

City of Longmont, Colorado

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the year ended
December 31, 2015





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 and green color scheme.

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

Year Ended December 31, 2015

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

COMPREHENSIVE ANNUAL FINANCIAL REPORT

YEAR ENDED DECEMBER 31, 2015

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June 28, 2016

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, 2015, 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 29-plus square miles in the highly desirable northern Front Range area. Incorporated in 1873 and chartered as a home rule city in 1961, Longmont is a full service, Council-Manager-governed municipality providing the following services to its 92,852 residents: public safety, highways and streets, culture and recreation, public improvements, planning and zoning, and general administrative services as well as sanitation, electric, storm drainage, water and sewer utilities, and enterprises of telecommunications, golf and airport. The City is also financially accountable for the Downtown Development Authority, which is reported separately within these financial statements, further explained in Note 1 of the financial statements section.

Factors Affecting Financial Condition

September 2013 Flood. In September of 2013, the Colorado Front Range experienced a catastrophic flooding event. The St. Vrain River and Left Hand 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 nature of the damage. Local City response efforts included over 12,000 evacuation notices, hundreds of rescues, maintaining a shelter for 10 days, and clearing 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 support housing efforts with 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 showed mixed success in 2015 with an increase in sales and use tax and an increase in building permits but a slight decrease in primary jobs, primarily from the loss of one major primary employer. Sales and use tax revenue increased in 2015 over 2014 and was greater than the total high sales and use tax revenue mark in 2014 by 3%. Residential building permit activity increased from 2014, and the City issued commercial permits for more square feet in 2015 than in 2014. Primary employment was essentially flat with the net loss of only six primary jobs. The area unemployment rate was reported at 2.6% in December 2015, which was a 13.3% reduction from 2014.

During 2015, sales and use tax activity increased 3% from 2014 with sales tax up 1.4% and use tax up 10.6%. Additionally, 199 building permits were issued for single-family residences and 211 permits for condominiums/townhouse units. The City also issued non-residential permits for a total of 733 thousand square feet with a value of \$116.4 million. In 2016, 101 single-family, 29 condo/townhouse units and 8 commercial/industrial permits for new construction have been issued through April. The combination of sales and use tax for the first quarter 2016 is up 4% when compared to the first quarter of 2015.

The Longmont Area Economic Council's (LAEC) 2015 Annual Report reveals a net decrease of six primary jobs during 2015. Fifty-seven (57) of the 221 existing primary employers (26%) expanded in 2015 while 11 new primary employers became established in the Longmont area. The Longmont area experienced 15 closures/relocations and cutbacks by 50 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 92,852, the City has reached approximately 81% of residential build out and 48% 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 2015 include:

- Resilient St Vrain! Project – completed preliminary design of Phase 1 City Reach (Left Hand Creek to Main Street) and Sandstone Reach. Completed and submitted Army Corp. of Engineers Individual Permit for Phase 1 City Reach and Sandstone Reach.
- Initiated Envision Longmont effort to update the Longmont Area Comprehensive Plan and the Longmont Multimodal Transportation Plan
- Issued Wastewater bonds to fund wastewater treatment plant capital improvements
- Completed public improvements to expedite the opening of the Village at the Peaks
- Completed phase 1 of ERP implementation
- Completed the Museum expansion with the construction of the 250-seat Stewart Auditorium
- Launched 44 NextLight areas in three phases for service achieving a 49% penetration rate, which significantly exceeds projections
- NextLight customer satisfaction ratings range between 9 and 10 out of 10 for installation, service, speeds and value
- Completed the Broadband Network Operations Center to provide installs and technical service support
- LPC electric rates ranked 3rd or 4th lowest for all customer classes compared to 54 Colorado providers
- Completed Ken Pratt/Main Street Intersection Improvements to widen the roadway
- Completed construction of new vehicle storage building and new City fueling station at O&M Facility on Airport Road
- Hosted 70th anniversary celebration event for Vance Brand Airport
- Celebrated the 20th anniversary of Rhythm on the River
- Processed a total of 115 flood recovery applications in Housing & Community Investment
- Prepared and submitted the CDBG-DR sub-allocation for Boulder County and committed to serve as the Lead Agency in administration and oversight of \$46 million grant
- Attracted over 52,000 visitors to the Longmont Museum
- Introduced the Creation Station in the facility at 519 4th Avenue
- Issued an RFP for health insurance resulting in moderate annual increases
- Provided free local bus service for all of 2015 with buy-ups in conjunction with Boulder County
- Communications Specialist Beth Kemper was named Telecommunicator of the Year by the Association of Public Safety Communications Officials International
- Completed design and bidding on Sunset Street Bridge project and initiated construction
- St. Vrain Greenway Trail repair project design completed and construction to be complete in June of 2016
- Main Street Pavement Reconstruction project designed and bid with construction 40% complete
- Main Street Bridge Project design completed and project awarded with construction in 2016
- Completed resurfacing and surface damage improvements to Upper Longmont Dam Road at Button Rock Reservoir

