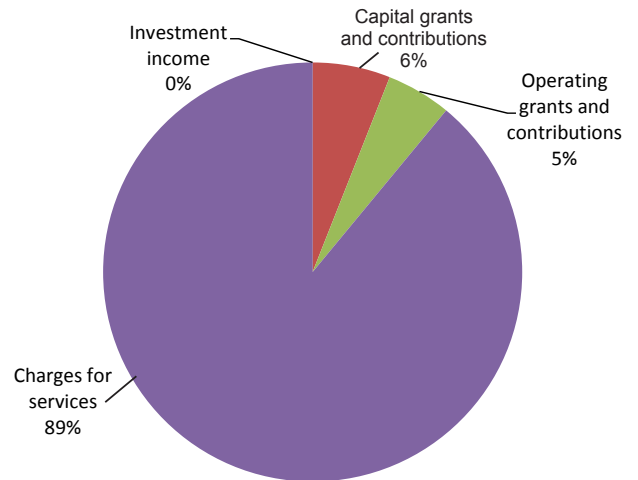


Business-type Activities. Net position increased by \$15 million from business-type activities. This increase can be attributed to an increase in program revenues of \$16 million of which user charges increased \$8.2 million while operating grants and contributions increased \$5.4 million. Capital grants and contributions increased \$2.8 million, much of which was attributed to recoveries from the 2013 flood. Electric and Water expenses increased \$1.4 million and \$1.5 million respectively.

Expenses and Program Revenues - Business-type Activities



Revenues by Source - Business-type Activities



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

The City of Longmont uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

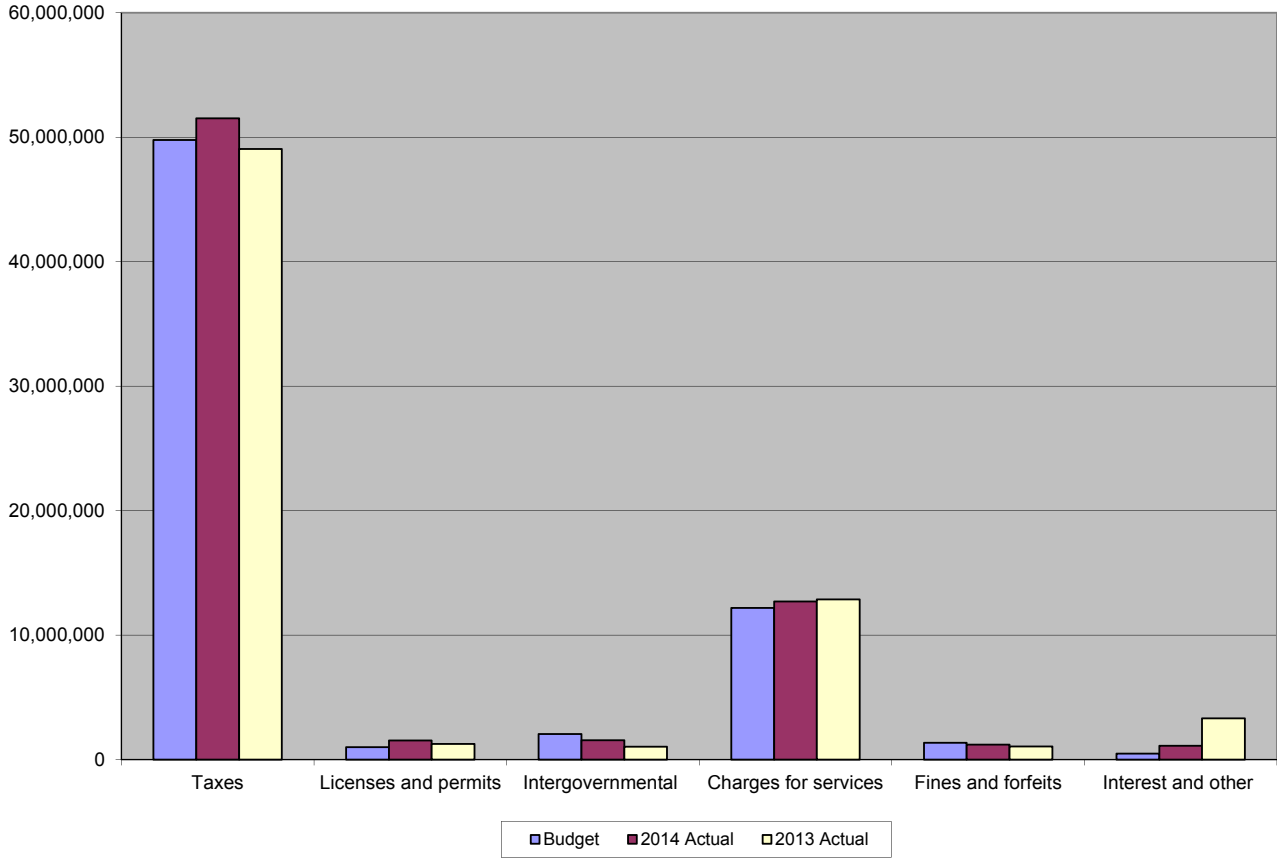
Governmental funds. The focus of the City of Longmont's governmental funds is to provide information on short-term inflows, outflows, and balances of spendable resources. This information is necessary to assess the City's financing requirements. At December 31, unassigned fund balances in the major operating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

GENERAL FUND

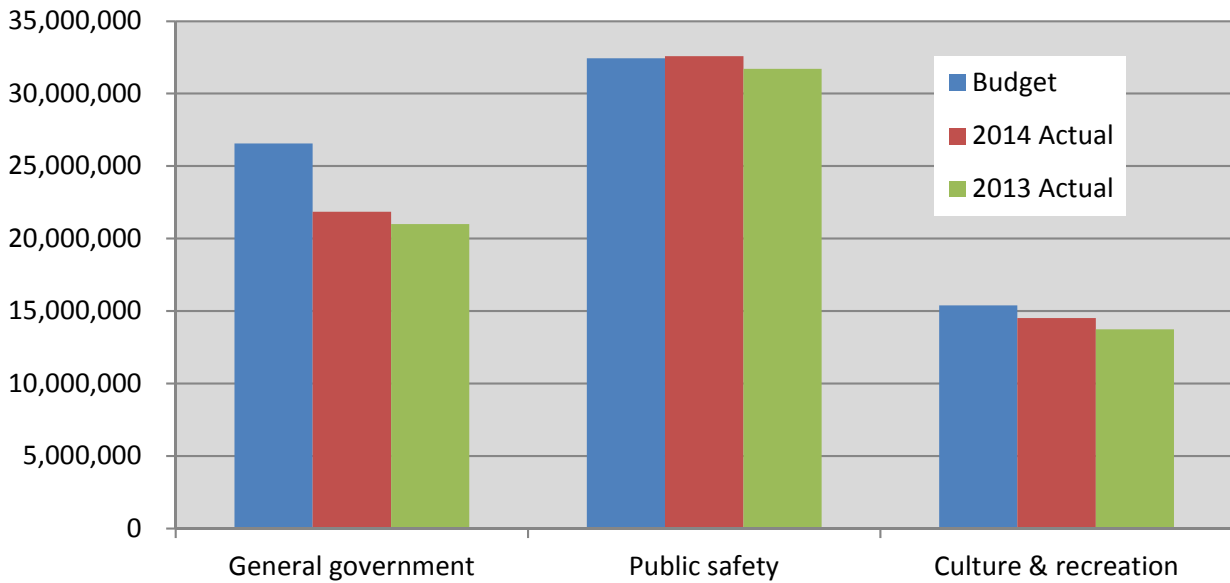
The general fund unassigned fund balance of \$6,563,798 decreased by more than \$282,000 from the prior year.

The 2014 General Fund budget was adopted without the use of fund balance to fund ongoing operating expenditures. Fund balance of \$3.5 million 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 2014 Budget which also uses fund balance only for the purpose of one-time expenditures or capital purchases. It includes \$2,435,906 for this purpose, reflected as committed for subsequent year's expenditures on the December 31, 2014, balance sheet of the general fund and in Note 23.

Budget and Actual Revenue by Source - General Fund



Budget and Actual Expenditures by Function - General Fund



The original budget in the general fund was \$67,036,044. Supplemental appropriations were primarily encumbrances and carryover of uncompleted capital projects for a final budget of \$74,416,726. Actual general fund expenditures totaled \$68,963,119, and there were no significant budget to actual variations.

Revenues and other financing sources in the general fund totaled \$69,653,081 in 2014, an increase of 1.5%, or \$1,047,400, over 2013. This change is due primarily to an increase in sales and use tax of \$2.0 million, or 7%, and transfers in from other funds with a decrease of \$2.4 million. Lesser impacts were made by other revenue sources: building permit fees increased by \$240,000, and investment earnings increased in 2014 by \$126,000 from 2013 with interest rates increasing slightly in 2014.

Information on the major governmental funds of the City follows the governmentwide financial statements. These funds are accounted for using the modified accrual basis of accounting. At the end of 2014, the City reported a combined fund balance of almost \$113 million, of which \$17 million was unassigned, assigned or committed and available for spending at the City's discretion within the respective funds for all governmental funds. The remainder of the fund balance is restricted or unspendable and available for spending only for the purpose specifically identified by the restriction.

STREETS SYSTEM MAINTENANCE AND IMPROVEMENTS FUND

The Streets System Maintenance and Improvements Fund was created as a result of a special election held June 3, 1986, authorizing a 3/4-cent sales tax increase. The revenues from the sales tax increase are for use exclusively on City street system expenditures. 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 \$14 million of sales and use tax revenues in 2014, an increase of \$900,000 from 2013. At December 31, 2014, the fund balance of the fund was \$13.5 million. Of this amount \$38,178 is nonspendable. The remaining is restricted specifically for the purpose of streets and highways expenditures. The total fund balance decreased by \$0.9 million from 2013 in this fund. The decrease in fund balance is due to the increase in current liabilities and deferred inflows of resources of \$0.6 million.

VILLAGE AT THE PEAKS FUND

The Village at the Peaks Fund was established in 2014 to account for the activities associated with the issuance of the certificates of participation for funding improvements within the Twin Peaks Urban Renewal Area. This fund is funded by the revenues derived from property tax increment revenue from the tax increment financing district within the Twin Peaks Mall Urban Renewal Area, sales tax increment revenue from the tax increment financing district within the Twin Peaks Mall Urban Renewal Area, and the Twin Peaks Metro District levy and specific ownership tax revenue.

During 2014, the City issued \$29.5 million to reimburse developer demolition and improvements in the Twin Peaks Urban Renewal Area. As of December 31, 2014, \$13.6 million of improvements had been reimbursed to the developer.

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, 2014, the fund has a fund balance of \$5.4 million, all of which is restricted for construction of public projects and payment of debt service.

The primary revenue for the Public Improvement Capital Projects Fund (use tax) increased approximately \$400,000 in 2014. The City's policy is to allocate a portion of the 2.0 cents of **use tax** to the Public Improvement Fund and none of the 2.0 cents of **sales tax**. This use tax-only allocation for the Public Improvement Fund was 95.75% in 2009, reduced to 92.93% in 2010, increased to 98.42% in 2011, decreased to 82.7% in 2012, decreased to 79.77% in 2013 and decreased to 78.45% in 2014. This allocation is described further in Note 4. A large portion of the fund's revenue (\$2.7 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 2014 but is included in this narrative discussion through management choice.

ELECTRIC/BROADBAND UTILITY FUND

The City's electric utility increased operating revenues by 4.8% over 2013. The operating income in 2014 is \$1,266,000 compared to an operating income of \$629,000 in 2013. Operating revenue went up by \$2.9 million during 2014 resulting from a rate increase of 5% and an increase in power consumption. Operating expenses rose 3.8% overall with a 0.5% decrease in purchased power. Purchased power costs increased by 8.9% in 2005, 2.4% in 2006, 3.6% in 2007, 1.3% in 2008, 0.4% in 2009, 8% in 2010, 9% in 2011, 4.5% in 2012, and 5.5% in 2013. The fund remains in good financial condition with current assets exceeding current liabilities by \$48.8 million.

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

In 2014, the Electric/Broadband Fund issued \$38,035,000 of revenue bonds for the buildout of the broadband system. The project is estimated to cost \$40 million, and construction is expected to be complete in 2017.

Operating data for the electric/broadband utility are contained in Exhibit 9 of the Financial Section.

Electric/Broadband Utility Fund

	2014	2013	2012	2011	2010
Operating revenues	\$ 63,773,864	\$ 60,870,571	\$ 57,182,388	\$ 53,838,044	\$ 49,440,782
Operating income (loss)	1,266,245	628,790	(478,168)	(2,103,559)	(2,105,159)
Change in net position	3,429,993	3,195,654	536,792	2,057,646	(210,595)

WATER UTILITY FUND

Operating revenues increased by 1.9% from 2013 as a result of increased water consumption during 2014. Operating loss for 2014 was \$2,428,000, which represented a decrease of over \$1.5 million from 2013. This decrease was substantially the net result of increased operating expenses of 12.4%. Unrestricted working capital in excess of \$25 million reflects the strong financial condition of the fund.

Operating data for the water utility are contained in Exhibit 8 of the Financial Section. Comparative data for the last five fiscal years are presented in the following tabulation. The volatile changes in net position over the past five years were caused by capital contributions from special revenue funds established to collect water-related developer fees. The increase in net position in 2014 resulted primarily from approximately \$3,000,000 in intergovernmental revenues from flood recoveries and increase in operating transfers of \$1,000,000.

Water Utility Fund

	2014	2013	2012	2011	2010
Operating revenues	\$ 12,981,041	\$ 12,735,470	\$ 14,513,221	\$ 13,247,962	\$ 12,756,467
Operating income (loss)	(2,428,220)	(966,922)	1,124,210	338,466	681,030
Change in net position	5,556,395	(227,790)	3,085,042	8,407,398	11,549,238

SEWER UTILITY FUND

The sewer fund operating revenues increased 20.0% over 2013. Sewer rates are based upon winter water usage. The operating income increased \$1,100,000 in 2014, due primarily to increased user fees of \$1,900,000 along with increased operating expenses of \$800,000. The fund increased its unrestricted working capital by \$6.0 million by the end of 2014. The net position increased by \$1,513,000, due primarily to an increase in operating income. 2013 was the first phase of a five-year phased rate increase effective January 1, 2013.

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

Sewer Utility Fund

	2014	2013	2012	2011	2010
Operating revenues	\$ 11,686,986	\$ 9,740,105	\$ 8,634,634	\$ 8,240,989	\$ 7,836,470
Operating (loss)	832,353	(333,745)	(185,576)	(293,187)	(734,300)
Change in net position	666,486	(846,978)	298,445	800,397	74,666

STORM DRAINAGE UTILITY FUND

The City created the storm drainage utility in 1984 to identify and control the revenues and expenses attributable to municipal storm drainage services. Revenues are derived from storm drainage user fees and a storm drainage plant investment fee. Operating revenues increased by \$2,553,000 or 63% in 2014. This is due primarily to a rate increase of 68% in 2013. Operating income was just under \$2,200,000, an increase from 2013, as operating revenues increased. Operating data for the storm drainage utility is contained in Exhibit 9. Comparative data for the last five fiscal years is tabulated in the box on this page.

Storm Drainage Utility Fund

	2014	2013	2012	2011	2010
Operating revenues	\$ 6,579,550	\$ 4,027,152	\$ 3,835,700	\$ 3,395,622	\$ 3,420,656
Operating income	2,180,905	374,699	422,865	59,275	300,354
Change in net position	4,463,299	(5,784,819)	3,080,445	3,376,915	468,867

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, 2014, net of depreciation, equals \$902 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 76-77 of this report, as well as in the transmittal letter.

Long-term Debt. As of December 31, 2014, the City of Longmont had total bonded debt outstanding of \$126,205,000. As of December 31, 2014, there is no debt backed by the full faith and credit of the City, or general obligation debt. An additional amount of \$37,300,000 of the City of Longmont's debt represents revenue bonds secured solely by sales and use taxes. The final \$88,905,000 of debt represents revenue bonds backed by electric and broadband, storm drainage, and sewer revenues.

The legal debt margin as prescribed by City Charter is limited to 3% of the actual value of the taxable property. In 2014, this debt limit amounted to \$255,775,308. The total amount of debt applicable to the debt limit is \$0 leaving a legal debt margin of \$255,775,308. Additional information on the City's long-term debt can be found in Note 9 on pages 70-73.

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 have a rating of 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 Revenue Bonds received a rating of A2 from Moody's and a rating of A from Standard and Poor's. The 2013 Sewer Revenue Bonds received a rating of AA from Standard and Poor's. The 2014 Certificates of Participation received a rating of AA from Standard and Poor's. The 2014 Storm Drainage Revenue Bonds received a rating of AA from Standard and Poor's. The 2014 Electric and Broadband Revenue Bonds received an insured rating of AA from Standard and Poor's.

Impacts on Future Years

Budget amendments are made by ordinance on a routine, periodic basis and are in compliance with Colorado statutes and the City charter. Note 2-D-7 illustrates the comparison of original and final budgets for all funds requiring a budget. Reported budget amendments were primarily for encumbrances and uncompleted capital projects. The 2015 budget amendments will have no significant impact on future services.

The 2015 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 the Assistant Director of Finance at:

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



STATEMENT OF NET POSITION

December 31, 2014

	Primary Government		Total	Component Unit
	Governmental Activities	Business-Type Activities		
ASSETS				
Current assets:				
Equity in pooled cash & cash investment	\$ 113,350,323	\$ 49,019,792	\$ 162,370,115	\$ 5,866,671
Cash and cash investments	376,315	-	376,315	59,562
Receivables (net of allowance for uncollectibles):	25,038,019	16,618,105	41,656,125	671,295
Internal balances	1,316,593	(1,316,593)	-	-
Inventory of materials and supplies	4,181,937	-	4,181,937	-
Prepaid expenses	687,451	-	687,451	1,831
Total current assets	144,950,638	64,321,304	209,271,942	6,599,359
Noncurrent assets:				
Loan receivable-component unit	146,000	-	146,000	-
Net pension asset	2,993,723	1,101,586	4,095,309	-
Capital Assets				
Land and water rights	99,129,704	200,139,563	299,269,267	445,668
Construction in progress	15,374,500	7,227,324	22,601,824	539,377
Depreciable buildings, property, and equipment, net	216,207,578	363,676,795	579,884,373	4,462,140
Restricted equity in pooled cash & cash investments	4,737,644	2,382,721	7,120,365	-
Restricted cash & cash investments	19,863,809	62,179,245	82,043,054	-
Total noncurrent assets	358,452,958	636,707,234	995,160,192	5,447,185
Total assets	503,403,596	701,028,538	1,204,432,134	12,046,544
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charge on refunding	840,633	-	840,633	-
LIABILITIES				
Current liabilities:				
Accounts payable and accrued expenses	6,848,793	9,235,681	16,084,474	17,660
Accrued interest	964,121	504,681	1,468,802	-
Unearned revenues	-	292,148	292,148	-
Deposits	4,055,001	922,382	4,977,383	-
Current portion of long-term obligations	4,699,699	3,417,721	8,117,420	4,865
Total current liabilities	16,567,614	14,372,613	30,940,227	22,525
Noncurrent liabilities:				
Loan payable-primary government	-	-	-	146,000
Noncurrent portion of long-term obligations	77,575,933	101,818,815	179,394,748	20,241
Total noncurrent liabilities	77,575,933	101,818,815	179,394,748	166,241
Total liabilities	94,143,547	116,191,428	210,334,975	188,766
DEFERRED INFLOWS OF RESOURCES				
Property taxes	14,168,538	-	14,168,538	659,770
NET POSITION				
Net Investment in capital assets	274,626,844	529,204,937	803,831,781	5,447,185
Restricted for:				
Construction/acquisition/debt service	69,761,220	1,904,853	71,666,073	4,311,988
Community development projects	2,126,367	-	2,126,367	-
Transportation improvements	15,026,538	-	15,026,538	-
Public safety	2,266,918	-	2,266,918	-
Permanent fund				
Expendable	511,170	-	511,170	-
Nonexpendable	644,576	-	644,576	-
Statutory emergency requirement	4,400,197	-	4,400,197	25,347
Workers' Compensation	2,577,190	-	2,577,190	-
Unrestricted	23,991,124	53,727,320	77,718,444	1,413,488
Total net position	\$ 395,932,144	\$ 584,837,110	\$ 980,769,254	\$ 11,198,008

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

CITY OF LONGMONT, COLORADO

STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2014

Functions/Programs	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
PRIMARY GOVERNMENT				
Governmental activities:				
General Government	\$ 39,410,084	\$ 9,025,285	\$ 3,061,626	\$ 540,046
Public Safety	38,416,984	1,900,659	1,131,968	-
Highways & Streets	22,589,058	838,087	4,655,958	3,542,093
Culture & Recreation	13,883,071	6,866,923	417,011	5,192,589
Municipal utilities systems	45,871	-	-	4,231,891
Interest and Fiscal charges on long-term debt	2,405,958	-	-	-
Total governmental activities	116,751,026	18,630,954	9,266,563	13,506,619
Business-type activities:				
Sanitation	5,713,661	6,152,091	199,218	-
Golf	2,325,070	2,452,630	-	151,673
Electric	62,428,256	63,884,921	177,869	1,686,685
Water	15,740,172	12,981,041	2,994,254	3,526,194
Sewer	10,813,201	11,686,986	1,111,741	654,766
Storm Drainage	4,420,557	6,579,550	1,436,590	770,802
Airport	556,171	288,089	-	370,649
Total business-type activities	101,997,088	104,025,308	5,919,672	7,160,769
Total Primary Government	\$ 217,250,413	\$ 122,656,262	\$ 15,186,235	\$ 20,667,388
Component unit:				
Downtown Development Authority	\$ 911,653	\$ 105,068	\$ 12,000	-

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 Position

 Net Position - Beginning January 1

 Net Position - Ending December 31

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

		Primary Government		
Governmental	Business-type	Total	Component	
Activities	Activities		Unit	
\$ (26,783,127)	\$ -	(26,783,127)	\$ -	-
(35,384,357)	-	(35,384,357)	-	-
(13,552,920)	-	(13,552,920)	-	-
(1,406,548)	-	(1,406,548)	-	-
4,186,020	-	4,186,020	-	-
(2,405,958)	-	(2,405,958)	-	-
(75,346,890)	-	(75,346,890)	-	-
-	637,648	637,648	-	-
-	279,233	279,233	-	-
-	3,321,219	3,321,219	-	-
-	3,761,317	3,761,317	-	-
-	2,640,292	2,640,292	-	-
-	4,366,385	4,366,385	-	-
-	102,567	102,567	-	-
-	15,108,661	15,108,661	-	-
(75,346,890)	15,108,661	(60,238,229)	-	-
-	-	-	(794,585)	-
14,946,758	-	14,946,758	669,051	-
29,890,913	-	29,890,913	-	-
4,471,068	-	4,471,068	-	-
12,885,741	-	12,885,741	-	-
3,436,196	-	3,436,196	-	-
5,583,826	-	5,583,826	-	-
364,767	-	364,767	-	-
157,523	-	157,523	-	-
7,678,732	-	7,678,732	-	-
985,788	461,875	1,447,663	41,455	-
15,656	(1,408,853)	(1,393,197)	-	-
(1,147,868)	1,147,868	-	-	-
79,269,100	200,890	79,469,990	710,506	-
3,922,210	15,309,551	19,231,761	(84,079)	-
392,009,934	569,527,559	961,537,493	11,282,087	-
\$ 395,932,144	\$ 584,837,110	\$ 980,769,254	\$ 11,198,008	-

CITY OF LONGMONT, COLORADO

BALANCE SHEET
GOVERNMENTAL FUNDS
 December 31, 2014

	General	Streets Systems	Village at the Peaks	Other Governmental Funds	TOTAL Governmental Funds
ASSETS					
Equity in pooled cash & cash equivalents	\$ 16,226,494	\$ 13,323,167	\$ 90,973	\$ 58,064,568	\$ 87,705,202
Cash and cash equivalents	305,448	-	-	70,867	376,315
Receivables (net of allowance for uncollectibles):					
Accounts	-	-	-	221,503	221,503
Taxes	17,235,047	1,318,417	-	1,374,538	19,928,002
Miscellaneous	1,599,718	-	-	-	1,599,718
Grants	109,781	576,634	-	1,639,663	2,326,078
Loans	17,910	-	-	1,100	19,010
Fees	351,492	-	-	205	351,697
Accrued interest	44,418	29,589	6,105	132,673	212,785
Due from other funds	3,789,140	-	-	-	3,789,140
Due from other governments	23,511	281,467	-	12,931	317,909
Prepaid items	133,001	38,178	-	4,800	175,979
Restricted assets:					
Equity in pooled cash and cash equivalents	-	-	-	2,160,454	2,160,454
Cash and cash equivalents	-	-	15,610,927	4,252,882	19,863,809
Total assets	\$ 39,835,960	\$ 15,567,452	\$ 15,708,005	\$ 67,936,184	\$ 139,047,061

BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2014

Exhibit 3

	General	Streets Systems	Village at the Peaks	Other Governmental Funds	TOTAL Governmental Funds
LIABILITIES					
Accounts payable	\$ 1,617,941	\$ 810,684	\$ -	\$ 842,703	\$ 3,271,328
Construction contracts payable	121,086	512,952	-	438,746	1,072,784
Accrued liabilities	1,675,353	115,121	-	161,917	1,952,391
Due to other funds	-	-	-	347,889	347,889
Deposits	4,048,592	2,000	-	4,409	4,055,001
Total liabilities	7,462,972	1,440,757	-	1,795,664	10,699,393
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue-property taxes	14,054,843	-	-	113,695	14,168,538
Unavailable revenue-other	-	674,123	-	708,462	1,382,585
Total deferred inflows of resources	14,054,843	674,123	-	161,042	14,890,008
FUND BALANCES					
Nonspendable	150,911	38,178	-	650,476	839,565
Restricted	4,397,047	13,414,394	15,708,005	60,983,467	94,502,913
Committed	6,206,280	-	-	3,684,420	9,890,700
Assigned	1,000,109	-	-	-	1,000,109
Unassigned	6,563,798	-	-	-	6,563,798
Total fund balances	18,318,145	13,452,572	15,708,005	65,318,363	112,797,085
Total liabilities, deferred inflows of resources and fund balances	\$ 39,835,960	\$ 15,567,452	\$ 15,708,005	\$ 67,936,184	\$ 139,047,601

(continued)

**Reconciliation of the Balance Sheet
to the Statement of Net Position
December 31, 2014**

Total Governmental Fund Balances	\$	112,797,085
<p>Amounts reported for governmental activities in the statement of net position are different because:</p>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		317,156,314
<p>Other long-term assets and deferred inflows of resources are not available to pay for current-period expenditures and therefore are unavailable or not recorded in the funds.</p>		
Adjustment of deferred inflows of resources	1,382,585	
Net pension asset	<u>2,920,256</u>	
		4,302,841
<p>Internal service funds are used by management to charge the costs of certain activities, such as fleet, warehouse and insurance, to individual funds. The assets and liabilities of certain internal service funds are included in governmental activities in the statement of net position.</p>		
		42,654,727
<p>Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.</p>		
		(79,705,111)
Internal service fund allocated to business type activities		<u>(1,273,712)</u>
Net position of governmental activities	\$	<u><u>395,932,144</u></u>



**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES-
GOVERNMENTAL FUNDS**
Year Ended December 31, 2014

	General	Streets Systems	Village at the Peaks	Other Governmental Funds	TOTAL Governmental Funds
REVENUES					
Taxes	\$ 51,516,646	\$ 13,937,629	\$ -	\$ 13,961,249	\$ 79,415,524
Licenses and permits	1,545,246	57,943	-	5,569,711	7,172,900
Developer/owner participation	-	120,002	-	1,142,252	1,262,254
Intergovernmental	1,565,205	4,469,163	-	4,767,325	10,801,693
Charges for services	12,704,076	-	-	2,224,358	14,928,434
Fines and forfeits	1,208,723	-	-	71,118	1,279,841
Investment income	165,222	104,950	15,336	468,363	753,871
Miscellaneous	286,468	108,509	-	2,006,103	2,401,080
Total revenues	68,991,586	18,798,196	15,336	30,210,479	118,015,597
EXPENDITURES					
Current:					
General government	21,111,878	-	13,605,614	3,058,520	37,776,012
Public safety	32,520,433	-	-	6,137,066	38,657,499
Highways and streets	-	19,695,403	-	-	19,695,403
Culture and recreation	14,606,326	-	-	7,612,692	22,219,018
Municipal utility systems	-	-	-	564,272	564,272
Capital projects	-	-	-	3,201,073	3,201,073
Interest on lease payments	-	-	424,151	-	424,151
Debt service:					
Principal retired	-	-	-	3,225,000	3,225,000
Interest and fiscal charges	-	-	-	1,703,339	1,703,339
Total expenditures	68,238,637	19,695,403	14,029,765	25,501,962	127,465,767
Excess of revenues over (under) expenditures	752,949	(897,207)	(14,014,429)	4,708,517	(9,450,170)
OTHER FINANCING SOURCES (USES)					
Transfers in	834,664	-	-	3,006,768	3,841,432
Transfers out	(825,911)	(3,762)	(1,103,630)	(488,366)	(2,421,669)
Issuance of certificates of participation	-	-	29,475,000	-	29,475,000
Premium on issuance of COPs	-	-	1,351,064	-	1,351,064
Total other financing sources (uses)	8,753	(3,762)	29,722,434	2,518,402	32,245,827
Net change in fund balances	761,702	(900,969)	15,708,005	7,226,919	22,795,657
FUND BALANCES, January 1	17,556,443	14,353,541	-	58,091,444	90,001,428
FUND BALANCES, December 31	\$ 18,318,145	\$ 13,452,572	\$ 15,708,005	\$ 65,318,363	\$ 112,797,085

CITY OF LONGMONT, COLORADO
**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, 2014**

Exhibit 4
(continued)

Net change in fund balances - total governmental funds	\$	22,795,657
<p>Amounts reported for governmental activities in the statement of activities (Exhibit 2) are different because:</p>		
Contributions of capital assets increase net position in the statement of activities but do not appear in the governmental funds because they are not financial resources.		2,918,540
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.		6,149,016
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		639,394
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 position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are 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.		(27,150,699)
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.		(75,820)
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.		(910,254)
Change in internal service funds allocated to business-type activities		(443,624)
Change in net position of governmental activities	\$	<u>3,922,210</u>

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL
GENERAL FUND
 Year Ended December 31, 2014

	Budget		Actual (Legal Basis)	Variance From Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 49,787,556	\$ 49,787,556	\$ 51,516,646	\$ 1,729,090
Licenses and permits	1,056,545	994,932	1,545,246	550,314
Intergovernmental	250,634	2,062,214	1,565,205	(497,009)
Charges for services	11,939,793	12,185,406	12,703,823	518,417
Fines and forfeits	1,355,800	1,355,800	1,208,723	(147,077)
Investment income	89,000	89,000	134,974	45,974
Miscellaneous	169,969	175,523	286,447	110,924
Total revenues	64,649,297	66,650,431	68,961,064	2,310,633
EXPENDITURES				
Current:				
General government	21,311,199	26,571,971	21,861,379	4,710,592
Public safety	31,573,853	32,446,178	32,579,528	(133,350)
Culture & recreation	14,150,992	15,398,577	14,522,212	876,365
Total expenditures	67,036,044	74,416,726	68,963,119	5,453,607
Excess of revenues over (under) expenditures	(2,386,747)	(7,766,295)	(2,055)	7,764,240
OTHER FINANCING SOURCES				
Transfers in	182,613	210,821	692,017	481,196
Net changes in fund balances	(2,204,134)	(7,555,474)	689,962	8,245,436
FUND BALANCE, January 1	10,018,600	17,623,784	17,623,784	-
FUND BALANCE, December 31	\$ 7,814,466	\$ 10,068,310	18,313,746	\$ 8,245,436
RECONCILIATION TO GAAP BASIS				
Activites reported within the General Fund				
Beginning Fund Balance of Subfunds			(67,341)	
Total revenues			30,523	
Total expenditures			(101,460)	
Total other financing sources and uses			142,677	
Revenues and other financing sources over expenditures			4,399	
FUND BALANCE, December 31 (GAAP BASIS)			\$ 18,318,145	

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL
STREETS SYSTEMS FUND
Year Ended December 31, 2014

	Budgeted Amounts		Actual	Variance From Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 15,627,551	\$ 15,627,551	\$ 13,937,629	\$ (1,689,922)
Licenses and permits	15,000	15,000	57,943	42,943
Developer/owner participation	-	-	120,002	120,002
Intergovernmental	5,942,956	7,908,951	4,469,163	(3,439,788)
Investment income	56,848	56,848	104,950	48,102
Miscellaneous	28,000	28,000	108,509	80,509
Total revenues	21,670,355	23,636,350	18,798,196	(4,838,154)
EXPENDITURES				
Highways and streets	26,040,715	38,874,553	19,695,403	19,179,150
Excess of revenues over (under) expenditures	(4,370,360)	(15,238,203)	(897,207)	14,340,996
OTHER FINANCING USES				
Transfers out				
Electric fund	-	(7,678)	(1,121)	6,557
General fund	(241,436)	(241,936)	(2,641)	239,295
Total other financing sources (uses)	(241,436)	(249,614)	(3,762)	245,852
Net changes in fund balance	(4,611,796)	(15,487,817)	(900,969)	14,586,848
FUND BALANCE, January 1	4,791,422	14,353,541	14,353,541	-
FUND BALANCE, December 31	\$ 179,626	\$ (1,134,276)	\$ 13,452,572	\$ 14,586,848

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STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL
VILLAGE AT THE PEAKS SPECIAL REVENUE FUND
 Year Ended December 31, 2014

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance From Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Investment income	\$ -	\$ -	15,336	\$ 15,336
EXPENDITURES				
Current				
General Government	-	28,185,828	13,605,614	(14,580,214)
Lease payments	-	424,151	424,151	-
Total expenditures	-	28,609,979	14,029,765	(14,580,214)
Excess of revenues over (under) expenditures	-	(28,609,979)	(14,014,429)	14,595,550
OTHER FINANCING USES				
Transfers out				
Component unit	-	(1,103,630)	(1,103,630)	-
Issuance of certificates of participation	-	28,362,545	29,475,000	1,112,455
Premium on issuance of COPs	-	1,351,064	1,351,064	-
Total other financing sources (uses)	-	28,609,979	29,722,434	1,112,455
Net changes in fund balance	-	-	15,708,005	15,708,005
FUND BALANCE, January 1	-	-	-	-
FUND BALANCE, December 31	\$ -	\$ -	15,708,005	\$ 15,708,005

CITY OF LONGMONT, COLORADO

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
 December 31, 2014

	Electric and Broadband		Water		Sewer
ASSETS					
Current assets:					
Equity in pooled cash & cash equivalents	\$ 9,072,669		\$ 23,911,938		\$ 10,637,174
Accounts receivable (net of allowance for uncollectibles)	8,830,575		905,813		1,557,023
Intergovernmental receivable	-		1,449,049		322,764
Loans receivable	6,016		15,063		-
Interest receivable	17,668		48,966		28,201
Inventory of materials and supplies	-		-		-
Advance to other funds, current portion	-		-		-
Prepaid expenses	-		-		-
Total unrestricted current assets	17,926,928		26,330,829		12,545,162
Restricted assets:					
Bond debt service:					
Equity in pooled cash & cash equivalents	123,211		-		1,916,920
Interest receivable	-		-		3,936
Workers' Compensation					
Equity in pooled cash & cash equivalents	-		-		-
Electric/Storm Drainage/Sewer Construction:					
Equity in pooled cash & cash equivalents	-		-		-
Cash and cash equivalents	37,357,813		-		2,876,825
Interest receivable	48,084		-		9,043
Total restricted current assets	37,529,108		-		4,806,724
Total current assets	55,456,036		26,330,829		17,351,886
Noncurrent assets:					
Net pension asset	368,672		372,803		132,431
Loan receivable-component unit	-		-		-
Capital assets:					
Land and water rights	894,144		177,421,987		3,150,243
Buildings	9,178,178		70,249,060		72,607,736
Improvements (other than buildings)	91,248,863		168,885,722		68,302,947
Equipment	3,608,491		2,185,721		2,354,201
Construction in progress	101,936		1,724,618		2,070,947
Total capital assets	105,031,612		420,467,108		148,486,074
Less - accumulated depreciation	53,596,789		74,459,943		47,920,481
Net capital assets	51,434,823		346,007,165		100,565,593
Total noncurrent assets	51,803,495		346,379,968		100,698,024
Total assets	\$ 107,259,531		\$ 372,710,797		\$ 118,049,910

Storm Drainage	Other Enterprise Funds	TOTALS	Governmental Activities- Internal Service Funds
1,276,139 \$	4,121,872 \$	49,019,792 \$	25,645,121
871,460	776,196	12,941,067	-
1,164,132	533,159	3,469,104	-
-	-	21,079	-
8,238	9,287	112,360	61,317
-	-	-	4,181,937
-	-	-	2,590,305
-	-	-	511,472
<hr/> 3,319,969	<hr/> 5,440,514	<hr/> 65,563,402	<hr/> 32,990,152
211,797	-	2,251,928	-
-	-	3,936	-
-	-	-	2,577,190
130,793	-	130,793	-
21,944,607	-	62,179,245	-
13,432	-	70,559	-
<hr/> 22,300,629	<hr/> -	<hr/> 64,636,461	<hr/> 2,577,190
<hr/> 25,620,598	<hr/> 5,440,514	<hr/> 130,199,863	<hr/> 35,567,342
64,535	163,145	1,101,586	73,467
-	-	-	146,000
10,351,437	8,321,752	200,139,563	47,767
627,341	3,445,626	156,107,941	2,066,188
64,357,278	6,351,820	399,146,630	153,524
295,952	3,137,931	11,582,296	39,999,140
2,850,952	478,871	7,227,324	-
<hr/> 78,482,960	<hr/> 21,736,000	<hr/> 774,203,754	<hr/> 42,266,619
<hr/> 20,938,794	<hr/> 6,244,065	<hr/> 203,160,072	<hr/> 28,711,151
<hr/> 57,544,166	<hr/> 15,491,935	<hr/> 571,043,682	<hr/> 13,555,468
<hr/> 57,608,701	<hr/> 15,655,080	<hr/> 572,145,268	<hr/> 13,774,935
<hr/> <hr/> 83,229,299 \$	<hr/> <hr/> 21,095,594 \$	<hr/> <hr/> 702,345,131 \$	<hr/> <hr/> 49,342,277

(continued)

CITY OF LONGMONT, COLORADO

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
December 31, 2014

	Electric and Broadband	Water	Sewer
LIABILITIES AND NET POSITION			
Current liabilities:			
Payable from current assets:			
Accounts payable	\$ 3,906,361	\$ 162,404	\$ 320,232
Construction contracts payable	255,033	357,948	646,855
Accrued liabilities	459,939	133,552	70,753
Due to other funds	-	-	-
Accrued sick and vacation - current portion	87,536	57,704	29,123
Unearned revenue	292,148	-	-
Advances from other funds - current portion	-	-	-
Loans payable - current portion	-	1,017,191	-
Claims payable - current portion	-	-	-
Accrued interest	-	153,667	-
Customer deposits	905,942	16,295	-
Total current liabilities (payable from current assets)	5,906,959	1,898,761	1,066,963
Payable from restricted assets:			
Accounts payable	7,500	-	-
Construction contracts payable	627,824	-	754,451
Accrued interest	122,668	-	126,868
Bonds payable - current portion	-	-	885,000
Total current liabilities (payable from restricted assets)	757,992	-	1,766,319
Total current liabilities	6,664,951	1,898,761	2,833,282
Long-term liabilities:			
Loan payable	-	9,115,313	-
Long-term construction liability	-	377,066	-
Claims payable	-	-	-
Accrued sick and vacation	496,597	570,643	203,171
Net other post employment benefit obligation	38,720	24,575	16,948
Advances from other funds	-	-	-
Bonds payable	40,222,829	-	18,684,725
Net long-term liabilities	40,758,146	10,087,597	18,904,844
Total liabilities	47,423,097	11,986,358	21,738,126
Net position:			
Net Investment in capital assets	47,819,315	335,497,595	83,872,693
Restricted for debt service	544	-	1,793,989
Restricted for workers' compensation	-	-	-
Restricted for long-term disability	-	-	-
Unrestricted	12,016,575	25,226,844	10,645,102
Total net position	59,836,434	360,724,439	96,311,784
Total liabilities and net position	\$ 107,259,531	\$ 372,710,797	\$ 118,049,910

	Storm Drainage	Other Enterprise Funds	TOTALS	Governmental Activities- Internal Service Funds
\$	35,040	\$ 184,960	\$ 4,608,997	\$ 499,629
	483,047	503,741	2,246,624	28,502
	34,147	71,886	770,277	39,679
	-	-	-	3,441,251
	5,759	20,408	200,530	15,773
	-	-	292,148	-
	1,300,000	173,092	1,473,092	-
	-	-	1,017,191	-
	-	-	-	298,008
	-	-	153,667	-
	145	-	922,382	-
	<u>1,858,138</u>	<u>954,087</u>	<u>11,684,908</u>	<u>4,322,842</u>
	2,924	-	10,424	-
	217,084	-	1,599,359	-
	101,478	-	351,014	-
	1,315,000	-	2,200,000	-
	<u>1,636,486</u>	<u>-</u>	<u>4,160,797</u>	<u>-</u>
	<u>3,494,624</u>	<u>954,087</u>	<u>15,845,705</u>	<u>4,322,842</u>
	-	-	9,115,313	-
	-	-	377,066	-
	-	-	-	2,246,040
	47,800	217,764	1,535,975	111,582
	6,461	15,036	101,740	7,086
	-	1,117,213	1,117,213	-
	31,781,167	-	90,688,721	-
	<u>31,835,428</u>	<u>1,350,013</u>	<u>102,936,028</u>	<u>2,364,708</u>
	<u>35,330,052</u>	<u>2,304,100</u>	<u>118,781,733</u>	<u>6,687,550</u>
	46,523,399	15,491,935	529,204,937	13,555,468
	110,320	-	1,904,853	-
	-	-	-	2,577,190
	-	-	-	325,000
	1,265,528	3,299,559	52,453,608	26,197,069
	<u>47,899,247</u>	<u>18,791,494</u>	<u>583,563,398</u>	<u>42,654,727</u>
\$	<u>83,229,299</u>	<u>\$ 21,095,594</u>	<u>702,345,131</u>	<u>\$ 49,342,277</u>

\$ 1,273,712

\$ 584,837,110

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

Net position business-type activities

CITY OF LONGMONT, COLORADO
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
For the Year Ended December 31, 2014

	Electric and Broadband	Water	Sewer
OPERATING REVENUES			
Charges for services	\$ 63,773,864	\$ 12,981,041	\$ 11,686,986
Warehouse sales	-	-	-
Contributions	-	-	-
Total operating revenues	63,773,864	12,981,041	11,686,986
OPERATING EXPENSES			
Administration	3,693,506	5,042,996	1,054,139
Purchased power/cost of sales/premiums	43,541,289	-	-
Transmission/distribution	6,069,814	2,088,365	2,255,778
Maintenance/development	-	-	-
Trash collection	-	-	-
Landfill	-	-	-
Treatment/disposal	-	2,738,729	3,651,191
Fleet services	-	-	-
Depreciation	2,531,638	4,075,549	2,676,453
Administrative fees	1,634,702	1,195,982	753,720
Franchise fee	5,036,670	267,640	463,352
Benefit payments	-	-	-
Claims	-	-	-
Total operating expenses	62,507,619	15,409,261	10,854,633
Operating income (loss)	1,266,245	(2,428,220)	832,353
NON-OPERATING REVENUES (EXPENSES)			
Investment income	91,795	153,005	138,732
Miscellaneous	178,050	381,146	(23,205)
Intergovernmental	177,869	2,994,254	1,111,741
Other sales	111,057	-	-
Gain (loss) on disposal of assets	-	(8,190)	(2,294,421)
Interest expense	(41,601)	(380,338)	(31,909)
Net non-operating revenues (expenses)	517,170	3,139,877	(1,099,062)
Change in net position before transfers and capital contributions	1,783,415	711,657	(266,709)
CAPITAL CONTRIBUTIONS	1,806,325	3,924,955	654,766
TRANSFERS			
Transfers in	40,281	1,026,574	368,071
Transfers out	(200,028)	(106,791)	(89,642)
Change in net position	3,429,993	5,556,395	666,486
TOTAL NET POSITION-January 1	56,406,441	355,168,044	95,645,298
TOTAL NET POSITION-December 31	\$ 59,836,434	\$ 360,724,439	\$ 96,311,784

	Storm Drainage	Other Enterprise Funds	Totals	Governmental Activities- Internal Service Funds
\$	6,579,550	\$ 8,892,810	\$ 103,914,251	\$ 19,481,961
	-	-	-	2,250,453
	-	-	-	2,679,374
	6,579,550	8,892,810	103,914,251	24,411,788
	1,844,970	583,043	12,218,654	258,638
	-	-	43,541,289	13,848,779
	-	-	10,413,957	-
	737,224	2,058,594	2,795,818	-
	-	4,775,889	4,775,889	-
	-	72	72	-
	-	-	6,389,920	-
	-	-	-	3,664,047
	1,395,679	491,693	11,171,012	3,038,277
	420,772	843,147	4,848,323	582,342
	-	-	5,767,662	-
	-	-	-	507,948
	-	-	-	2,010,785
	4,398,645	8,752,438	101,922,596	23,910,816
	2,180,905	140,372	1,991,655	500,972
	50,134	28,209	461,875	231,917
	79,408	278,359	893,758	112,661
	1,436,590	350,891	6,071,345	-
	-	-	111,057	58,838
	-	-	(2,302,611)	234,588
	(47,301)	(16,967)	(518,116)	-
	1,518,831	640,492	4,717,308	638,004
	3,699,736	780,864	6,708,963	1,138,976
	770,802	370,649	7,527,497	-
	-	79,483	1,514,409	1,655,198
	(7,239)	(481,242)	(884,942)	(3,704,428)
	4,463,299	749,754	14,865,927	(910,254)
	43,435,948	18,041,740	623,737,926	43,564,981
\$	47,899,247	\$ 18,791,494	638,603,853	\$ 42,654,727

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

443,624

\$ 15,309,551

Change in net position of business-type activities

CITY OF LONGMONT, COLORADO

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended December 31, 2014

	Electric and Broadband	Water	Sewer
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers	\$ 63,184,696	\$ 13,998,973	\$ 13,123,388
Cash paid to suppliers	(54,164,225)	(8,077,374)	(6,502,658)
Cash paid to employees	(5,683,771)	(3,826,665)	(2,675,639)
Claims/Benefits paid	-	-	-
Net cash provided (used) by operating activities	3,336,700	2,094,934	3,945,091
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES			
Transfers in	40,281	1,026,574	368,071
Transfers out	(100,370)	(84,124)	(72,814)
Loan to discrete component unit	-	-	-
Loan repayments from discrete component unit	-	-	-
Advances to other funds	-	-	-
Repayment of advances	-	-	-
Advances from other funds	-	-	-
Net cash provided (used) by non-capital financing activities	(60,089)	942,450	295,257
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition and construction of capital assets	(5,228,037)	(6,010,274)	(6,128,228)
Bond/loan/lease principal paid	40,320,609	(1,006,135)	(870,000)
Bond/loan/lease interest paid	(887,296)	465,439	(778,608)
Proceeds from issuance of debt	-	-	-
Proceeds from sale of equipment	-	1,267	8,751
Contributed capital received	1,686,685	1,534,545	-
Net cash provided (used) by capital and related financing activities	35,891,961	(5,015,158)	(7,768,085)
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment income received (paid)	39,213	170,953	124,721
Net increase (decrease) in cash and cash equivalents	39,207,785	(1,806,821)	(3,403,016)
CASH AND CASH EQUIVALENTS, January 1	7,345,908	25,718,759	18,833,935
CASH AND CASH EQUIVALENTS, December 31	\$ 46,553,693	\$ 23,911,938	\$ 15,430,919

Storm Drainage	Other Enterprise Funds	TOTALS	Governmental Activities- Internal Service Funds
\$ 6,923,672 (2,120,535) (972,766)	\$ 9,280,534 (5,453,486) (2,921,736) -	\$ 106,511,263 (76,318,278) (16,080,577) -	\$ 28,513,449 (17,264,957) (1,179,980) (2,048,705)
<hr/> 3,830,371	<hr/> 905,312	<hr/> 14,112,408	<hr/> 8,019,807
- (7,239) - - - -	79,483 (9,300) - - 217,734 (163,931) -	1,514,409 (273,847) - - 217,734 (163,931) (1,300,000)	965,288 (3,704,428) (240,375) 240,375 (217,734) 1,775,931 -
<hr/> (1,307,239)	<hr/> 123,986	<hr/> (5,635)	<hr/> (1,180,943)
(3,091,847) (585,000) (519,036) 21,777,953 -	(882,094) - (16,967) - -	(21,340,480) 37,859,474 (1,736,468) 21,777,953 10,018	(2,967,280) - - - 379,581
<hr/> 235,532	<hr/> 181,605	<hr/> 3,638,367	<hr/> 58,838
<hr/> 17,817,602	<hr/> (717,456)	<hr/> 40,208,864	<hr/> (2,528,861)
<hr/> 40,547	<hr/> 30,080	<hr/> 405,514	<hr/> 231,232
20,381,281	341,922	54,721,151	4,541,235
<hr/> 3,182,055	<hr/> 3,779,950	<hr/> 58,860,607	<hr/> 23,681,076
<hr/> \$ 23,563,336	<hr/> 4,121,872	<hr/> \$ 113,581,758	<hr/> \$ 28,222,311

(continued)

CITY OF LONGMONT, COLORADO

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended December 31, 2014

	Electric and Broadband	Water	Sewer
RECONCILIATION OF NET OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Net operating income (loss)	\$ 1,266,245	\$ (2,428,220)	\$ 832,353
Adjustments to reconcile net operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	2,531,638	4,075,549	2,676,453
Miscellaneous income	289,107	381,146	(23,205)
Intergovernmental operating income	177,869	2,130,440	1,111,741
Change in assets and liabilities:			
(Increase) decrease in accounts receivable	(1,024,231)	(89,548)	644,191
(Increase) decrease in loans receivable	6,548	7,107	-
(Increase) decrease in intergovernmental receivable	-	(1,405,201)	(296,325)
(Increase) decrease in inventory of materials	-	-	-
(Increase) decrease in prepaid expenses	1,400	-	-
(Increase) decrease in net pension asset	(23,365)	(19,584)	(4,688)
Increase (decrease) in accounts payable	23,559	(627,218)	(983,696)
Increase (decrease) in accrued liabilities	76,908	23,813	9,745
Increase (decrease) in deferred revenue	(12,645)	-	-
Increase (decrease) in accrued sick and vacation - current portion	30,264	(15,861)	(2,568)
Increase (decrease) in claims payable - current portion	-	-	-
Increase (decrease) in accrued sick and vacation - long-term portion	12,671	61,416	(18,910)
Increase (decrease) in deposits/unearned revenue	(19,268)	1,095	-
Total adjustments	2,479,064	4,523,154	3,112,738
Net cash provided (used) by operating activities	\$ 3,336,700	\$ 2,094,934	\$ 3,945,091
RECONCILIATION OF CASH AND CASH EQUIVALENTS PER STATEMENT OF CASH FLOWS TO THE BALANCE SHEET			
Per balance sheet:			
Equity in pooled cash and cash equivalents	\$ 9,072,669	\$ 23,911,938	\$ 10,637,174
Restricted equity in pooled cash and cash equivalents	123,211	-	1,916,920
Restricted cash and cash equivalents	37,357,813	-	2,876,825
Cash and Cash Equivalents per statement of cash flows	\$ 46,553,693	\$ 23,911,938	\$ 15,430,919
NON-CASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES			
The following non-cash transactions occurred during 2014			
Contributed capital from developers	\$ -	\$ 1,991,649	\$ 654,766
Contributed capital from other funds	119,640	398,761	-
Capitalized interest	870,583	-	708,281
Transfers of assets to other funds	(99,658)	(22,667)	(16,828)
Transfers of assets from other funds	-	398,761	-
Change in contracts payable for purchase of capital assets	(881,474)	(300,038)	(923,896)
Change in accounts receivable for insurance recoveries	-	5,714	35,518
Amortization of bond premium/discount	-	(5,714)	(35,518)
Bond premium/discount	-	9,457	-
Loss on asset disposal	-	863,814	-
Intergovernmental revenue	-	(863,814)	-
Debt service expense	-	205,782	-
	-	(205,782)	-

CITY OF LONGMONT, COLORADO

Exhibit 10
(continued)

Storm Drainage	Other Enterprise Funds	Totals	Governmental Activities- Internal Service Funds
\$ 2,180,905	\$ 140,372	\$ 1,991,655	\$ 500,972
1,395,679	491,693	11,171,012	3,038,277
79,408	278,359	1,004,815	112,661
1,436,590	350,891	5,207,531	-
(238,849)	(79,016)	(787,453)	3,989,000
-	-	13,655	-
(921,617)	(162,510)	(2,785,653)	-
-	-	-	(1,258,217)
-	-	1,400	(18,040)
(2,316)	(10,800)	(60,753)	(4,044)
(91,604)	(123,276)	(1,802,235)	205,122
2,504	10,610	123,580	6,951
(11,410)	-	(24,055)	1,000,053
(570)	116	11,381	(3,136)
-	-	-	447,893
1,651	8,873	65,701	2,315
-	-	(18,173)	-
1,649,466	764,940	12,120,753	7,518,835
<u>\$ 3,830,371</u>	<u>\$ 905,312</u>	<u>\$ 14,112,408</u>	<u>\$ 8,019,807</u>
\$ 1,276,139	\$ 4,121,872	\$ 49,019,792	\$ 25,645,121
342,590	-	2,382,721	2,577,190
21,944,607	-	62,179,245	-
<u>\$ 23,563,336</u>	<u>\$ 4,121,872</u>	<u>\$ 113,581,758</u>	<u>\$ 28,222,311</u>
\$ 535,270	\$ -	\$ 3,181,685	\$ -
-	-	518,401	-
523,197	-	2,102,061	-
-	(471,942)	(611,095)	-
-	-	398,761	689,910
(688,683)	26,556	(2,767,535)	-
8,453	-	49,685	-
(8,453)	-	(49,685)	-
-	-	9,457	(144,993)
-	-	863,814	-
-	-	(863,814)	-
-	-	205,782	-
-	-	(205,782)	-

CITY OF LONGMONT, COLORADO
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
December 31, 2014

Exhibit 11

	Employee Retirement Plans
<hr/>	
ASSETS	
Equity in pooled cash & cash equivalents	\$ 89,466
Cash and cash equivalents	3,671,820
Investments	
Common stock	45,493,821
Corporate bonds	89,488,041
<hr/>	
Total Assets	\$ 138,743,148
<hr/> <hr/>	
LIABILITIES	
Accounts payable	\$ 60,148
<hr/>	
NET POSITION	
Held in trust for pension & OPEB benefits	\$ 138,683,000
<hr/> <hr/>	

CITY OF LONGMONT, COLORADO
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
Year Ended December 31, 2014

Exhibit 12

	Employee Retirement Plans
<hr/>	
ADDITIONS	
Contributions	
Employer	\$ 2,906,887
Plan members	1,920,158
<hr/>	
Total Contributions	4,827,045
<hr/>	
Investment income	
Net appreciation in fair value of investments	2,791,998
Interest	1,999,016
Dividends	664,971
<hr/>	
Less investment expense	(453,517)
<hr/>	
Net investment gain	5,002,468
<hr/>	
Total additions	9,829,513
<hr/>	
DEDUCTIONS	
Benefits	5,657,274
Refunds of contributions	173,289
Administrative expense	40,061
<hr/>	
Total deductions	5,870,624
<hr/>	
Net increase	3,958,889
<hr/>	
NET POSITION HELD IN TRUST FOR PENSION AND OPEB BENEFITS, January 1	134,724,111
<hr/>	
December 31	\$ 138,683,000
<hr/>	

NOTE 1 – REPORTING ENTITY

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

Blended Component Units

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

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

Discretely Presented Component Units

Longmont Downtown Development Authority - The Longmont Downtown Development Authority (DDA) is a discretely presented component unit and is reported in a separate column to emphasize that it is legally separate from the City. The DDA was created by the City of Longmont through an area election and by City Ordinance to halt and prevent deterioration of property values within the area, to assist in the development and redevelopment of the area and to promote the general welfare of the area. The Longmont City Council appoints the Authority board members. A tax is levied on the real property of the area to finance operations in subsequent years. Under Colorado law the DDA has the ability to use tax increment financing. All taxes levied on the increased valuation of the property within the DDA area over the 1983 base valuations are distributed to the Authority. \$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 separate financial statements.

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

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

The Citywide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the 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 earmarked sales taxes are legally restricted revenues, they are required to be reported as general revenues by GAAP.

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

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

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

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

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

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

The City reports the following major governmental funds:

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

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

The Village at the Peaks Fund is a special revenue fund that was established to account for increment tax revenues and intergovernmental revenues specifically earmarked for improvements in the Twin Peaks Mall Urban Renewal Area.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of all the enterprise and internal service funds are charges to customers for sales and services. The Water Fund also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administration expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The City reports the following major proprietary funds:

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

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

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

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

Additionally, the City reports the following fund types:

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

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

C. Assets, Liabilities and Net Position or Fund Balance**1. Deposits and Investments**

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

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

2. Receivables and payables

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

All trade and property tax receivables, including those for DDA, are shown net of an allowance for uncollectibles. The allowance for uncollectible utility accounts receivable is based on a three year average and approximates 2%. The property tax receivable allowance is 2% of outstanding property taxes at December 31, 2014.

In the City's 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.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**3. Inventories and prepaid items**

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

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

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

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

4. Restricted Assets

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

5. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), are reported in the applicable governmental or business-type activities columns in the Citywide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life exceeding two years. Such assets are recorded at 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 2014, there was \$870,583 of interest incurred and included in the capital costs of the Telecommunications Fund, \$708,281 of interest incurred and included in the capital costs of Sewer Fund, and \$523,197 of interest incurred and included in the capital costs of the Storm Drainage Fund.

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

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

6. Deferred inflows/outflows of resources and unearned revenues

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government has only one item that qualifies for reporting in this category. It is the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is amortized over the shorter of the life of the refunded or refunding debt.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

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

7. Compensated absences

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

8. Long-term obligations

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

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

9. Fund Balance

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

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

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

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

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

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

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

10. Net Position

Net position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net investment in capital assets for governmental and business-type activities, excludes unspent debt proceeds of \$16,433,752 and \$63,310,038, respectively. Net position 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 position restricted by enabling legislation include \$2,126,367 for community development projects, \$15,026,538 for transportation improvements, \$2,266,918 for public safety projects, \$2,577,190 for workers' compensation, and \$4,400,197 for statutory emergency requirement.

11. Capital Contributions

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

12. Joint Venture

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

13. Use of Estimates

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

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.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

5. Budgets are legally adopted as a management control device during the year for the General Fund, Special Revenue Funds, (except for the Library Trust Subfund of the General Fund, Historical Preservation Fund, Air Quality Control Subfund of the General Fund, Jones Trust Fund, Traffic Safety Fund, and Subdividers Escrow Subfund of the General Fund), Capital Projects Funds, and the Enterprise Funds. A budget is legally adopted for only one of the Internal Service Funds, the Fleet Fund.
6. The budgets for the General Fund and Street System Fund are adopted on a basis consistent with generally accepted accounting principles (GAAP) 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.
- Principal retired is budgeted as operating expenses of the funds.

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

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

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fund	Original Appropriation	Supplemental Appropriations	Amended Appropriations
General Fund	\$ 67,036,044	\$ 7,380,682	\$ 74,416,726
Art in Public Places Subfund	134,486	12,370	146,856
Special Revenue Funds:			
Streets System Fund	26,282,151	12,842,016	39,124,167
Conservation Fund	562,500	4,023,237	4,585,737
Park Improvement Fund	40,000	1,206,448	1,246,448
General Improvement District #1 Fund	116,635	1,378	118,013
Community Development Fund	712,277	4,398,383	5,110,660
Downtown Parking Fund	61,211	-	61,211
Judicial Wedding Fee Fund	2,851	2,263	5,114
Police Seizures Fund	-	53,819	53,819
Police Prevention/Education Fund	-	190,522	190,522
Youth Services Fund	6,000	511,954	517,954
Transportation Community Investment Fee Fund	300,000	900,000	1,200,000
Public Buildings Community Investment Fee Fund	180,800	1,042,712	1,223,512
Electric Community Investment Fee Fund	435,000	14,083	449,083
Water System Construction Reserve Fund	128,250	377,353	505,603
Water Acquisition Fund	200,000	251,208	451,208
Sewer Construction Fund	370,571	13,835	384,406
Library Services Fund	69,000	51,902	120,902
Museum Services Fund	96,400	18,500	114,900
Callahan House Fund	105,299	-	105,299
Senior Services Fund	180,450	15,521	195,971
Parks Grants & Donations Fund	-	736,775	736,775
Affordable Housing Fund	308,024	400,464	708,488
Open Space Sales Tax Fund	3,894,280	5,970,470	9,864,750
Public Safety	5,730,222	679,927	6,410,149
Lodgers Tax Fund	393,794	101,513	495,307
Park and Greenway Maintenance Fund	4,951,460	393,511	5,344,971
Village at the Peaks Fund	-	29,713,609	29,713,609
Probation Services Fund	84,086	-	84,086
Museum Trust Fund	19,000	16,439	35,439
Longmont Urban Renewal Authority Fund	-	798,415	798,415
Permanent Fund:			
Mosher/Kanemoto Trust Fund	-	4,794	4,794
Capital Projects Funds:			
Public Improvement Fund	8,511,406	4,084,986	12,596,392
Enterprise Funds:			
Sanitation Fund	6,295,691	1,731,943	8,027,634
Golf Fund	2,948,694	9,098	2,957,792
Electric/Broadband Fund	63,222,845	10,411,511	73,634,356
Water Fund	23,212,833	5,167,739	28,380,572
Sewer Fund	42,439,220	15,121,356	57,560,576
Storm Drainage Fund	13,373,239	5,613,388	18,986,627
Airport Fund	338,115	494,444	832,559
Fleet Internal Service Fund	8,961,676	967,176	9,928,852
Component Unit-DDA			
Development Authority			
Operations	184,657	2,000	186,657
Debt Service	245,375	-	245,375
Capital Construction	-	3,683,778	3,683,778
Building permit	22,500	408,721	431,221
Façade Improvement	-	1,452,007	1,452,007
Arts and Entertainment	313,927	688,671	1,002,598
	\$ 282,470,969	\$ 121,960,921	\$ 404,431,890

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 position.

The governmental fund balance sheet includes a reconciliation between fund balance-total governmental funds and net position-governmental activities as reported in the government-wide statement of net position. 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 \$79,705,111 difference are as follows:

Bonds Payable	\$66,775,000
Less: Deferred charge on refunding (to be amortized as interest expense)	(840,633)
Issuance premium (to be amortized against interest expense)	2,006,299
Accrued interest payable	964,121
Capital leases payable	4,578,024
Net other post employment benefit obligation	313,060
Compensated absences	<u>5,909,240</u>
Net adjustment to reduce <i>fund balance-total governmental funds to arrive at net position-governmental activities</i>	<u>\$79,705,111</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 position 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 \$6,149,016 difference are as follows:

Capital outlay	\$20,776,771
Depreciation expense	<u>(14,627,755)</u>
Net adjustment to decrease net changes in fund balances-total governmental funds to arrive at changes in net position of governmental activities	<u>\$ 6,149,016</u>

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 position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.” The details of this \$27,150,699 difference are as follows:

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

Issuance of debt:		
Issuance of COPS	\$	(29,475,000)
Premium on issuance of COPS		(1,351,064)
Principal repayments:		
General obligation debt		3,225,000
Payments of capital leases		<u>450,365</u>
Net adjustments to decrease net changes in fund balances-total governmental funds to arrive at changes in net position of governmental activities	\$	<u>(27,150,699)</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 \$75,820 difference are as follows:

Compensated absences	\$	(121,872)
Accrued interest		(93,403)
Net pension asset increase		157,006
Amortization of deferred charge on refunding		(165,336)
Amortization of bond premium		<u>147,785</u>
Net adjustment to increase net changes in fund balances-total governmental funds to arrive at changes in net position of governmental activities	\$	<u>(75,820)</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. 2% of the sales and use is for general purposes. The sales tax is allocated to the general fund in its entirety. The use tax is allocated between the general fund and the public improvement fund annually during the budget process. The remaining 1.275% is earmarked for specific purposes as indicated below.

The 3.275% is allocated as follows in 2014:

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	0.405%
Public Improvements Capital Projects Fund	1.595%

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.

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

	Total
Statement of Net Position:	
Equity in pooled cash and investments-primary government	\$ 162,370,115
Equity in pooled cash and investments-restricted	7,120,365
Cash and investments-primary government	376,315
Cash and investments-restricted	82,043,054
	\$ 251,909,849

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, 2014, the City’s deposits had a bank balance of \$39,033,102 with a corresponding book balance of \$38,500,144.

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

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

NOTE 5 – DEPOSITS AND INVESTMENTS (continued)

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

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

The City invests in Colorado Government Liquid Asset Trust Plus (Colotrust Plus) and the Colorado Surplus Asset Fund Trust (CSAFE), both established for Colorado local governments surplus fund pooling. Both pools are regulated by the Colorado Securities Commissioner. Pool investments consist of U.S. Treasury bills, notes and note strips, commercial paper allowed by state statute and repurchase agreements collateralized by U.S. Treasury securities and or instrumentalities. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. Securities owned by the pools are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian's internal records identify the investments owned by the specific pool. ColoTrust Plus and C-SAFE are 2a7-like investment pools and are both rated by Standard and Poor's, and Moody's with current ratings of AAA and Aaa. Investments and investment pools are recorded at fair value.

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, 2014 was 1.77 years. The City's investment policy does not otherwise limit interest rate risk.

As of December 31, 2014, the City had the following investments:

Investment Type	Fair Value	Weighted Average Market Duration (in years)	S & P Rating	% of Portfolio
U.S. Treasuries	\$ 74,539,239	1.71	AA+	33.97
U.S. Instrumentality-FNMA	28,196,764	2.08	AA+	12.85
U.S. Instrumentality-FHLMC	25,031,246	1.51	AA+	11.41
U.S. Instrumentality-FHLB	31,978,941	1.89	AA+	14.57
U.S. Instrumentality-FFCB	11,966,418	2.82	AA+	5.45
Commercial Paper	10,216,189	0.34	A-1	4.66
Money Market Funds	16,530,920	n/a	AAA	7.53
Local Investment Pools	<u>20,953,062</u>	n/a	AAA	9.56
Total fair value	\$ <u>219,412,779</u>			
Portfolio duration		1.77		
Percentage of Portfolio				100.00

The value of the pooled investments includes \$89,466 and \$5,866,671 of pooled cash and cash equivalents of the Fiduciary Funds and the discretely presented component unit, respectively.

INVESTMENTS – FIDUCIARY FUNDS - The City has fiduciary responsibility for three defined benefit pension plans as described in Note 18 and other post-employment benefits as described in Note 16. 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

NOTE 5 – DEPOSITS AND INVESTMENTS (continued)

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 4.25% per year. The plan's investment guidelines are based upon an investment horizon of greater than 5 years and a targeted risk tolerance of -3.6% to -24.5% in any one year to be reviewed each year. In accordance with its investment policy, permissible investments for the plan include publicly-traded stocks and fixed income securities, whether interest-bearing or discount instruments, including money market instruments, subject to any restrictions specified by the plan

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

Concentration of Credit Risk - Concentration of credit risk is the risk loss attributed to the concentration of the pension's investment in a single issuer. The policy states that the plans assets should be diversified with a strategic asset allocation of 28% in both Domestic Large Cap Value and Domestic Large Cap Growth, 7% in Domestic Small and Mid Cap, 13% in International Equity, 23% in Domestic Fixed Income and 3% in High Yield Credit, 3% in Commodities, 4% in Global REITs and 9% in Floating Rate Corporate Loans. As of December 31, 2014 these strategic targets have been met. None of the Plan's debt securities represent more than 5% of total investments in any one issuer.

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

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

Interest Rate Risk- This is the risk that changes in interest rates will adversely affect the portfolio's fair value. The pensions fund's investment policy specifies a targeted rate of return of 4.25% over the Consumer Price Index. The Policy also states that the investment guidelines are based upon an investment horizon of greater than five years, so that interim fluctuations should be viewed with appropriate perspective. For 2014, the actual return for the plan was a gain of 4.17% while the targeted rate of return was 6.22%.

As of December 31, 2014, the Fiduciary Funds had the following investments.

Employee, Police and Fire Pension Plans:

Employee, Police and Fire Pension Plans:

Investment Type	Fair Value	% of Portfolio	Rating
Domestic Equities	\$ 49,809,987	36.38%	Not available
International Equities	23,062,465	16.84%	Not available
Domestic Fixed Income	31,557,870	23.05%	Not available
Corporate Loans	12,251,258	8.95%	Not available
High Yield Credit	4,062,154	2.97%	Not available
Commodities	2,995,707	2.19%	Not available
Global REITs	5,854,403	4.28%	Not available
Hedge Funds	6,837,347	4.99%	Not available
Cash & Cash Equivalents	492,581	0.35%	Not available
Total	\$ 136,923,772	100.00%	

OPEB Trust Fund:

Investment Type	Fair Value	% of Portfolio	Rating
Cash & Cash Equivalents	1,729,910	100.00%	Not available

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 \$511,088 and \$82, 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 and energy equipment. The City's obligations under all leases shall be annually renewable by the City and are expressly subject to annual appropriation.

The following is an analysis of the equipment and facilities under capital leases by activity and fund, and by type as of December 31, 2014:

Governmental Activities

Terry St. Fire Station	3,180,836
Energy Equipment Lease, Phase 1	2,284,299
Energy Equipment Lease, Phase 2	995,321
Total Governmental Activities	<u>\$ 6,460,456</u>

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, 2014:

Governmental Activities			
Year	Principal	Interest	Total
2015	\$ 452,082	\$ 154,124	\$ 606,206
2016	476,374	136,333	612,707
2017	510,771	117,502	628,273
2018	547,292	97,457	644,749
2019	581,398	76,142	657,540
2020-2024	2,010,107	135,421	2,145,528
<u>Total</u>	<u>\$ 4,578,024</u>	<u>\$ 716,979</u>	<u>\$ 5,295,003</u>

NOTE 8 – 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.

NOTE 9 – LONG-TERM LIABILITIES

Long-term liability activity for the year end December 31, 2014, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Bonds Payable:					
Revenue Bond	\$ 40,525,000	\$ -	\$ (3,225,000)	\$ 37,300,000	\$ 3,320,000
Amortization of discount/premium	803,020	-	(123,660)	679,360	-
Total bonds payable	41,328,020	-	(3,348,660)	37,979,360	3,320,000
Capital Leases	5,028,389	-	(450,365)	4,578,024	452,082
Certificates of Participation	-	29,475,000	-	29,475,000	-
Amortization of COP premium	-	1,351,064	(24,125)	1,326,939	-
Claims (see Note 14)	2,096,155	1,941,313	(1,493,420)	2,544,048	298,008
Net OPEB Obligation	320,146	362,329	(362,329)	320,146	-
Compensated Absences	5,918,887	5,429,103	(5,295,875)	6,052,115	629,609
Governmental activity long-term liabilities	\$ 54,691,597	\$ 38,558,809	\$ (10,974,774)	\$ 82,275,632	\$ 4,699,699
Business-type Activities:					
Revenue Bonds Payable	\$ 31,825,000	\$ 58,535,000	\$ (1,455,000)	\$ 88,905,000	\$ 2,200,000
Amortization of bond premium	561,910	3,563,562	(141,752)	3,983,721	-
Compensated Absences	1,659,423	1,224,933	(1,147,851)	1,736,505	200,530
Loans payable	11,089,597	-	(1,006,135)	10,083,462	1,017,191
Amortization of loan discount/premium	54,756	-	(5,714)	49,042	-
Net OPEB Obligation	101,740	115,146	(115,146)	101,740	-
Construction contracts	335,190	41,876	-	377,066	-
	\$ 45,627,616	\$ 63,480,517	\$ (3,871,598)	\$ 105,236,536	\$ 3,417,721
Component Unit :					
Loans payable - primary government	\$ 146,000	\$ 240,375	\$ (240,375)	\$ 146,000	\$ -
Compensated Absences	20,072	10,547	(5,513)	25,106	4,865
	\$ 166,072	\$ 250,922	\$ (245,888)	\$ 171,106	\$ 4,865

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

NOTE 9 – LONG-TERM LIABILITIES (continued)

A. Governmental Activities:

Revenue Bonds:

\$17,375,000 2006 Sales and Use Tax Revenue Refunding Bonds due in annual installments of \$645,000 to \$2,705,000 through May 15, 2019; interest rates range from 4.0 to 6.0 percent (unamortized premium of \$548,798). Total principal and interest remaining to be paid is \$13,802,413 and is expected to require less than 10% of pledged revenue. Total payment in 2014 was \$2,723,025 and pledged revenue was \$34,361,981. \$ 12,045,000

\$19,330,000 2010 Open Space Sales and Use Tax Revenue Refunding Bonds due in annual installments of \$1,060,000 to \$1,270,000 through November 15, 2026; interest rates range 2 to 3.75 percent (plus amortized premium of \$130,562). Total principal and interest remaining to be paid is \$18,172,163 and is expected to require less than 65% of pledged revenue. Total payment in 2014 was \$1,648,416 and pledged revenue was \$3,436,196. 14,815,000

\$10,440,000 2010 Open Space Sales and Use Tax Revenue Bonds due in annual installments of \$85,000 to \$1,570,000 through November 15, 2033; interest rates range from 5.0 to 5.45 percent with a 35% interest rate subsidy under the Build America Bonds program. Total principal and interest remaining to be paid is \$19,402,738 and is expected to require less than 65% of pledged revenue. Total payment in 2014 was \$556,898 and pledged revenue was \$3,436,196. 10,440,000
\$ 37,300,000

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

Year Ending December 31	Revenue Bonds			City Total
	Principal	Interest	Interest Subsidy	
2015	\$3,320	\$1,596	\$(195)	\$4,721
2016	3,425	1,484	(195)	4,714
2017	3,540	1,354	(195)	4,699
2018	3,745	1,179	(195)	4,729
2019	3,910	986	(195)	4,701
2020-2024	6,320	3,940	(975)	9,285
2025-2029	6,945	2,701	(895)	8,751
2030-2033	6,095	838	(293)	6,640
	<u>\$37,300</u>	<u>\$14,078</u>	<u>\$(3,138)</u>	<u>\$48,240</u>

Certificates of Participation:

\$29,475,000 2014 Certificates of Participation under an Annually Renewable Lease Purchase Agreement with Base Rental installments of \$595,000 to \$2,200,000 through December 1, 2037; interest rates range from 3.0 to 5.0 percent (plus unamortized premium of \$1,326,939). Total principal and interest remaining to be paid is \$48,873,235. Total payment in 2014 was \$424,152. \$ 29,475,000

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

Year Ending December 31	Certificates of Participation		City Total
	Principal	Interest	
2015	\$ -	\$ 1,273	\$ 1,273
2016	-	1,273	1,273
2017	595	1,272	1,867
2018	875	1,255	2,130
2019	900	1,230	2,130
2020-2024	5,345	5,579	10,924
2025-2029	6,780	4,320	11,100
2030-2034	8,660	2,643	11,303
2035-2037	6,320	553	6,873
	<u>\$ 29,475</u>	<u>\$ 19,398</u>	<u>\$ 48,873</u>

NOTE 9 – LONG-TERM LIABILITIES (continued)

The following is a summary of governmental activity long-term debt (other than bonded debt) for the City of Longmont for the year ended December 31, 2014.

Capital Lease

Lease obligations per Note 7. Payable from
 General Fund and Public Safety Fund \$ 4,578,024

**Net Other Post Employment Benefit
 Obligation**

Implicit Subsidy for blended rate retiree healthcare \$ 320,146

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 \$ 6,052,115

B. Business-type Activities

The following is a summary of proprietary long-term debt (other than bonded debt) for the City of Longmont for the year ended December 31, 2014:

Revenue Bonds:

\$14,540,000 2008 Storm Drainage Revenue Bonds for the purpose of storm drainage system replacements and improvements including Lykins Gulch Drainageway, State Highway 66 Regional drainage improvements, Spring Gulch #2 Drainage, and Left Hand Creek bridge replacement at South Pratt Parkway. Future customer fees net of certain operating expenses, are expected to exceed the annual payments by 25%. Total principal and interest paid in 2014 was \$1,083,531 compared to net pledged fees of \$3,706,126. 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 \$43,538). \$ 11,280,000

\$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 25%. Total principal and interest paid in 2014 was \$582,600 compared to pledged fees of \$3,624,333 Due in installments of \$275,000 to \$570,000 through November 1, 2015, with an interest rate of 2 percent (unamortized premium of \$4,054). 570,000

\$11,090,000 2010B Sewer Revenue Bonds for the purpose of wastewater system improvements. Future customer fees net of certain operating expenses, are expected to exceed the annual payments by 25%. Total principal and interest paid in 2014 was \$498,658 compared to net pledged fees of \$3,624,333 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

\$7,740,000 2013 Sewer Revenue Bonds for the purpose of wastewater system improvements. Future customer fees net of certain operating expenses, are expected to exceed the annual payments by 25%. Total principal and interest paid in 2014 was \$567,350 compared to pledged fees of \$3,624,333 Due in installments of \$310,000 to \$550,000 through November 1, 2032; interest rates range from 2 to 4 percent (unamortized premium of \$475,671). 7,430,000

\$38,035,000 2014 Electric and Broadband Utility Enterprise Revenue Bonds for the purpose of significantly expanding the existing fiber optic backbone system in order to extend “fiber to the premises” service to all homes and businesses in the City. Future customer fees net of certain operating expenses are expected to exceed the annual payments by 33%. Total principal and interest paid in 2014 was \$887,296 compared to net pledged fees of \$10,851,669. Due in installments of \$2,245,000 to \$3,590,000 through December 1, 2029; interest rates range from 3.0 to 5.0 percent (unamortized premium of \$2,187,829). 38,035,000

\$20,500,000 2014 Storm Drainage Revenue Bonds for the purpose of storm drainage system improvements including, but not limited to the City’s St. Vrain Creek Drainageway. Future customer fees, net of certain operating expenses, are expected to exceed the annual payments by 25%. Total principal and interest paid in 2014 was \$0 compared to net pledged fees of \$3,706,126. Due in installments of \$710,000 to \$1,405,000 through December 1, 2034; interest rates range from 3.0 to 3.375 percent (unamortized premium of \$1,272,628). 20,500,000

\$ 88,905,000

NOTE 9 – LONG-TERM LIABILITIES (continued)

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	
2015	\$2,200	\$3,453	\$(175)	\$5,478
2016	2,270	3,389	(174)	5,485
2017	4,585	3,315	(168)	7,732
2018	4,765	3,124	(161)	7,728
2019	4,970	2,922	(153)	7,739
2020-2024	28,160	11,144	(616)	38,688
2025-2029	32,840	5,202	(312)	37,730
2030-2034	9,115	812	(17)	9,910
	<u>\$88,905</u>	<u>\$33,361</u>	<u>\$(1,776)</u>	<u>\$120,490</u>

Accrued Sick and Vacation

Accrual of compensated absences per Note 2-C7.

Payable from the Enterprise Funds \$ 1,736,505

Loans Payable

\$14,998,044 from the Colorado Water Resources and Power Authority for the construction of a water treatment plant to be repaid from the revenues of the Water Fund. Annual installments vary from \$1,354,967 to \$1,356,206 through August 1, 2023 at 3.11% (plus unamortized premium of \$49,042).

\$ 10,083,462

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

Year Ending December 31	Principal	Interest	Total
2015	\$ 1,017	\$ 289	\$ 1,306
2016	1,039	267	1,306
2017	1,061	244	1,305
2018	1,084	224	1,308
2019	1,106	199	1,305
2020-2023	4,776	425	5,201
Total	<u>\$10,083</u>	<u>\$1,648</u>	<u>\$11,731</u>

Net Other Post Employment Benefit Obligation

Implicit Subsidy for blended rate retiree healthcare \$ 101,740

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.

\$ 377,066

C. Component Unit**Loans Payable:**

\$146,000 from City of Longmont Fleet Fund for Marketing Fund expenses to be repaid from tax increment property taxes, due 12/31/19. Interest rate equal to City's annual rate of return, .72% in 2014; \$1,051 interest accrued at 12/31/14

\$ 146,000

Accrual of compensated absences per Note 2-C7.