- Completed replacement of playgrounds at Kensington Park, Raber Park, Dawson Park and Rothrock Dell Park
- Union Reservoir attendance reached a record high of 290,000 visitors
- Sanitation division collected 29,300 tons of trash and 11,800 tons of recyclable materials resulting in total diversion rate of 31% including curbside collection and Waste Diversion Center
- Developed City of Longmont University (CLU) concept and organized, marketed and held 32 new trainings
- Earned the WELCOA Gold Award for the City's Wellness Program

The City Council's focus for 2016 is varied. A major initiative for the City for 2016 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 or 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 continued build out of broadband service as well as the redevelopment of the former Butterball turkey factory site. The City is targeting increased funding and support for affordable housing and is also targeting assisting the community with resources regarding mental health. Phase II of the ERP project is underway. 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 the following 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 the Longmont Economic Development Partnership (LEDP) for the purpose of economic development and business retention, particularly in terms of 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 between the City organization and LEDP in 2014 as an outcome of the 2014 Target Industry Analysis, known also as the Advance Longmont Plan, by consolidating economic development services into one organization (LEDP) instead of having both the City and LEDP perform similar functions for different type of businesses. 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 called 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 approaches. The City continued to build on this during 2015 with its efforts with Envision Longmont, the update of the Longmont Area Comprehensive Plan. The City is confident that the effects of these efforts will enhance the quality of life in Longmont and protect long-term financial stability.

Capital Improvement Program.

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

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

Most of the projects are funded from business-type activities. Other major projects are in the Streets Fund, Transportation Community Investment Fee Fund, Public Building Community Investment Fee Fund, Park Improvement Fund, and Public Improvement Fund. The five-year CIP includes funded projects, partially funded projects and unfunded projects. A summary of the five-year plan for 2016-2020 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 seventy (70) projects identified as unfunded with an estimated cost of \$280 million, some of which may never be realized as they are new services or enhanced services dependent upon new sources of revenue.

Category	Number of Projects	Amount Funded
Downtown Redevelopment	1	\$ 100,000
Drainage	3	45,741,245
Electric	6	9,116,100
Parks and Recreation	12	28,203,756
Public Buildings/Facilities	14	13,632,231
Transportation	10	47,217,000
Wastewater	4	12,360,919
Water	13	42,257,100
Broadband	2	25,038,000
Sanitation	1	202,000

Financial Policies.

Since 1985 the City has maintained comprehensive financial policies developed to provide the City with continuity of financial management through changes in financial staff and City Council. The policies are reviewed and updated annually by City Council. There are currently ninety-five (95) policies organized in 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 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 2015 were in government agencies and securities. The fair value return on the investment portfolio during the year was 0.68%.

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 web site. 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 benefited City employees are covered by one or more of six pension plans. All sworn uniformed employees are covered by the Fire and Police Money Purchase Plans, two separate defined contribution plans. The City maintains two closed defined contribution plans, the Fire Pension Plan and the Police Pension Plan, each with 10 or fewer retirees or beneficiaries but no active participants at December 31, 2015. 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, 2015. An actuarial study on the Employee Pension Plan is performed annually with the last study performed as of January 1, 2015. 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, 2014. The City has been awarded a Certificate of Achievement for thirty-five (35) 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, 2015. To qualify for the Distinguished Budget Presentation Award, the City's budget document had to be judged proficient as a policy document, a financial plan, an operations guide, and a communications device.

A Certificate of Achievement is the highest form of recognition in the area of governmental financial reporting, and its attainment represents a significant accomplishment by a governmental unit. The preparation of this report on a timely basis could not have been accomplished without the effective and dedicated services of Accounting Manager DeeAnn Hanson, Accounting Supervisor Keith Hobson, Senior Accountant Marjo Tinsley, Accountant Ben MacDonald, and Public Information Specialist Anne Jordan and the entire staff of the Finance Department. Credit also is 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