\$ 25,106

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	Sanitation Enterprise Fund	Golf Enterprise Fund
Excess of revenues over (under) expenditures - Legal basis	\$ (2,055)	\$ 280,680	\$ 300,405
Add:			
Transfers out not included as an increase of legal basis expenditures	825,941	-	-
Additions to plant and equipment included as legal basis expenditures	-	616,317	172,089
Principal retired included as legal basis expenditures	-	-	163,930
Capitalized salaries/expenses included in legal basis expenditures	-	-	-
Capitalized interest included in legal basis expenditures	-	-	-
Capital contributions not included as legal revenues	-	-	-
Proceeds from advance included as legal basis revenues	-	-	-
Property and equipment transferred from other funds	-	-	-
Revenues from funds Consolidated with the General Fund	30,523	-	-
Less:			
Depreciation	-	(181,536)	(73,107)
Property and equipment transferred to other funds	-	(471,942)	-
Bond proceeds included as legal basis expenditures	-	-	-
Impairment loss	-	-	-
Advance proceeds included as legal basis revenues	-	-	(217,734)
Expenditures from funds consolidated with the General Fund	(101,460)	-	-
<u>Excess of revenues over (under) expenditures - GAAP basis</u>	<u>\$ 752,949</u>		
Change in net position - GAAP basis		<u>\$ 243,519</u>	<u>\$ 345,583</u>

NOTE 10 – ADJUSTMENTS TO CONVERT LEGAL BASIS TO GAAP BASIS (continued)

	Electric Enterprise Fund	Water Enterprise Fund	Sewer Enterprise Fund	Storm Drainage Enterprise Fund	Airport Enterprise Fund	Fleet Internal Service Fund
\$	39,282,165	\$ (94,122)	\$ (5,925,402)	\$ 20,912,934	\$ (53,158)	\$ 1,332,475
	-	-	-	-	-	-
	5,259,224	5,781,990	6,780,711	3,628,730	450,860	2,832,712
	-	1,006,135	870,000	1,885,000	-	-
	850,286	570,198	271,411	151,800	-	-
	870,583	-	708,281	523,197	-	-
	119,640	2,390,410	654,766	535,270	-	-
	-	-	-	-	-	-
	-	-	-	-	-	689,910
	-	-	-	-	-	-
	(2,531,638)	(4,075,549)	(2,676,453)	(1,395,679)	(237,050)	(3,038,277)
	(99,658)	(22,667)	(16,828)	-	-	-
	(40,320,609)	-	-	(21,777,953)	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
\$	3,429,993	\$ 5,556,395	\$ 666,486	\$ 4,463,299	\$ 160,652	\$ 1,816,820

NOTE 11 – CHANGES IN CAPITAL ASSETS

	Beginning Balance	Additions	Deletions	Impairments/ Transfers	Ending Balance
Governmental activities:					
Capital assets, not being depreciated:					
Land and water rights	\$98,632,348	\$497,356	\$ -	\$ -	\$99,129,704
Construction in progress	13,242,849	16,234,871	-	(14,103,220)	15,374,500
Total capital assets, not being depreciated	<u>111,875,197</u>	<u>16,732,227</u>	<u>-</u>	<u>(14,103,220)</u>	<u>114,504,204</u>
Capital assets, being depreciated:					
Buildings	89,996,410	1,905,183	-	996,067	92,897,660
Improvements other than buildings	329,927,315	4,469,760	-	12,893,759	347,290,834
Equipment	50,425,782	3,967,152	(2,267,355)	213,394	52,338,973
Equipment under capital leases	3,336,011	158,428	(74,088)	-	3,420,351
Total capital assets, being depreciated	<u>473,685,518</u>	<u>10,500,523</u>	<u>(2,341,443)</u>	<u>14,103,220</u>	<u>495,947,818</u>
Less accumulated depreciation for:					
Buildings	(29,385,241)	(2,060,351)	-	-	(31,445,592)
Improvements other than buildings	(193,558,546)	(11,586,192)	-	-	(205,144,738)
Equipment	(39,182,998)	(3,388,112)	2,129,771	-	(40,441,339)
Equipment under capital leases	(2,129,056)	(631,377)	51,862	-	(2,708,571)
Total accumulated depreciation	<u>(264,255,841)</u>	<u>(17,666,032)</u>	<u>2,181,633</u>	<u>-</u>	<u>(279,740,240)</u>
Total capital assets, being depreciated, net	<u>209,429,677</u>	<u>(7,165,509)</u>	<u>(159,810)</u>	<u>14,103,220</u>	<u>216,207,578</u>
Governmental activities capital assets, net	\$321,304,874	\$9,566,718	\$ (159,810)	\$ -	\$330,711,782
Business-type activities:					
Capital assets, not being depreciated:					
Land and water rights	\$196,107,531	\$4,032,032	\$ -	\$ -	\$200,139,563
Construction in progress	2,144,809	7,082,177	-	(1,999,662)	7,227,324
Total capital assets, not being depreciated	<u>198,252,340</u>	<u>11,114,209</u>	<u>-</u>	<u>(1,999,662)</u>	<u>207,366,887</u>
Capital assets, being depreciated:					
Buildings	155,864,292	1,878,964	(1,801,553)	166,238	156,107,941
Improvements other than buildings	383,880,331	15,788,325	(2,355,450)	1,833,424	399,146,630
Equipment	10,734,737	943,171	(95,612)	-	11,582,296
Total capital assets, being depreciated	<u>550,479,360</u>	<u>18,610,460</u>	<u>(4,252,615)</u>	<u>1,999,662</u>	<u>566,836,867</u>
Less accumulated depreciation for:					
Buildings	(49,178,909)	(3,065,543)	927,512	-	(51,316,940)
Improvements other than buildings	(135,420,103)	(7,500,061)	916,862	-	(142,003,302)
Equipment	(9,330,034)	(605,408)	95,612	-	(9,839,830)
Total accumulated depreciation	<u>(193,929,046)</u>	<u>(11,171,012)</u>	<u>1,939,986</u>	<u>-</u>	<u>(203,160,072)</u>
Total capital assets, being depreciated, net	<u>356,550,314</u>	<u>7,439,448</u>	<u>(2,312,629)</u>	<u>1,999,662</u>	<u>363,676,795</u>
Business-type activities capital assets, net	\$554,802,654	\$18,553,657	\$(2,312,629)	\$ -	\$571,043,682

NOTE 11 – CHANGES IN CAPITAL ASSETS (continued)

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

Governmental activities:	
General government	\$ 4,917,202
Public safety	693,212
Highway and streets	9,901,500
Culture and recreation	<u>2,154,118</u>
Total depreciation expense - governmental activities	<u>\$ 17,666,032</u>
Business-type activities:	
Sanitation	\$ 181,536
Golf	73,107
Electric	2,347,457
Broadband	184,181
Water	4,075,549
Sewer	2,676,453
Storm drainage	1,395,679
Airport	<u>237,050</u>
Total depreciation expense - business-type activities	<u>\$ 11,171,012</u>

Discretely presented component unit

	Beginning Balance	Additions	Deletions	Transfers	Ending Balance
Downtown development authority:					
Capital assets, not being depreciated:					
Land and water rights	\$445,668	\$ -	\$ -	\$ -	\$445,668
Construction in progress	536,881	2,496	-	-	539,377
Total capital assets, not being depreciated	<u>982,549</u>	<u>2,496</u>	<u>-</u>	<u>-</u>	<u>985,045</u>
Capital assets, being depreciated:					
Buildings	82,455	-	-	-	82,455
Improvements other than buildings	4,230,135	3,305,274	-	-	7,535,409
Equipment	2,542	-	-	-	2,542
Total capital assets, being depreciated	<u>4,315,132</u>	<u>3,305,274</u>	<u>-</u>	<u>-</u>	<u>7,620,406</u>
Less accumulated depreciation for:					
Buildings	(37,580)	(1,757)	-	-	(39,337)
Improvements other than buildings	(2,803,536)	(314,930)	-	-	(3,118,466)
Equipment	(463)	-	-	-	(463)
Total accumulated depreciation	<u>(2,841,579)</u>	<u>(316,687)</u>	<u>-</u>	<u>-</u>	<u>(3,158,266)</u>
Total capital assets, being depreciated, net	<u>1,473,553</u>	<u>2,988,587</u>	<u>-</u>	<u>-</u>	<u>4,462,140</u>
Downtown development authority capital assets, net	<u>\$2,456,102</u>	<u>\$2,991,083</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$5,447,185</u>

NOTE 12 – 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. The City recognized \$57,000 of expenditures for this recreational purpose lease during 2014. The future minimum lease payments as of December 31, 2014, are as follows:

<u>Year Ending December 31</u>	<u>Amount</u>
2015	\$57,000
2016	\$57,000
2017	\$57,000

NOTE 13 – RISK MANAGEMENT

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

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

Prior to January 1, 2007, the City provided medical insurance coverage for its employees via a self-insured plan administered by a third party administrator. Run out claims for medical benefits were completed in 2007. Prior to January 1, 2013, the City provided dental insurance coverage for its employees via a self-insured plan administered by a third party administrator. Run out claims for medical benefits were completed in 2013. Long term disability benefits continue to be provided through funds 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 \$2,544,048 reported in these funds at December 31, 2014 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.

<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>
2013				
Self Insurance	\$ 540,137	\$ 378,705	\$ 357,658	\$ 561,184
Workers' Compensation	1,363,570	770,707	599,306	1,534,971
Dental Trust	13,006	-	13,006	-
	<u>\$ 1,916,713</u>	<u>\$ 1,149,412</u>	<u>\$ 969,970</u>	<u>\$ 2,096,155</u>
2014				
Self Insurance	\$ 561,184	\$ 341,768	\$ 518,462	\$ 384,490
Workers' Compensation	1,534,971	1,599,545	974,958	2,159,558
	<u>\$ 2,096,155</u>	<u>\$ 1,941,313</u>	<u>\$ 1,493,420</u>	<u>\$ 2,544,048</u>

NOTE 14 – OTHER REQUIRED INDIVIDUAL FUND DISCLOSURES

Interfund receivable and payable balances at December 31, 2014 were:

Fund	Interfund Receivables	Interfund Payables
Governmental:		
General	\$ 3,789,140	\$ -
Nonmajor Governmental		
Police Seizure Fund	-	8,210
CDBG Fund	-	339,679
Proprietary:		
Major Enterprise		
Storm Drainage (Advances)	-	1,300,000
Nonmajor Enterprise		
Golf (Advances)	-	1,290,305
Internal Service		
Fleet (Advances)	2,590,305	-
Warehouse	-	3,441,251
	<u>\$ 6,379,445</u>	<u>\$ 6,379,445</u>

NOTE 15 – INTERFUND TRANSACTIONS

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

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 \$579,694 by the Sanitation Fund, \$124,608 by the Golf Fund, \$1,634,702 by the Electric and Broadband Fund, \$1,195,982 by the Water Fund, \$753,720 by the Sewer Fund, \$420,772 by the Storm Drainage Fund and \$138,845 by the Airport Fund. Total administrative fees paid by Special Revenue Funds in 2014 were \$887,533 by the Street System Fund, \$138,623 by the Open Space Fund and \$8,765 by the General Improvement District #1 Fund. Total 2014 administrative fees paid to the General Fund by Internal Service funds were \$126,690 by the Self Insurance Fund, \$203,663 by the Workers' Compensation Insurance Fund, and \$251,989 by the Fleet Fund.

B. Franchise Fee - The Electric and Broadband Fund, Water Fund and the Sewer Fund pay an annual franchise fee to the General Fund for the exclusive right to provide electric and telecommunications, water and sewer service (respectively) within the City of Longmont. The Electric and Broadband Fund franchise fee is 8% of the current year revenues of the electric portion of the Fund, or \$5,019,901 in 2014. The broadband fee is 5% of the current year portion of the broadband revenues, or \$16,769 in 2014. The Water Fund franchise fee approximates 2% of the Fund's current year budgeted revenues, or \$267,640 in 2014. The Sewer Fund franchise fee approximates 4% of the Fund's current year budgeted revenues, or \$463,352 in 2014.

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

D. Fleet Lease Charges - The Fleet Internal Service Fund charges all operating departments a fleet lease charge for vehicle operating, maintenance, and replacement costs. The charge is approved by the City Council as part of the appropriation process and is based on each department's actual vehicle usage and needs. The total payments included in the accompanying financial statements in 2014 were \$2,691,595 by the General Fund, \$1,011,459 by the Street System Fund, \$1,561,822 by the Sanitation Fund, \$279,733 by the Golf Fund, \$574,223 by the Electric and Broadband Fund, \$329,763 by the Water Fund, \$223,525 by the Sewer Fund, \$150,624 by the Storm Drainage Fund, \$932 by the Airport Fund, \$356,832 by the Public Safety Sales Tax Special Revenue Fund and \$58,485 by the Open Space Special Revenue Fund.

E. Vehicle Transfers - Any new vehicle additions representing increased service levels are purchased through the appropriate fund and ownership of the vehicles is subsequently transferred to the Fleet Internal Service Fund. Such transfers are considered routine transfers. The amounts of vehicle transfers in 2014 were \$51,760 from the General Fund, \$471,942 from the Sanitation Enterprise Fund, \$99,658 from the Electric and Broadband Enterprise Fund, \$22,667 from the Water Enterprise Fund, \$16,828 from the Sewer Enterprise fund, and \$27,055 from the Public Safety Sales Tax Special Revenue Fund.

NOTE 15 – INTERFUND TRANSACTIONS (continued)

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 2014 were \$406 from the Sanitation Fund, \$457 from the Golf Fund, \$31,125 from the Electric and Broadband Fund, \$10,460 from the Water Fund, \$47,004 from the Sewer Fund, \$395 from the Storm Drainage Fund, \$328 from the Airport Fund, \$21,645 from the Public Improvement Fund, \$441 from the Water Construction Fund, \$28,905 from the Open Space Fund, and \$1,511 from the Public Safety Sales Tax Fund. This fund is consolidated with the General Fund for reporting purposes.

G. DDA Building Permits - An amount equal to the revenues from building permits issued in the DDA area is transferred to the Component Unit DDA Building Permit Special Revenue fund by the primary government funds receiving the revenues. The amounts of such transfers during 2014 were \$24,739 from the General Fund, \$625 from the Water Fund, \$60 from the Sewer Fund, and \$3,279 from the Public Improvement Fund.

H. Insurance Charges for Services - The Self Insurance Internal Service Fund, the Employee Benefit Internal Service Fund and the Workers' Compensation Insurance Internal Service Fund each charge all of the operating funds an amount for the insurance coverage accounted for in each of the respective funds. The Self Insurance charge is based on the potential for liability claims in each of the departments. The Employee Benefit charge is a percentage of payroll. The Workers Compensation Insurance charge is based on the type of duties each employee performs and is also a percentage of payrolls. The total insurance charges for 2014 from each fund were:

	Self- Insurance	Employee Benefit	Workers' Compensation Insurance	Unemployment Insurance
General Fund	\$ 701,092	\$ 5,701,967	\$ 1,036,279	\$ 100,605
Component Unit				
Downtown Development Authority Special Revenue Fund	-	17,969	-	317
Downtown Development Authority Arts & Entertainment Special Revenue Fund	-	11,282	-	199
Probation Services Special Revenue Fund	193	9,673	47	171
Community Development Special Revenue Fund	246	15,188	60	268
Affordable Housing Special Revenue Fund	456	19,128	7,187	338
Downtown Parking Special Revenue Fund	-	2,932	-	52
Streets System Special Revenue Fund	149,960	377,576	45,581	6,664
Museum Services Special Revenue Fund	100	-	221	-
Callahan House Special Revenue Fund	275	8,839	817	156
Senior Services Special Revenue Fund	56	-	14	-
Art in Public Places Special Revenue Fund	4,175	4,718	23	83
Open Space Special Revenue Fund	6,435	30,744	173	543
Public Safety Sales Tax Special Revenue Fund	34,637	501,077	105,494	6,227
General Improvement District Special Revenue Fund	-	4,511	-	80
Sanitation Enterprise Fund	87,416	211,098	71,924	3,726
Golf Enterprise Fund	36,498	104,867	18,863	1,852
Electric & Broadband Enterprise Fund	175,760	907,383	43,043	16,015
Water Enterprise Fund	95,113	522,717	81,354	9,068
Sewer Enterprise Fund	162,677	310,370	38,701	5,493
Storm Drainage Enterprise Fund	30,907	154,847	6,680	2,732
Airport Enterprise Fund	5,217	14,970	72	264
Fleet Internal Service Fund	7,837	154,589	43,260	2,727
TOTAL	\$ 1,499,150	\$ 9,086,445	\$ 1,499,793	\$ 157,580

NOTE 15 – INTERFUND TRANSACTIONS (continued)

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

- The General Fund paid \$22,800 to the Component Unit DDA Special Revenue Fund to fund community events projects.
- The General Fund transferred \$60,204 to the Callahan House Special Revenue Fund to fund operations.
- The General Fund transferred \$2,537 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 Catch the Wind event, and \$2,500 to assist in the funding of the Longmont Lights event.
- The Water Enterprise Fund transferred \$245,456 and the Sewer Enterprise Fund transferred \$82,265 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.
- The Sewer Construction Special Revenue Fund transferred \$368,071 to the Sewer Fund to pay current debt service on the sewer loan.
- The Water Enterprise Fund transferred \$33,643, the Sewer Enterprise Fund transferred \$2,243, the Sanitation Enterprise Fund transferred \$583, the Golf Enterprise Fund transferred \$897, the Storm Drainage Enterprise Fund transferred \$897, the Fleet Internal Service Fund transferred \$897 and the Streets Special Revenue Fund transferred \$1,121 to the Electric Enterprise Fund to fund their shares of warehouse administrative costs.
- The General Fund transferred \$500,000 to the Public Improvement fund to assist in funding the new auditorium at the Museum.
- The General Fund transferred \$152,315 to the Affordable Housing Fund to fund operating expenses.
- The General Fund transferred \$78,115, the Sewer Enterprise Fund transferred \$99,452, the Storm Drainage Enterprise Fund transferred \$198,905 and the Streets Special Revenue Fund transferred \$248,631 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.
- The Water Enterprise Fund transferred \$103,944, the Sewer Enterprise Fund transferred \$69,296 and the Storm Drainage Enterprise Fund transferred \$103,944 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.
- The Water Enterprise Fund transferred \$226,880, the Sewer Enterprise Fund transferred \$118,686, the Streets Special revenue Fund transferred \$4,633 and the Sanitation Enterprise Fund transferred \$5,179 to the Storm Drainage Enterprise Fund to fund their shares of regulatory compliance 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.
- The Employee Benefit Trust Internal Service Fund transferred \$477,475 to the OPEB Trust Fund to assist in the funding of the OPEB liability.
- The Judicial Wedding Special Revenue fund transferred \$1,351 to the General fund to assist in offsetting costs.
- The Component Unit DDA Building Permits Special Revenue Fund transferred \$2,500 to the Component Unit DDA General Fund for administrative services.
- The Enterprise Funds, the Street System, Open Space, Probation Services, Affordable Housing, Public Safety Sales and Use Tax and Art in Public Places Special Revenue Funds, and Fleet Internal Service Funds made payments to the General Fund for capital equipment expenses and to assist in funding of a new Enterprise Resource Planning Software System. The charge is approved by the City Council as part of the appropriation process, and is calculated to cover capital equipment expenses paid by the General Fund on behalf of the above mentioned funds. The total expenses paid by Enterprise Funds to the General Fund were \$5,831 by the Sanitation Fund, \$734 by the Golf Fund, \$38,745 by the Electric and Broadband Fund, \$40,021 by the Water Fund, \$23,537 by the Sewer Fund, \$5,947 by the Storm Drainage Fund and \$64 by the Airport Fund. Total expenditures paid by Special Revenue Funds in 2014 were \$2,641 by the Street System Fund, \$90 by the Open Space Fund, \$64 by the Probation Services Fund, \$108 by the Affordable Housing Fund, \$31 by the Art in Public Places Fund and \$2,751 by the Public Safety Sales Tax Fund. Total 2014 expenses paid to the General Fund by Internal Service funds were \$1,012 by the Fleet Fund.
- The General Fund transferred \$59,095 to the Fleet Fund to assist in the funding of the Mobile Command Center.
- The Fleet Internal Service Fund advanced the Golf Enterprise Fund \$217,734 to fund costs of the purchase of new golf carts.
- The Fleet Internal Service Fund loaned the Downtown Development Authority Arts and Entertainment Fund \$240,375 to assist with operations.
- The Downtown Development Authority Debt Service Fund repaid the total amount of the loans of \$240,375 to the Fleet Internal Service Fund in 2014.
- The Golf Enterprise Fund repaid \$163,930 of advance proceeds to the Fleet Internal service Fund for advances made for golf cart purchases.
- The Storm Drainage Enterprise Fund repaid \$1,300,000 of advance proceeds to the Fleet Internal Service Fund which was loaned to the fund in 2013. They still have \$1,300,000 outstanding proceeds to be repaid in future years.
- The LURA Special Revenue Fund repaid \$312,000 of advance proceeds to the Fleet Internal Service Fund.
- The CDBG Special Revenue Fund transferred \$23,717 to the Public Improvement Fund to assist in the funding of a park project.

NOTE 15 – INTERFUND TRANSACTIONS (continued)

- . The Police Seizure Special Revenue Fund transferred \$7,000 to the Prevention Education Special Revenue Fund to assist in funding for the LEVI program.
- . The Senior Services Special revenue Fund transferred \$5,656 to the General Fund to assist in the funding of an office assistant position.
- . The Self Insurance Internal Service Fund transferred proceeds from insurance reimbursements to City funds that had significant flood damage in the prior year. The following transfers were made in 2014: \$532,904 to the General Fund, \$79,483 to the Golf Enterprise Fund, \$1,026,574 to the Water Enterprise Fund, \$1,108,246 to the Parks Greenway Maintenance Special Revenue Fund, \$49,119 to the Open Space Special Revenue Fund and \$342,990 to the Fleet Internal Service Fund.
- . The Village at the Peaks Special Revenue Fund transferred \$1,103,630 to the Longmont Urban Renewal Special Revenue Fund to assist in the Twin Peaks Mall construction project.

Primary Government

Transfers from:	Transfers to:							
	General Fund	Nonmajor Governmental Funds	Electric Fund	Water Fund	Sewer Fund	Nonmajor Enterprise Funds	Internal Service Funds	Total
General Fund	\$ -	\$ 715,056	\$ -	\$ -	\$ -	\$ -	\$ 110,855	\$ 825,911
Streets Systems Fund	2,641	-	1,121	-	-	-	-	3,762
Village at the Peaks Fund	-	1,103,630	-	-	-	-	-	1,103,630
Nonmajor Governmental Funds	62,523	30,717	-	-	368,071	-	27,055	488,366
Electric Fund	100,370	-	-	-	-	-	99,658	200,028
Water Fund	50,481	-	33,643	-	-	-	22,667	106,791
Sewer Fund	70,571	-	2,243	-	-	-	16,828	89,642
Storm Drainage Fund	6,342	-	897	-	-	-	-	7,239
Nonmajor Enterprise Funds	7,820	-	1,480	-	-	-	471,942	481,242
Internal Service Funds	533,916	1,157,365	897	1,026,574	-	79,483	906,193	3,704,428
	\$ 834,664	\$ 3,006,768	\$ 40,281	\$ 1,026,574	\$ 368,071	\$ 79,483	\$ 1,655,198	\$ 7,011,039

NOTE 16 – OTHER POSTEMPLOYMENT BENEFITS

Plan Description. City of Longmont Retiree Health Insurance Plan is a single-employer substantive defined benefit plan that provides an implicit medical plan subsidy to participating retirees up to age 63 ½ through blended rates. Standalone Plan Financial Reports are not issued. Medical plan group rates are determined using both retirees and active employees as a group. Plan rates are negotiated annually based on total covered population and are adopted by the City Council as 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 \$385 per month for HMO retiree-only coverage, \$786 per month for HMO retiree plus one coverage, or \$1,541 for HMO retiree plus family coverage. Those respective monthly rates for the POS option were \$495, \$1,010, and \$1,981, respectively. The required contribution is based on projected pay-as-you-go financing. The City contributes \$0 toward the premium payments. The implicit subsidy for the blended rates requires that the City make contributions adequate to finance that implicit subsidy on a sound actuarial basis. An actuarial study is performed biennially using the entry age actuarial cost method. The most recent actuarial study for the Retiree Health Insurance Plan was performed as of January 1, 2014.

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. The following table shows the components of the City's annual OPEB cost for the year ended December 31, 2014, the amount actually contributed to the plan, and changes in the City's OPEB obligation.

NOTE 16 – OTHER POSTEMPLOYMENT BENEFITS (continued)

Normal Cost with Interest	\$ 205,326
Amortization of Unfunded AAL Over 30 years	278,514
Annual Required Contribution (ARC)	483,840
Interest on NOPEBO	18,943
ARC Adjustment	<u>(25,308)</u>
Annual OPEB Cost	477,475
Contributions Made	<u>(477,475)</u>
Net OPEB Obligation Change	-
Net OPEB 12/31/13	421,886
Net OPEB 12/31/14	<u>\$ 421,886</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
12/31/12	\$414,744	56.9%	\$412,511
12/31/13	421,886	97.8	421,886
12/31/14	477,475	100.0	421,886

Funded Status. As of the most recent actuarial valuation date, January 1, 2014, the funded ratio was 20.9%. The actuarial accrued liability for these implicit benefits was \$5,999,591 and the actuarial value of assets was \$1,253,623, leaving the unfunded actuarial accrued liability (UAAL) at \$4,745,968. The covered payroll (annual payroll of active employees covered by the plan) was \$45 million, and the ratio of the UAAL to the covered payroll was 10.6 percent.

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

In the most current actuarial valuation, January 1, 2014, the entry age actuarial cost method was used. The actuarial assumptions included a 4.49% investment rate of return, and an annual health care cost trend rate of 7.5% for 2014, decreasing approximately 0.5% each year until 5.0% in year 2019 and after. Both rates include a 3.0% inflation factor. The UAAL is being amortized as a level dollar amount of projected payroll on an open basis. The remaining amortization period at December 31, 2014, was 30 years.

Membership in the plan consists of the following as of January 1, 2014:

Active Members:	710
Inactive Members:	
Retired:	57
Covered:	9

The City does not issue separate financial reports for the OPEB plan, and are presented as follows:

NOTE 16 – OTHER POSTEMPLOYMENT BENEFITS (continued)

		OPEB
ASSETS		
Cash and cash equivalents	\$	1,729,910
NET POSITION		
Held in trust for OPEB benefits	\$	1,729,910
<hr/>		
		OPEB
ADDITIONS		
Contributions		
Employer	\$	477,475
Investment income		
Interest		127
Total additions		477,602
DEDUCTIONS		
Administrative expense		2,474
Net increase		475,128
NET POSITION HELD IN TRUST FOR OPEB BENEFITS, January 1		1,254,782
December 31	\$	1,729,910

NOTE 17 – 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, 2014.

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, 2014, the amount required as an Emergency Reserve in compliance with the Amendment is \$4,397,047 for the City; \$3,150 for the GID component unit and \$25,347 for the DDA component unit. These are shown as restricted fund balance in the General Fund and in the GID and DDA funds, respectively.

NOTE 18 – RETIREMENT COMMITMENTS

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

A. Plan Provisions

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

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

NOTE 18 – RETIREMENT COMMITMENTS (continued)**B. Plan Descriptions and Contribution Information**

Membership in each plan consisted of the following at January 1, 2014:

	Employee Retirement	Fire Pension	Police Pension
Retirees & beneficiaries currently receiving benefits	271	10	11
Terminated employees entitled to benefits but not yet receiving them	120	0	0
Current employees:			
Fully vested	425	1	0
Partially vested	0	0	0
Non-vested	162	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 to federal legislation were adopted effective January 1, 2014. New hire contribution rates and retirement age eligibility requirements were adopted effective January 1, 2014.

Contributions. Plan members are required to contribute 5.7% for members joining prior to December 31, 2011, and 4.7% for members joining the Plan after December 31, 2011, of their covered salary. The City is required to contribute at a rate that is determined actuarially. The plan requires that the City make contributions adequate to finance the benefits provided by the plan on a sound actuarial basis. An actuarial study is performed annually using the entry age actuarial cost method. The last annual study for the Employees' Retirement plan was performed as of January 1, 2014. The City currently contributes 6.7% of member's monthly compensation.

Fire Pension Plan

Plan Description. The Fire Pension plan is a single-employer defined benefit pension plan established under Colorado statutes and governed by City ordinance. Plan amendments that increase or decrease benefits require consent of 65% of active participants. Firefighters hired before April 8, 1978, are covered either by this plan or have transferred to a defined contribution plan, as detailed in a later section entitled "Participant Changes." Membership in the Fire Pension plan is limited to employees whose covered employment began prior to April 8, 1978. Administrative changes to conform to federal legislation were adopted effective January 1, 2014.

Contributions. Plan members are required to contribute 10% of their covered salary. The City is required to contribute at a rate that is determined actuarially. The plan requires that the City make contributions adequate to finance the benefits provided by the plan on a sound actuarial basis. An actuarial study is performed biennially using the entry age actuarial cost method. The last annual study for the Fire Pension plan was performed as of January 1, 2014. In 2014, the City contributed \$50,000.

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 to federal legislation were adopted effective January 1, 2012.

NOTE 18 – RETIREMENT COMMITMENTS (continued)

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, 2014. In 2014, the City contributed \$50,000.

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 2014 were as follows:

	Employee Retirement	Fire Pension	Police Pension
Contributions to:			
Normal cost as % of covered payroll	\$4,062,933 11.90%	\$ - 0.00%	\$ - 0.00%
Amortization of the unfunded Actuarial accrued liability as % of covered payroll	\$706,583 2.10%	\$ - 0.00%	\$ - 0.00%
Total contributions required as % of covered payroll	11.90%	0.00%	0.00%
Employee Portion (member prior to 12/31/2011)	5.70%	10.00%	N/A
Employee Portion (member after 12/31/2011)	4.70%		
City Portion	6.70%	10.00%	N/A

NOTE 18 – 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	6.7%	N/A	N/A
Plan members (member prior to 12/31/2011)	5.7%	N/A	N/A
Plan members (member after 12/31/2011)	4.7%	N/A	N/A
Annual pension cost	\$2,191,930	\$20,426	\$16,260
<u>Contributions made:</u>			
City	\$2,329,412	\$50,000	\$50,000
Plan members	\$1,920,158	\$0	\$0
Actuarial valuation date	January 1, 2014	January 1, 2014	January 1, 2014
Actuarial cost method	Entry Age Normal, Level Percentage of Pay	Entry Age Normal	Entry Age Normal
Amortization method	Level dollar, open	Level dollar, open	Level dollar, open
Remaining amortization period	N/A	13	10
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*	3.25-6.5%	0%	0%
*Includes inflation at	3.25% per year, rounded down to nearest \$10,000	0%	0%
Cost-of-living adjustments	None	None	None
<u>Annual Pension Cost and Net Pension Obligation:</u>			
Annual required contribution	\$2,160,600	\$0	\$0
Interest on net pension obligation	(242,964)	(31,872)	(17,252)
Adjustment to annual required contribution	<u>274,294</u>	<u>52,298</u>	<u>33,512</u>
Annual pension cost	2,191,930	20,426	16,260
Contributions made	<u>(2,329,412)</u>	<u>(50,000)</u>	<u>(50,000)</u>
Increase (decrease) in net pension obligation (asset)	(137,482)	(29,574)	(33,740)
Net pension obligation (asset) beginning of year	<u>(3,239,520)</u>	<u>(424,965)</u>	<u>(230,028)</u>
Net pension obligation (asset) end of year	<u>(\$3,377,002)</u>	<u>(\$454,539)</u>	<u>(\$263,768)</u>
<u>Funding Progress:</u>			
Actuarial valuation of assets	\$120,146,022	\$3,484,702	\$1,946,775
Actuarial accrued liability	129,116,911	2,946,028	1,789,673
Unfunded actuarial liability (UAL)	8,970,889	(538,674)	(157,102)
Funded ratio	93.1%	118.3%	108.8%
Covered payroll	34,166,086	72,949	-
UAL as percentage of covered payroll	26.3%	738.4%	-

NOTE 18 – RETIREMENT COMMITMENTS (continued)

Three Year Trend Information

	Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation (Asset)
Employees Retirement Plan	12/31/2012	\$ 2,200,293	98%	\$ (3,567,647)
	12/31/2013	2,452,175	87%	(3,239,520)
	12/31/2014	2,191,930	106%	(3,377,002)

	Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation (Asset)
Fire Retirement Plan	12/31/2012	\$ 12,743	392%	\$ (362,379)
	12/31/2013	19,670	418%	(424,965)
	12/31/2014	20,426	245%	(454,539)

	Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation (Asset)
Police Retirement Plan	12/31/2012	\$ 13,021	154%	\$ (218,021)
	12/31/2013	15,411	178%	(230,028)
	12/31/2014	16,260	308%	(263,768)

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

	Employee Pension	Fire Pension	Police Pension	Total
ASSETS				
Equity in pooled cash & cash equivalents	\$ 44,546	\$ 23,354	\$ 21,566	\$ 89,466
Cash and cash equivalents	1,868,399	47,898	25,613	1,941,910
Investments				
Common Stock	43,771,637	1,122,132	600,052	45,493,821
Mutual funds	86,100,442	2,207,275	1,180,324	89,488,041
Total Assets	\$ 131,785,024	\$ 3,400,659	\$ 1,827,555	\$ 137,013,238
LIABILITIES				
Accounts payable	\$ 56,938	\$ 1,268	\$ 1,942	\$ 60,148
NET POSITION				
Held in trust for pension benefits	\$ 131,728,086	\$ 3,399,391	\$ 1,825,613	\$ 136,953,090

NOTE 18 – RETIREMENT COMMITMENTS (continued)

	Employee Pension	Fire Pension	Police Pension	Total
ADDITIONS				
Contributions				
Employer	\$ 2,329,412	\$ 50,000	\$ 50,000	\$ 2,429,412
Plan members	1,920,158	-	-	1,920,158
Total Contributions	4,249,570	50,000	50,000	4,349,570
Investment income				
Net appreciation in fair value of investments	2,679,501	72,284	40,213	2,791,998
Interest	1,920,991	50,417	27,481	1,998,889
Dividends	638,891	16,855	9,225	664,971
Less investment expense	(424,906)	(12,287)	(16,324)	(453,517)
Net investment gain	4,814,477	127,269	60,595	5,002,341
Total additions	9,064,047	177,269	110,595	9,351,911
DEDUCTIONS				
Benefits	5,164,503	261,910	230,861	5,657,274
Refunds of contributions	173,289	-	-	173,289
Administrative expense	36,021	670	896	37,587
Total deductions	5,373,813	262,580	231,757	5,868,150
Net increase	3,690,234	(85,311)	(121,162)	3,483,761
NET POSITION HELD IN TRUST FOR PENSION BENEFITS, January 1	128,037,852	3,484,702	1,946,775	133,469,329
December 31	\$ 131,728,086	\$ 3,399,391	\$ 1,825,613	\$ 136,953,090

E. Summary of Significant Accounting Policies

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

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

F. Investment Concentrations

At December 31, 2014, the market value of pooled plan investments total \$136,923,772. These investments included Mutual Funds account with a market value of \$89,488,041, representing 65.36% of total plan assets; Westfield Capital Management account with a market value of \$19,691,345, representing 14.38% of total plan assets; Diamond Hill account with a market value of \$12,574,585, representing 9.18% of total plan assets; Luther King account with a market value of \$6,679,723, representing 4.88% of total plan assets; and Cambiar account with a market value of \$6,548,167, representing 4.78% of total plan assets. There are no investments in, loans to, or leases with any City official or other related party in any of the plans.

NOTE 18 – RETIREMENT COMMITMENTS (continued)

G. Participant Changes

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

The City offered these participants the opportunity to enter the Fire and Police Money Purchase 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.

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

H. Defined Contribution Plans

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

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

Covered payroll for the plan during 2014 was \$17,266,730. Both the City and the participants contributed the required 10% to this money purchase plan in 2014 amounting to \$1,726,673 each from the City and from employees for a total of \$3,453,346 of contributions. Vesting schedule for the plan is as follows:

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

NOTE 18 – RETIREMENT COMMITMENTS (continued)

Money Accumulation Pension Plan. The City provides the Money Accumulation Pension Plan for all regular City employees other than firefighters and police officers. This plan, a defined contribution plan, was adopted on January 1, 1980, in lieu of participation in Social Security. The City has no future liability to this Plan. Administrative changes to conform to federal legislation were adopted effective January 1, 2013. Contributions of 5% of base pay (6% for new members of the Plan after December 31, 2011) are required from all participants and a matching contribution of 5% is made by the City to the Plan. Covered payroll for the plan during 2014 was \$34,767,888. The City contributed the required 5% of base compensation to the plan in 2014 amounting to \$1,738,394 and participants contributed the required 5% (6% for new members of the Plan after December 31, 2011) from employees amounting to \$1,799,989 for a total of \$3,538,384 of contributions. Vesting schedule for the plans is as follows:

Years of Service	Percentage Vesting
less than 1	0%
1	25%
2	50%
3 or more	100%

The Money Accumulation Pension, Fire and Police Money Purchase plans are established through the authority of the City Charter and adopted, by reference, by City ordinances. The required contributions of plan members are established by the plans. Plan amendments to the Fire and Police Money Purchase plans require 65% consent of the members. A Retirement Board composed of six (6) members is responsible for the management and administration of the Money Accumulation Pension plan. 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.

I. GASB 67 - Financial Reporting for Pension Plans

The City has adopted GASB Statement No. 67, Financial Reporting for Pension Plans – an amendment of GASB Statement No. 25. The Statement enhances the City’s footnote disclosures and expands the Required Supplemental Information (RSI) data with new schedules. It was issued to improve financial reporting by state and local government pension plans. The following provides information required to be disclosed under Statement No. 67 that is not discussed as part of the information disclosed in Note 19 previously.

Plan Administration

The General Employees’ Retirement Plan (Employee Retirement), “Old Hire” Firefighters’ Pension Plan (Fire Pension), and “Old Hire” Police Officers’ Pension Plan (Police Pension) are defined benefit pension plans. Each plan is administered by a Board of Trustees, which acts as the administrator of the plan.

The Board of Trustees of the General Employees’ Retirement Plan, sometimes hereinafter referred to as the “Employees’ Board,” consists of two citizens at large and three employees of the City of Longmont appointed by City Council, the Finance Director and the City Manager. The Employees’ Board is responsible for implementing the provisions of the Employees’ Plan, establishing investment policies, and selecting investment managers for the Plan.

The Board of Trustees of the “Old Hire Firefighters’ Pension Plan,” sometimes hereinafter referred to as the “Firefighters Board,” consists of the Mayor of Longmont, Colorado; the Finance Director of the City; one City Council member; and three eligible active or retiree participants. The Firefighters’ Board is responsible for implementing the provisions of the Firefighters Plan, establishing investment policies, and selecting investment managers for the Firefighters’ Fund.

The Board of Trustees of the “Old Hire” Police Officers’ Pension Fund, sometimes hereinafter referred to as the “Police Board,” consists of the Mayor of Longmont, Colorado, the Finance Director of the City, one City Council member and three eligible active or retiree participants. The Police Board is responsible for implementing the provisions of the Police Plan, establishment of investment policies and selection of investment managers for the Police Fund.

NOTE 18 – RETIREMENT COMMITMENTS (continued)**Investment Policy**

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

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

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

Following are the adopted asset allocation policies for each plan as of January 1, 2014:

Asset Class	Target Allocation		
	Employee Retirement	Fire Pension	Police Pension
Domestic Fixed Income	23%	23%	23%
Domestic Equity	35%	35%	35%
International Equity	18%	18%	18%
Private Equity	0%	0%	0%
Real Estate	4%	4%	4%
Alternative Investments	20%	20%	20%
Cash	0%	0%	0%

Concentrations

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

Money-weighted Rate of Return on Investments

For the year ended December 31, 2014, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expenses, was 3.80% for the Employee Retirement Plan, 3.80% for the Fire Pension Plan, and 3.30% for the Police Pension Plan. The annual money-weighted rate of return expresses investment performance, net of investment expenses.

Net Pension Liability

The components of the net pension liability of the Plans as of December 31, 2014, were as follows:

	Employee Retirement	Fire Pension	Police Pension
Total Pension Liability	\$ 136,710,385	\$ 2,895,248	\$ 1,684,379
Plan Fiduciary Net Position	\$ 131,728,086	\$ 3,399,391	\$ 1,825,613
Net Pension Liability	\$ 4,982,299	\$ (504,143)	\$ (141,234)
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	96.36%	117.41%	108.38%

NOTE 18 – RETIREMENT COMMITMENTS (continued)**Actuarial Assumptions**

The total pension liability was determined by an actuarial valuation as of January 1, 2014, using the following actuarial assumptions applied to all measurement periods:

	Employee <u>Retirement</u>	Fire <u>Pension</u>	Police <u>Pension</u>
Actuarial valuation date	January 1, 2014	January 1, 2014	January 1, 2014
Inflation	3.25%	0%	0%
Projected Salary Increases	3.25-6.50% including inflation	0%	N/A
Investment Rate of Return	7.50%	7.50%	7.50%
Mortality Rate	RP-2000 Combined Healthy Mortality Table using generational improvements projected with Scale AA.	RP-2000 Combined Healthy Mortality Table using generational improvements projected with Scale AA.	RP-2000 Combined Healthy Mortality Table using generational improvements projected with Scale AA.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These real rates of return are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and adding expected inflation. For each major asset class that is included in the pension plans' target asset allocation as of January 1, 2014, these best estimates are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return		
	Employee Retirement	Fire Pension	Police Pension
Domestic Fixed Income	0.25%	0.25%	0.25%
Domestic Equity	5.80%	5.80%	5.80%
International Equity	7.24%	7.24%	7.24%
Private Equity	8.75%	8.75%	8.75%
Real Estate	5.75%	5.75%	5.75%
Alternative Investments	3.20%	3.20%	3.20%
Cash	-1.00%	-1.00%	-1.00%

Single Discount Rate

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

NOTE 18 – RETIREMENT COMMITMENTS (continued)***Sensitivity of Net Pension Liability to Changes in the Single Discount Rate***

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

	<u>1% Decrease</u>	<u>Current Rate</u>	<u>1% Increase</u>
<u>Employee Retirement</u>			
Discount Rate	6.50%	7.50%	8.50%
Net Pension Liability	\$ 21,220,895	\$ 4,982,299	\$ (8,728,771)
<u>Fire Pension</u>			
Discount Rate	6.50%	7.50%	8.50%
Net Pension Liability	\$ (297,067)	\$ (504,143)	\$ (686,641)
<u>Police Pension</u>			
Discount Rate	6.50%	7.50%	8.50%
Net Pension Liability	\$ (37,939)	\$ (141,234)	\$ (233,714)

NOTE 19 – 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/County Management Association - Retirement Corporation 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 20 – 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 portion of the water rate is used for payment of the annual assessment contributions.

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

The total of annual assessed contributions paid by the City to the Subdistrict through December 31, 2014, is \$52,130,263 of which \$1,653,250 was paid in 2014. The assessed contribution to be paid in 2015 is \$1,655,005.

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.

2015	\$	1,676,992
2016		1,678,408
2017		1,700,408

NOTE 21 – JOINT VENTURE PLATTE RIVER POWER AUTHORITY

The City purchased \$43,526,599 of electric power during 2014 from Platte River Power Authority of which \$3,573,417 is outstanding as an account payable of the Electric Enterprise Fund at December 31, 2014.

NOTE 22 – COMMITMENTS

A. At December 31, 2014, there were the following outstanding encumbrances in governmental funds:

	Total
Governmental Funds	
General	\$ 1,789,430
Water System Construction Reserve	68,419
Public Improvement Fund	2,626,303
Police Seizure	10,868
Prevention/Education	5,758
Community Development Block Grant	194,293
Affordable Housing	32,760
Streets Systems	2,438,325
Park Improvement	31,302
Parks Grants and Donations	4,134
Parks/Greenway Maintenance	166,731
Public Buildings Community Investment Fee	495,049
Open Space	596,445
Conservation Trust	148,627
Museum Trust	13,414
Longmont Urban Renewal Fund	32,366
Downtown General Improvement District #1	258
	<u>8,654,482</u>
Component Unit	
Downtown Development Capital Projects	70,110
Downtown Development Building Permits Fund	31,115
	<u>101,225</u>
TOTAL COMMITTED ENCUMBRANCES	<u>\$ 8,755,707</u>

NOTE 22 – COMMITMENTS (continued)

B. At December 31, 2014, there were the following uncompleted construction contracts:

Fund	Project Title	Remaining Committed Construction
Enterprise Funds:		
Electric Fund	Broadband - City Wide Fiber Engineering Services	502,216
	Broadband - FTTP Construction, Phase 1, Main Fiber	4,125,358
Water Fund	Longmont Dam Road (CR 80) Permanent Repairs	1,258,272
	Operations & Maintenance Building Site and Facility Phase II Improvements	832,756
	Engineering Services for Water Utility Pipelines & Pump Stations	68,419
Sewer Fund	Headworks Project	64,102
	Operations & Maintenance Building Site and Facility Phase II Improvements	477,105
	DB WWTP Ammonia-Dewatering Improvement Projects	1,231,356
	Wastewater Collection System Model Calibration (MUS-147)	37,035
Storm Drainage Fund	Lefthand Creek Storm Channel Repairs	378,126
	Storm Drainage Master Plan	63,580
	Pleasant Valley Reservoir Spillway Improvements	117,955
	Design Services for Main St. & S. Pratt Parkway Bridge Replacement	116,853
	St. Vrain Creek Improvements	1,848,227
Sanitation Fund (non-major)	Tree Limb Grinding, Leaf Collection and Disposal of Mobile Homes	136,402
	St. Vrain Creek Improvements	374,689
	Operations & Maintenance Facility Phase II Improvements	430,703
		<u>12,063,154</u>
Internal Services Funds:		
Fleet Fund	Operations & Maintenance Facility Phase II Improvements	371,287
Capital Project Funds:		
Public Improvement Fund	Parks Master Plan	182,153
	Repair Water Damaged Roofs	51,138
	Museum Auditorium Addition	1,569,146
		<u>1,802,437</u>
General Fund:	Software & Implementation Services for Enterprise Resource Planning System	843,393
	Network Infrastructure Consultants	33,213
	St. Vrain River Redevelopment Study and Improvements	394,099
		<u>1,270,705</u>
Special Revenue Funds:		
Water Construction Fund	Engineering Services for Water Utility Pipelines & Pump Stations	68,419
Sewer Construction Fund	Headworks Project	125,990
Street Improvement Fund	Main Street Pavement Reconstruction	42,337
	Spring Gulch #2 Drainage & Greenway Improvements-Phase 1	75,073
	On Call Transportation Engineering Services-Design Services	
	Primary Secondary Greenway	177,079
	Main Street and Ken Pratt Design and Improvement Services	407,818
	Design Services for SH 119 Pedestrian Underpass	48,262
	Miscellaneous Roadway & Trail Repair Projects	314,737
	Operations & Maintenance Building Site and Facility Phase II Improvements	450,913
	Conceptual Design of Downtown Alley Improvements	70,110
	Traffic Signal Upgrades, Emergency Maintenance & Installation	56,541
	Design Services for Sunset Street Bridge	410,757
Parks, Grants and Donations Fund	Museum Auditorium Addition	495,049
Parks/Greenway Subfund	Kanemoto Pump Station Design Services and Replacement	27,002
	St. Vrain Greenway Trail Repairs (Lefthand Creek to Dry Creek)	130,799
Open Space Fund	Spring Gulch #2 Drainage & Greenway Improvements-Phase 1	82,459
	St. Vrain River Redevelopment and Creek Improvements	376,737
Conservation Trust Fund	St. Vrain Greenway, Phase II at Pavlakis Open Space	144,094
Longmont Urban Renewal	Mall Redevelopment Engineer to Certify Costs	32,366
		<u>3,536,542</u>
Component Unit		
Downtown Development Authority		
Construction Fund	Downtown Alley Improvements	70,439
TOTAL COMMITTED CONSTRUCTION		\$ 19,114,564

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

NOTE 23 – FUND BALANCES

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

Fund Balances:	General	Streets Systems	Village at the Peaks	Nonmajor Governmental	Total
Nonspendable:					
Endowments/Donations/Grants	\$ -	\$ -	\$ -	644,576	\$ 644,576
Prepays	133,001	38,178	-	4,800	175,979
Long-term notes & loan receivables	17,910	-	-	1,100	19,010
Total Nonspendable	150,911	38,178	-	650,476	839,565
Restricted:					
Endowments/Donations/Grants	-	-	-	1,048,652	1,048,652
Conservation Trust	-	-	-	7,014,008	7,014,008
Capital improvements - Parks	-	-	-	5,381,044	5,381,044
Capital improvements - Transportation	-	-	-	1,612,144	1,612,144
Capital improvements - Public Buildings	-	-	-	1,298,784	1,298,784
Capital improvements - Electric	-	-	-	2,525,153	2,525,153
Capital improvements - Water	-	-	-	23,252,861	23,252,861
Capital improvements - Sewer	-	-	-	2,971,948	2,971,948
CDBG/HOME	-	-	-	452,867	452,867
District Improvements	-	-	14,595,160	105,541	14,700,701
State imposed Emergencies	4,397,047	-	-	3,150	4,400,197
Historical Preservation	-	-	-	10,091	10,091
Open Space Acquisition	-	-	-	3,970,750	3,970,750
Parks and Greenway Maintenance	-	-	-	1,457,957	1,457,957
Public Safety	-	-	-	1,990,927	1,990,927
Tourism Programs	-	-	-	160,951	160,951
Streets and Highways	-	12,894,159	-	-	12,894,159
Emergencies	-	520,235	-	-	520,235
Subsequent years' expenditures	-	-	-	-	-
Capital Project Construction/Acquisition	-	-	-	5,409,427	5,409,427
Debt Service	-	-	1,112,845	2,317,212	3,430,057
Total Restricted	4,397,047	13,414,394	15,708,005	60,983,467	94,502,913
Committed:					
Downtown Parking	-	-	-	140,005	140,005
Judicial Programs	-	-	-	24,734	24,734
Youth Services	-	-	-	155,330	155,330
Museum Services	-	-	-	115,957	115,957
Urban Renewal	-	-	-	258,312	258,312
Callahan House	-	-	-	17,173	17,173
Senior Services	-	-	-	216,109	216,109
Parks	-	-	-	637,769	637,769
Affordable Housing	-	-	-	1,485,894	1,485,894
Probation Services	-	-	-	96,178	96,178
Greenway/Izaak Walton	-	-	-	60,935	60,935
Public Safety	-	-	-	66,339	66,339
Water Acquisition	-	-	-	409,685	409,685
Staff Contract	176,830	-	-	-	176,830
Future carryover projects	3,593,544	-	-	-	3,593,544
Subsequent years' expenditures	2,435,906	-	-	-	2,435,906
Total Committed	6,206,280	-	-	3,684,420	9,890,700
Assigned:					
Art in Public Places	484,679	-	-	-	484,679
Air Quality Control	16,015	-	-	-	16,015
Library Services	5,220	-	-	-	5,220
Reimbursement to Developers	494,195	-	-	-	494,195
Total Assigned	1,000,109	-	-	-	1,000,109
Unassigned:	6,563,798	-	-	-	6,563,798
Total Fund Balances	\$ 18,318,145	\$ 13,452,572	\$ 15,708,005	\$ 65,318,363	\$ 112,797,085

NOTE 24 – SUBSEQUENT EVENTS

In November 2013, voters of the City authorized the issuance of up to \$31,100,000 of wastewater revenue bonds for the purpose of financing wastewater system capital improvements. Debt is planned to be issued in 2015.

NOTE 25 – SOLID WASTE FINANCIAL ASSURANCE

The City's Water Utility owns and operates a Water Treatment Facility, which through the treatment process produces solids, and therefore must provide financial assurance of estimates for post closure costs in accordance with regulations pertaining to solid waste sites and facilities (6 CCR 1007-2, Part 1) as set by Colorado Department of Public Health and Environment. The facility is not expected to be closed in the future, however in the event of closure, the City estimates and provides assurance of total Closure Costs Requirements of \$1,646,736. This estimate is not reported as a liability by the City because the water treatment facility does not meet the definition of landfill contained in GASB Statement No. 18, as defined by the U.S. Environmental Protection Agency.

REQUIRED SUPPLEMENTARY INFORMATION

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

EMPLOYEE, FIRE AND POLICE PENSION PLANS
SCHEDULE OF CHANGES IN THE EMPLOYER'S NET PENSION LIABILITY AND RELATED RATIOS
REQUIRED SUPPLEMENTARY INFORMATION
December 31, 2014

Retirement System - Defined Benefit Plan

The following presents the changes in the employer's net pension liability:

For the Year Ended December 31, 2014

	Employee Retirement	Fire Pension	Police Pension
Total Pension Liability			
Service Cost	\$ 3,323,050	\$ -	-
Interest	9,608,216	211,130	125,568
Benefit Changes	-	-	-
Difference between Expected and Actual Experience	-	-	-
Assumption Changes	-	-	-
Benefit Payments	(5,164,503)	(261,910)	(230,861)
Refunds	(173,289)	-	-
Net Change in Total Pension Liability	7,593,474	(50,780)	(105,293)
Total Pension Liability - Beginning	129,116,911	2,946,028	1,789,672
Total Pension Liability - Ending (A)	\$ 136,710,385	\$ 2,895,248	\$ 1,684,379
Plan Fiduciary Net Position			
Contributions - Employer	\$ 2,329,412	\$ 50,000	\$ 50,000
Contributions - Employee	1,920,158	-	-
Net Investment Income	4,814,477	127,269	60,595
Benefit Payments	(5,164,503)	(261,910)	(230,861)
Refunds	(173,289)	-	-
Administrative Expense	(36,021)	(670)	(896)
Net Change in Plan Fiduciary Net Position	3,690,234	(85,311)	(121,162)
Plan Fiduciary Net Position - Beginning	128,037,852	3,484,702	1,946,775
Plan Fiduciary Net Position - Ending (B)	\$ 131,728,086	\$ 3,399,391	\$ 1,825,613
Net Pension Liability - Ending (A) - (B)	\$ 4,982,299	\$ (504,143)	\$ (141,234)
Plan Fiduciary Net Position as a Percentage			
of Total Pension Liability	96.36 %	117.41 %	108.38
Valuation Payroll	\$ 34,228,168	\$ -	-
Covered Employee Payroll	\$ 34,166,086	\$ -	-
Net Pension Liability as a Percentage			
of Covered Employee Payroll	14.58 %	N/A %	N/A

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

**EMPLOYEE, FIRE AND POLICE PENSION PLANS
SCHEDULE OF EMPLOYER CONTRIBUTIONS
REQUIRED SUPPLEMENTARY INFORMATION
December 31, 2014**

Retirement System - Defined Benefit Plan (Continued)

The following information presents a schedule of contributions:

**Employee
Retirement**

Fiscal Year Ended December 31,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
2014	\$ 2,160,600	\$ 2,329,412	\$ (168,812)	\$ 34,166,086	6.82 %

**Fire
Pension**

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

**Police
Pension**

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

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

**EMPLOYEE, FIRE AND POLICE PENSION PLANS
SCHEDULE OF EMPLOYER CONTRIBUTIONS (CONTINUED)
REQUIRED SUPPLEMENTARY INFORMATION
December 31, 2014**

Retirement System - Defined Benefit Plan (Continued)

Notes to the Schedule of Contributions

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

	<u>Employee Retirement</u>	<u>Fire Pension</u>	<u>Police Pension</u>
Actuarial valuation date	January 1, 2014	January 1, 2014	January 1, 2014
Actuarial cost method	Entry Age Normal	Entry Age Normal	Entry Age Normal
Amortization method	Level dollar, Open	Level dollar, Open	Level dollar, Open
Remaining amortization period	30 years	13 years	10 years
Asset valuation method	5-year smoothed market; 20% corridor	market value	market value
Inflation	3.25%	0%	0%
Salary increases	3.25-6.5% including inflation	0%	N/A
Investment rate of return	7.50%	7.50%	7.50%
Retirement age	Experience-based table of rates that are specific to the type of eligibility condition	100% at first eligibility	N/A
Post-retirement Mortality	RP-2000 Combined Healthy Mortality Table using generational improvements projected with Scale AA.	RP-2000 Combined Healthy Mortality Table using generational improvements projected with Scale AA.	RP-2000 Combined Healthy Mortality Table using generational improvements projected with Scale AA.
Other information	There were no benefit changes during the year.	There were no benefit changes during the year.	There were no benefit changes during the year.

**EMPLOYEE, FIRE AND POLICE PENSION PLANS
SCHEDULE OF EMPLOYER CONTRIBUTIONS
REQUIRED SUPPLEMENTARY INFORMATION
December 31, 2014**

Retirement System - Defined Benefit Plan (Continued)

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

Employee Retirement	
Fiscal Year Ended December 31,	Rate
2014	3.80%

Fire Pension	
Fiscal Year Ended December 31,	Rate
2014	3.80%

Police Pension	
Fiscal Year Ended December 31,	Rate
2014	3.30%

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

**EMPLOYEE, FIRE AND POLICE PENSION PLANS
SCHEDULES OF FUNDING PROGRESS
REQUIRED SUPPLEMENTARY INFORMATION
December 31, 2014**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial 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)
Employee Retirement Plan						
01/01/14	\$120,146,022	\$129,116,911	\$8,970,889	93.1%	\$34,166,086	26.3%
01/01/13	108,725,228	119,801,229	11,076,001	90.8	33,077,871	33.5
01/01/12	105,632,205	112,246,514	6,614,309	94.1	33,232,223	19.9
01/01/11	102,816,031	107,160,945	4,344,914	95.9	31,421,570	13.8
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
Fire Pension Plan						
01/01/14	\$3,484,702	\$2,946,028	\$(538,674)	118.3%	\$72,949	(738.4)%
01/01/13	3,150,581	2,762,601	(387,980)	114.0	72,949	(531.9)
01/01/12	2,915,109	2,824,842	(90,267)	103.2	72,949	(123.7)
01/01/11	3,111,795	2,884,929	(226,866)	107.9	72,331	(313.6)
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)
Police Pension Plan						
01/01/14	\$1,946,775	\$1,789,673	\$(157,102)	108.8%	N/A	N/A
01/01/13	1,837,854	1,474,766	(363,088)	124.6	N/A	N/A
01/01/12	1,786,561	1,518,107	(268,454)	117.7	N/A	N/A
01/01/11	1,989,054	1,557,932	(431,122)	127.7	N/A	N/A
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.

**EMPLOYEE, FIRE AND POLICE PENSION PLANS
SCHEDULES OF CONTRIBUTIONS FROM EMPLOYER
REQUIRED SUPPLEMENTARY INFORMATION
December 31, 2014**

Year Beginning January 1	Employee Retirement Plan			Employer Contributions Fire Pension Plan			Police Pension Plan		
	Annual Required Contribution	Amount of Contribution	Percentage Contributed	Annual Required Contribution	Amount of Contribution	Percentage Contributed	Annual Required Contribution	Amount of Contribution	Percentage Contributed
2014	\$ 2,160,600	\$ 2,329,412	108%	\$ -	\$ 50,000	N/A	\$ -	\$ 50,000	N/A
2013	2,417,672	2,124,048	88	-	82,256	N/A	-	27,418	N/A
2012	2,165,299	2,128,579	98	-	109,998	N/A	-	20,000	N/A
2011	1,950,565	1,929,254	99	-	105,140	N/A	-	24,080	N/A
2010	1,882,680	2,615,065	139	7,043	94,712	1,345%	-	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	3.25 - 6.5%	0.0%	0.0%
Includes inflation at:	3.25%	0.0%	0.0%

**RETIREE HEALTH INSURANCE PLAN
REQUIRED SUPPLEMENTARY INFORMATION
December 31, 2014**

Schedule of Funding Progress

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

Actuarial Methods and Assumptions

Actuarial valuation date: 1/1/14
Method: Entry age actuarial cost
Investment rate of return: 4.49%
Healthcare cost trend rate: 7.5% with an ultimate rate of 5.0%
Inflation factor: 3.0%
Amortization Method: level dollar amount, open

Schedule of Employer Contributions

Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
12/31/14	\$ 477,475	100.0 %	\$ 421,886
12/31/13	421,886	97.8	421,886
12/31/12	414,744	56.9	412,511
12/31/11	233,947	101.0	233,950

GENERAL FUND

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

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

GENERAL FUND
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
COMPARED TO BUDGET (LEGAL BASIS)
Year Ended December 31, 2014

	Budget	Actual	Variance from Final Budget
TAXES			
General property taxes:			
Current	\$ 13,844,104	\$ 13,800,707	\$ (43,397)
Prior years	-	(11,229)	(11,229)
General sales and use tax	28,199,050	29,890,913	1,691,863
Selected sales and use tax -			
Cigarette	170,000	157,523	(12,477)
Franchise taxes:			
Gas	773,874	808,841	34,967
Cable Television	820,000	882,970	62,970
Telephone	207,376	219,258	11,882
Electric	5,030,160	4,987,408	(42,752)
Telecommunications	12,000	49,263	37,263
Water	267,640	267,640	-
Wastewater	463,352	463,352	-
	49,787,556	51,516,646	1,729,090
LICENSES AND PERMITS			
Business licenses and permits:			
Liquor	32,000	45,502	13,502
Business	6,295	4,700	(1,595)
Sales Tax	25,000	24,500	(500)
Non-Business licenses and permits:			
Building	805,917	1,351,669	545,752
Wood burning	-	60	60
Contractor	117,720	110,955	(6,765)
Parade / use of public places	8,000	7,860	(140)
	994,932	1,545,246	550,314
INTERGOVERNMENTAL REVENUE			
Federal revenue	1,567,120	831,894	(735,226)
State shared revenue:			
Severance tax	20,000	227,288	207,288
Grants	146,262	114,844	(31,418)
Non-grant state revenue	2,931	5,132	2,201
Local government shared revenue:			
Shared Fines	70,000	70,117	117
Grants / School Resource Officer	255,901	315,930	60,029
	2,062,214	1,565,205	(497,009)

(continued)

GENERAL FUND
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
COMPARED TO BUDGET (LEGAL BASIS)
Year Ended December 31, 2014

	Budget	Actual	Variance from Final Budget
CHARGES FOR SERVICE			
General government:			
Zoning and hearing	\$ 50,000	\$ 141,785	91,785
Disconnect Tag Fees	380,000	365,410	(14,590)
Maps and publications	600	1,209	609
Pcard rebate	67,000	164,745	97,745
Print shop charges	220,842	11,821	(209,021)
Sales tax commission	40,000	59,881	19,881
Public safety:			
Criminal justice records	25,000	19,934	(5,066)
Off duty officer reimbursement	48,000	33,208	(14,792)
Fire inspection & fireworks fees	61,000	61,422	422
Offender registration/impound fees	12,500	11,583	(917)
Emergency dispatch reimbursement	104,096	125,788	21,692
Elevator inspection	39,900	35,910	(3,990)
Highways and streets:			
Work in right of way permit	-	5,642	5,642
Developer Participation	-	15,404	15,404
Plan check fees	239,975	411,070	171,095
Variance/Appeals board	1,500	1,345	(155)
Right-of-way maintenance	238,174	238,174	-
Downtown maintenance	47,000	-	(47,000)
Culture and Recreation:			
Recreation center - all fees	1,645,280	1,855,750	210,470
Pool fees	526,300	500,705	(25,595)
Reservoir fees	270,000	305,392	35,392
Activity fees	1,259,634	1,347,252	87,618
Facility use fees	277,800	346,658	68,858
Concessions	126,618	137,946	11,328
Parks maintenance	-	18,469	18,469
Senior citizens:			
Activity fees	600	434	(166)
Facility fees	17,000	21,300	4,300
Administrative reimbursements:			
Sanitation	579,694	579,694	-
Golf	124,608	124,608	-
Electric	1,577,749	1,577,748	(1)
Telecommunications	56,954	56,954	-
Water	1,195,982	1,195,982	-
Sewer	753,720	753,720	-
Storm Drainage	420,772	420,772	-
Airport	138,845	138,845	-
Streets	887,533	887,533	-
Museum	21,000	-	(21,000)
Open Space	138,623	138,623	-
Fleet	251,989	251,989	-
Self Insurance	126,690	126,690	-
Workers Compensation	203,663	203,663	-
General Improvement District	8,765	8,765	-
	12,185,406	12,703,823	518,417
FINES AND FORFEITS			
Court:			
Parking	100,000	112,660	12,660
Other court fines	800,000	659,336	(140,664)
Court fine surcharge	90,000	70,036	(19,964)
Jury fees	-	125	125
Bond forfeitures	18,000	27,524	9,524
Court education fees	30,000	30,094	94
Court costs reimbursements	140,000	106,570	(33,430)
Probation & home detention monitoring fees	26,200	23,560	(2,640)
Outstanding judgments/warrants	5,600	4,195	(1,405)
Library fines	90,000	98,295	8,295
False alarm fines	37,000	39,975	2,975
Weed cutting fines	18,000	18,907	907
Other fines	1,000	17,446	16,446
	1,355,800	1,208,723	(147,077)

GENERAL FUND
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
COMPARED TO BUDGET (LEGAL BASIS)
Year Ended December 31, 2014

	Budget	Actual	Variance from Final Budget
INVESTMENT INCOME AND MISCELLANEOUS REVENUE			
Investment income	\$ 89,000	\$ 134,974	45,974
Miscellaneous	75,878	170,669	94,791
Private grants/donations	33,065	52,872	19,807
Oil and gas royalties	66,580	62,906	(3,674)
	264,523	421,421	156,898
OTHER FINANCING SOURCES			
Transfers in:			
Electric Fund	72,267	69,119	(3,148)
Library Services Fund	27,566	-	(27,566)
Senior Services	5,656	5,656	-
Judicial Wedding Fund	1,351	1,351	-
Sanitation Fund	7,604	5,831	(1,773)
Golf Fund	5,394	734	(4,660)
Telecommunications Fund	126	126	-
Water Fund	45,451	40,021	(5,430)
Sewer Fund	24,889	23,567	(1,322)
Storm Drainage Fund	6,538	5,947	(591)
Airport Fund	64	64	-
Probation Services Fund	64	64	-
Affordable Housing Fund	108	108	-
Streets Fund	6,186	2,641	(3,545)
Art in Public Places Fund	31	31	-
Open Space Fund	90	90	-
Public Safety Fund	2,751	2,751	-
Self Insurance Fund	-	532,904	532,904
Fleet Fund	4,685	1,012	(3,673)
Total other financing sources	210,821	692,017	481,196
Total revenues and other sources (legal basis)	\$ 66,861,252	\$ 69,653,081	2,791,829

RECONCILIATION TO GAAP BASIS

Less - other financing sources	(692,017)
Total revenues (GAAP basis)	\$ 68,961,064

GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
COMPARED TO BUDGET (LEGAL BASIS)
Year Ended December 31, 2014

	Budget	Actual	Variance from Final Budget
DEPARTMENT OF SHARED SERVICES			
GENERAL GOVERNMENT:			
Accounting	\$ 4,432,541	\$ 1,523,100	2,909,441
Flood Recovery	227,926	30,371	197,555
Budget and Fiscal Analysis	229,081	184,530	44,551
Finance Director	269,231	261,397	7,834
Enterprise Technology Services	3,588,893	3,232,502	356,391
Mail Delivery	83,656	80,046	3,610
Telephone System	336,026	318,417	17,609
Print Shop	220,842	65,745	155,097
Purchasing	501,924	529,512	(27,588)
Risk Management	549,682	512,115	37,567
Treasury / Information Desk	279,136	279,877	(741)
Utility Billing	1,364,192	1,272,327	91,865
City Clerk	580,207	572,330	7,877
	12,663,337	8,862,269	3,801,068
DEPARTMENT OF COMMUNITY SERVICES			
GENERAL GOVERNMENT:			
Community Services Director	789,127	661,646	127,481
Neighborhood Resources	405,994	383,413	22,581
Parking Assessment	111,426	94,813	16,613
Outside Agencies	1,045,366	1,045,366	-
	2,351,913	2,185,238	166,675
PUBLIC SAFETY:			
Code Enforcement	486,386	401,371	85,015
	486,386 -	401,371	85,015
CULTURE AND RECREATION:			
Recreation	4,875,572	4,799,623	75,949
Library	3,217,937	3,141,992	75,945
Museum	777,341	784,915	(7,574)
Senior Center	681,337	655,206	26,131
Youth Services	782,312	734,895	47,417
	10,334,499 -	10,116,631 -	217,868
	13,172,798 -	12,703,240 -	469,558
DEPARTMENT OF PUBLIC SAFETY			
Police	15,624,582	15,635,169	(10,587)
Fire	9,700,671	10,008,912	(308,241)
Public Safety Director	522,372	521,388	984
Communications	1,625,864	1,550,492	75,372
Support Services	3,634,785	3,594,859	39,926
	31,108,274	31,310,820	(202,546)
DEPARTMENT OF PLANNING AND DEVELOPMENT SERVICES			
GENERAL GOVERNMENT:			
Planning and Development Director	337,896	291,255	46,641
Redevelopment	658,207	677,444	(19,237)
Development Review	981,946	760,468	221,478
Planning	652,809	562,954	89,855
	2,630,858	2,292,121	338,737
PUBLIC SAFETY:			
Inspection	851,518	867,337	(15,819)
	3,482,376	3,159,458	322,918

GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
COMPARED TO BUDGET (LEGAL BASIS)
Year Ended December 31, 2014

	Budget	Actual	Variance from Final Budget
DEPARTMENT OF PUBLIC WORKS AND NATURAL RESOURCES			
CULTURE AND RECREATION:			
Parks	\$ 3,916,712	\$ 3,980,258	(63,546)
Flood Recovery	1,147,366	425,323	722,043
	5,064,078	4,405,581	658,497
GENERAL GOVERNMENT:			
Municipal Buildings	3,349,962	3,294,985	54,977
	8,414,040	7,700,566	713,474
NON-DEPARTMENTAL			
GENERAL GOVERNMENT:			
City Attorney	1,075,587	933,797	141,790
City Manager / non-departmental	2,045,577	1,895,928	149,649
Human Resources	996,525	1,037,403	(40,878)
Municipal Court	496,367	465,782	30,585
Probation	278,949	268,139	10,810
Mayor and City Council	682,896	625,717	57,179
	5,575,901	5,226,766	349,135
Total expenditures (legal basis)	\$ 74,416,726	68,963,119	\$ 5,453,607
RECONCILIATION TO GAAP BASIS			
Transfers out:			
Affordable Housing Fund		(152,315)	
Downtown Parking Fund		(2,537)	
Callahan House Fund		(60,204)	
Public Improvement Fund		(500,000)	
Fleet Fund		(110,855)	
Total expenditures (GAAP Basis)		\$ 68,137,208	

NONMAJOR SPECIAL REVENUE FUNDS

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

Conservation Fund	This fund was established to account for receipts from the State of Colorado Lottery specifically earmarked for environmental enhancements.
Park Improvement Fund	Permit fees received from subdividers are the chief source of financing for the Park Improvement Fund. These funds are earmarked for the development of new parks.
General Improvement District #1 Operating Fund	The ordinary operations of the General Improvement District #1 are accounted for in this fund. The operations are financed by taxes and other general revenues.
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.
Youth Services Fund	Donations specifically earmarked for the use of the Youth Service Division are accounted for in this fund.
Transportation Community Investment Fee Fund	Collection of community investment fees to meet development-created demands for arterial street and intersection improvements are accounted for in this fund.
Public Buildings Community Investment Fee Fund	Collection of community investment fees to meet development-created needs for public facility buildings are accounted for in this fund.
Electric Community Investment Fee Fund	Collection of community investment fees to meet development-created needs for electric system improvements are accounted for in this Fund.
Water System Construction Reserve	The Water System Construction Reserve Fund was created to make system improvements funded with development fees.
Water Acquisition Fund	The Water Acquisition Fund was created for the purpose of acquiring additional water rights for the City as needed to support its water enterprise system. The Fund is funded with the cash payments received in lieu of water rights.
Raw Water Storage Reserve Fund	The Raw Water Storage Reserve Fund was created for the purpose of developing the City's winter water supply as part of the City's water enterprise system. The Fund was initially funded with proceeds from the sale of the High Mountain Dams.
Sewer Construction Fund	The Sewer Construction Fund was created for the purpose of making improvements to the City's sewer enterprise system related to growth of the entire system. The fund is funded with applicable development.
Library Services Fund	Donations and grants specifically earmarked for the use of the Library are accounted for in this Fund.
Museum Services Fund	Donations and grants specifically earmarked for the use of the Museum are accounted for in this Fund.

NONMAJOR SPECIAL REVENUE FUNDS (continued)

Historic Preservation Fund	This fund was established to collect monies from the applications for state income tax credits for rehabilitations to qualified historical properties and to carry out related historic preservation activities.
Callahan House Fund	This fund was established in 1995 to account for monies received for the specific use and benefit of the Callahan House, a gift to the City for the use of citizens.
Senior Services Fund	Donations and grants specifically earmarked for Senior Services are accounted for in this fund.
Parks Grants & Donations Fund	This fund was established in 1996 to collect revenues for improvements to existing parks.
Affordable Housing Fund	This fund was established in 1997 to be used for down payment assistance and to implement other affordable housing programs.
Open Space Fund	The Open Space Fund was established to account for sales and use tax revenues specifically earmarked for acquisition, improvement, maintenance and preservation of open space.
Public Safety Fund	This fund was established in 2007 for the purpose of collecting sales and use tax revenues earmarked for public safety expenditures.
Lodgers Tax Fund	This fund was established in 2008 for the purpose of collecting a tax on lodging services to be used to promote tourism.
Probation Services Fund	This fund was established in 2007 for the purpose of collecting a surcharge on all fines to fund court probation services.
Park/Greenway Maintenance Fund	This fund was established to account for fees received for the maintenance of parks and greenways.
Traffic Safety Fund	This fund was established to account for fees received for traffic safety.
Museum Trust Fund	The Museum Trust is administered by the Museum Board and its purpose is to provide funds to restore, rehabilitate, etc., the Longmont Museum & Cultural Center.
Jones Foundation Trust Fund	This fund was established to account for donations received for the purpose of improving the Izaak Walton Pond area and the St. Vrain Greenway.
Longmont Urban Renewal Authority Fund	This fund was established to account for activities provided for the Colorado Urban Renewal Law to remedy deterioration of land use, environment and structures.

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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COMBINING BALANCE SHEET
Nonmajor Governmental Funds
December 31, 2014

	Conservation	Park Improvement	General Improvement District #1 Operating
ASSETS			
Equity in pooled cash & cash equivalents	\$ 7,000,070	\$ 5,425,187	\$ 109,721
Cash and cash equivalents	-	-	-
Receivables (net of allowance for uncollectibles):			
Accounts	-	-	-
Taxes	-	-	113,695
Grants	-	-	-
Loans	-	-	-
Fees	-	-	-
Accrued Interest	14,899	11,582	256
Prepays	-	-	-
Due from other governments	-	-	431
Restricted assets:			
Equity in pooled cash & cash	-	-	-
Cash and cash equivalents	-	-	-
Total assets	\$ 7,014,969	\$ 5,436,769	\$ 224,103
LIABILITIES			
Accounts payable	\$ 961	\$ 706	\$ 835
Construction contracts payable	-	925	-
Accrued liabilities	-	-	882
Due to other funds	-	-	-
Deposits	-	-	-
Total liabilities	961	1,631	1,717
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue-property taxes	-	-	113,695
Unavailable revenue-grants	-	-	-
Total deferred inflows of resources	-	-	113,695
FUND BALANCES			
Nonspendable	-	-	-
Restricted	7,014,008	5,435,138	108,691
Committed	-	-	-
Total fund balances	7,014,008	5,435,138	108,691
Total liabilities, deferred inflows of resources and fund balances	\$ 7,014,969	\$ 5,436,769	\$ 224,103

Special Revenue Funds

Community Development Block Grant	Downtown Parking	Judicial Wedding Fee	Police Seizures	Prevention Education	Youth Services	Transportation Community Investment Fee
\$ -	\$ 140,581	\$ 24,678	\$ 61,661	\$ 140,750	\$ 136,700	\$ 1,608,706
-	-	-	-	-	-	-
-	-	-	-	-	-	-
878,768	-	-	-	10,410	32,197	-
-	-	-	-	-	-	-
1,129	268	56	-	270	324	3,438
-	-	-	-	-	-	-
-	-	-	-	-	-	-
\$ 879,897	\$ 140,849	\$ 24,734	\$ 61,661	\$ 151,430	\$ 169,221	\$ 1,612,144
\$ 60,164	\$ 258	\$ -	\$ 250	\$ -	\$ 5,906	\$ -
-	-	-	-	-	-	-
8,681	586	-	-	7,709	1,289	-
339,679	-	-	8,210	-	-	-
-	-	-	-	-	-	-
408,524	844	-	8,460	7,709	7,195	-
-	-	-	-	-	-	-
18,506	-	-	-	-	-	-
18,506	-	-	-	-	-	-
-	-	-	-	-	-	-
452,867	-	-	53,201	85,261	6,696	1,612,144
-	140,005	24,734	-	58,460	155,330	-
452,867	140,005	24,734	53,201	143,721	162,026	1,612,144
\$ 879,897	\$ 140,849	\$ 24,734	\$ 61,661	\$ 151,430	\$ 169,221	\$ 1,612,144

(continued)

COMBINING BALANCE SHEET
Nonmajor Governmental Funds
December 31, 2014

	Public Buildings Community Investment Fee	Electric Community Investment Fee	Water System Construction Reserve	Water Acquisition
ASSETS				
Equity in pooled cash & cash equivalents	\$ 1,296,020	\$ 2,519,869	\$ 18,651,328	\$ 4,560,396
Cash and cash equivalents	-	-	-	-
Receivables (net of allowance for uncollectibles):				
Accounts	-	-	-	(117)
Taxes	-	-	-	-
Grants	-	-	-	-
Loans	-	-	-	-
Fees	-	-	-	-
Accrued Interest	2,764	5,284	39,869	9,785
Due from other governments	-	-	-	-
Restricted assets:				
Equity in pooled cash & cash	-	-	-	-
Cash and cash equivalents	-	-	-	-
Total assets	\$ 1,298,784	\$ 2,525,153	\$ 18,691,197	\$ 4,570,064
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ 7,513	\$ -
Construction contracts payable	-	-	887	-
Accrued liabilities	-	-	-	-
Advances from other funds	-	-	-	-
Deposits	-	-	-	-
Total liabilities	-	-	8,400	-
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue-property taxes	-	-	-	-
Unavailable revenue-grants	-	-	-	-
Total deferred inflows of resources	-	-	-	-
FUND BALANCES				
Nonspendable	-	-	-	-
Restricted	1,298,784	2,525,153	18,682,797	4,570,064
Committed	-	-	-	-
Total fund balances	1,298,784	2,525,153	18,682,797	4,570,064
Total liabilities, deferred inflows of resources and fund balances	\$ 1,298,784	\$ 2,525,153	\$ 18,691,197	\$ 4,570,064

Special Revenue Funds

Raw Water Storage Reserve	Sewer Construction	Library Services	Museum Services	Historic Preservation	Callahan House	Senior Services	Parks Grants & Donations
\$ 408,781	\$ 2,965,445	\$ 111,134	\$ 38,034	\$ 10,070	\$ 19,421	\$ 222,491	\$ 641,534
-	-	70,867	-	-	-	-	-
-	-	-	-	-	-	-	-
-	122	-	-	-	-	-	-
-	205	-	-	-	-	-	-
904	6,298	219	89	21	40	476	1,371
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 409,685</u>	<u>\$ 2,972,070</u>	<u>\$ 182,220</u>	<u>\$ 38,123</u>	<u>\$ 10,091</u>	<u>\$ 19,461</u>	<u>\$ 222,967</u>	<u>\$ 642,905</u>
\$ -	\$ -	\$ 762	\$ 999	\$ -	\$ 205	\$ 4,808	\$ 1,413
-	-	-	-	-	-	-	-
-	-	-	257	-	2,083	\$ 265	-
-	-	-	-	-	-	-	-
-	-	-	2,624	-	-	1,785	-
-	-	762	3,880	-	2,288	6,858	1,413
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	122	-	-	-	-	-	-
-	2,971,948	181,458	15,520	10,091	-	-	3,723
409,685	-	-	18,723	-	17,173	216,109	637,769
<u>409,685</u>	<u>2,972,070</u>	<u>181,458</u>	<u>34,243</u>	<u>10,091</u>	<u>17,173</u>	<u>216,109</u>	<u>641,492</u>
<u>\$ 409,685</u>	<u>\$ 2,972,070</u>	<u>\$ 182,220</u>	<u>\$ 38,123</u>	<u>\$ 10,091</u>	<u>\$ 19,461</u>	<u>\$ 222,967</u>	<u>\$ 642,905</u>

(continued)

COMBINING BALANCE SHEET
Nonmajor Governmental Funds
December 31, 2014

	Affordable Housing	Open Space	Public Safety	Lodgers Tax	Probation Services
ASSETS					
Equity in pooled cash & cash equivalents	\$ 1,526,569	\$ 2,149,116	\$ 1,707,293	\$ 141,042	\$ 97,941
Cash and cash equivalents	-	-	-	-	-
Receivables (net of allowance for uncollectibles):					
Accounts	-	-	-	-	-
Taxes	-	351,579	571,309	19,627	-
Grants	-	661,115	54,832	-	-
Loans	-	-	978	-	-
Fees	-	-	-	-	-
Accrued Interest	3,381	9,348	3,763	282	215
Prepays	-	-	4,800	-	-
Due from other governments	-	-	12,500	-	-
Restricted assets:					
Equity in pooled cash & cash	-	-	-	-	-
Cash and cash equivalents	-	4,252,882	-	-	-
Total assets	\$ 1,529,950	\$ 7,424,040	\$ 2,355,475	\$ 160,951	\$ 98,156
LIABILITIES					
Accounts payable	\$ 41,347	\$ 219,962	\$ 59,904	\$ -	\$ -
Construction contracts payable	-	246,319	8,041	-	-
Accrued liabilities	2,709	8,682	126,796	-	1,978
Advances from other funds	-	-	-	-	-
Deposits	-	-	-	-	-
Total liabilities	44,056	474,963	194,741	-	1,978
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue-property taxes	-	-	-	-	-
Unavailable revenue-grants	-	661,115	26,500	-	-
Total deferred inflows of resources	-	661,115	26,500	-	-
FUND BALANCES					
Nonspendable	-	-	5,778	-	-
Restricted	-	6,287,962	2,128,456	160,951	-
Committed	1,485,894	-	-	-	96,178
Total fund balances	1,485,894	6,287,962	2,134,234	160,951	96,178
Total liabilities, deferred inflows of resources and fund balances	\$ 1,529,950	\$ 7,424,040	\$ 2,355,475	\$ 160,951	\$ 98,156

Special Revenue Funds

Park/ Greenway Maintenance	Traffic Safety	Museum Trust	Jones Foundation Trust	Longmont Urban Renewal Authority	TOTALS
\$ 1,423,939	\$ 7,864	98,326	\$ 60,800	\$ 258,975	\$ 53,564,442
-	-	-	-	-	70,867
221,620	-	-	-	-	221,503
-	-	-	-	-	1,056,210
-	-	-	-	-	1,637,322
-	-	-	-	-	1,100
-	-	-	-	-	205
1,600	15	210	135	556	118,847
-	-	-	-	-	4,800
-	-	-	-	-	12,931
-	-	-	-	-	-
-	-	-	-	-	4,252,882
<u>\$ 1,647,159</u>	<u>\$ 7,879</u>	<u>98,536</u>	<u>\$ 60,935</u>	<u>\$ 259,531</u>	<u>\$ 60,941,109</u>
\$ 122,401	\$ -	\$ 1,302	\$ -	\$ 813	\$ 530,509
66,801	-	-	-	406	323,379
-	-	-	-	-	161,917
-	-	-	-	-	347,889
-	-	-	-	-	4,409
189,202	-	1,302	-	1,219	1,368,103
-	-	-	-	-	113,695
-	-	-	-	-	706,121
-	-	-	-	-	819,826
-	-	-	-	-	5,900
1,457,957	-	-	-	-	55,062,870
-	7,879	97,234	60,935	258,312	3,684,420
<u>1,457,957</u>	<u>7,879</u>	<u>97,234</u>	<u>60,935</u>	<u>258,312</u>	<u>58,753,190</u>
<u>\$ 1,647,159</u>	<u>\$ 7,879</u>	<u>\$ 98,536</u>	<u>\$ 60,935</u>	<u>\$ 259,531</u>	<u>\$ 60,941,109</u>

(continued)

COMBINING BALANCE SHEET
Nonmajor Governmental Funds
December 31, 2014

	Capital Projects Fund	Permanent Fund	
	Public Improvement Capital Projects	Mosher/ Kanemoto Trust	Total Nonmajor Governmental Funds
ASSETS			
Equity in pooled cash & cash equivalents	\$ 3,346,933	\$ 1,153,193	\$ 58,064,568
Cash and cash equivalents	-	-	70,867
Receivables (net of allowance for uncollectibles):			
Accounts	-	-	221,503
Taxes	318,328	-	1,374,538
Grants	2,341	-	1,639,663
Loans	-	-	1,100
Fees	-	-	205
Accrued Interest	11,273	2,553	132,673
Prepays	-	-	4,800
Due from other governments	-	-	12,931
Restricted assets:			
Equity in pooled cash & cash	2,160,454	-	2,160,454
Cash and cash equivalents	-	-	4,252,882
Total assets	\$ 5,839,329	\$ 1,155,746	\$ 67,936,184
LIABILITIES			
Accounts payable	\$ 312,194	\$ -	\$ 842,703
Construction contracts payable	115,367	-	438,746
Accrued liabilities	-	-	161,917
Advances from other funds	-	-	347,889
Deposits	-	-	4,409
Total liabilities	427,561	-	1,795,664
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue-property taxes	-	-	113,695
Unavailable revenue-grants	2,341	-	708,462
Total deferred inflows of resources	2,341	-	822,157
FUND BALANCES			
Nonspendable	-	644,576	650,476
Restricted	5,409,427	511,170	60,983,467
Committed	-	-	3,684,420
Total fund balances	5,409,427	1,155,746	65,318,363
Total liabilities, deferred inflows of resources and fund balances	\$ 5,839,329	\$ 1,155,746	\$ 67,936,184

**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES**
Nonmajor Governmental Funds
For the Year Ended December 31, 2014

Special Revenue Funds

	Conservation	Park Improvement	General Improvement District #1	Community Development Block Grant	Downtown Parking	Judicial Wedding Fees
REVENUES						
Taxes	\$ -	\$ -	\$ 105,392	\$ -	\$ -	\$ -
Licenses and permits	-	1,346,021	-	-	89,852	-
Developer/owner participation	-	-	-	-	-	-
Intergovernmental	859,497	-	-	1,983,808	-	-
Charges for services	-	-	-	-	-	2,300
Fines and forfeits	-	-	-	-	-	-
Investment income	45,579	34,817	1,089	38,695	775	188
Private grants/donations	-	3,025	-	-	-	-
Miscellaneous	-	-	(1,487)	157,420	120	-
Total revenues	905,076	1,383,863	104,994	2,179,923	90,747	2,488
EXPENDITURES						
Current:						
General governmental	-	-	94,082	1,895,863	37,223	3,870
Public safety	-	-	-	-	-	-
Culture and recreation	79,909	139,454	-	-	-	-
Municipal utility system	-	-	-	-	-	-
Capital Projects	-	-	-	-	-	-
Debt service:						
Bond principal retired	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
Total expenditures	79,909	139,454	94,082	1,895,863	37,223	3,870
Excess of revenues over (under) expenditures	825,167	1,244,409	10,912	284,060	53,524	(1,382)
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	2,537	-
Transfers out	-	(851)	-	(23,717)	-	(1,351)
Total other financing sources (uses)	-	(851)	-	(23,717)	2,537	(1,351)
Net change in fund balances	825,167	1,243,558	10,912	260,343	56,061	(2,733)
FUND BALANCES (DEFICITS), January 1	6,188,841	4,191,580	97,779	192,524	83,944	27,467
FUND BALANCES, December 31	\$ 7,014,008	\$ 5,435,138	\$ 108,691	\$ 452,867	\$ 140,005	\$ 24,734

(continued)

**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES**
Nonmajor Governmental Funds
For the Year Ended December 31, 2014

	Police Seizures	Prevention Education	Youth Services	Transportation Community Investment Fee	Public Buildings
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	503,551	-
Developer/owner participation	-	-	-	-	-
Intergovernmental	29,371	68,447	113,929	-	-
Charges for services	-	29,875	31,640	-	-
Fines and forfeits	-	-	-	-	-
Investment income	122	840	1,112	9,685	-
Private grants/donations	-	23,773	40,578	-	-
Miscellaneous	4	-	1,643	-	-
Total revenues	29,497	122,935	188,902	513,236	-
EXPENDITURES					
Current:					
General governmental	-	-	-	-	-
Public safety	29,848	108,065	-	-	-
Culture and recreation	-	-	192,072	-	-
Municipal utility system	-	-	-	-	-
Capital Projects	-	-	-	-	-
Debt service:					
Bond principal retired	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	29,848	108,065	192,072	-	-
Excess of revenues over (under) expenditures	(351)	14,870	(3,170)	513,236	-
OTHER FINANCING SOURCES (USES)					
Transfers in	-	7,000	-	-	-
Transfers out	(7,000)	-	-	-	-
Total other financing sources (uses)	(7,000)	7,000	-	-	-
Net change in fund balances	(7,351)	21,870	(3,170)	513,236	-
FUND BALANCES (DEFICITS), January 1	60,552	121,851	165,196	1,098,908	-
FUND BALANCES, December 31	\$ 53,201	\$ 143,721	\$ 162,026	\$ 1,612,144	\$ -

Special Revenue Funds				
Electric Community Investment Fee	Water System Construction Reserve	Water Acquisition	Raw Water Storage Reserve	Sewer Construction
\$ -	\$ -	\$ -	\$ -	\$ -
602,749	1,949,692	-	-	1,077,096
-	-	602,206	-	-
-	-	-	-	-
-	-	-	-	-
16,077	122,863	30,021	2,889	19,156
-	-	-	-	-
-	28	-	-	120
618,826	2,072,583	632,227	2,889	1,096,372
-	-	-	-	-
-	-	-	-	-
119,642	195,331	249,299	-	-
-	-	-	-	-
-	-	-	-	-
119,642	195,331	249,299	-	-
499,184	1,877,252	382,928	2,889	1,096,372
-	-	-	-	-
-	(441)	-	-	(368,071)
-	(441)	-	-	(368,071)
499,184	1,876,811	382,928	2,889	728,301
2,025,969	16,805,986	4,187,136	406,796	2,243,769
\$ 2,525,153	\$ 18,682,797	\$ 4,570,064	\$ 409,685	\$ 2,972,070

(continued)

**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES**
Nonmajor Governmental Funds
For the Year Ended December 31, 2014

	Library Services	Museum Services	Historic Preservation	Callahan House	Senior Services
REVENUES					
Taxes	\$ -	\$ -	-	\$ -	-
Licenses and permits	-	-	750	-	-
Developer/owner participation	-	-	-	-	-
Intergovernmental	27,924	26,000	-	-	-
Charges for services	-	34,088	-	37,341	189,644
Fines and forfeits	-	-	-	-	-
Investment income	639	305	66	156	1,510
Private grants	79,908	25,064	-	196	16,902
Miscellaneous	25,013	2,990	-	-	6,221
Total revenues	133,484	88,447	816	37,693	214,277
EXPENDITURES					
Current:					
General governmental	-	-	-	-	-
Public safety	-	-	-	-	-
Culture and recreation	81,573	95,993	-	102,580	194,131
Municipal utility system	-	-	-	-	-
Capital Projects	-	-	-	-	-
Debt service:					
Bond principal retired	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	81,573	95,993	-	102,580	194,131
Excess of revenues over (under) expenditures	51,911	(7,546)	816	(64,887)	20,146
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	60,204	-
Transfers out	-	-	-	-	(5,656)
Total other financing sources (uses)	-	-	-	60,204	(5,656)
Net change in fund balances	51,911	(7,546)	816	(4,683)	14,490
FUND BALANCES (DEFICITS), January 1	129,547	41,789	9,275	21,856	201,619
FUND BALANCES, December 31	\$ 181,458	\$ 34,243	\$ 10,091	\$ 17,173	\$ 216,109

Special Revenue Funds

Parks Grants & Donations	Affordable Housing	Open Space	Public Safety	Lodgers Tax	Probation Services	Park/Greenway Maintenance
\$ -	\$ -	\$ 3,436,196	\$ 5,583,826	\$ 364,767	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
350,000	-	185,435	394,025	-	-	-
-	475	-	65,360	-	-	1,801,186
-	-	-	-	-	71,118	-
3,215	30,031	38,225	12,375	818	696	3,473
-	-	-	325,400	-	-	2,000
-	127,093	78,500	10,431	-	-	-
353,215	157,599	3,738,356	6,391,417	365,585	71,814	1,806,659
-	413,229	-	-	-	76,035	-
-	-	-	5,999,153	-	-	-
46,569	-	4,649,658	144,367	378,803	-	1,456,948
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	1,160,000	-	-	-	-
-	-	1,045,314	-	-	-	-
46,569	413,229	6,854,972	6,143,520	378,803	76,035	1,456,948
306,646	(255,630)	(3,116,616)	247,897	(13,218)	(4,221)	349,711
-	152,315	49,119	-	-	-	1,108,246
-	(108)	(28,995)	(31,317)	-	(64)	-
-	152,207	20,124	(31,317)	-	(64)	1,108,246
306,646	(103,423)	(3,096,492)	216,580	(13,218)	(4,285)	1,457,957
334,846	1,589,317	9,384,454	1,917,654	174,169	100,463	-
\$ 641,492	\$ 1,485,894	\$ 6,287,962	\$ 2,134,234	\$ 160,951	\$ 96,178	\$ 1,457,957

(continued)

**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES**
Nonmajor Governmental Funds
For the Year Ended December 31, 2014

	Special Revenue Funds				TOTALS
	Traffic Safety	Museum Trust	Jones Foundation Trust	Longmont Urban Renewal Authority	
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	9,490,181
Licenses and permits	-	-	-	-	5,569,711
Developer/owner participation	-	-	-	-	1,142,252
Intergovernmental	-	-	-	-	4,038,436
Charges for services	7,860	24,589	-	-	2,224,358
Fines and forfeits	-	-	-	-	71,118
Investment income	19	677	430	876	425,217
Private grants	-	3,600	-	-	520,446
Miscellaneous	-	18,270	-	-	426,366
Total revenues	7,879	47,136	430	876	23,908,085
EXPENDITURES					
Current:					
General governmental	-	-	-	538,218	3,058,520
Public safety	-	-	-	-	6,137,066
Culture and recreation	-	45,841	-	-	7,607,898
Municipal utility system	-	-	-	-	564,272
Capital Projects	-	-	-	-	-
Debt service:					
Bond principal retired	-	-	-	-	1,160,000
Interest and fiscal charges	-	-	-	-	1,045,314
Total expenditures	-	45,841	-	538,218	19,573,070
Excess of revenues over (under) expenditures	7,879	1,295	430	(537,342)	4,335,015
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	1,103,630	2,483,051
Transfers out	-	-	-	-	(467,571)
Total other financing sources (uses)	-	-	-	1,103,630	2,015,480
Net change in fund balances	7,879	1,295	430	566,288	6,350,495
FUND BALANCES (DEFICITS), January 1	-	95,939	60,505	(307,976)	52,402,695
FUND BALANCES, December 31	\$ 7,879	\$ 97,234	\$ 60,935	\$ 258,312	\$ 58,753,190

Capital Projects Fund	Permanent Fund	Total Nonmajor Governmental Funds
<u>Public Improvement Capital Projects</u>	<u>Mosher/Kanemoto Trust</u>	
\$ 4,471,068	\$ -	\$ 13,961,249
-	-	5,569,711
-	-	1,142,252
728,889	-	4,767,325
-	-	2,224,358
-	-	71,118
34,973	8,173	468,363
1,059,245	-	1,579,691
46	-	426,412
<u>6,294,221</u>	<u>8,173</u>	<u>30,210,479</u>
-	-	3,058,520
-	-	6,137,066
-	4,794	7,612,692
-	-	564,272
3,201,073	-	3,201,073
2,065,000	-	3,225,000
658,025	-	1,703,339
<u>5,924,098</u>	<u>4,794</u>	<u>25,501,962</u>
<u>370,123</u>	<u>3,379</u>	<u>4,708,517</u>
523,717	-	3,006,768
<u>(20,795)</u>	<u>-</u>	<u>(488,366)</u>
<u>502,922</u>	<u>-</u>	<u>2,518,402</u>
<u>873,045</u>	<u>3,379</u>	<u>7,226,919</u>
<u>4,536,382</u>	<u>1,152,367</u>	<u>58,091,444</u>
<u>\$ 5,409,427</u>	<u>\$ 1,155,746</u>	<u>\$ 65,318,363</u>

CONSERVATION SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL
For the Year Ended December 31, 2014

	Final Budget	Actual	Variance From Final Budget
REVENUES			
Intergovernmental	\$ 725,000	\$ 859,497	\$ 134,497
Investment income (loss)	10,040	45,579	35,539
Miscellaneous	31,381	-	(31,381)
Total revenues	766,421	905,076	138,655
EXPENDITURES			
Culture and recreation	4,585,737	79,909	4,505,828
Net change in fund balance	(3,819,316)	825,167	4,644,483
FUND BALANCE, January 1	6,188,841	6,188,841	-
FUND BALANCE, December 31	\$ 2,369,525	\$ 7,014,008	\$ 4,644,483

PARK IMPROVEMENT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP) BASIS AND ACTUAL
For the Year Ended December 31, 2014

	Final Budget	Actual	Variance From Final Budget
REVENUES			
Licenses and permits	\$ 907,155	\$ 1,346,021	\$ 438,866
Investment income (loss)	16,555	34,817	18,262
Private grants/donations	-	3,025	3,025
Total revenues	923,710	1,383,863	460,153
EXPENDITURES			
Culture and recreation	1,227,738	139,454	1,088,284
Excess of revenues over (under) expenditures	(304,028)	1,244,409	1,548,437
OTHER FINANCING (USES)			
Transfer out Art in Public Places Fund	(18,710)	(851)	17,859
Net change in fund balance	(322,738)	1,243,558	1,566,296
FUND BALANCE, January 1	4,191,580	4,191,580	-
FUND BALANCE, December 31	\$ 3,868,842	\$ 5,435,138	\$ 1,566,296

GENERAL IMPROVEMENT DISTRICT #1 SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP) BASIS AND ACTUAL
For the Year Ended December 31, 2014

	Final Budget	Actual	Variance From Final Budget
REVENUES			
Taxes	\$ 124,078	\$ 105,392	\$ (18,686)
Investment income	1,300	1,089	(211)
Miscellaneous	-	(1,487)	(1,487)
Total revenues	125,378	104,994	(20,384)
EXPENDITURES			
General government	118,013	94,082	23,931
Net change in fund balance	7,365	10,912	3,547
FUND BALANCE, January 1	97,779	97,779	-
FUND BALANCE, December 31	\$ 105,144	\$ 108,691	\$ 3,547

COMMUNITY DEVELOPMENT BLOCK GRANT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP) BASIS AND ACTUAL
For the Year Ended December 31, 2014

	Final Budget	Actual	Variance From Final Budget
REVENUES			
Intergovernmental	\$ 4,812,482	\$ 1,983,808	\$ (2,828,674)
Investment income	-	38,695	38,695
Miscellaneous	80,000	157,420	77,420
Total revenues	4,892,482	2,179,923	(2,712,559)
EXPENDITURES			
General government	5,110,660	1,895,863	3,214,797
Excess of revenues over (under) expenditures	(218,178)	284,060	502,238
OTHER FINANCING (USES)			
Transfer out			
Public Improvement Fund	-	(23,717)	(23,717)
Net change in fund balance	(218,178)	260,343	478,521
FUND BALANCE, January 1	192,524	192,524	-
FUND BALANCE, December 31	\$ (25,654)	\$ 452,867	\$ 478,521

DOWNTOWN PARKING SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP) BASIS AND ACTUAL
For the Year Ended December 31, 2014

	Final Budget	Actual	Variance From Final Budget
REVENUES			
Licenses and permits	\$ 55,400	\$ 89,852	\$ 34,452
Investment income (loss)	200	775	575
Miscellaneous	-	120	120
<hr/>			
Total revenues	55,600	90,747	35,147
EXPENDITURES			
General government	61,211	37,223	23,988
<hr/>			
Excess of revenues over (under) expenditures	(5,611)	53,524	59,135
<hr/>			
OTHER FINANCING SOURCES			
Transfer in General Fund	11,190	2,537	(8,653)
<hr/>			
Net change in fund balance	5,579	56,061	50,482
<hr/>			
FUND BALANCE, January 1	83,944	83,944	-
<hr/>			
FUND BALANCE, December 31	\$ 89,523	\$ 140,005	\$ 50,482

JUDICIAL WEDDING FEE SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP) BASIS AND ACTUAL
For the Year Ended December 31, 2014

	Final Budget	Actual	Variance From Final Budget
REVENUES			
Charges for services	\$ 7,000	\$ 2,300	\$ (4,700)
Investment income (loss)	-	188	188
Total revenues	7,000	2,488	(4,512)
EXPENDITURES			
General government	3,763	3,870	(107)
Excess of revenues over expenditures	3,237	(1,382)	(4,619)
OTHER FINANCING (USES)			
Transfer out			
General fund	(1,351)	(1,351)	-
Net change in fund balance	1,886	(2,733)	(4,619)
FUND BALANCE, January 1	27,467	27,467	-
FUND BALANCE, December 31	\$ 29,353	\$ 24,734	\$ (4,619)

POLICE SEIZURES SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP) BASIS AND ACTUAL
For the Year Ended December 31, 2014

	Final Budget	Actual	Variance From Final Budget
REVENUES			
Intergovernmental	\$ -	\$ 29,371	29,371
Investment income (loss)	-	122	122
Miscellaneous	-	4	4
<hr/>			
Total revenues	-	29,497	29,497
EXPENDITURES			
Public safety	46,819	29,848	16,971
<hr/>			
Excess of revenues (under) expenditures	(46,819)	(351)	46,468
OTHER FINANCING (USES)			
Transfer out			
Prevention/Education fund	(7,000)	(7,000)	-
<hr/>			
Net change in fund balance	(53,819)	(7,351)	46,468
<hr/>			
FUND BALANCE, January 1	60,552	60,552	-
<hr/>			
FUND BALANCE, December 31	\$ 6,733	\$ 53,201	46,468

PREVENTION/EDUCATION SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP) BASIS AND ACTUAL
For the Year Ended December 31, 2014

	Final Budget	Actual	Variance From Final Budget
REVENUES			
Charges for services	\$ 29,525	\$ 29,875	\$ 350
Intergovernmental	95,814	68,447	(27,367)
Investment income	-	840	840
Private grants/donations	6,254	23,773	17,519
Total revenues	131,593	122,935	(8,658)
EXPENDITURES			
Public safety	190,522	108,065	82,457
Excess of revenues over (under) expenditures	(58,929)	14,870	73,799
OTHER FINANCING SOURCES			
Transfer in			
Seizure fund	7,000	7,000	-
Net change in fund balance	(51,929)	21,870	73,799
FUND BALANCE, January 1	121,851	121,851	-
FUND BALANCE, December 31	\$ 69,922	\$ 143,721	\$ 73,799

YOUTH SERVICES SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP) BASIS AND ACTUAL
For the Year Ended December 31, 2014

	Final Budget	Actual	Variance From Final Budget
REVENUES			
Charges for services	\$ 32,000	\$ 31,640	\$ (360)
Intergovernmental	446,141	113,929	(332,212)
Investment income	-	1,112	1,112
Private grant	45,046	40,578	(4,468)
Miscellaneous	383	1,643	1,260
Total revenues	523,570	188,902	(334,668)
EXPENDITURES			
Culture and recreation	517,954	192,072	325,882
Net change in fund balance	5,616	(3,170)	(8,786)
FUND BALANCE, January 1	165,196	165,196	-
FUND BALANCE, December 31	\$ 170,812	\$ 162,026	(8,786)

TRANSPORTATION COMMUNITY INVESTMENT FEE SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP) BASIS AND ACTUAL
For the Year Ended December 31, 2014

	Final Budget	Actual	Variance From Final Budget
REVENUES			
Licenses and permits	\$ 171,763	\$ 503,551	\$ 331,788
Investment income (loss)	1,104	9,685	8,581
Total revenues	172,867	513,236	340,369
EXPENDITURES			
Highways and streets	1,200,000	-	1,200,000
Net change in fund balance	(1,027,133)	513,236	1,540,369
FUND BALANCE, January 1	1,098,908	1,098,908	-
FUND BALANCE, December 31	\$ 71,775	\$ 1,612,144	\$ 1,540,369

PUBLIC BUILDINGS COMMUNITY INVESTMENT FEE SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP) BASIS AND ACTUAL
For the Year Ended December 31, 2014

	Final Budget	Actual	Variance From Final Budget
REVENUES			
Developer participation	\$ 301,918	\$ 540,046	\$ 238,128
Investment income	3,000	7,798	4,798
Private grants/donations	450,000	-	(450,000)
Total revenues	754,918	547,844	(207,074)
EXPENDITURES			
General Government	1,212,612	-	1,212,612
Excess of revenues over (under) expenditures	(457,694)	547,844	1,005,538
OTHER FINANCING (USES)			
Transfer out			
Art in Public Places fund	(10,900)	-	10,900
Net change in fund balance	(468,594)	547,844	1,016,438
FUND BALANCE, January 1	750,940	750,940	-
FUND BALANCE, December 31	\$ 282,346	\$ 1,298,784	\$ 1,016,438

ELECTRIC COMMUNITY INVESTMENT FEE SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP) BASIS AND ACTUAL
For the Year Ended December 31, 2014

	Final Budget	Actual	Variance From Final Budget
REVENUES			
Licenses and permits	\$ 372,000	\$ 602,749	\$ 230,749
Investment income	15,000	16,077	1,077
Total revenues	387,000	618,826	231,826
EXPENDITURES			
Municipal utility systems	449,083	119,642	329,441
Net change in fund balance	(62,083)	499,184	561,267
FUND BALANCE, January 1	2,025,969	2,025,969	-
FUND BALANCE, December 31	\$ 1,963,886	\$ 2,525,153	\$ 561,267

**WATER SYSTEM CONSTRUCTION RESERVE SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP) BASIS AND ACTUAL
For the Year Ended December 31, 2014**

	Final Budget	Actual	Variance From Final Budget
REVENUES			
Licenses and permits	\$ 741,100	\$ 1,949,692	\$ 1,208,592
Investment income	155,600	122,863	(32,737)
Miscellaneous	-	28	28
Total revenues	896,700	2,072,583	1,175,883
EXPENDITURES			
Municipal utility systems	503,975	195,331	308,644
Excess of revenues over (under) expenditures	392,725	1,877,252	1,484,527
OTHER FINANCING (USES)			
Transfer out			
Art in Public Places fund	(1,628)	(441)	1,187
Net change in fund balance	391,097	1,876,811	1,485,714
FUND BALANCE, January 1	16,805,986	16,805,986	-
FUND BALANCE, December 31	\$ 17,197,083	\$ 18,682,797	\$ 1,485,714

WATER ACQUISITION SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP) BASIS AND ACTUAL
For the Year Ended December 31, 2014

	Final Budget	Actual	Variance From Final Budget
REVENUES			
Charges for services	\$ 5,000	\$ 602,206	\$ 597,206
Investment income (loss)	32,800	30,021	(2,779)
Total revenues	37,800	632,227	594,427
EXPENDITURES			
Municipal utility systems	451,208	249,299	201,909
Net change in fund balance	(413,408)	382,928	796,336
FUND BALANCE, January 1	4,187,547	4,187,136	(411)
FUND BALANCE, December 31	\$ 3,774,139	\$ 4,570,064	\$ 795,925

RAW WATER STORAGE RESERVE SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP) BASIS AND ACTUAL
For the Year Ended December 31, 2014

	Final Budget	Actual	Variance From Final Budget
REVENUES			
Investment income	\$ 1,545	\$ 2,889	1,344
EXPENDITURES			
Municipal utility system	-	-	-
Net change in fund balance	1,545	2,889	1,344
FUND BALANCE, January 1	406,796	406,796	-
FUND BALANCE, December 31	\$ 408,341	\$ 409,685	1,344

SEWER CONSTRUCTION SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP) BASIS AND ACTUAL
For the Year Ended December 31, 2014

	Final Budget	Actual	Variance From Final Budget
REVENUES			
Licenses and permits	\$ 612,800	\$ 1,077,096	\$ 464,296
Investment income	20,000	19,156	(844)
Miscellaneous	-	120	120
Total revenues	632,800	1,096,372	463,572
EXPENDITURES			
Municipal utility systems	14,305	-	14,305
Excess of revenues over expenditures	618,495	1,096,372	477,877
OTHER FINANCING (USES)			
Transfer out			
Sewer Fund	(368,071)	(368,071)	-
Art in Public Places fund	(2,030)	-	2,030
Total other financing (uses)	(370,101)	(368,071)	2,030
Net change in fund balance	248,394	728,301	479,907
FUND BALANCE, January 1	2,243,769	2,243,769	-
FUND BALANCE, December 31	\$ 2,492,163	\$ 2,972,070	\$ 479,907

LIBRARY SERVICES SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP) BASIS AND ACTUAL
For the Year Ended December 31, 2014

	Final Budget	Actual	Variance From Final Budget
REVENUES			
Intergovernmental	\$ 26,337	\$ 27,924	1,587
Investment income	1,000	639	(361)
Private grants/donations	61,411	79,908	18,497
Miscellaneous	21,655	25,013	3,358
Total revenues	110,403	133,484	23,081
EXPENDITURES			
Culture and recreation	93,336	81,573	11,763
Excess revenues over expenditures	17,067	51,911	34,844
OTHER FINANCING (USES)			
Transfer out General fund	(27,566)	-	27,566
Net change in fund balance	(10,499)	51,911	62,410
FUND BALANCE, January 1	129,547	129,547	-
FUND BALANCE, December 31	\$ 119,048	\$ 181,458	62,410

MUSEUM SERVICES SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP) BASIS AND ACTUAL
For the Year Ended December 31, 2014

	Final Budget	Actual	Variance From Final Budget
REVENUES			
Intergovernmental	\$ 18,000	\$ 26,000	\$ 8,000
Charges for services	37,200	34,088	(3,112)
Investment income	-	305	305
Private grants/donations	7,000	25,064	18,064
Miscellaneous	1,500	2,990	1,490
Total revenues	63,700	88,447	24,747
EXPENDITURES			
Culture and recreation	114,900	95,993	18,907
Net change in fund balance	(51,200)	(7,546)	43,654
FUND BALANCE, January 1	41,789	41,789	-
FUND BALANCE, December 31	\$ (9,411)	\$ 34,243	\$ 43,654

CALLAHAN HOUSE SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP) BASIS AND ACTUAL
For the Year Ended December 31, 2014

	Final Budget	Actual	Variance From Final Budget
REVENUES			
Charges for services	\$ 37,450	\$ 37,341	\$ (109)
Investment income	200	156	(44)
Private Grants/donations	-	196	196
<hr/>			
Total revenues	37,650	37,693	43
EXPENDITURES			
Culture and recreation	105,299	102,580	2,719
<hr/>			
Excess of revenues (under) expenditures	(67,649)	(64,887)	2,762
<hr/>			
OTHER FINANCING SOURCES			
Transfer in			
General fund	60,204	60,204	-
<hr/>			
Net change in fund balance	(7,445)	(4,683)	2,762
<hr/>			
FUND BALANCE, January 1	21,856	21,856	-
<hr/>			
FUND BALANCE, December 31	\$ 14,411	\$ 17,173	\$ 2,762

SENIOR SERVICES SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP) BASIS AND ACTUAL
For the Year Ended December 31, 2014

	Final Budget	Actual	Variance From Final Budget
REVENUES			
Charges for services	\$ 166,200	\$ 189,644	\$ 23,444
Investment income	-	1,510	1,510
Private Grants/donations	5,000	16,902	11,902
Miscellaneous	6,000	6,221	221
Total revenues	177,200	214,277	37,077
EXPENDITURES			
Culture and recreation	190,315	194,131	(3,816)
Excess of revenues over (under) expenditures	(13,115)	20,146	33,261
OTHER FINANCING USES			
Transfer out General fund	(5,656)	(5,656)	-
Net change in fund balance	(18,771)	14,490	33,261
FUND BALANCE, January 1	201,619	201,619	-
FUND BALANCE, December 31	\$ 182,848	\$ 216,109	\$ 33,261

PARKS GRANTS AND DONATIONS SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP) BASIS AND ACTUAL
For the Year Ended December 31, 2014

	Final Budget	Actual	Variance From Final Budget
REVENUES			
Intergovernmental	\$ 671,942	\$ 350,000	(321,942)
Investment income	-	3,215	3,215
Total revenues	671,942	353,215	(318,727)
EXPENDITURES			
Culture and recreation	736,775	46,569	690,206
Net change in fund balance	(64,833)	306,646	371,479
FUND BALANCE, January 1	334,846	334,846	-
FUND BALANCE, December 31	\$ 270,013	\$ 641,492	371,479

AFFORDABLE HOUSING SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP) BASIS AND ACTUAL
For the Year Ended December 31, 2014

	Final Budget	Actual	Variance From Final Budget
REVENUES			
Investment income	\$ -	\$ 30,031	\$ 30,031
Charges for services	-	475	475
Miscellaneous	125,000	127,093	2,093
<hr/>			
Total revenues	125,000	157,599	32,599
EXPENDITURES			
General government	708,380	413,229	295,151
<hr/>			
Excess of revenues over (under) expenditures	(583,380)	(255,630)	327,750
<hr/>			
OTHER FINANCING SOURCES (USES)			
Transfer in			
General fund	152,315	152,315	-
Transfer out			
General fund	(108)	(108)	-
<hr/>			
Total other financing sources (uses)	152,207	152,207	-
<hr/>			
Net change in fund balance	(431,173)	(103,423)	327,750
<hr/>			
FUND BALANCE, January 1	1,589,317	1,589,317	-
<hr/>			
FUND BALANCE, December 31	\$ 1,158,144	\$ 1,485,894	\$ 327,750

OPEN SPACE SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP) BASIS AND ACTUAL
For the Year Ended December 31, 2014

	Final Budget	Actual	Variance From Final Budget
REVENUES			
Taxes	\$ 3,193,551	\$ 3,436,196	\$ 242,645
Intergovernmental	1,990,666	185,435	(1,805,231)
Investment income	21,067	38,225	17,158
Miscellaneous	40,000	78,500	38,500
Total revenues	5,245,284	3,738,356	(1,506,928)
EXPENDITURES			
Current:			
Culture and Recreation	7,640,161	4,649,658	2,990,503
Debt Service:			
Bond principal retired	1,160,000	1,160,000	-
Interest and fiscal charges	1,045,314	1,045,314	-
Total expenditures	9,845,475	6,854,972	2,990,503
Excess of revenues (under) expenditures	(4,600,191)	(3,116,616)	1,483,575
OTHER FINANCING SOURCES (USES)			
Transfer in			
Self insurance fund	-	49,119	49,119
Transfers out			
Art in Public Places fund	(19,185)	(28,905)	(9,720)
General Fund	(90)	(90)	-
Total other financing sources (uses)	(19,275)	20,124	39,399
Net changes in fund balance	(4,619,466)	(3,096,492)	1,522,974
FUND BALANCE, January 1	9,384,454	9,384,454	-
FUND BALANCE, December 31	\$ 4,764,988	\$ 6,287,962	\$ 1,522,974

PUBLIC SAFETY SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP) BASIS AND ACTUAL
For the Year Ended December 31, 2014

	Final Budget	Actual	Variance From Final Budget
REVENUES			
Taxes	\$ 5,189,519	\$ 5,583,826	\$ 394,307
Intergovernmental	418,674	394,025	(24,649)
Charges for service	94,281	65,360	(28,921)
Investment income	9,500	12,375	2,875
Private grants/donations	285,400	325,400	40,000
Miscellaneous	168	10,431	10,263
Total revenues	5,997,542	6,391,417	393,875
EXPENDITURES			
Current:			
Public Safety	6,253,226	5,999,153	254,073
Culture and recreation	151,272	144,367	6,905
Total expenditures	6,404,498	6,143,520	260,978
Excess of revenues (under) expenditures	(406,956)	247,897	654,853
OTHER FINANCING SOURCES (USES)			
Transfers out			
Art in Public Places fund	(2,900)	(1,511)	1,389
General Fund	(2,751)	(2,751)	-
Fleet Fund	-	(27,055)	(27,055)
Total other financing sources (uses)	(5,651)	(31,317)	(25,666)
Net changes in fund balance	(412,607)	216,580	629,187
FUND BALANCE, January 1	1,917,654	1,917,654	-
FUND BALANCE, December 31	\$ 1,505,047	\$ 2,134,234	\$ 629,187

LODGERS TAX SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP) BASIS AND ACTUAL
For the Year Ended December 31, 2014

	Final Budget	Actual	Variance From Final Budget
REVENUES			
Taxes	\$ 320,374	\$ 364,767	\$ 44,393
Investment income	550	818	268
Total revenues	320,924	365,585	44,661
EXPENDITURES			
Culture and recreation	494,578	378,803	115,775
Excess of revenues over (under) expenditures	(173,654)	(13,218)	160,436
OTHER FINANCING (USES)			
Transfers out			
Art in Public Places fund	(729)	-	729
Net changes in fund balance	(174,383)	(13,218)	161,165
FUND BALANCE, January 1	174,169	174,169	-
FUND BALANCE, December 31	\$ (214)	\$ 160,951	\$ 161,165

PROBATION SERVICES SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP) BASIS AND ACTUAL
For the Year Ended December 31, 2014

	Final Budget	Actual	Variance From Final Budget
REVENUES			
Fines and forfeits	\$ 98,000	\$ 71,118	\$ (26,882)
Investment income	600	696	96
Total revenues	98,600	71,814	(26,786)
EXPENDITURES			
General government	84,022	76,035	7,987
Excess of revenues over (under) expenditures	14,578	(4,221)	(18,799)
OTHER FINANCING (USES)			
Transfers out General Fund	(64)	(64)	-
Net changes in fund balance	14,514	(4,285)	(18,799)
FUND BALANCE, January 1	100,463	100,463	-
FUND BALANCE, December 31	\$ 114,977	\$ 96,178	\$ (18,799)

PARK/GREENWAY MAINTENANCE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP) BASIS AND ACTUAL
For the Year Ended December 31, 2014

	Final Budget	Actual	Variance From Final Budget
REVENUES			
Charges for service	\$ 1,751,480	1,801,186 \$	49,706
Intergovernmental	2,800,000	-	(2,800,000)
Private grants	-	2,000	2,000
Investment income	2,815	3,473	658
Total revenues	4,554,295	1,806,659	(2,747,636)
EXPENDITURES			
Culture and recreation	5,338,011	1,456,948	3,881,063
Excess of revenues (under) expenditures	(783,716)	349,711	1,133,427
OTHER FINANCING (USES)			
Transfers in			
Self insurance fund	975,575	1,108,246	(132,671)
Transfers out			
Art in Public Places fund	(6,960)	-	(6,960)
Total other financing sources (uses)	968,615	1,108,246	(139,631)
Net change in fund balance	184,899	1,457,957	1,273,058
FUND BALANCE, January 1	-	-	-
FUND BALANCE, December 31	\$ 184,899	\$ 1,457,957	\$ 1,273,058

MUSEUM TRUST SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP) BASIS AND ACTUAL
For the Year Ended December 31, 2014

	Final Budget	Actual	Variance From Final Budget
REVENUES			
Charges for services	\$ 25,000	\$ 24,589	\$ (411)
Investment income	2,000	677	(1,323)
Private grants/donations	3,000	3,600	600
Miscellaneous	7,439	18,270	10,831
Total revenues	37,439	47,136	9,697
EXPENDITURES			
Culture and recreation	35,439	45,841	(10,402)
Net change in fund balance	2,000	1,295	(705)
FUND BALANCE, January 1	95,939	95,939	-
FUND BALANCE, December 31	\$ 97,939	\$ 97,234	(705)

LONGMONT URBAN RENEWAL AUTHORITY FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP) BASIS AND ACTUAL
For the Year Ended December 31, 2014

	Final Budget	Actual	Variance From Final Budget
REVENUES			
Investment income	\$ -	\$ 876	\$ 876
EXPENDITURES			
General government	798,415	538,218	260,197
Excess of revenues (under) expenditures	(798,415)	(537,342)	261,073
OTHER FINANCING SOURCES			
Transfer in			
Village at the Peaks fund	43,069	1,103,630	(1,060,561)
Proceeds from advance	500,000	-	500,000
Total other financing sources	543,069	1,103,630	(560,561)
Net change in fund balance	(255,346)	566,288	821,634
FUND BALANCE, January 1	(307,976)	(307,976)	-
FUND BALANCE, December 31	\$ (563,322)	\$ 258,312	\$ 821,634

MOSHER/KANEMOTO TRUST PERMANENT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP) BASIS AND ACTUAL
For the Year Ended December 31, 2014

	Final Budget	Actual	Variance From Final Budget
REVENUES			
Investment income	\$ -	\$ 8,173	\$ 8,173
EXPENDITURES			
Culture and recreation	4,794	4,794	-
Net change in fund balance	(4,794)	3,379	8,173
FUND BALANCE, January 1	1,152,367	1,152,367	-
FUND BALANCE, December 31	\$ 1,147,573	\$ 1,155,746	\$ 8,173

ART IN PUBLIC PLACES SUBFUND OF THE GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP) BASIS AND ACTUAL
For the Year Ended December 31, 2014

	Original Budget	Final Budget	Actual	Variance From Final Budget
REVENUES				
Investment income	\$ -	\$ -	2,877	\$ 2,877
EXPENDITURES				
Culture and recreation	134,455	146,825	84,083	62,742
Excess of revenues (under) expenditures	(134,455)	(146,825)	(81,206)	65,619
OTHER FINANCING SOURCES (USES)				
Transfers in				
Sanitation fund	5,089	5,089	406	(4,683)
Golf fund	670	670	457	(213)
Electric & Broadband fund	5,366	5,366	31,125	25,759
Water fund	38,373	38,373	10,460	(27,913)
Water construction fund	750	750	441	(309)
Sewer fund	21,070	21,070	47,004	25,934
Storm drainage fund	3,818	3,818	395	(3,423)
Airport fund	-	-	328	328
Public improvement fund	16,132	16,132	21,645	5,513
Parks improvement fund	6,960	6,960	-	(6,960)
Public building CIF fund	800	800	-	(800)
Open space fund	-	-	28,905	28,905
Public safety fund	-	-	1,511	1,511
Lodgers' tax	729	729	-	-
Component unit	-	-	253	253
Fleet fund	18,943	18,943	-	(18,943)
Transfers out				
General fund	(31)	(31)	(31)	-
Total other financing sources (uses)	118,669	118,669	142,899	24,230
Net change in fund balance	(15,786)	(28,156)	61,693	89,849
FUND BALANCE, January 1	281,015	422,985	422,985	-
FUND BALANCE, December 31	\$ 265,229	\$ 394,829	\$ 484,678	\$ 89,849

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, 2014**

Project Account No.	Project	Appropriations	
		Prior	2014
TRANSFERS			
40101	DDA Building Permits	\$ 9,577	\$ -
-	Art Transfers	48,046	-
		57,623	-
PUBLIC IMPROVEMENTS CAPITAL PROJECTS			
40101	Debt Service - Principal	22,795,230	2,065,000
	Debt Service - Interest	23,465,728	658,025
	Fiscal Charges	46,785	4,550
43002	Museum Cultural Center	6,426,783	-
43005	Roosevelt Memorial Building	1,484,276	-
43006	Roosevelt Park Improvements	3,409,453	-
43010	Museum Auditorium Fundraising	100,000	-
43027	Park Shelter Rehabilitation	1,071,419	-
43037	Neighborhood Improvement Program	880,000	-
43082	Outdoor Warning System	405,434	-
43093	Former Museum & City Hall Renovations	1,160,400	-
43111	Arterial Landscape	834,933	-
43112	3rd Avenue Entryway	606,550	-
43133	East Longmont Entryway	267,500	-
43136	Planning and Design	10,000	-
43137	Sunset Campus	1,144,305	-
43138	Union Reservoir Master Plan	45,000	-
43157	Oligarchy Bridge @ Union Reservoir	65,500	-
43162	Garden Acres Lights	50,873	-
43168	Centennial Pool Renovation	28,000	-
43170	Recreation Center Front Desk/Gate	80,000	-
43182	Energy Efficient Equipment	2,291,380	-
43183	Quail Campus Land	-	53,255
44502	Economic Development Incentives	34,248	-
81244	Lefthand Creek Rehab	-	-
81413	Kanemoto Pump Demolition	60,000	50,032
81488	Kanemoto Pump Station	262,500	262,500
81505	Miscellaneous Trails and Golden Pond	2,187,500	5,833,630
81515	Greenway: Section 7, 8 and Part 9	-	-
94056	Park Bldg Rehab Replace	74,326	349,820
94083	Greenway Connection	1,012,443	-
94085	Sport Court Reconstruction	2,322,522	-
94102	Swimming and Wading Pool Improvements	4,809,537	129,211
94113	Park Irrigation Pumps	721,750	150,000
94136	Parks Bridge Replacement	405,077	103,000
94147	Kensington Park	482,259	-
94162	Sports Field Lighting/Scoreboards	(5,870)	-
94165	Neighborhood Parks Master Plan	60,000	-
94174	Playground Rehabilitation	(19,501)	-
94182	Skate Park Component Replacement	9,495	-
94185	Roosevelt Park Lot Expnsn	-	-
94186	Sport Court Reconstruction	440,962	365,420
95001	Municipal Building Roof Improvements	3,388,041	88,800
95002	ADA Facility Improvements	1,160,820	80,000
95037	Fire Stations-Heat & Exhaust	856,189	60,600
95080	Municipal Building Boilers	633,735	47,380
95082	Municipal Buildings HVAC	2,040,519	269,438
95087	Municipal Training Center	-	80,800
95093	Civic Center Remodel	-	100,000
95109	Parking Lot Rehabilitation	821,131	10,000
95119	Municipal Buildings Carpet	1,310,790	116,150
95127	Police Firing Range	1,050,000	-
95145	Specialized Equipment Replacement	1,257,259	118,927
95153	Museum Auditorium	4,000,000	1,542,269
95160	Muni Bldgs Auto Door Gate	30,000	10,000
95163	Municipal Buildings Keyless Entry	149,922	-
95165	Muni Bldgs Emergency Genr	177,600	-
95181	UPS Repair/Replacement	184,454	9,585
95183	Sr Cntr Kitchen Expansion	312,000	-
95185	Rec Center Facility Imprvmt	136,350	-
95188	SJ Extr Foundation Repair	80,000	-
95189	Muni Building Exterior Maintenance	76,800	9,000
95190	Muni Building Interior Maintenance	57,000	29,000
-	Completed Projects	-	-
		97,249,407	12,596,392
162	CAPITAL PROJECTS FUND TOTAL	\$ 97,307,030	\$ 12,596,392

Transfers (to) from		Expenditures			Unexpended Balance
Other Projects	Fund Balance	Prior	2014		
\$ 30,875	\$ 214,607	\$ 251,780	\$ 3,279	\$ -	
395,969	6,111	429,331	20,795	-	
426,844	220,718	681,111	24,074	-	
15,000	-	22,810,230	2,065,000	-	
3,160	(915,493)	22,553,395	658,025	-	
24,478	(14,454)	30,070	150	31,139	
(123,489)	-	6,303,294	-	-	
(69,760)	-	1,414,516	-	-	
514,856	-	3,924,309	-	-	
(92,153)	-	7,847	-	-	
(13,631)	(50,774)	1,007,014	-	-	
11,347	(50,000)	760,154	39,087	42,106	
27,837	(18,892)	414,379	-	-	
32,899	(7,369)	1,185,930	-	-	
(182,413)	(150,000)	502,520	-	-	
(131,328)	(103,909)	371,313	-	-	
121,863	(13,664)	375,699	-	-	
(10,000)	-	-	-	-	
(6,961)	(437,466)	699,878	-	-	
-	(26)	44,974	-	-	
(65,500)	-	-	-	-	
(36,901)	-	13,972	-	-	
-	(28,000)	-	-	-	
-	-	36,046	-	43,954	
11	223	2,291,614	-	-	
-	-	-	-	53,255	
-	-	2,973	-	31,275	
17,500	(15,312)	-	-	2,188	
-	(62,743)	9,968	35,505	1,816	
-	(479,143)	-	14,908	30,949	
(19,420)	(6,893,875)	289,450	104,421	713,964	
1,920	-	1,920	-	-	
9,475	-	74,612	14,970	344,039	
(137,755)	(381,389)	493,299	-	-	
(165,777)	(337,189)	1,819,556	-	-	
(98,369)	(423,505)	4,127,724	196,100	93,050	
94,699	(54,850)	728,684	69,228	113,687	
(61,263)	(95,021)	225,976	-	125,817	
(5,426)	-	476,833	-	-	
21,901	-	16,031	-	-	
173,938	-	189,482	44,456	-	
119,451	(45,000)	54,950	-	-	
-	-	9,495	-	-	
59,498	-	50,187	-	9,311	
(9,077)	-	206,950	116,687	473,668	
(42,014)	(470,972)	2,736,916	86,969	139,970	
117,437	(25,000)	1,008,399	112,803	212,055	
(10,910)	(71,995)	728,050	22,262	83,572	
(45,077)	(195,512)	398,761	41,765	-	
22,845	(258,369)	1,700,737	245,160	128,536	
-	-	-	-	80,800	
-	-	-	-	100,000	
(45,885)	(90,155)	593,486	46,522	55,083	
462	(166,743)	1,135,271	94,491	30,897	
(9,355)	-	1,040,645	-	-	
(1,992)	(90,975)	1,045,899	144,860	92,460	
79,826	(1,807,876)	488,546	1,620,664	1,705,009	
-	-	10,000	-	30,000	
(544)	(29,905)	119,473	-	-	
(973)	-	45,848	99,666	31,113	
(1,287)	(62,620)	104,330	8,916	16,886	
(2,462)	(38,850)	270,688	-	-	
(1,338)	-	124,936	8,950	1,126	
(16,500)	-	63,500	-	-	
-	-	68,793	8,950	8,057	
-	-	43,204	20,304	22,492	
(489,687)	489,687	-	-	-	
(426,844)	(13,397,136)	85,252,726	5,920,819	4,848,274	
\$ -	\$ (13,176,418)	\$ 85,933,837	\$ 5,944,893	\$ 4,848,274	

NONMAJOR ENTERPRISE FUNDS

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

**COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS
December 31, 2014**

	Sanitation	Golf	Airport	TOTALS
ASSETS				
Current assets:				
Equity in pooled cash & cash equivalents	\$ 2,640,938	\$ 1,377,117	\$ 103,817	\$ 4,121,872
Accounts receivable (net of allowance for doubtful accounts)	776,196	-	-	776,196
Grants receivable	162,510	-	370,649	533,159
Accrued interest receivable	5,694	3,206	387	9,287
Total current assets	3,585,338	1,380,323	474,853	5,440,514
Net pension asset	99,487	55,981	7,677	163,145
Property, plant and equipment:				
Land and water rights	581,963	6,548,123	1,191,666	8,321,752
Construction in progress	28,011	-	450,860	478,871
Buildings	1,450,413	1,784,975	210,238	3,445,626
Improvements (other than buildings)	236,036	754,720	5,361,064	6,351,820
Equipment	2,915,584	216,201	6,146	3,137,931
Total property and equipment	5,212,007	9,304,019	7,219,974	21,736,000
Less - accumulated depreciation	3,158,247	1,500,147	1,585,671	6,244,065
Net property and equipment	2,053,760	7,803,872	5,634,303	15,491,935
Total assets	\$ 5,738,585	\$ 9,240,176	\$ 6,116,833	\$ 21,095,594

(continued)

COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS
December 31, 2014

	Sanitation	Golf	Airport	TOTALS
LIABILITIES AND NET POSITION				
Current liabilities:				
Payable from current assets:				
Accounts payable	\$ 141,452	\$ 38,769	\$ 4,739	\$ 184,960
Construction contracts payable	131,754	-	371,987	503,741
Accrued liabilities	47,869	20,886	3,131	71,886
Accrued sick and vacation - current portion	13,413	4,723	2,272	20,408
Advances from other funds - current portion	-	173,092	-	173,092
Total current liabilities	334,488	237,470	382,129	954,087
Long-term liabilities:				
Net other post employment benefit obligation	9,459	4,901	676	15,036
Accrued sick and vacation	107,399	95,612	14,753	217,764
Advances from other funds	-	1,117,213	-	1,117,213
Net long-term liabilities	116,858	1,217,726	15,429	1,350,013
Total liabilities	451,346	1,455,196	397,558	2,304,100
Net position:				
Net investment in capital assets	2,053,760	7,803,872	5,634,303	15,491,935
Unrestricted	3,233,479	(18,892)	84,972	3,299,559
Total net position	5,287,239	7,784,980	5,719,275	18,791,494
Total liabilities and net position	\$ 5,738,585	\$ 9,240,176	\$ 6,116,833	\$ 21,095,594

**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
NONMAJOR ENTERPRISE FUNDS
Year Ended December 31, 2014**

	Sanitation	Golf	Airport	TOTALS
OPERATING REVENUES				
Charges for services	\$ 6,152,091	\$ 2,452,630	\$ 288,089	\$ 8,892,810
OPERATING EXPENSES				
Administration	316,081	136,925	130,037	583,043
Maintenance/development	-	2,005,996	52,598	2,058,594
Trash collection	4,775,889	-	-	4,775,889
Landfill	72	-	-	72
Depreciation	181,536	73,107	237,050	491,693
Administrative fees	579,694	124,608	138,845	843,147
Total operating expenses	5,853,272	2,340,636	558,530	8,752,438
Operating income (loss)	298,819	111,994	(270,441)	140,372
NON-OPERATING REVENUES (EXPENSES)				
Investment income	18,491	8,572	1,146	28,209
Miscellaneous	205,753	12,916	59,690	278,359
Intergovernmental	199,218	151,673	-	350,891
Interest expense	-	(16,967)	-	(16,967)
Net non-operating revenues (expenses)	423,462	156,194	60,836	640,492
Change in net position before transfers and capital contributions	722,281	268,188	(209,605)	780,864
CAPITAL CONTRIBUTIONS	-	-	370,649	370,649
TRANSFERS				
Transfers In	-	79,483	-	79,483
Transfers out	(478,762)	(2,088)	(392)	(481,242)
Change in net position	243,519	345,583	160,652	749,754
TOTAL NET POSITION-January 1	5,043,720	7,439,397	5,558,623	18,041,740
TOTAL NET POSITION-December 31	\$ 5,287,239	\$ 7,784,980	\$ 5,719,275	\$ 18,791,494

COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
For the Year Ended December 31, 2014

	Sanitation	Golf	Airport	TOTALS
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers	\$ 6,315,536	\$ 2,617,219	\$ 347,779	\$ 9,280,534
Cash paid to suppliers	(3,906,461)	(1,317,083)	(229,942)	(5,453,486)
Cash paid to employees	(1,836,389)	(970,491)	(114,856)	(2,921,736)
Net cash provided (used) by operating activities	572,686	329,645	2,981	905,312
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES				
Transfers in	-	79,483	-	79,483
Transfers out	(6,820)	(2,088)	(392)	(9,300)
Advances from other funds	-	217,734	-	217,734
Repayment of advances	-	(163,931)	-	(163,931)
Net cash provided (used) by non-capital financing activities	(6,820)	131,198	(392)	123,986
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition and construction of capital assets	(484,562)	(172,089)	(225,443)	(882,094)
Lease/loan interest paid	-	(16,967)	-	(16,967)
Contributed capital received	-	-	181,605	181,605
Net cash provided (used) by capital and related financing activities	(484,562)	(189,056)	(43,838)	(717,456)
CASH FLOWS FROM INVESTING ACTIVITIES				
Investment income received	20,087	8,836	1,157	30,080
Net increase (decrease) in cash and cash equivalents	101,391	280,623	(40,092)	341,922
CASH AND CASH EQUIVALENTS, January 1	2,539,547	1,096,494	143,909	3,779,950
CASH AND CASH EQUIVALENTS, December 31	\$ 2,640,938	\$ 1,377,117	\$ 103,817	\$ 4,121,872

**COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
For the Year Ended December 31, 2014**

	Sanitation	Golf	Airport	TOTALS
RECONCILIATION OF NET OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Net operating income (loss)	\$ 298,819	\$ 111,994	\$ (270,441)	\$ 140,372
Adjustments to reconcile net operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	181,536	73,107	237,050	491,693
Miscellaneous income (expense)	205,753	12,916	59,690	278,359
Intergovernmental operating income	199,218	151,673	-	350,891
Change in assets and liabilities:				
(Increase) decrease in accounts receivable	(79,016)	-	-	(79,016)
(Increase) decrease in intergovernmental receivable	(162,510)	-	-	(162,510)
(Increase) decrease in net pension asset	(8,009)	(2,400)	(391)	(10,800)
Increase (decrease) in accounts payable	(77,425)	(20,137)	(25,714)	(123,276)
Increase (decrease) in accrued liabilities	7,882	2,182	546	10,610
Increase (decrease) in accrued sick and vacation - current portion	730	(2,886)	2,272	116
Increase (decrease) in accrued sick and vacation - long-term portion	5,708	3,196	(31)	8,873
Total adjustments	273,867	217,651	273,422	764,940
Net cash provided (used) by operating activities	\$ 572,686	\$ 329,645	\$ 2,981	\$ 905,312
RECONCILIATION OF CASH AND CASH EQUIVALENTS PER STATEMENT OF CASH FLOWS TO THE STATEMENT OF NET POSITION				
Per Statement of net position:				
Equity in pooled cash and cash equivalents	\$ 2,640,938	\$ 1,377,117	\$ 103,817	\$ 4,121,872
Cash and Cash Equivalents per statement of cash flows	\$ 2,640,938	\$ 1,377,117	\$ 103,817	\$ 4,121,872
NON-CASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES				
The following non-cash transactions occurred during 2014:				
Capital assets additions	\$ (471,942)	\$ -	\$ -	\$ (471,942)
Change in contracts payable for purchase of capital assets	\$ 4,247	\$ -	\$ 22,309	\$ 26,556
Total non-cash transactions	\$ (467,695)	\$ -	\$ 22,309	\$ (445,386)

**SANITATION ENTERPRISE FUND
SCHEDULE OF REVENUES AND EXPENSES -
BUDGET (LEGAL BASIS) AND ACTUAL
For the Year Ended December 31, 2014**

	Budget	Actual	Variance From Budget
REVENUES			
Charges for services	\$ 6,202,800	\$ 6,152,091	\$ (50,709)
Intergovernmental	648,959	199,218	(449,741)
Investment income	25,941	18,491	(7,450)
Miscellaneous	1,000	205,753	204,753
Total revenues	6,878,700	6,575,553	(303,147)
EXPENSES			
Administration	647,192	316,487	330,705
Landfill operations	10,000	72	9,928
Trash removal	3,800,025	3,603,683	196,342
Special trash pickup	939,967	936,472	3,495
Curbside recycling	812,995	821,842	(8,847)
Total operations	6,210,179	5,678,556	531,623
Capital outlay	1,817,455	616,317	1,201,138
Total expenses	8,027,634	6,294,873	1,732,761
Excess of revenues over (under) expenses	\$ (1,148,934)	280,680	\$ 1,429,614
RECONCILIATION TO NET INCOME (GAAP BASIS)			
Add: Additions to plant and equipment			
Capital outlay		616,317	
Less: Depreciation		181,536	
Vehicle transfers		471,942	
		653,478	
Net income (GAAP basis)		\$ 243,519	

GOLF ENTERPRISE FUND
SCHEDULE OF REVENUES AND EXPENSES -
BUDGET (LEGAL BASIS) AND ACTUAL
For the Year Ended December 31, 2014

	Budget	Actual	Variance From Budget
REVENUES			
Charges for services	\$ 2,407,419	\$ 2,452,630	\$ 45,211
Intergovernmental	175,000	151,673	(23,327)
Investment income	8,912	8,572	(340)
Miscellaneous	1,000	12,916	11,916
Transfers in	-	79,483	79,483
Proceeds from advance	263,973	217,734	(46,239)
Total revenues	2,856,304	2,923,008	66,704
EXPENSES			
Administration	302,221	263,164	39,057
Course maintenance/development	2,123,420	2,006,453	116,967
Total operations	2,425,641	2,269,617	156,024
Debt service	261,253	180,897	80,356
Capital outlay	270,898	172,089	98,809
Total expenses	2,957,792	2,622,603	335,189
Excess of revenues over (under) expenses	\$ (101,488)	300,405	\$ 401,893
RECONCILIATION TO NET INCOME (GAAP BASIS)			
Add: Additions to plant and equipment			
Capital outlay		172,089	
Principal payments capital leases		163,930	
		336,019	
Less: Depreciation		73,107	
Proceeds from advance		217,734	
		290,841	
Net income (GAAP basis)		\$ 345,583	

AIRPORT ENTERPRISE FUND
SCHEDULE OF REVENUES AND EXPENSES -
BUDGET (LEGAL BASIS) AND ACTUAL
For the Year Ended December 31, 2014

	Budget	Actual	Variance From Budget
REVENUES			
Charges for services	\$ 335,684	\$ 288,089	\$ (47,595)
Intergovernmental	400,000	370,649	(29,351)
Investment income	-	1,146	1,146
Miscellaneous	48,500	59,690	11,190
Total revenues	784,184	719,574	(64,610)
EXPENSES			
Administration	276,365	269,274	7,091
Maintenance	116,150	52,598	63,552
Total operations	392,515	321,872	70,643
Capital outlay	440,044	450,860	(10,816)
Total expenses	832,559	772,732	59,827
Excess of revenue over (under) expenses	\$ (48,375)	(53,158)	\$ (4,783)
RECONCILIATION TO NET INCOME (GAAP BASIS)			
Add: Capital outlay		450,860	
Less: Depreciation		237,050	
Net income (GAAP basis)		\$ 160,652	

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 and Broadband, Water, Sewer, and Storm Drainage Funds.

ELECTRIC AND BROADBAND ENTERPRISE FUND
SCHEDULE OF REVENUES AND EXPENSES -
BUDGET (LEGAL BASIS) AND ACTUAL
For the Year Ended December 31, 2014

	Budget	Actual	Variance From Budget
REVENUES			
Charges for services	\$ 66,551,550	\$ 63,773,864	\$ (2,777,686)
Intergovernmental	25,040	177,869	152,829
Investment income	298,533	91,795	(206,738)
Miscellaneous	181,310	178,050	(3,260)
Aid to underground installation	1,300,000	1,686,685	386,685
Other sales	78,000	111,057	33,057
Proceeds from issuance of bonds	7,438,538	40,320,609	32,882,071
Transfers in	40,281	40,281	-
Total revenues	75,913,252	106,380,210	30,466,958
EXPENSES			
Administration	5,967,758	5,473,056	494,702
Power purchased	44,554,906	43,541,289	1,013,617
Distribution	6,216,090	6,875,622	(659,532)
Franchise fee	5,004,614	5,036,670	(32,056)
Total operations	61,743,368	60,926,637	816,731
Debt service	886,049	912,184	(26,135)
Capital outlay	11,004,939	5,259,224	5,745,715
Total expenses	73,634,356	67,098,045	6,536,311
Excess of revenues over expenses	\$ 2,278,896	\$ 39,282,165	\$ 37,003,269
RECONCILIATION TO NET INCOME (GAAP BASIS)			
Add: Additions to plant and equipment			
Capital outlay		5,259,224	
Capitalized salaries and expenses		850,286	
Non-budgeted transfers in		870,583	
Capital contributions		119,640	
		7,099,733	
Less: Depreciation		2,531,638	
Proceeds from issuance of bonds		40,320,609	
Vehicle transfers		99,658	
		42,951,905	
Net income (GAAP basis)		\$ 3,429,993	

**WATER ENTERPRISE FUND
SCHEDULE OF REVENUES AND EXPENSES -
BUDGET (LEGAL BASIS) AND ACTUAL
For the Year Ended December 31, 2014**

	Budget	Actual	Variance From Budget
REVENUES			
Charges for services	\$ 13,366,996	\$ 12,981,041	\$ (385,955)
System development fees	357,100	962,313	605,213
Development fee surcharge	223,300	572,232	348,932
Intergovernmental	4,408,818	2,994,254	(1,414,564)
Investment income - operating	200,200	153,005	(47,195)
Miscellaneous	15,000	372,956	357,956
Transfer in	333,200	1,026,574	693,374
Total revenues	18,904,614	19,062,375	157,761
EXPENSES			
Administration	3,795,433	3,618,085	177,348
Water resources	3,516,971	3,177,968	339,003
Transmission/distribution	3,622,110	2,452,910	1,169,200
Treatment plant	2,943,938	2,739,071	204,867
Total operations	13,878,452	11,988,034	1,890,418
Debt service	1,187,968	1,386,473	(198,505)
Capital outlay	13,314,152	5,781,990	7,532,162
Total expenses	28,380,572	19,156,497	9,224,075
Excess of revenue (under) expenses	\$ (9,475,958)	(94,122)	\$ 9,381,836
RECONCILIATION TO NET INCOME (GAAP BASIS)			
Add: Additions to plant and equipment			
Capital outlay		5,781,990	
Capitalized salaries		570,198	
Capital contributions		2,390,410	
		8,742,598	
Principal retired		1,006,135	
		9,748,733	
Less: Depreciation		4,075,549	
Vehicle transfers		22,667	
		4,098,216	
Net income (GAAP basis)		\$ 5,556,395	

**SEWER ENTERPRISE FUND
SCHEDULE OF REVENUES AND EXPENSES -
BUDGET (LEGAL BASIS) AND ACTUAL
For the Year Ended December 31, 2014**

	Budget	Actual	Variance From Budget
REVENUES			
Charges for services	\$ 11,579,300	\$ 11,686,986	\$ 107,686
Intergovernmental	3,184,078	1,111,741	(2,072,337)
Investment income	36,300	138,732	102,432
Miscellaneous	4,500	(23,205)	(27,705)
Loss on disposal of assets	-	(2,294,421)	(2,294,421)
Transfers in	701,271	368,071	(333,200)
Bond proceeds	28,341,340	-	(28,341,340)
Total revenues	43,846,789	10,987,904	(32,858,885)
EXPENSES			
Administration	2,398,644	2,407,470	(8,826)
Sewer collection system	3,254,734	2,463,322	791,412
Sewer disposal plant	4,615,938	3,651,613	964,325
Total operations	10,269,316	8,522,405	1,746,911
Debt service	2,032,100	1,610,190	421,910
Capital outlay	45,259,160	6,780,711	38,478,449
Total expenses	57,560,576	16,913,306	40,647,270
Excess of revenues (under) expenses	\$ (13,713,787)	(5,925,402)	\$ 7,788,385
RECONCILIATION TO NET INCOME (GAAP BASIS)			
Add: Additions to plant and equipment			
Capital outlay		6,780,711	
Capitalized salaries		271,411	
Capital contributions		654,766	
Capitalized interest		708,281	
		8,415,169	
Principal retired		870,000	
		9,285,169	
Less: Depreciation		2,676,453	
Vehicle transfers		16,828	
		2,693,281	
Net income (GAAP basis)		\$ 666,486	

**STORM DRAINAGE ENTERPRISE FUND
SCHEDULE OF REVENUES AND EXPENSES -
BUDGET (LEGAL BASIS) AND ACTUAL
For the Year Ended December 31, 2014**

	Budget	Actual	Variance From Budget
REVENUES			
Charges for services	\$ 6,339,805	\$ 6,579,550	\$ 239,745
Plant investment fee	94,827	235,532	140,705
Intergovernmental	7,810,040	1,436,590	(6,373,450)
Investment income	20,683	50,134	29,451
Miscellaneous	31,836	79,408	47,572
Proceeds from issuance of bonds	-	21,777,953	21,777,953
Total revenues	14,297,191	30,159,167	15,861,976
EXPENSES			
Administration	874,321	1,074,163	(199,842)
Engineering	3,722,789	1,243,098	2,479,691
Maintenance	859,072	844,744	14,328
Total operations	5,456,182	3,162,005	2,294,177
Debt service	2,383,757	2,455,498	(71,741)
Capital outlay	11,146,688	3,628,730	7,517,958
Total expenses	18,986,627	9,246,233	9,740,394
Excess of revenues over (under) expenses	\$ (4,689,436)	20,912,934	\$ 25,602,370
RECONCILIATION TO NET INCOME (GAAP BASIS)			
Add: Additions to plant and equipment			
Capital outlay		3,628,730	
Capitalized salaries		151,800	
Capitalized interest		523,197	
Capital contributions		535,270	
		4,838,997	
Principal retired		1,885,000	
Less: Depreciation		1,395,679	
Proceeds from issuance of bonds		21,777,953	
		23,173,632	
Net income (GAAP basis)		\$ 4,463,299	



INTERNAL SERVICE FUNDS

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

COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
December 31, 2014

	Warehouse	Fleet	Self- Insurance
ASSETS			
Current assets:			
Equity in pooled cash & cash equivalents	\$ -	\$ 16,616,434	\$ 2,862,420
Accrued interest receivable	-	30,942	12,701
Inventory of materials and supplies	3,750,905	431,032	-
Advance to other funds	-	2,590,305	-
Restricted equity in pooled cash & cash equivalents	-	-	-
Prepaid expenses	-	163,070	274,596
Total current assets	3,750,905	19,831,783	3,149,717
Net pension asset	-	73,467	-
Loan receivable-component unit	-	146,000	-
Property, plant and equipment:			
Land and water rights	-	47,767	-
Buildings	-	2,066,188	-
Improvements (other than buildings)	-	153,524	-
Equipment	-	39,999,140	-
Total property and equipment	-	42,266,619	-
Less - accumulated depreciation	-	28,711,151	-
Net property, plant and equipment	-	13,555,468	-
Total assets	\$ 3,750,905	\$ 33,606,718	\$ 3,149,717
LIABILITIES AND NET POSITION			
Current liabilities:			
Accounts payable	\$ 309,654	\$ 44,842	\$ 45,103
Contracts payable	-	28,502	-
Accrued liabilities	-	39,679	-
Due to other funds	3,441,251	-	-
Claims payable - current portion	-	-	76,342
Accrued sick and vacation - current portion	-	15,773	-
Total current liabilities	3,750,905	128,796	121,445
Long-term liabilities:			
Net other post employment benefit obligation	-	7,086	-
Claims payable	-	-	308,148
Accrued sick and vacation	-	111,582	-
Net long-term liabilities	-	118,668	308,148
Total liabilities	3,750,905	247,464	429,593
Net position:			
Invested in capital assets	-	13,555,468	-
Restricted for workers' compensation	-	-	-
Restricted for long-term disability	-	-	-
Unrestricted	-	19,803,786	2,720,124
Total net position	-	33,359,254	2,720,124
Total liabilities and net position	\$ 3,750,905	\$ 33,606,718	\$ 3,149,717

Employee Benefit	Dental Trust	Workers' Compensation Insurance	Unemployment Insurance	TOTALS
\$ 5,517,166	\$ -	\$ 372,289	\$ 276,812	\$ 25,645,121
10,902	-	6,188	584	61,317
-	-	-	-	4,181,937
-	-	-	-	2,590,305
-	-	2,577,190	-	2,577,190
6,000	-	67,806	-	511,472
<u>5,534,068</u>	<u>-</u>	<u>3,023,473</u>	<u>277,396</u>	<u>35,567,342</u>
-	-	-	-	73,467
-	-	-	-	146,000
-	-	-	-	47,767
-	-	-	-	2,066,188
-	-	-	-	153,524
-	-	-	-	39,999,140
-	-	-	-	42,266,619
-	-	-	-	28,711,151
-	-	-	-	13,555,468
<u>\$ 5,534,068</u>	<u>\$ -</u>	<u>\$ 3,023,473</u>	<u>\$ 277,396</u>	<u>\$ 49,342,277</u>
\$ -	\$ -	\$ 61,924	\$ 38,106	\$ 499,629
-	-	-	-	28,502
-	-	-	-	39,679
-	-	-	-	3,441,251
-	-	221,666	-	298,008
-	-	-	-	15,773
-	-	283,590	38,106	4,322,842
-	-	-	-	7,086
-	-	1,937,892	-	2,246,040
-	-	-	-	111,582
-	-	1,937,892	-	2,364,708
-	-	2,221,482	38,106	6,687,550
-	-	-	-	13,555,468
-	-	2,577,190	-	2,577,190
325,000	-	-	-	325,000
5,209,068	-	(1,775,199)	239,290	26,197,069
<u>5,534,068</u>	<u>-</u>	<u>801,991</u>	<u>239,290</u>	<u>42,654,727</u>
<u>\$ 5,534,068</u>	<u>\$ -</u>	<u>\$ 3,023,473</u>	<u>\$ 277,396</u>	<u>\$ 49,342,277</u>

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
December 31, 2014

	Warehouse	Fleet	Self- Insurance
OPERATING REVENUES			
Charges for services	\$ -	\$ 7,238,993	\$ 1,499,150
Warehouse sales	2,250,453	-	-
Contributions	-	-	-
Total operating revenues	2,250,453	7,238,993	1,499,150
OPERATING EXPENSES			
Administration	-	-	129,529
Cost of sales/premiums	2,250,453	-	355,064
Fleet services	-	3,664,047	-
Depreciation	-	3,038,277	-
Administrative fees	-	251,989	126,690
Benefit payments	-	-	-
Claims	-	-	341,768
Total operating expenses	2,250,453	6,954,313	953,051
Operating income (loss)	-	284,680	546,099
NON-OPERATING REVENUES			
Investment income (loss)	-	137,877	40,019
Miscellaneous	-	10,751	-
Intergovernmental	-	58,838	-
Gain on disposal of assets	-	234,588	-
Net non-operating revenues	-	442,054	40,019
Income (loss) before transfers	-	726,734	586,118
TRANSFERS			
Transfers in	-	1,091,995	-
Transfers out	-	(1,909)	(3,139,316)
Change in net position	-	1,816,820	(2,553,198)
TOTAL NET POSITION-January 1	-	31,542,434	5,273,322
TOTAL NET POSITION-December 31	\$ -	\$ 33,359,254	\$ 2,720,124

Employee Benefit	Dental Trust	Workers' Compensation Insurance	Unemployment Insurance	TOTALS
\$ 9,086,445	\$ -	\$ 1,499,793	\$ 157,580	\$ 19,481,961
-	-	-	-	2,250,453
2,679,374	-	-	-	2,679,374
11,765,819	-	1,499,793	157,580	24,411,788
62,728	-	66,381	-	258,638
11,139,693	-	103,569	-	13,848,779
-	-	-	-	3,664,047
-	-	-	-	3,038,277
-	-	203,663	-	582,342
507,948	-	-	-	507,948
-	-	1,599,545	69,472	2,010,785
11,710,369	-	1,973,158	69,472	23,910,816
55,450	-	(473,365)	88,108	500,972
32,999	-	19,475	1,547	231,917
101,878	-	32	-	112,661
-	-	-	-	58,838
-	-	-	-	234,588
134,877	-	19,507	1,547	638,004
190,327	-	(453,858)	89,655	1,138,976
563,203	-	-	-	1,655,198
-	(563,203)	-	-	(3,704,428)
753,530	(563,203)	(453,858)	89,655	(910,254)
4,780,538	563,203	1,255,849	149,635	43,564,981
\$ 5,534,068	\$ -	\$ 801,991	\$ 239,290	\$ 42,654,727

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
Year Ended December 31, 2014

	Warehouse	Fleet	Self- Insurance
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers	\$ 2,250,453	\$ 7,249,744	\$ 5,488,150
Cash paid to suppliers	(2,250,453)	(2,805,897)	(622,848)
Cash paid to employees	-	(1,179,980)	-
Claims/Benefits paid	-	-	(518,462)
Net cash provided (used) by operating activities	-	3,263,867	4,346,840
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES			
Repayment of advances	-	1,775,931	-
Advances to other funds	-	(217,734)	-
Loan to discretely presented component unit	-	(240,375)	-
Loan repayments from discretely presented component unit	-	240,375	-
Transfers in	-	402,085	-
Transfers out	-	(1,909)	(3,139,316)
Net cash provided (used) by non-capital financing activities	-	1,958,373	(3,139,316)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition and construction of capital assets	-	(2,967,280)	-
Contributed capital received	-	58,838	-
Proceeds from sale of equipment	-	379,581	-
Net cash provided (used) by capital and related financing activities	-	(2,528,861)	-
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment income received	-	143,193	31,466
Net increase (decrease) in cash and cash equivalents	-	2,836,572	1,238,990
CASH AND CASH EQUIVALENTS - January 1	-	13,779,862	1,623,430
CASH AND CASH EQUIVALENTS - December 31	\$ -	\$ 16,616,434	\$ 2,862,420

Employee Benefit	Dental Trust	Workers' Compensation Insurance	Unemployment Insurance	TOTALS
\$ 11,867,697	\$ -	\$ 1,499,825	\$ 157,580	\$ 28,513,449
(11,212,550)	-	(373,209)	-	(17,264,957)
-	-	-	-	(1,179,980)
(507,948)	-	(974,958)	(47,337)	(2,048,705)
147,199	-	151,658	110,243	8,019,807
-	-	-	-	1,775,931
-	-	-	-	(217,734)
-	-	-	-	(240,375)
-	-	-	-	240,375
563,203	-	-	-	965,288
-	(563,203)	-	-	(3,704,428)
563,203	(563,203)	-	-	(1,180,943)
-	-	-	-	(2,967,280)
-	-	-	-	58,838
-	-	-	-	379,581
-	-	-	-	(2,528,861)
33,457	1,330	20,416	1,370	231,232
743,859	(561,873)	172,074	111,613	4,541,235
4,773,307	561,873	2,777,405	165,199	23,681,076
\$ 5,517,166	\$ -	\$ 2,949,479	\$ 276,812	\$ 28,222,311

(continued)

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
Year Ended December 31, 2014

	Warehouse	Fleet	Self- Insurance
Reconciliation of net operation income (loss) to net cash provided (used) by operating activities			
Net operating income (loss)	\$ -	\$ 284,680	\$ 546,099
Adjustments to reconcile net operating income (loss) to net cash provided (used) by operating activities			
Depreciation	-	3,038,277	-
Miscellaneous income	-	10,751	-
Change in assets and liabilities:			
(increase) decrease in accounts receivable	-	-	3,989,000
(Increase) decrease in inventory of materials and supplies	(1,252,716)	(5,501)	-
(Increase) decrease in prepaid expenses	-	-	(14,582)
(Increase) decrease in net pension obligation	-	(4,044)	-
Increase (decrease) in accounts payable	252,663	(66,430)	3,017
Increase (decrease) in accrued liabilities	-	6,955	-
Increase (decrease) in due to other funds	1,000,053	-	-
Increase (decrease) in accrued sick and vacation - current portion	-	(3,136)	-
Increase (decrease) in claims payable - current portion	-	-	(176,694)
Increase (decrease) in accrued sick and vacation - long-term portion	-	2,315	-
Total adjustments	-	2,979,187	3,800,741
Net cash provided (used) by operating activities	\$ -	\$ 3,263,867	\$ 4,346,840
NON-CASH INVESTING, CAPITAL AND FINANCING ACTIVITIES			
The following non-cash transactions occurred during 2014:			
Transfer of assets from other funds	\$ -	\$ 689,910	\$ -
(Loss) on asset disposal	-	(144,993)	-

Employee Benefit	Dental Trust	Workers' Compensation Insurance	Unemployment Insurance	TOTALS
\$ 55,450	\$ -	\$ (473,365)	\$ 88,108	\$ 500,972
-	-	-	-	3,038,277
101,878	-	32	-	112,661
-	-	-	-	3,989,000
-	-	-	-	(1,258,217)
-	-	(3,458)	-	(18,040)
-	-	-	-	(4,044)
(10,125)	-	3,862	22,135	205,122
(4)	-	-	-	6,951
-	-	-	-	1,000,053
-	-	-	-	(3,136)
-	-	624,587	-	447,893
-	-	-	-	2,315
91,749	-	625,023	22,135	7,518,835
\$ 147,199	\$ -	\$ 151,658	\$ 110,243	\$ 8,019,807
\$ -	\$ -	\$ -	\$ -	689,910
-	-	-	-	(144,993)

**FLEET INTERNAL SERVICE FUND
SCHEDULE OF REVENUES AND EXPENSES -
BUDGET (LEGAL) BASIS AND ACTUAL
Year Ended December 31, 2014**

	Budget	Actual	Variance From Final Budget
REVENUES			
Charges for services	\$ 7,298,088	\$ 7,238,993	\$ (59,095)
Investment income (loss)	100,376	137,877	37,501
Intergovernmental	16,520	58,838	42,318
Miscellaneous	-	245,339	245,339
Operating transfers in	-	402,085	402,085
Total revenues	7,414,984	8,083,132	668,148
EXPENSES			
Operations:			
Personal services	1,290,431	1,263,317	27,114
Operating & maintenance	2,705,891	2,652,719	53,172
Transfers out	31,346	1,909	29,437
Total operations	4,027,668	3,917,945	109,723
Capital outlay	5,901,184	2,832,712	3,068,472
Total expenses	9,928,852	6,750,657	3,178,195
Excess of revenues (under) expenses	\$ (2,513,868)	1,332,475	\$ 3,846,343
RECONCILIATION TO NET INCOME (GAAP BASIS)			
Add: Additions to plant and equipment			
Capital outlay		2,832,712	
Property and equipment transferred from other funds		689,910	
		3,522,622	
Less: Depreciation		3,038,277	
Net income (GAAP basis)		\$ 1,816,820	

FIDUCIARY FUNDS

PENSION TRUST FUNDS

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

Fire Pension Fund This fund was established to provide benefits upon retirement to firefighters and/or their spouses.

Police Pension Fund This fund was established to provide benefits upon retirement to police officers and/or their spouses.

POST-EMPLOYMENT BENEFITS TRUST FUND

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

**COMBINING STATEMENT OF NET POSITION
FIDUCIARY FUNDS
December 31, 2014**

	Employee Retirement Plans				Total Fiduciary Funds
	Employee Pension	Fire Pension	Police Pension	OPEB Trust	
ASSETS					
Equity in pooled cash & cash equivalents	\$ 44,546	\$ 23,354	\$ 21,566	-	\$ 89,466
Cash and cash equivalents	1,868,399	47,898	25,613	1,729,910	3,671,820
Investments					
Common stock	43,771,637	1,122,132	600,052	-	45,493,821
Mutual funds	86,100,442	2,207,275	1,180,324	-	89,488,041
Total Assets	\$ 131,785,024	\$ 3,400,659	\$ 1,827,555	1,729,910	\$ 138,743,148
LIABILITIES					
Accounts payable	\$ 56,938	\$ 1,268	1,942	-	\$ 60,148
NET POSITION					
Held in trust for pension and OPEB benefits	\$ 131,728,086	\$ 3,399,391	\$ 1,825,613	1,729,910	\$ 138,683,000

**COMBINING STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUNDS
For the Year Ended December 31, 2014**

	Employee Retirement Plans				Total Fiduciary Funds
	Employee Pension	Fire Pension	Police Pension	OPEB Trust	
ADDITIONS					
Contributions					
Employer	\$ 2,329,412	\$ 50,000	\$ 50,000	\$ 477,475	\$ 2,906,887
Plan members	1,920,158	-	-	-	1,920,158
Total Contributions	4,249,570	50,000	50,000	477,475	4,827,045
Investment income					
Net appreciation in fair value of investments	2,679,501	72,284	40,213	-	2,791,998
Interest	1,920,991	50,417	27,481	127	1,999,016
Dividends	638,891	16,855	9,225	-	664,971
Less investment expense	(424,906)	(12,287)	(16,324)	-	(453,517)
Net investment gain	4,814,477	127,269	60,595	127	5,002,468
Total additions	9,064,047	177,269	110,595	477,602	9,829,513
DEDUCTIONS					
Benefits	5,164,503	261,910	230,861	-	5,657,274
Refunds of contributions	173,289	-	-	-	173,289
Administrative expense	36,021	670	896	2,474	40,061
Total deductions	5,373,813	262,580	231,757	2,474	5,870,624
Net increase	3,690,234	(85,311)	(121,162)	475,128	3,958,889
NET POSITION HELD IN TRUST FOR PENSION AND OPEB BENEFITS, January 1					
	128,037,852	3,484,702	1,946,775	1,254,782	134,724,111
December 31	\$ 131,728,086	\$ 3,399,391	\$ 1,825,613	\$ 1,729,910	\$ 138,683,000



DOWNTOWN DEVELOPMENT AUTHORITY COMPONENT UNIT

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

**DOWNTOWN DEVELOPMENT AUTHORITY COMPONENT UNIT
COMBINING BALANCE SHEET
December 31, 2014**

	General	Special Revenue	Debt Service	Capital Projects	Totals
ASSETS					
Equity in pooled cash & cash equivalents	\$ 227,154	\$ 1,318,255	\$ 2,675,596	\$ 1,645,666	\$ 5,866,671
Cash and cash equivalents	-	59,562	-	-	59,562
Receivables (net of allowance for uncollectibles):					
Taxes	186,112	-	473,658	-	659,770
Accrued interest	436	2,844	5,998	3,531	12,809
Due from other governments	723	-	(2,007)	-	(1,284)
Prepaid expenditures	-	1,831	-	-	1,831
Total Assets	\$ 414,425	\$ 1,382,492	\$ 3,153,245	\$ 1,649,197	\$ 6,599,359
LIABILITIES					
Accounts payable	\$ 890	\$ 9,269	-	\$ 1,477	\$ 11,636
Accrued liabilities	3,473	2,551	-	-	6,024
Total liabilities	4,363	11,820	-	1,477	17,660
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property taxes	186,112	-	473,658	-	659,770
FUND BALANCES					
Fund balances:					
Nonspendable	-	1,831	-	-	1,831
Restricted	6,382	3,646	14,967	352	25,347
Committed	11,245	1,365,195	2,664,620	1,647,368	5,688,428
Unassigned	206,323	-	-	-	206,323
Total fund balance	223,950	1,370,672	2,679,587	1,647,720	5,921,929
Total liabilities, deferred inflows of resources and fund balances	\$ 414,425	\$ 1,382,492	\$ 3,153,245	\$ 1,649,197	\$ 6,599,359

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	5,447,185
Long-term liabilities, including compensated absences, are not due and payable in the current period and therefore are not reported in the funds.	(25,106)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	(146,000)
Net position of component unit	<u>\$ 11,198,008</u>

DOWNTOWN DEVELOPMENT AUTHORITY COMPONENT UNIT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
Year Ended December 31, 2014

	General	Special Revenue	Debt Service	Capital Projects	Totals
REVENUES					
Taxes	\$ 188,944	\$ -	\$ 480,107	\$ -	\$ 669,051
Intergovernmental	-	10,000	-	-	10,000
Investment income (loss)	1,889	9,032	18,791	11,743	41,455
Charges for service	3,460	100,690	-	-	104,150
Donations	-	918	-	-	918
Grants	2,000	-	-	-	2,000
Total revenues	196,293	120,640	498,898	11,743	827,574
EXPENDITURES					
Current:					
General government	182,193	1,623,292	-	2,091,136	3,896,621
Debt service:					
Principal retired	-	-	240,375	-	240,375
Interest and fiscal charges	-	-	1,081	-	1,081
Total expenditures	182,193	1,623,292	241,456	2,091,136	4,138,077
Excess of revenues over (under) expenditures	14,100	(1,502,652)	257,442	(2,079,393)	(3,310,503)
OTHER FINANCING SOURCES (USES)					
Issuance of debt	-	240,375	-	-	240,375
Transfers in	2,500	-	-	-	2,500
Transfers out	-	(2,500)	-	-	(2,500)
Total other financing sources (uses)	2,500	237,875	-	-	240,375
Net changes in fund balances	16,600	(1,264,777)	257,442	(2,079,393)	(3,070,128)
FUND BALANCES, January 1	207,350	2,635,449	2,422,145	3,727,113	8,992,057
FUND BALANCE, December 31	\$ 223,950	\$ 1,370,672	\$ 2,679,587	\$ 1,647,720	\$ 5,921,929

Net change in fund balance -component unit \$ (3,070,128)
Amounts reported for *governmental activities* in the statement of activities are different because:

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

2,991,083

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

Loan proceeds	240,375
Principal repayments on loans	(240,375)

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. Change in net position of component unit activities

(5,034)
\$ (84,079)

DOWNTOWN DEVELOPMENT AUTHORITY COMPONENT UNIT
COMBINING BALANCE SHEET
SPECIAL REVENUE FUNDS
December 31, 2014

	Downtown Development Bldg Permit	Downtown Development CDBG Grant	Downtown Development Façade Improvement	Art and Entertainment	Totals
ASSETS					
Equity in pooled cash & cash equivalents	\$ 126,437	\$ -	\$ 470,405	\$ 721,413	\$ 1,318,255
Cash and cash equivalents	-	29,701	-	29,861	59,562
Receivables (net of allowance for uncollectibles):					
Accrued interest	278	-	1,041	1,525	2,844
Prepaid expenditures	-	-	-	1,831	1,831
Total assets	\$ 126,715	\$ 29,701	\$ 471,446	\$ 754,630	\$ 1,382,492
LIABILITIES					
Accounts payable	\$ 4,536	\$ -	\$ -	\$ 4,733	\$ 9,269
Accrued liabilities	-	-	-	2,551	2,551
Total liabilities	4,536	-	-	7,284	11,820
FUND BALANCE					
Fund balances:					
Nonspendable	-	-	-	1,831	1,831
Restricted	892	-	105	2,649	3,646
Committed	121,287	29,701	471,341	742,866	1,365,195
Total fund balance	122,179	29,701	471,446	747,346	1,370,672
Total liabilities and fund balance	\$ 126,715	\$ 29,701	\$ 471,446	\$ 754,630	\$ 1,382,492

DOWNTOWN DEVELOPMENT AUTHORITY COMPONENT UNIT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
SPECIAL REVENUE FUNDS
Year Ended December 31, 2014

	Downtown Development Bldg Permit	Downtown Development CDBG Grant	Downtown Development Façade Improvement	Art and Entertainment	Totals
REVENUES					
Intergovernmental	\$ -	\$ -	\$ -	10,000	\$ 10,000
Investment income (loss)	1,041	9	3,507	4,475	9,032
Charges for service	28,703	-	-	71,987	100,690
Donations	-	-	-	918	918
Total revenues	29,744	9	3,507	87,380	120,640
EXPENDITURES					
General Governmental	298,350	110	1,030,000	294,832	1,623,292
Excess of revenues over (under) expenditures	(268,606)	(101)	(1,026,493)	(207,452)	(1,502,652)
OTHER FINANCING SOURCES (USES)					
Issuance of debt	-	-	-	240,375	240,375
Transfers out	(2,500)	-	-	-	(2,500)
Total other financing sources (uses)	(2,500)	-	-	240,375	237,875
Net changes in fund balances	(271,106)	(101)	(1,026,493)	32,923	(1,264,777)
FUND BALANCES, January 1	393,285	29,802	1,497,939	714,423	2,635,449
FUND BALANCES, December 31	\$ 122,179	\$ 29,701	\$ 471,446	\$ 747,346	\$ 1,370,672

DOWNTOWN DEVELOPMENT AUTHORITY COMPONENT UNIT
DOWNTOWN DEVELOPMENT AUTHORITY GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL
December 31, 2014

	Budget	Actual	Variance From Final Budget
REVENUES			
Taxes	\$ 197,312	\$ 188,944	\$ (8,368)
Investment income	930	1,889	959
Charges for service	-	3,460	3,460
Grants	2,000	2,000	-
Total revenues	200,242	196,293	(3,949)
EXPENDITURES			
General government	186,657	182,193	4,464
Excess of revenues			
Net changes in fund balances (under) expenditures	13,585	14,100	515
OTHER FINANCING SOURCES			
Transfers in	2,500	2,500	-
Net changes in fund balances	16,085	16,600	515
FUND BALANCE, January 1	207,350	207,350	-
FUND BALANCE, December 31	\$ 223,435	\$ 223,950	\$ 515

**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, 2014**

	Budget	Actual	Variance From Final Budget
REVENUES			
Investment income	\$ -	\$ 1,041	\$ 1,041
Charges for service	20,000	28,703	8,703
Total revenues	20,000	29,744	9,744
EXPENDITURES			
General government	428,721	298,350	130,371
Excess of revenues (under) expenditures	(408,721)	(268,606)	140,115
OTHER FINANCING SOURCES (USES)			
Transfers out	(2,500)	(2,500)	-
Net changes in fund balances	(411,221)	(271,106)	140,115
FUND BALANCE, January 1	393,285	393,285	-
FUND BALANCE, December 31	\$ (17,936)	\$ 122,179	\$ 140,115

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, 2014

	Budget	Actual	Variance From Final Budget
REVENUES			
Investment income	\$ -	\$ -	\$ -
EXPENDITURES			
General government	-	110	(110)
Excess of revenues (under) expenditures	-	110	(110)
FUND BALANCE, January 1	29,802	29,802	-
FUND BALANCE, December 31	\$ 29,802	\$ 29,912	\$ (110)

**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, 2014**

	Budget	Actual	Variance From Final Budget
REVENUES			
Taxes	\$ 483,324	\$ 480,107	\$ (3,217)
Investment income	-	18,791	18,791
Total revenues	483,324	498,898	15,574
EXPENDITURES			
Principal retired	240,375	240,375	-
Interest and fiscal charges	5,000	1,081	3,919
Total expenditures	245,375	241,456	3,919
Net changes in fund balances	237,949	257,442	19,493
FUND BALANCE, January 1	2,422,145	2,422,145	-
FUND BALANCE, December 31	\$ 2,660,094	\$ 2,679,587	\$ 19,493

**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, 2014**

	Budget	Actual	Variance From Final Budget
REVENUES			
Investment income	\$ -	\$ 11,743	\$ 11,743
EXPENDITURES			
General government	3,683,778	2,091,136	1,592,642
Net changes in fund balances	(3,683,778)	(2,079,393)	1,604,385
FUND BALANCE, January 1	3,727,113	3,727,113	-
FUND BALANCE, December 31	\$ 43,335	\$ 1,647,720	\$ 1,604,385

**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, 2014**

	Budget	Actual	Variance From Final Budget
REVENUES			
Investment income	\$ -	\$ 3,507	\$ 3,507
EXPENDITURES			
General government	1,452,007	1,030,000	422,007
Net changes in fund balances	(1,452,007)	(1,026,493)	425,514
FUND BALANCE, January 1	1,497,939	1,497,939	-
FUND BALANCE, December 31	\$ 45,932	\$ 471,446	\$ 425,514

**DOWNTOWN DEVELOPMENT AUTHORITY COMPONENT UNIT
ARTS AND ENTERTAINMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL
Year Ended December 31, 2014**

	Budget	Actual	Variance From Final Budget
REVENUES			
Intergovernmental revenue	\$ -	10,000	\$ 10,000
Charges for service	10,000	71,987	61,987
Donations	15,000	918	(14,082)
Investment income	22,800	4,475	(18,325)
Total revenues	47,800	87,380	39,580
EXPENDITURES			
General government	1,002,598	294,832	707,766
Excess of revenues (under) expenditures	(954,798)	(207,452)	747,346
OTHER FINANCING SOURCES			
Proceeds from advance	240,375	240,375	-
Net changes in fund balances	(714,423)	32,923	747,346
FUND BALANCE, January 1	714,423	714,423	-
FUND BALANCE, December 31	\$ -	747,346	\$ 747,346

STATISTICAL SECTION

INDEX

December 31, 2014

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

Financial Trends..... 206

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

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

Revenue Capacity..... 214

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
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Debt Capacity..... 228

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

- Ratios of Outstanding Debt by Type
- Ratio of Net General Obligation Bonded Debt to Assessed Value and Net Bonded Debt Per Capita
- Direct and Overlapping Governmental Activities Debt
- Legal Debt Margin Information
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These schedules contain service and infrastructure data to enhance understanding of the services provided by the City.

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

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

	2005	2006	2007	2008
Governmental activities				
Net investment in capital assets	\$ 148,413,953	\$ 247,224,992	\$ 255,023,291	\$ 258,841,455
Restricted	63,777,532	58,618,824	63,286,907	67,045,402
Unrestricted	37,239,083	40,803,801	41,253,598	36,524,738
Total governmental activities net position	\$ 249,430,568	\$ 346,647,617	\$ 359,563,796	\$ 362,411,595
Business-type activities				
Net investment in capital assets	\$ 443,854,331	\$ 457,130,355	\$ 481,563,714	\$ 489,038,783
Restricted	-	-	-	-
Unrestricted	138,212,150	148,894,983	161,368,686	167,593,678
Total business-type activities net position	\$ 582,066,481	\$ 606,025,338	\$ 642,932,400	\$ 656,632,461
Primary government				
Net investment in capital assets	\$ 592,268,284	\$ 704,355,347	\$ 736,587,005	\$ 747,880,238
Restricted	63,777,532	58,618,824	63,286,907	67,045,402
Unrestricted	175,451,233	189,698,784	202,622,284	204,118,416
Total primary government net position	\$ 831,497,049	\$ 952,672,955	\$ 1,002,496,196	\$ 1,019,044,056

2009	2010	2011	2012	2013	2014
\$ 268,747,804	\$ 270,382,692	\$ 275,902,207	\$ 281,989,606	\$ 280,876,469	\$ 274,626,844
56,858,647	66,741,761	69,059,013	67,157,981	75,323,135	97,314,176
40,365,372	32,146,885	30,916,114	31,926,358	35,810,330	23,991,124
<u>\$ 365,971,823</u>	<u>\$ 369,271,338</u>	<u>\$ 375,877,334</u>	<u>\$ 381,073,945</u>	<u>\$ 392,009,934</u>	<u>\$ 395,932,144</u>
\$ 493,511,315	\$ 507,056,869	\$ 521,558,060	\$ 524,809,966	\$ 520,033,029	\$ 529,204,937
9,167,995	18,817,163	19,421,825	14,472,701	9,662,221	1,904,853
157,873,139	146,541,477	145,887,387	35,837,666	39,832,309	53,727,320
<u>\$ 660,552,449</u>	<u>\$ 672,415,509</u>	<u>\$ 686,867,272</u>	<u>\$ 575,120,333</u>	<u>\$ 569,527,559</u>	<u>\$ 584,837,110</u>
\$ 762,259,119	\$ 777,439,561	\$ 797,460,267	\$ 806,799,572	\$ 800,909,498	\$ 803,831,781
66,026,642	85,558,924	88,480,838	81,630,682	84,985,356	99,219,029
198,238,511	178,688,362	176,803,501	67,764,024	75,642,639	77,718,444
<u>\$ 1,026,524,272</u>	<u>\$ 1,041,686,847</u>	<u>\$ 1,062,744,606</u>	<u>\$ 956,194,278</u>	<u>\$ 961,537,493</u>	<u>\$ 980,769,254</u>

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

	2005	2006	2007	2008
Expenses				
Governmental activities:				
General Government	\$ 20,131,649	\$ 20,551,339	\$ 20,762,868	\$ 25,433,222
Public Safety	26,222,421	26,798,046	29,163,736	31,049,011
Highways & Streets	8,783,006	14,130,933	15,006,093	14,947,947
Culture & Recreation	13,240,484	14,838,299	15,884,722	15,665,711
Municipal utilities systems	48,463	37,904	117,429	100,345
Interest and fiscal charges on long-term debt	2,305,764	1,794,986	2,001,277	1,949,198
Total governmental activities expenses	\$ 70,731,787	\$ 78,151,507	\$ 82,936,125	\$ 89,145,434
Business-type activities:				
Sanitation	\$ 4,473,264	\$ 4,174,022	\$ 4,899,295	\$ 5,500,624
Golf	2,309,298	2,319,540	2,255,648	2,286,369
Electric	42,991,724	44,074,244	45,154,130	46,779,652
Telecommunications	134,042	169,813	151,499	166,219
Water	10,626,323	11,137,061	12,149,962	12,799,254
Sewer	8,188,895	8,667,832	8,496,031	8,277,407
Storm Drainage	2,350,367	2,247,699	2,362,745	2,533,933
Airport	182,631	220,414	242,715	291,899
Total business-type activities expenses	\$ 71,256,544	\$ 73,010,625	\$ 75,712,025	\$ 78,635,357
Total primary government expenses	\$ 41,988,331	\$ 51,162,132	\$ 58,648,150	\$ 67,780,791
Program Revenues				
Governmental activities:				
Charges for services				
General Government	\$ 7,858,329	\$ 7,096,710	\$ 6,700,035	\$ 6,993,588
Public Safety	2,081,467	1,629,177	1,448,170	1,297,757
Highways & Streets	2,424,507	1,823,877	771,687	706,732
Culture & Recreation	5,501,639	5,162,614	4,097,691	4,681,964
Operating grants and contributions	4,161,124	5,313,124	7,425,910	5,147,423
Capital grants and contributions	12,979,256	7,794,399	7,637,432	3,495,473
Total governmental activities program revenues	\$ 35,006,322	\$ 28,819,898	\$ 28,080,925	\$ 22,322,937
Business-type activities:				
Charges for services				
Sanitation	\$ 4,948,672	\$ 5,027,391	\$ 5,116,877	\$ 5,169,059
Golf	2,575,147	2,543,686	2,581,174	2,597,381
Electric	41,645,194	44,045,475	44,952,976	44,201,753
Telecommunications	100,026	175,361	144,884	216,387
Water	13,353,146	14,539,286	14,185,321	13,748,106
Sewer	7,249,569	7,446,278	7,174,708	7,121,233
Storm Drainage	2,476,672	3,043,207	3,398,017	3,434,723
Airport	184,217	197,537	238,652	251,284
Operating grants and contributions	138,296	567,576	458,608	327,993
Capital grants and contributions	16,990,141	14,147,803	27,666,764	8,740,582
Total business-type activities program revenues	\$ 89,661,080	\$ 91,733,601	\$ 105,917,981	\$ 85,808,501
Total primary government program revenues	\$ 24,667,402	\$ 20,553,498	\$ 33,998,906	\$ 08,131,438
Net (Expenses)/Revenue				
Governmental activities	\$ (35,725,465)	\$ (49,331,609)	\$ (54,855,200)	\$ (66,822,497)
Business-type activities	18,404,536	18,722,975	30,205,956	7,173,144
Total primary government net expense	\$ (17,320,929)	\$ (30,608,634)	\$ (24,649,244)	\$ (59,649,353)
General Revenues and Other Changes in Net Position				
Governmental activities:				
Taxes				
Property taxes	\$ 14,042,775	\$ 14,139,391	\$ 14,578,798	\$ 15,493,699
General government sales and use taxes	23,181,626	23,798,827	24,252,480	24,207,871
Public improvement sales and use taxes	4,090,876	4,199,793	4,279,848	3,952,522
Streets sales and use taxes	10,227,189	10,499,482	10,699,626	10,560,147
Open space sales and use taxes	2,727,251	2,799,862	2,853,231	2,816,040
Public safety sales and use taxes	-	-	4,635,144	4,576,063
Lodgers taxes	-	-	-	307,877
Cigarette taxes	205,507	218,365	212,223	199,546
Franchise taxes	4,563,829	4,731,940	4,831,536	4,849,024
Investment income	2,592,970	5,144,710	6,584,535	6,369,843
Miscellaneous	2,123	1,928	5,062	57,837
Gain (loss) from Impairment	-	-	-	-
Transfers	(10,013,810)	(3,560,154)	(4,004,935)	(3,720,173)
Total governmental activities	\$ 51,620,336	\$ 61,974,144	\$ 68,927,548	\$ 69,670,296
Business-type activities:				
Miscellaneous	\$ -	\$ -	\$ -	\$ -
Investment income	946,304	1,675,728	2,696,171	2,806,744
Transfers	10,013,810	3,560,154	4,004,935	3,720,173
Gain (loss) from Impairment	-	-	-	-
Total business-type activities	\$ 10,960,114	\$ 5,235,882	\$ 6,701,106	\$ 6,526,917
Total primary government	\$ 62,580,450	\$ 67,210,026	\$ 75,628,654	\$ 76,197,213
Change in Net Position				
Governmental activities	\$ 15,894,871	\$ 12,642,535	\$ 14,072,348	\$ 2,847,799
Business-type activities	29,364,650	23,958,857	36,907,062	13,700,061
Total primary government	\$ 45,259,521	\$ 36,601,392	\$ 50,979,410	\$ 16,547,860

2009	2010	2011	2012	2013	2014
			22,589,058		
\$ 18,772,527	\$ 21,237,772	\$ 24,377,612	\$ 24,309,220	\$ 23,402,845	\$ 39,410,084
32,842,216	33,562,076	35,173,865	36,268,842	37,546,039	38,416,984
17,180,057	14,191,614	14,171,432	15,852,244	16,881,092	22,589,058
16,073,099	16,138,524	15,484,551	17,284,703	17,127,905	13,883,071
174,499	82,033	105,992	55,025	48,260	45,871
2,302,996	1,542,188	2,153,318	2,186,966	2,488,204	2,405,958
\$ 87,345,394	\$ 86,754,207	\$ 91,466,770	\$ 95,957,000	\$ 97,494,345	\$116,751,026
\$ 5,358,336	\$ 5,713,703	\$ 5,683,344	\$ 5,731,916	\$ 5,716,575	\$ 5,713,661
2,185,459	2,084,456	2,188,918	2,041,225	2,076,148	2,325,070
47,780,116	51,614,473	55,928,077	57,649,118	60,237,764	62,428,256
164,129	194,834	218,722	393,902	801,013	-
12,975,167	12,648,106	13,417,307	13,814,391	14,226,561	15,740,172
8,368,101	8,690,949	8,625,100	8,881,680	10,267,292	10,813,201
3,085,889	3,134,594	3,334,858	3,405,295	3,755,498	4,420,557
328,375	400,939	405,307	437,068	515,668	556,171
\$ 80,245,572	\$ 84,482,054	\$ 89,801,633	\$ 92,354,595	\$ 97,596,519	\$ 101,997,088
\$ 67,590,966	\$ 171,236,261	\$ 181,268,403	\$ 188,311,595	\$ 195,090,864	\$ 218,748,114
\$ 6,965,851	\$ 8,324,058	\$ 8,342,658	\$ 8,212,442	\$ 8,745,048	\$ 9,025,285
1,039,975	1,223,119	1,266,512	1,551,831	1,636,769	1,900,659
649,631	620,595	785,188	740,477	787,118	838,087
5,171,304	5,947,012	6,032,378	6,362,496	6,043,561	6,866,923
5,770,130	5,051,949	6,845,819	6,241,265	6,021,175	9,266,563
7,124,956	5,177,181	4,793,222	6,479,562	8,247,611	13,506,619
\$ 26,721,847	\$ 26,343,914	\$ 28,065,777	\$ 29,588,073	\$ 31,481,282	\$ 41,404,136
\$ 5,105,311	\$ 5,265,217	\$ 5,235,308	\$ 5,676,335	\$ 5,676,697	\$ 6,152,091
2,460,988	2,220,975	2,262,563	2,640,817	2,357,757	2,452,630
44,547,396	49,487,659	53,924,965	57,233,475	60,957,632	63,884,921
238,663	293,519	282,208	290,774	316,941	-
11,936,337	12,757,083	13,247,962	14,513,221	12,735,470	12,981,041
7,352,469	7,846,470	8,249,362	8,634,634	9,740,105	11,686,986
3,469,114	3,420,656	3,395,622	3,835,700	4,027,152	6,579,550
251,376	239,006	220,441	258,643	277,449	288,089
547,269	513,732	1,406,669	3,342,077	562,042	5,919,672
6,394,173	8,962,852	14,473,936	3,447,605	4,321,616	7,160,769
\$ 82,303,096	\$ 91,007,169	\$ 102,699,036	\$ 99,873,281	\$ 100,972,861	\$ 117,105,749
\$ 9,024,943	\$ 117,351,083	\$ 130,764,813	\$ 129,461,354	\$ 132,454,143	\$ 158,509,885
\$ (60,623,547)	\$ (60,410,293)	\$ (63,400,993)	\$ (66,368,927)	\$ (66,013,063)	\$ (75,346,890)
2,057,524	6,525,115	12,897,403	7,518,686	3,376,342	15,108,661
\$ (58,566,023)	\$ (53,885,178)	\$ (50,503,590)	\$ (58,850,241)	\$ (62,636,721)	\$ (60,238,229)
\$ 15,539,641	\$ 15,357,141	\$ 15,280,446	\$ 14,760,834	\$ 14,766,570	\$ 14,946,758
22,751,072	23,640,672	24,562,915	26,106,434	27,883,056	29,890,913
3,316,107	3,581,110	4,261,032	3,999,340	4,068,199	4,471,068
9,775,192	10,208,168	10,808,980	11,289,666	11,981,718	12,885,741
2,606,718	2,722,178	2,882,395	3,010,577	3,195,124	3,436,196
4,235,917	4,423,539	4,683,891	4,892,188	5,192,082	5,583,826
244,527	263,041	257,566	283,947	346,352	364,767
185,093	185,916	180,436	171,029	147,338	157,523
5,269,452	6,314,911	6,677,207	6,874,941	7,342,848	7,678,732
1,526,527	1,241,858	1,150,812	787,171	16,428	985,788
16,433	19,354	21,280	5,908	9,633	15,656
-	-	-	-	714,300	-
(1,282,904)	(4,248,080)	(759,971)	(616,497)	1,285,404	(1,147,868)
\$ 64,183,775	\$ 63,709,808	\$ 70,006,989	\$ 71,565,538	\$ 76,949,052	\$ 79,269,100
\$ -	\$ 589,572	\$ 379,225	\$ 371,403	\$ 389,865	\$ (1,408,853)
579,560	500,293	415,164	286,509	(63,402)	461,875
1,282,904	4,248,080	759,971	616,497	(1,285,404)	1,147,868
-	-	-	-	(8,010,175)	-
\$ 1,862,464	\$ 5,337,945	\$ 1,554,360	\$ 1,274,409	\$ (8,969,116)	\$ 200,890
\$ 66,046,239	\$ 69,047,753	\$ 71,561,349	\$ 72,839,947	\$ 67,979,936	\$ 79,469,990
\$ 3,560,228	\$ 3,299,515	\$ 6,605,996	\$ 5,196,611	\$ 10,935,989	\$ 3,922,210
3,919,988	11,863,060	14,451,763	8,793,095	(5,592,774)	15,309,551
\$ 7,480,216	\$ 15,162,575	\$ 21,057,759	\$ 13,989,706	\$ 5,343,215	\$ 19,231,761

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

	2005	2006	2007	2008
General Fund				
Nonspendable	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-
Committed				
Assigned	-	-	-	-
Unassigned	-	-	-	-
Reserved	4,807,671	4,337,821	4,506,632	5,095,369
Unreserved	9,092,258	7,397,972	7,476,103	6,568,529
Total general fund	<u>\$ 13,899,929</u>	<u>\$11,735,793</u>	<u>\$ 11,982,735</u>	<u>\$ 11,663,898</u>
All Other Governmental Funds				
Nonspendable	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-
Committed	-	-	-	-
Unassigned	-	-	-	-
Reserved	35,808,584	37,698,742	32,353,892	32,476,928
Unreserved, reported in:				
Special revenue funds	20,987,322	20,583,382	31,070,480	30,664,909
Capital projects funds	8,222,365	5,957,055	4,889,877	4,967,815
Total all other governmental funds	<u>\$ 65,018,271</u>	<u>\$ 64,239,179</u>	<u>\$ 68,314,249</u>	<u>\$ 68,109,652</u>

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

2009	2010 (a)	2011	2012	2013	2014
\$ -	\$ 211,490	\$ 161,082	\$ 327,709	\$ 204,490	\$ 150,911
-	3,436,907	3,025,111	3,224,558	3,345,167	4,397,047
-	4,698,499	4,978,762	4,785,126	6,232,102	6,206,280
-	995,711	853,145	889,790	928,368	1,000,109
-	5,858,268	5,884,527	6,153,177	6,846,316	6,563,798
4,075,650	-	-	-	-	-
8,065,091	-	-	-	-	-
<u>\$12,140,741</u>	<u>\$15,200,875</u>	<u>\$14,902,627</u>	<u>\$15,380,360</u>	<u>\$17,556,443</u>	<u>\$18,318,145</u>
\$ -	\$ 48,596	\$ 8,461	\$ 39,718	\$ 38,963	\$ 688,654
-	62,458,573	66,036,493	63,894,630	69,569,526	90,105,866
-	3,528,546	2,748,623	2,219,873	3,144,472	3,684,420
-	-	-	(84,392)	(307,976)	-
26,385,055	-	-	-	-	-
27,193,080	-	-	-	-	-
4,033,587	-	-	-	-	-
<u>\$57,611,722</u>	<u>\$66,035,715</u>	<u>\$68,843,577</u>	<u>\$66,069,829</u>	<u>\$72,444,985</u>	<u>\$94,478,940</u>

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

	2005	2006	2007	2008
Revenues				
Taxes	\$ 59,039,053	\$ 60,387,660	\$ 66,342,886	\$ 66,962,789
Licenses and permits	11,480,669	6,461,681	6,319,585	2,785,437
Developer/owner participation	1,116,032	1,434,799	2,032,823	629,496
Intergovernmental	6,459,758	7,592,786	7,613,336	5,649,691
Charges for services	10,542,033	10,863,269	10,386,406	10,572,260
Fines and forfeits	721,163	755,870	796,912	1,140,815
Investment income	2,097,944	3,948,365	5,019,535	4,899,613
Other revenues	666,012	1,133,657	756,318	1,260,921
Total revenues	<u>\$ 92,122,664</u>	<u>\$ 92,578,087</u>	<u>\$ 99,267,801</u>	<u>\$ 93,901,022</u>
Expenditures				
General government	\$ 20,452,477	\$ 21,645,074	\$ 20,945,076	\$ 24,066,704
Public safety	27,732,979	27,970,863	28,989,750	32,278,720
Highways and streets	16,194,259	21,469,617	17,553,984	15,407,398
Culture and recreation	19,395,501	17,721,843	15,055,606	15,526,255
Municipal utility systems	9,537,748	3,267,866	1,855,661	4,231,950
Capital outlay	1,578,830	4,271,369	3,101,154	1,524,043
Interest on lease payments	-	-	-	-
Debt Service				
Principal retired	2,360,000	2,440,000	2,530,000	2,620,000
Bond Issuance costs	-	-	-	-
Interest and fiscal charges	2,277,184	1,905,092	1,962,756	1,919,846
Total expenditures	<u>\$ 99,528,978</u>	<u>\$ 100,691,724</u>	<u>\$ 91,993,987</u>	<u>\$ 97,574,916</u>
Excess of revenues over (under) expenditures	\$ (7,406,314)	\$ (8,113,637)	\$ 7,273,814	\$ (3,673,894)
Other Financing Sources (Uses)				
Proceeds from leases	\$ 101,864	\$ -	\$ -	\$ -
Transfers in	1,351,285	472,612	1,349,500	822,968
Transfers out	(934,715)	(1,112,389)	(3,145,133)	(832,508)
Issuance of certificates of participation	-	-	-	-
Premium on issuance of COPs	-	-	-	-
Payment to bond refunding escrow agent	-	(19,075,319)	-	-
Proceeds from issuance of long-term debt	-	17,375,000	-	3,160,000
Premium on issuance of long-term debt	-	1,519,835	-	-
Total other financing sources (uses)	<u>\$518,434</u>	<u>\$ (820,261)</u>	<u>\$ (1,795,633)</u>	<u>\$ 3,150,460</u>
Net change in fund balances	<u>\$ (6,887,880)</u>	<u>\$ (8,933,898)</u>	<u>\$ 5,478,181</u>	<u>\$ (523,434)</u>
Debt service as a percentage of noncapital expenditures	6%	6%	6%	6%

2009	2010	2011	2012	2013	2014
\$ 63,923,719	\$ 66,696,676	\$ 69,594,868	\$ 71,388,956	\$ 74,923,287	\$ 79,415,524
1,519,378	3,149,131	2,852,843	5,140,350	4,580,507	7,172,900
2,533,001	1,143,047	634,951	1,233,382	1,261,004	1,262,254
7,530,226	5,354,292	9,658,445	6,563,036	6,759,018	10,801,693
10,914,591	13,070,916	12,749,635	13,327,419	13,317,119	14,957,990
1,479,993	1,551,177	1,461,305	1,523,237	1,116,600	1,279,841
1,148,839	915,661	872,429	603,458	8,256	724,315
862,381	756,224	1,432,450	1,395,962	2,787,902	2,401,080
<u>\$ 89,912,128</u>	<u>\$ 92,637,124</u>	<u>\$ 99,256,926</u>	<u>\$ 101,175,800</u>	<u>\$ 104,753,693</u>	<u>\$ 118,015,597</u>
\$ 19,772,116	\$ 19,157,561	\$ 21,838,334	\$ 25,480,536	\$ 22,090,958	\$ 37,776,012
34,855,013	33,073,119	35,454,207	36,097,088	37,310,096	38,657,499
17,685,686	13,345,985	15,201,301	17,659,757	13,699,379	19,695,403
21,097,271	22,624,470	16,166,215	18,572,576	17,122,413	22,219,018
1,689,899	3,707,650	452,416	841,556	379,386	564,272
2,733,830	893,318	2,193,219	3,375,563	2,382,196	3,201,073
-	-	-	-	-	424,151
2,725,000	1,690,000	2,840,000	2,975,000	3,130,000	3,225,000
-	408,421	-	-	-	-
1,761,168	1,362,961	2,112,015	1,927,339	1,807,239	1,703,339
<u>\$ 102,319,983</u>	<u>\$ 96,263,485</u>	<u>\$ 96,257,707</u>	<u>\$ 106,929,415</u>	<u>\$ 97,921,667</u>	<u>\$ 127,465,767</u>
\$ (12,407,855)	\$ (3,626,361)	\$ 2,999,219	\$ (5,753,615)	\$ 6,832,026	\$ (9,450,170)
\$ -	\$ 74,088	\$ -	\$ 3,195,823	\$ -	\$ -
1,990,519	669,210	1,207,868	1,953,999	3,874,917	3,841,432
(1,885,997)	(847,551)	(1,697,473)	(1,692,222)	(2,155,704)	(2,421,669)
-	-	-	-	-	29,475,000
-	-	-	-	-	1,351,064
-	(14,732,432)	-	-	-	-
2,282,246	29,770,000	-	-	-	-
-	177,173	-	-	-	-
<u>\$ 2,386,768</u>	<u>\$ 15,110,488</u>	<u>\$ (489,605)</u>	<u>\$ 3,457,600</u>	<u>\$ 1,719,213</u>	<u>\$ 32,245,827</u>
<u>\$ (10,021,087)</u>	<u>\$ 11,484,127</u>	<u>\$ 2,509,614</u>	<u>\$ (2,296,015)</u>	<u>\$ 8,551,239</u>	<u>\$ 22,795,657</u>
6%	3%	6%	6%	5%	5%

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

FISCAL YEAR (a)	REAL PROPERTY		PERSONAL PROPERTY			TOTAL		RATIO OF TOTAL ASSESSED VALUE/ TOTAL ESTIMATED ACTUAL VALUE	TOTAL DIRECT TAX RATE (MILs)
	ASSESSED VALUE	ESTIMATED ACTUAL VALUE	ASSESSED VALUE	ESTIMATED ACTUAL VALUE	ASSESSED VALUE	ESTIMATED ACTUAL VALUE (a)			
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
2011	989,539,009	8,473,196,485	103,235,812	355,979,432	1,092,774,821	8,829,175,917	12.38	(b)	13.42
2012	940,806,179	8,107,766,991	108,516,810	374,194,971	1,049,322,989	8,481,961,962	12.37	(b)	13.42
2013	940,906,285	8,124,205,035	103,245,570	356,019,053	1,044,151,855	8,480,224,088	12.31	(b)	13.42
2014	937,926,761	8,141,462,142	111,470,713	384,381,452	1,049,397,474	8,525,843,594	12.31	(b)	13.42

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

(b) For tax levy years 2005 through 2013, collection years 2006 through 2014, 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



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

LEVY YEAR	COLLECTION YEAR	GENERAL FUND	COMPONENT UNIT SPECIAL REVENUE FUNDS	COMPONENT UNIT (DEBT SERVICE)
2004	2005	13.420	10.108	82.804
2005	2006	13.420	10.108	83.289
2006	2007	13.420	10.108	81.934
2007	2008	13.420	10.108	81.680
2008	2009	13.420	10.108	90.764
2009	2010	13.420	10.108	91.337
2010	2011	13.420	10.108	92.884
2011	2012	13.420	10.108	93.661
2012	2013	13.420	10.108	100.201
2013	2014	13.420	11.798	100.201
2004	2005	\$ 12,927,716	\$ 215,110	\$ 70,713
2005	2006	13,037,177	151,921	906,912
2006	2007	13,445,358	243,486	830,000
2007	2008	14,461,571	180,854	987,419
2008	2009	14,568,772	183,782	1,138,267
2009	2010	14,512,552	137,562	1,226,379
2010	2011	14,497,504	144,963	1,141,317
2011	2012	13,921,660	134,350	1,274,966
2012	2013	13,864,802	130,809	1,098,513
2013	2014	13,986,967	255,392	713,523

(a) Figure represents a specific mill levy.

NOTES TO THIS SCHEDULE

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

SCHOOL DISTRICT	BOULDER COUNTY	ST. VRAIN LEFT-HAND WATER	NO. COLO. WATER CONS.	LONGMONT RURAL FIRE
TAX	RATES (a)			
40.089	21.267	0.230	1.000	8.397
39.982	21.867	0.222	1.000	8.257
38.035	22.467	0.214	1.000	8.137
37.798	22.467	0.197	1.000	7.937
46.285	23.067	0.194	1.000	11.747
46.268	23.667	0.184	1.000	11.747
46.837	24.645	0.184	1.000	11.747
47.614	24.645	0.184	1.000	11.747
53.500	24.645	0.184	1.000	11.747
53.679	25.120	0.184	1.000	11.747
TAX	LEVIES			
\$ 71,126,342	\$ 100,896,978	\$ 297,971	\$ 4,352,070	\$ 2,328,367
75,015,501	108,354,720	290,063	4,538,972	2,422,949
76,054,018	112,630,364	287,231	4,593,229	2,621,708
82,991,157	124,745,065	285,477	5,062,766	2,802,166
103,735,943	129,119,905	283,148	5,146,619	4,265,886
109,750,435	137,564,655	269,174	5,347,290	4,609,169
109,549,655	142,564,068	267,964	5,322,753	4,390,298
111,206,275	138,085,156	254,892	5,164,277	4,216,529
129,967,590	139,022,459	254,801	5,173,950	4,186,954
129,522,650	144,037,143	257,152	5,273,967	4,118,852

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

Taxpayer	2014			2005		
	2013 Assessed Value	Rank	Percentage of Total Assessed Value	2004 Assessed Value	Rank	Percentage of Total Assessed Value
AMGEN INC	\$ 27,835,919	1	2.60%	\$44,755,070	1	4.42%
LONGMONT DIAGONAL INVESTMENTS LP	19,098,241	2	1.82			
XILINX INC	14,653,090	3	1.40	9,955,320	4	1.06
SEAGATE TECHNOLOGY LLC	13,597,201	4	1.30	11,000,190	3	1.09
HUB PROPERTIES TRUST	11,232,954	5	1.07			
DIGITALGLOBE INC	11,061,561	6	1.05			
RAMCO-GERSHENSON PROPERTIES LP	9,655,458	7	0.92			
PUBLIC SERVICE COMPANY OF COLORADO	8,244,640	8	0.79			
SEAGATE PERIPHERALS	8,223,167	9	0.78	9,635,250	5	1.02
QWEST CORPORATION	5,844,100	10	0.56	6,170,220	8	0.81
PRATT LAND LIMITED LIABILITY CO				35,358,980	2	3.10
MAXTOR CORPORATION				9,093,990	6	0.99
TWIN PEAKS MALL				8,229,210	7	0.88
LM VENTURE LLC				5,361,900	9	0.58
McCLANE WESTERN INC.				4,274,040	10	0.52
Total Taxable Assessed Value of 10 Largest Taxpayers	\$ 29,446,331		12.34	\$143,834,170		14.93
Total Taxable Assessed Value of Other Taxpayers	<u>919,951,143</u>		<u>87.66</u>	<u>819,482,940</u>		<u>85.07</u>
Total Taxable Assessed Value All Taxpayers	<u>\$1,049,397,474</u>		<u>100%</u>	<u>\$ 963,317,110</u>		<u>100%</u>

Source: Boulder County and Weld County Assessor offices



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

LEVY YEAR	COLLECTION YEAR	TOTAL TAX LEVY	CURRENT TAX COLLECTIONS	PERCENT OF LEVY COLLECTED	DELINQUENT TAX COLLECTIONS	
2004	2005	\$ 12,927,716	\$ 12,730,641	98.5	\$ 3,852	
2005	2006	13,037,177	12,849,208	98.6	7,168	
2006	2007	13,445,358	13,286,992	98.8	9,040	
2007	2008	14,461,571	14,274,137	98.7	(21,130)	(b)
2008	2009	14,568,772	14,398,968	98.8	3,587	
2009	2010	14,512,552	14,297,043	98.5	(204)	(b)
2010	2011	14,497,504	14,263,350	98.4	(7,257)	(b)
2011	2012	13,921,660	13,709,639	98.5	(3,527)	(b)
2012	2013	13,921,660	13,712,024	98.5	(20,700)	(b)
2013	2014	13,986,967	13,800,707	98.7	(11,229)	(b)

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

LEVY YEAR	COLLECTION YEAR	TOTAL COMPONENT UNITS LEVY	CURRENT COMPONENT UNITS COLLECTIONS	PERCENT OF LEVY COLLECTED	DELINQUENT COMPONENT UNITS COLLECTIONS	
2004	2005	\$ 985,823	\$ 917,046	93.0	\$ (5,294)	(b)
2005	2006	1,058,833	1,068,347	100.9	157	
2006	2007	1,073,486	1,017,953	94.8	390	
2007	2008	1,168,273	1,139,951	97.6	(3,538)	(b)
2008	2009	1,322,049	1,305,319	98.7	15,317	
2009	2010	1,363,941	1,394,925	102.3	1,388	
2010	2011	1,286,280	1,323,392	102.9	(8,302)	(b)
2011	2012	1,409,316	1,268,133	90.0	856	
2012	2013	1,409,316	1,230,435	87.3	(2,539)	(b)
2013	2014	968,915	753,346	77.8	(5,686)	(b)

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

	TOTAL TAX COLLECTIONS	COLLECTIONS AS % OF CURRENT LEVY	OUTSTANDING DELINQUENT TAXES (a)
\$	12,734,493	98.5	-
	12,856,376	98.6	-
	13,296,032	98.9	-
	14,253,007	98.6	-
	14,402,555	98.9	-
	14,296,839	98.5	-
	14,256,093	98.3	-
	13,706,112	98.5	-
	13,691,324	98.3	-
	13,789,478	98.6	-

	TOTAL COMPONENT UNITS COLLECTIONS	COLLECTIONS AS % OF CURRENT LEVY	OUTSTANDING DELINQUENT COMPONENT UNITS (a)
\$	911,752	92.5	-
	1,068,504	100.9	-
	1,018,343	94.9	-
	1,136,413	97.3	-
	1,320,636	99.9	-
	1,396,313	102.4	-
	1,315,091	102.2	-
	1,268,989	90.0	-
	1,227,896	87.1	-
	747,660	77.2	-

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

Fiscal Year	Apparel	Automotive	Food	Home Furnishings	General	Lodging	Lumber
2005	\$ 432,308	\$3,036,678	\$ 9,638,225	\$ 892,846	\$ 6,456,076	\$ 354,880	\$ 5,445,677
2006	609,552	2,840,122	10,252,933	1,027,138	6,980,816	457,225	5,065,157
2007	839,213	3,430,684	11,790,777	1,523,002	8,291,250	596,018	4,604,885
2008	811,706	3,076,830	12,351,545	1,487,700	8,102,502	575,018	4,153,626
2009	769,069	2,807,423	12,088,918	1,437,616	7,720,534	448,409	3,217,098
2010	746,975	2,945,326	12,476,116	1,373,172	7,942,717	473,031	3,761,323
2011	774,340	3,067,736	13,003,218	1,477,811	8,152,274	461,948	3,485,393
2012	815,281	3,303,338	14,000,534	1,461,608	8,232,207	509,432	4,629,605
2013	832,078	3,627,934	15,242,816	1,444,851	8,210,791	608,842	4,916,728
2014	836,095	3,838,379	16,233,232	1,587,417	8,119,395	652,703	5,818,483

Source: City of Longmont Sales and Use Tax Reports and General Ledger

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

(2) Corrected totals for 2006 through 2012.

Professional	Public Utility	Unclassified	Home Occupation	Manufacturing	Motor Vehicle Use Tax	Accrual(1)	Total Sales and Use Tax(2)	Total Direct Tax Rate
\$ 800,456	\$3,536,095	\$4,202,317	\$117,698	\$2,988,974	\$2,292,204	\$ 32,507	\$40,226,941	2.950
747,533	3,805,012	4,632,152	149,508	2,514,798	2,196,392	19,624	41,297,962	2.950
990,158	4,156,688	5,023,128	149,529	2,285,236	2,495,494	544,267	46,720,329	3.275
904,306	4,425,770	4,785,132	154,285	2,927,119	2,458,566	(101,463)	46,112,642	3.275
1,155,241	4,327,560	4,253,903	139,145	2,266,143	2,053,947	-	42,685,006	3.275
1,246,112	4,611,287	4,890,472	133,207	1,835,299	2,140,629	-	44,575,666	3.275
1,763,230	4,931,980	5,260,810	153,155	2,280,349	2,386,969	-	47,199,213	3.275
1,152,575	4,878,682	4,889,490	165,709	2,575,958	2,683,787	-	49,298,206	3.275
1,154,604	5,019,774	5,533,752	153,548	2,635,130	2,939,328	-	52,320,176	3.275
1,612,227	5,156,841	6,242,788	206,783	2,816,419	3,146,983	-	56,267,745	3.275

**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	
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
2011	3.275	2.900	0.800	1.000	0.100	0.100	8.175
2012	3.275	2.900	0.800	1.000	0.100	0.000	8.075
2013	3.275	2.900	0.800	1.000	0.100	0.000	8.075
2014	3.275	2.900	0.800	1.000	0.100	0.000	8.075

Sources: City of Longmont sales and use tax reports



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

	Fiscal Year			
	2005	2006	2007	2008
Aggregate top ten filers ⁽¹⁾	\$13,330,649	\$12,478,376	\$14,231,545	\$14,314,666
Aggregate all other filers ⁽²⁾	<u>26,896,292</u>	<u>28,819,586</u>	<u>32,488,784</u>	<u>31,797,977</u>
Total sales and use tax ⁽³⁾	<u>\$40,226,941</u>	<u>\$41,297,962</u>	<u>\$46,720,329</u>	<u>\$46,112,643</u>
Top ten filers as a percentage of total tax	33.14%	30.22%	30.46%	31.04%

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

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

(3) Corrected totals for 2006 through 2012.

Source: City of Longmont Sales and Use Tax Reports and General Ledger

Fiscal Year					
2009	2010	2011	2012	2013	2014
\$12,735,201	\$13,768,827	\$14,396,809	\$15,894,438	\$17,214,271	\$18,298,951
<u>29,949,805</u>	<u>30,806,839</u>	<u>32,802,404</u>	<u>33,403,768</u>	<u>35,105,905</u>	<u>37,968,794</u>
<u>\$42,685,006</u>	<u>\$44,575,666</u>	<u>\$47,199,213</u>	<u>\$49,298,206</u>	<u>\$52,320,176</u>	<u>\$56,267,745</u>
29.84%	30.89%	30.50%	32.24%	32.90%	32.52%

**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	Revenue Bonds	Loans Payable	Capital Leases			
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
2011	1,185,000	45,445,000	4,767,754	26,095,000	13,210,950	-	90,703,704	2.0%	1,032
2012	-	43,655,000	5,438,502	25,200,000	12,079,147	-	86,372,649	1.9%	983
2013	-	41,328,020	5,028,388	32,386,910	11,144,353	-	89,887,671	2.0%	1,023
2014	-	37,979,360	4,578,024	92,888,721	10,132,504	-	145,578,608	2.9%	1,584

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

**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 PAYABLE FROM ENTERPRISE REVENUES	NET GOVERNMENTAL GENERAL OBLIGATION BONDED DEBT	RATIO OF NET G/O BONDED DEBT TO ASSESSED VALUE	NET G/O BONDED DEBT PER CAPITA
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
2011	87,850	1,092,774,821	1,185,000	-	1,185,000	0.0011	\$13.49
2012	87,854	1,049,322,989	-	-	-	-	-
2013	90,219	1,044,151,855	-	-	-	-	-
2014	91,911	1,049,397,474	-	-	-	-	-

(a) Bureau of Census; City of Longmont Department of Economic Development

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

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

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
As of December 31, 2013

Governmental Unit	Direct Debt Outstanding	Percentage Applicable To City of Longmont (a)	Estimated Share of Overlapping Debt
Overlapping:			
St. Vrain Valley School District ¹	\$ 391,800,000	44.87%	\$ 175,800,660
Northern Colorado Water Conservancy District ²	4,310,040	7.29%	<u>314,202</u>
Subtotal, overlapping debt			176,114,862
City of Longmont	42,557,384	100.00%	<u>42,557,384</u>
Total Direct & Overlapping Debt			<u><u>\$ 218,672,246</u></u>

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

Sources:

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



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

	Fiscal Year				
	2005	2006	2007	2008	2009
Debt Limit	\$ 239,813,710	\$ 244,291,416	\$ 252,410,087	\$ 269,365,309	\$ 272,149,250
Total net debt applicable to limit	<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>
Legal debt margin	<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>
Total net debt applicable to the limit as a percentage of debt limit	3.11%	2.66%	2.18%	1.66%	1.26%

Legal Debt Margin Calculation for Fiscal Year 2014

Estimated actual value	<u>\$8,525,843,594</u>
Debt limit (3% of actual value)	255,775,308
Debt applicable to limit:	
General Obligation Bonds	<u>\$0</u>
Legal Debt Margin	255,775,308

	Fiscal Year				
	2010	2011	2012	2013	2014
\$	264,574,063	\$ 264,875,278	\$ 254,458,859	\$ 254,406,723	\$ 255,775,308
	<u>2,325,000</u>	<u>1,185,000</u>	-	-	-
\$	<u>262,249,063</u>	<u>\$ 263,690,278</u>	<u>\$ 254,458,859</u>	<u>\$ 254,406,723</u>	<u>\$ 255,775,308</u>
	0.88%	0.45%	0.00%	0.00%	0.00%

PLEDGED REVENUE BOND/LOAN COVERAGE

Last Ten Fiscal Years

FISCAL YEAR	GROSS RESOURCES (a)	EXPENSES (b)	AVAILABLE FOR DEBT SERVICE (c)		PRINCIPAL	INTEREST	TOTAL	COVERAGE
ELECTRIC AND BROADBAND UTILITY ENTERPRISE REVENUE BONDS								
2014	\$ 64,043,709	\$ 60,176,009	\$ 3,867,700	\$ -	\$ 887,296	\$ 887,296	4.36	
SEWER REVENUE BONDS/LOANS								
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	256,277 (e)	460,949	3.53	
2011	8,319,686	6,218,570	2,101,116	483,579	587,113 (e)	1,070,692	1.96	
2012	8,702,531	6,547,037	2,155,494	503,838	564,636	1,068,474	2.02	
2013	9,798,239	7,825,653	1,972,586	550,000	640,917	1,190,917	1.66	
2014	11,802,513	8,267,822	3,534,691	870,000	778,608	1,648,608	2.14	
WATER BONDS/LOANS								
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	
2011	13,581,304	9,204,273	4,377,031	961,909	463,514	1,425,423	3.07	
2012	14,797,928	10,012,087	4,785,841	989,550	456,063	1,445,613	3.31	
2013	12,874,408	10,544,246	2,330,162	989,551	221,680	1,211,231	1.92	
2014	13,515,192	11,440,503	2,074,689	1,006,135	181,883	1,188,018	1.75	
STORM DRAINAGE BONDS								
2008	\$ 3,913,485	\$ 1,894,255	\$ 2,019,230	\$ -	\$ 424,710 (e)	\$ 424,710	4.75	
2009	3,612,637	2,144,168	1,468,469	510,000	577,519 (e)	1,087,519	1.35	
2010	3,646,439	2,201,247	1,445,192	520,000	561,431 (e)	1,081,431	1.34	
2011	3,474,370	2,222,591	1,251,779	530,000	545,019 (e)	1,075,019	1.16	
2012	3,884,092	2,214,935	1,669,157	565,000	536,406	1,101,406	1.52	
2013	4,057,701	2,368,751	1,688,950	565,000	518,531	1,083,531	1.56	
2014	6,709,092	3,010,205	3,698,887	1,885,000	498,756	2,383,756	1.55	
SERIES 2010A&B OPEN SPACE SALES AND USE TAX REVENUE BONDS								
		Open Space Sales and Use Tax Revenues		Maximum Annual Debt Service on Bonds			Coverage	
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 (d)			1.32	
2011		2,882,395		2,056,507			1.40	
2012		3,010,578		2,041,300 (f)			1.47	
2013		3,195,124		2,023,400			1.58	
2014		3,436,196		2,010,400			1.71	
SALES AND USE TAX REFUNDING REVENUE BONDS								
		Pledged Sales and Use Tax Revenues		Maximum Annual Debt Service on Bonds			Coverage	
2006		\$ 27,998,620		\$ 2,799,100 (h)			10.00	
2007		28,532,328		2,799,100			10.19	
2008		28,160,393 (g)		2,799,100			10.06	
2009		26,067,719		2,799,100			9.31	
2010		27,221,782		2,799,100			9.73	
2011		28,823,947		2,799,100			10.30	
2012		30,105,775		2,799,100			10.76	
2013		31,951,254		2,799,100			11.41	
2014		34,361,981		2,799,100			12.28	

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 (%)
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	27,379	6.8
2011	87,850	4,453,731	50,697	36.6	28,109	6.1
2012	87,854	4,559,008	51,893	35.9	29,382	5.5
2013	90,219	4,851,256	53,772	35.6	30,195	4.4
2014	91,911	5,052,164	54,968	36.0	31,076	3.1

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

(2) U.S. Bureau of Labor Statistics

(3) U.S. Bureau of Economic Analysis

(4) St. Vrain Valley School District Data Specialist

(5) U.S. Census Bureau

NOTES TO PLEDGED REVENUE BOND/LOAN COVERAGE on previous page

- (a) Gross resources include operating revenues, sales and use tax, miscellaneous revenue and interest income. Also included are annexation fees, plant investment fees, system development fees, developer participation, and cash received in lieu of water, which are classified as capital contributions under generally accepted accounting principles, 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) Open Space Sales and Use Tax Revenue Bonds were partially refunded in 2010. Amount reported is net of BABs subsidy.
- (e) Interest restated to eliminate capitalization as previously reported.
- (f) Restated the maximum annual debt service on bonds to tie to the debt table in the Official Statement. Amount reported is net of BABs subsidy.
- (g) The 2009-2013 previously reported CAFR tables overstated the accrual reduction for 2008 as (\$698,377). The correct accrual reduction was (\$61,962). This correction increases the 2008 pledged revenues by \$636,415 to \$28,160,393 for 2008.
- (h) Correction to tie the maximum annual debt service for the Series 2006 Sales and Use Tax Refunding Bonds to the Official Statement and the Continuing Disclosure Tables.

PRINCIPAL EMPLOYERS
Current Fiscal Year and Nine Years Ago

Employer	2014			2005		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
St. Vrain Valley School District	3,960	1	7.8%			
Seagate Technology	1,381	2	2.7%	1,286	1	3.0%
Longmont United Hospital	1,257	3	2.5%			
DigitalGlobe	918	4	1.8%	320	9	0.8%
Intrado	858	5	1.7%	660	4	1.6%
City of Longmont	818	6	1.6%			
Circle Graphics, Inc.	590	7	1.2%			
Federal Aviation Administration	543	8	1.1%	389	7	0.9%
Amgen	446	9	0.9%	600	5	1.4%
McLane Western	435	10	0.9%	545	6	1.3%
Maxtor Colorado				954	2	2.3%
Butterball, LLC				920	3	2.2%
Xilinx				349	8	0.8%
Times-Call				285	10	0.7%
Total	11,206		22.0%	6,308		14.9%

Source: Longmont Area Economic Council
Bureau of Labor Statistics

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

<u>Function/Program</u>	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Government										
City Administration	37	37	37	35	36	30	31	31	40	41
Finance	80	82	82	81	80	86	88	88	81	81
Public Safety										
Police	157	157	174	179	185	173	171	171	171	171
Fire	86	86	91	97	96	92	91	91	91	91
Shared	20	20	21	22	23	30	29	31	31	32
Community Development										
Parks, Open Space and Public Works	165	81 *	79	80	78	75	59	59	59	58
Planning	12	12	13	11	11	14	14	14	14	13
Development and Building Inspection	15	15	15	13	12	11	13	12	12	12
Community Services										
Library	41	41	41	39	39	39	37	37	37	37
Museum	8	8	8	8	8	7	7	7	7	7
Recreation	22	22	22	21	22	21	21	21	21	23
Senior Services	7	7	7	7	7	7	7	7	7	8
Children and Youth Services	6	6	8	7	6	6	8	8	8	8
Community Services Administration	10	10	10	12	12	11	12	13	13	16
Public Works and Natural Resources	92	175 *	176	169	163	157	169	168	167	165
Power and Communications	68	70	70	71	70	73	73	73	73	73
Total	826	829	854	850	846	832	829	831	832	836

Source: City of Longmont Budget Office

* Public Works reorganization

OPERATING INDICATORS BY FUNCTION/PROGRAM
Last Ten Fiscal Years

<u>Function/Program</u>	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Police										
DUI Arrests	422	310	381	317	270	288	268	329	243	256
Traffic Violations	7,288	6,818	9,438	9,261	10,524	11,132	9,163	8,903	6,984	7,748
Case Clearance Rate	76%	85%	75%	68%	65%	42%	44%	40%	39%	40%
Fire										
Emergency Responses	3,318	3,263	3,681	6,638	6,772	7,007	6,788	7,918	8,262	8,279
Inspections	459	860	704	1,206	1,429	1,336	277	2,360	1,538	1,916
Fires Extinguished	165	216	161	228	72	156	102	190	202	152
Call Response Time										
< 5 mins	43%(a)	73%	71%	75%	51%	0%	67%	47%	50%	58%
> 5 mins	57%	27%	29%	25%	49%	0%	33%	53%	50%	42%
Public Works										
Streets Resurfaced (miles)	8.47	8.43	7.09	8.10	10.54	8.75	8.90	15.90	10.86	14.10
Parks and Recreation										
Library										
Total Circulation	1,109,343	1,116,513	998,040	1,041,788	1,081,428	1,125,345	1,086,394	1,195,726	1,262,198	1,209,723
Total Items Added	26,161	20,446	23,379	24,330	22,170	22,933	19,502	18,084	18,837	16,694
Patron Visits	229,144	352,286	326,289	458,469	580,767	531,139	584,119	650,526	611,262	621,074
Museum										
Total People Served	61,339	63,216	63,700	71,831	71,443	70,009	71,077	62,024	65,137	47,177
Golf										
Rounds of Golf	104,286	102,478	105,800	100,488	96,108	89,517	88,607	100,958	87,620	90,402
Water										
New connections	299	2,626	350	116	506	-	62	330	116	140
Water main breaks	36	39	40	23	23	25	26	38	30	29
Average daily consumption (mgd)	15.48	16.45	16.33	15.95	13.66	14.51	15.53	15.45	13.49	13.12
Wastewater										
Average daily sewage treatment (mgd)	8.35	7.85	8.21	7.63	7.31	7.22	6.97	6.71	7.21	6.91
Power and Communications										
Customers	35,080	35,561	35,906	36,231	36,383	36,683	36,809	37,107	37,360	37,751

Source: Various City of Longmont departments

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

CAPITAL ASSETS STATISTICS BY FUNCTION
Last Ten Fiscal Years

<u>Function/Program</u>	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol vehicles	58	64	66	68	70	63	63	62	62	62
Fire										
Stations	5	5	5	5	5	5	5	6	6	6
Public Works										
Streets (miles)	312	315	315	315	319	319	330	330	330	334
Traffic Signals	6,658	6,991	7,109	7,204	7,228	7,228	7,355	7,402	7,415	7,467
Parks and Recreation										
Parks	44	44	44	44	44	44	44	47	47	47
Park, trail and open space	3,727	3,727	3,727	3,727	5,213	5,213	5,213	4,676	4,715	4,719
Libraries	1	1	1	1	1	1	1	1	1	1
Number of volumes	299,519	298,897	300,093	295,723	292,299	283,758	277,279	270,176	267,769	266,082
Museum	1	1	1	1	1	1	1	1	1	1
Swimming Pools	5	5	5	5	5	5	5	5	4	4
Golf Courses	3	3	3	3	3	3	3	3	3	3
Water										
Water mains (miles)	424	437	439	441	442	441	443	443	443	447
Water connections	25,569	26,075	25,919	26,035	26,541	-	26,603	26,933	27,049	27,189
Wastewater										
Sanitary sewer (miles)	318	323	325	328	328	326	328	328	329	331
Wastewater connections	24,842	25,538	25,192	25,795	26,147	-	25,875	26,067	26,132	26,163
Power and Communications										
Substations	6	6	7	7	7	7	7	7	7	7

Source: Various City of Longmont departments

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended December 31, 2014

	Federal CFDA Number	Pass-through Grantor's Number	Program or Award Amount	Revenue Recognized	Federal Expenditures
US Department of Housing and Urban Development					
Community Development Block Grants					
2010	14.218	10-MC-08-0011	\$587,398	\$4,432	\$932
2012	14.218	12-MC-08-0011	532,458	70,011	39,450
2013	14.218	13-MC-08-0011	568,555	231,312	204,481
2014	14.218	14-MC-08-0011	580,094	222,943	271,419
CDBG - Disaster Recovery Grant (Down Payment & Temporary Rental Asst.)	14.269	#14-082	750,000	157,859	157,859
CDBG - Disaster Recovery Grant (Housing Repairs)	14.269	#14-082A	2,000,000	670,622	693,333
Total Community Development Block Grant				1,357,179	1,367,474
HOME Consortium Grant 2010	14.239	M-10-DC-08-0202	307,579	52,432	19,249
HOME Consortium Grant 2011	14.239	M-11-DC-08-0202	274,292	190,526	178,926
HOME Consortium Grant 2013	14.239	M-13-DC-08-0202	245,300	215,702	141,087
HOME Consortium Grant 2014	14.239	M-14-DC-08-0202	216,219	167,969	191,137
Total HOME Grants				626,629	530,399
TOTAL US Department of Housing and Urban Development				1,983,808	1,897,873
US Department of Justice					
Bulletproof Vest Partnership Grant	16.607	15-0404-0-1-754	8,453	8,453	8,453
Equity Sharing Agreement - Asset Forfeiture Program (Justice Seizure Fund)	16.922	CO0070400	65,047	29,442	29,646
Edward Byrne Memorial Justice Assistance Grant	16.738	2011-DX-BX-2939	38,985	3,007	3,007
Edward Byrne Memorial Justice Assistance Grant	16.738	2012-H1105-CO-DJ	30,817	5,011	5,011
Edward Byrne Memorial Justice Assistance Grant	16.738	2013-DX-BX-0578	28,416	28,416	28,416
Edward Byrne Memorial Justice Assistance Grant	16.738	2014-DJ-BX-0944	25,384	1,959	1,959
JAG - Project Pinwheel	16.738	13-DJ-13-001465-3-1	29,410	27,413	27,413
JAG - Project Pinwheel	16.738	14-DJ-14-003265-3-2	26,469	1,879	1,879
JAG - Restorative Practices in Schools Training and Technical Assistance	16.738	2013-DJ-13-001495-03-1	64,444	64,444	52,034
JAG - Restorative Practices in Schools Training and Technical Assistance	16.738	2014-DJ-14-003251-03-2	58,000	-	16,674
JAG - Restorative Re-entry Project Grant	16.738	13-DJ-13-001492-4-1	71,250	54,464	54,464
JAG - Coordinated Response & Assistance to Domestic Violence Crime Victims	16.738	12-DJ-14-003366-07-1	13,876	2,067	2,067
JAG - Domestic and Dating Violence Prevention and Education	16.738	2014-DJ-14-003365-03-1	13,651	1,554	1,554
Internet Crimes Against Children	16.543	2012-MC-FX-K009	8,000	7,984	7,984
St. Vrain Family Center - S.A.F.E. Services Program Grant	16.527	2013-FL-AX-K001	382,607	53,787	53,787
Victims of Crime Act - VOCA	16.575	13-VA-20-91	32,577	32,577	32,577
Total US Department of Justice				322,457	326,925
US Department of Labor					
Disaster National Emergency Grant (D-NEG) - Workforce Boulder County	17.277	PO #P112063, #P112248, #P112249	60,000	25,421	25,988
Total US Department of Labor				25,421	25,988
The Museum of Library Services (IMLS)					
Library Services and Technology Act Grant (LSTA)	45.310	PL 104-208	10,000	8,500	8,500
Total Musuem of Library Services				8,500	8,500
The National Endowment for the Humanities (NEH)					
NEH Grant - Longmont Museum	45.130	CH-51189	200,000	200,000	200,000
Total National Endowment for the Humanities				200,000	200,000
US Departem of the Treasury					
Equity Sharing Agreement - Treasury Forfeiture Program (Treasury Seizure Fd)	21.000	CO0070400	24,153	49	194
Total Department of the Treasury				49	194

(continued)

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended December 31, 2014

	Federal CFDA Number	Pass-through Grantor's Number	Program or Award Amount	Revenue Recognized	Federal Expenditures
US Department of Transportation					
Passed through the Colorado Department of Transportation					
Regional Air Quality Council (RAQC) - Charge Ahead CO Grant	20.205	PO #611	25,040	6,260	6,260
Regional Air Quality Council (RAQC) - Charge Ahead CO Grant	20.205	PO #658	16,520	16,520	16,520
Federal Hazard Elimination Program (SH 66 & Cty Line Rd Improvements)	20.205	14-HA4-66714	721,917	350,000	371,917
Click It or Ticket	20.600	PO211018772	4,500	4,500	4,500
Click It or Ticket	20.600	PO211019367	2,500	2,500	2,500
Total US Department of Transportation				379,780	401,697
USDA Forest Services					
Passed through Colorado State University					
CO State Forest Service - Powerline Fuelbreak	10.664	1929400-BO-04	60,000	60,000	60,000
Total USDA Forest Services				60,000	60,000
US Department of Homeland Security					
Emergency Management Performance Grant (2013)	97.042	13EM-14-128	65,900	65,900	-
Emergency Management Performance Grant (2014)	97.042	14EM-15-128	46,000	34,500	46,000
Pre-disaster Mitigation (PDM) Grant - FEMA	97.047	12PDM15LMT	3,000,000	165,220	165,220
FEMA - Federal Emergency Management Award (2014)	97.036	DR-4145-CO 14-D4145-LM	38,042,048	4,575,291	5,357,728
Total US Department of Homeland Security				4,840,911	5,568,948
Total Federal Assistance			\$	7,820,926	\$ 8,490,125

NOTES TO SCHEDULE OF FEDERAL AWARDS
Year Ended December 31, 2014

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, 2014. 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 for the City's governmental funds. Expenditures of federal awards are recognized in the accounting period in which the liability is incurred and approved for reimbursement.

NOTE 3: SUB-RECIPIENTS

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

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Amount Provided to Sub-recipients</u>
Community Development Block Grant	14.218	\$ 95,867
HOME Program	14.239	493,496

NOTE 4: NON-CASH ASSISTANCE

Of the federal expenditures presented in the schedule of federal awards, the City received equipment for the following grants rather than cash.

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Amount of Non-cash Assistance</u>
N/A	N/A	0.00

City of Longmont, Colorado
Summary Schedule of Prior Audit Findings

Year Ended December 31, 2014

Number	Comment	Status	Corrective Action or Other Explanation
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None reported.



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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of City of Longmont, as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise City of Longmont's basic financial statements, and have issued our report thereon dated .

Internal Control Over Financial Reporting

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

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

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

Honorable Mayor and Members of the City Council
Longmont, Colorado

Compliance and Other Matters

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

Purpose of this Report

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

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

CliftonLarsonAllen LLP

Broomfield, Colorado
July 20, 2015



INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR FEDERAL PROGRAM, ON INTERNAL CONTROL OVER COMPLIANCE, AND ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS IN ACCORDANCE WITH OMB CIRCULAR A-133

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

Report on Compliance for Each Major Federal Program

We have audited the City of Longmont's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the City of Longmont's major federal programs for the year ended December 31, 2014. The City of Longmont's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the City of Longmont's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and 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's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, the City of Longmont complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2014.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items 2014-001 through 2014-004. Our opinion on each major federal program is not modified with respect to these matters.

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

Report on Internal Control Over Compliance

Management of the City of Longmont is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City of Longmont's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with 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'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. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as items 2014-001 and 2014-002, which we consider to be material weaknesses. We also identified certain deficiencies in internal control over compliance as described in the accompanying schedule of findings and questioned costs as items 2014-003 and 2014-004, which we consider to be significant deficiencies.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the result of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Longmont as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the City of Longmont's basic financial statements. We issued our report thereon dated July 20, 2015, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditure of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.



CliftonLarsonAllen LLP

Broomfield, Colorado
July 20, 2015

**CITY OF LONGMONT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2014**

Section I—Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? yes no
- Significant deficiency(ies) 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 deficiency(ies) identified that are not considered to be material weakness(es)? yes none reported

Type of auditors' report issued on compliance for major program: Unmodified

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 programs:

CFDA Number(s)	Name of Federal Program or Cluster
14.218	Community Development Block Grant
14.239	HOME Consortium Grant
14.269	Community Development Block Grant – Disaster Recovery Grant
97.036	Disaster Grants – Public Assistance (Presidentially Declared Disasters)

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

Auditee qualified as low-risk auditee? yes no

CITY OF LONGMONT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2014

PART II—FINDINGS RELATED TO FINANCIAL STATEMENTS

There were no findings required to be reported relating to the financial statements for the fiscal year ended December 31, 2014.

PART III—FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Finding 2014-001

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
14.239 HOME Consortium Grant

Program Costs

Material Weakness, Noncompliance

Criteria: In accordance with the requirements of OMB Circular A-133, the City should report all federal expenditures in the Schedule of Expenditures of Federal Awards (SEFA) each fiscal year.

Condition/Context: In reviewing the expenditure detail and supporting documentation for the Schedule of Expenditures of Federal Awards (SEFA), the City had omitted approximately \$157,000 of federal expenditures which were spent in fiscal year 2013 on the prior year SEFA.

Cause: Expenditures which had not been reimbursed were assumed by the City, to be omitted from the 2013 SEFA.

Questioned costs: None.

Effect: Excluding program expenditures from the SEFA results in the City being out of compliance with the requirements of individual grant agreements and OMB Circular A-133.

Recommendation: We recommend the City develop policies and procedures for City departments to ensure that annual expenditures for all grant agreements are included on the SEFA. It should be noted that expenditures should be included on the SEFA regardless if funds have been received from the grantor.

Views of responsible officials and planned corrective actions: The City has established procedures to ensure expenditures are reported on the SEFA. Expenditures are properly reported on the 2014 SEFA.

CITY OF LONGMONT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2014

Finding 2014-002

DEPARTMENT OF HOMELAND SECURITY

97.036 Disaster Grants – Public Assistance (Presidentially Declared Disasters)

Program Costs

Material Weakness, Noncompliance

Criteria: In accordance with the requirements of OMB Circular A-133, the City should report all federal expenditures in the Schedule of Expenditures of Federal Awards (SEFA) each fiscal year.

Condition/Context: In reviewing the expenditure details and supporting documentation for the Schedule of Expenditures of Federal Awards (SEFA), the City omitted approximately \$1,062,643 of Federal expenditures that were spent in fiscal year 2013 on the prior year SEFA.

Cause: Expenditures which had been incurred under an approved project worksheet in fiscal year 2013 were not included on the 2013 SEFA.

Questioned costs: None.

Effect: Excluding program expenditures from the SEFA results in the City being out of compliance with the requirements of individual grant agreements and OMB Circular A-133.

Recommendation: We recommend the City develop policies and procedures for City departments to ensure that annual expenditures for all grant agreements are included on the SEFA. It should be noted that expenditures should be included on the SEFA if a project worksheet has gone through final approval regardless if funds have been received from the grantor.

Views of responsible officials and planned corrective actions:

The City has established procedures to ensure expenditures are reported on the SEFA. Expenditures are properly reported on the 2014 SEFA.

CITY OF LONGMONT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2014

Finding 2014-003

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
14.218 Community Development Block Grants

Reporting
Significant Deficiency, Compliance

Criteria: Per OMB Circular A-133, the Community Development Block Grants (CDBG) programs are required to complete the SF-425, Federal Financial Report (cash status only) on a quarterly basis, no later than thirty days after the end of each reporting period. Also, the A0102 Common Rule and OMB Circular A-110 requires that non-Federal entities receiving Federal awards establish and maintain internal controls designed to reasonably ensure compliance with Federal laws, regulations and program compliance requirements.

Condition/Context: Through our testing of the financial reporting requirements, we noted that the second quarter SF-425 quarterly report was not filed within the one month filing window.

Cause: Inadequate controls related to monitoring of reporting requirements could have contributed to this finding.

Questioned costs: None.

Effect: The City violated OMB Circular A-133 requirements by failing to complete the quarterly Federal Financial Reporting in a timely manner.

Recommendation: We recommend the City continue to monitor the process to ensure that required reports are completed and submitted timely for the CDBG program. This should include monitoring of reporting requirements to ensure the program requirements are met.

Views of responsible officials and planned corrective actions: The City has established procedures to ensure reports are filed timely.

**CITY OF LONGMONT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2014**

Finding 2014-004

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
14.239 HOME Consortium Grant

**Cash Management
Significant Deficiency, Internal Control**

Criteria: For the HOME Consortium Grant program, the City utilizes a process where cash draws are signed off and approved prior to the City submitting the cash draw request.

Condition/Context: During our testing of two cash draws made during 2014 related to the HOME Consortium Grant program, we noted the City could not locate the sign off and approval for the cash draw.

Cause: The approval documents for the cash draws could not be located due to controls surrounding the retention of draw down approvals.

Questioned costs: None.

Effect: Cash draws could be made without going through the necessary approval process.

Recommendation: We recommend the City implement or develop a policy where all approval documents are maintained. This will help to strengthen internal controls and ensure all cash draws go through the necessary approval process.

Views of responsible officials and planned corrective actions: The City has established procedures to ensure that proper documentation is retained by the City.

CITY OF LONGMONT
SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2014

PART II—FINDINGS RELATED TO FINANCIAL STATEMENTS

There were no findings required to be reported relating to the financial statements for the fiscal year ended December 31, 2013.

PART III—FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

There were no findings required to be reported relating to the single audit for the fiscal year ended December 31, 2013.

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City of Longmont, Colorado

**Corrective Action Plan
Year Ended December 31, 2014**

Comment Number	Comment	Corrective Action Plan	Contact Person	Initial Date of Communication	Anticipated Date of Completion
Findings Related to the Basic Financial Statements					
None					
Findings and Questioned Costs for Federal Awards					
2014-001	The City omitted federal expenditures which were spent in fiscal year 2013 on the prior year SEFA.	See Corrective Action Plan at 2014-001	Jim Golden	2014	2015
2014-002	The City omitted federal expenditures which were spent in fiscal year 2013 on the prior year SEFA.	See Corrective Action Plan at 2014-002	Jim Golden	2014	2015
2014-003	The second quarter Community Development Block Grant quarterly report (SF-425) was not filed within the one month filing window.	See Corrective Action Plan at 2014-003	Jim Golden	2014	2015
2014-004	The City could not locate the sign off and approval for two cash draws made during 2014 related to the HOME Consortium Grant program.	See Corrective Action Plan at 2014-004	Jim Golden	2014	2015

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

LOCAL HIGHWAY FINANCE REPORT		City or County: City of Longmont
		YEAR ENDING : December 2014
		Prepared By: Brian McGill Phone: (303) 774-4356
This Information From The Records Of (example - City of _ or County of City of Longmont)		

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

ITEM	A. Local Motor-Fuel Taxes	B. Local Motor-Vehicle Taxes	C. Receipts from State Highway-User Taxes	D. Receipts from Federal Highway Administration
1. Total receipts available				
2. Minus amount used for collection expenses				
3. Minus amount used for nonhighway purposes				
4. Minus amount used for mass transit				
5. Remainder used for highway purposes				

II. RECEIPTS FOR ROAD AND STREET PURPOSES

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT	ITEM	AMOUNT
A. Receipts from local sources:		A. Local highway disbursements:	
1. Local highway-user taxes		1. Capital outlay (from page 2)	15,232,515
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	4,187,336
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	1,245,618
2. General fund appropriations	2,273,638	b. Snow and ice removal	722,188
3. Other local imposts (from page 2)	13,874,876	c. Other	0
4. Miscellaneous local receipts (from page 2)	348,292	d. Total (a. through c.)	1,967,806
5. Transfers from toll facilities	0	4. General administration & miscellaneous	911,902
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	2,273,638
a. Bonds - Original Issues	0	6. Total (1 through 5)	24,573,197
b. Bonds - Refunding Issues	0	B. Debt service on local obligations:	
c. Notes	0	1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	0
7. Total (1 through 6)	16,496,806	b. Redemption	0
B. Private Contributions	3,038,542	c. Total (a. + b.)	0
C. Receipts from State government		2. Notes:	
(from page 2)	3,495,452	a. Interest	0
D. Receipts from Federal Government		b. Redemption	0
(from page 2)	641,428	c. Total (a. + b.)	0
E. Total receipts (A.7 + B + C + D)	23,672,228	3. Total (1.c + 2.c)	0
		C. Payments to State for highways	0
		D. Payments to toll facilities	0
		E. Total disbursements (A.6 + B.3 + C + D)	24,573,197

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

	Opening Debt	Amount Issued	Redemptions	Closing Debt
A. Bonds (Total)				0
1. Bonds (Refunding Portion)				
B. Notes (Total)				0

V. LOCAL ROAD AND STREET FUND BALANCE

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	14,353,541	23,672,228	24,573,197	13,452,572	0

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT		STATE: Colorado	
		YEAR ENDING (mm/yy): December 2014	
II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL			
ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assessments	0	a. Interest on investments	104,950
b. Other local imposts:		b. Traffic Fines & Penalties	0
1. Sales Taxes	12,885,741	c. Parking Garage Fees	0
2. Infrastructure & Impact Fees	57,943	d. Parking Meter Fees	0
3. Liens	0	e. Sale of Surplus Property	15,649
4. Licenses	0	f. Charges for Services	0
5. Specific Ownership &/or Other	931,192	g. Other Misc. Receipts	227,693
6. Total (1. through 5.)	13,874,876	h. Other	0
c. Total (a. + b.)	13,874,876	i. Total (a. through h.)	348,292
	(Carry forward to page 1)		(Carry forward to page 1)
III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL			
ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes	2,774,517	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	
a. State bond proceeds		b. FEMA	126,208
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	302,365	d. Federal Transit Admin	
d. Other (Specify) - DOLA Grant	0	e. U.S. Corps of Engineers	
e. Other (Specify) - Grnts/Rehab Pjct	418,570	f. Other Federal	515,220
f. Total (a. through e.)	720,935	g. Total (a. through f.)	641,428
4. Total (1. + 2. + 3.f)	3,495,452	3. Total (1. + 2.g)	
			(Carry forward to page 1)
III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL			
	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs	0	346,384	346,384
b. Engineering Costs	0	962,154	962,154
c. Construction:			
(1). New Facilities	0	0	0
(2). Capacity Improvements	0	8,147,168	8,147,168
(3). System Preservation	0	5,776,809	5,776,809
(4). System Enhancement & Operation	0	0	0
(5). Total Construction (1) + (2) + (3) + (4)	0	13,923,977	13,923,977
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	15,232,515	15,232,515
			(Carry forward to page 1)
Notes and Comments:			

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