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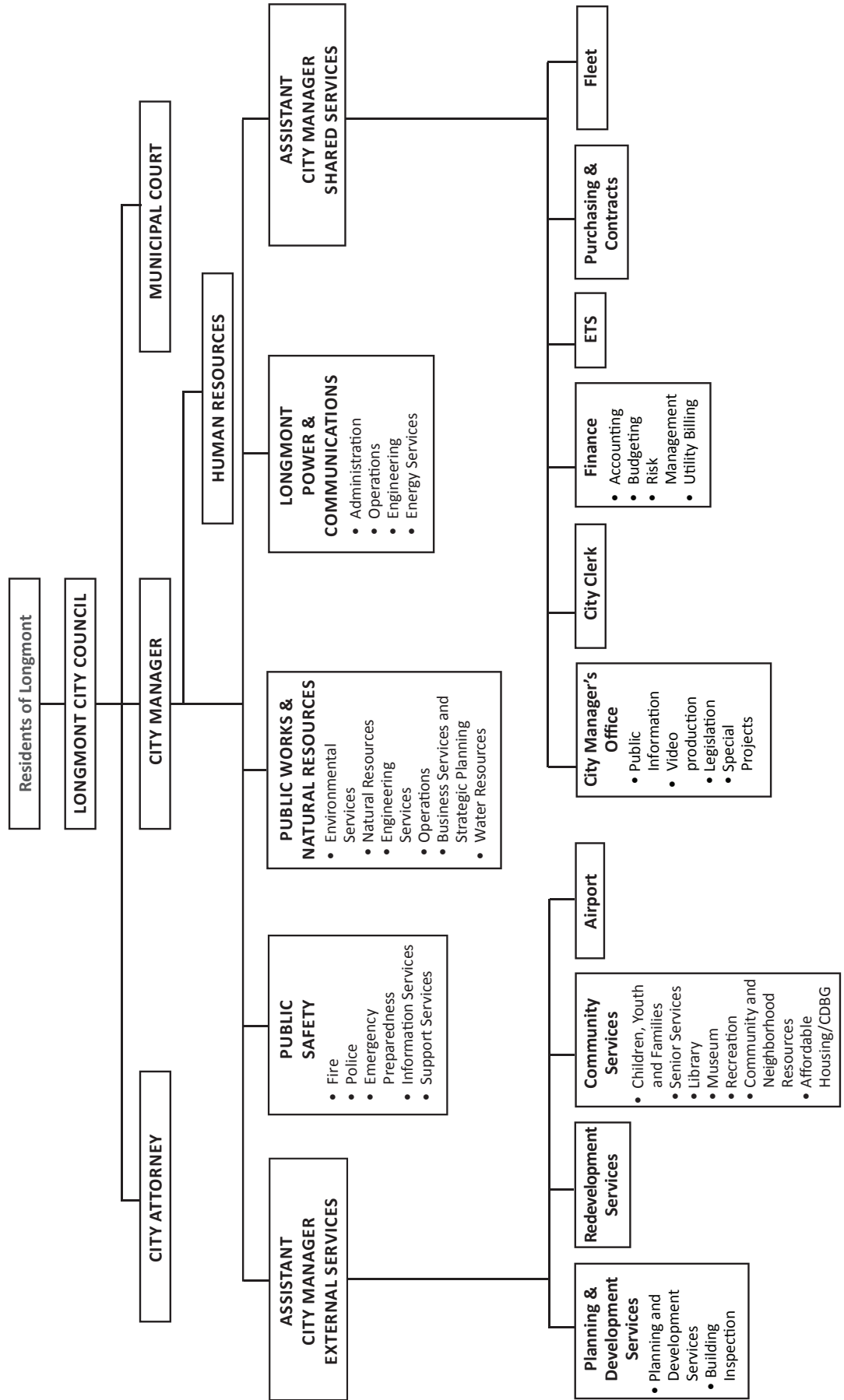
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2014

A handwritten signature in black ink, reading "Jeffrey R. Emer". The signature is written in a cursive, flowing style.

Executive Director/CEO

CITY OF LONGMONT



OFFICIALS

City of Longmont, Colorado

CITY COUNCIL

Dennis Coombs
Mayor

Brian Bagley	Gabe Santos
Jeff Moore	Joan Peck
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



CliftonLarsonAllen LLP
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INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Longmont, as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the entity's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Honorable Mayor and Members of City Council
City of Longmont

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Longmont as of December 31, 2015, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General Fund, Streets Improvement Fund and Village at the Peaks Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of a Matter

During the year ended December 31, 2015, the City adopted Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions* and the related GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*. As a result of the implementation of these standards, the City reported a restatement for the change in accounting principle (see Note 24). Our auditors' opinion was not modified with respect to the restatement.

As described in Note 24 to the financial statements, an adjustment was made to correct various errors, which impacted the prior year's net position and fund net position. Our opinion is not modified with respect to those matters.

Other Matters

Required Supplementary Information

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

Other Information

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

Honorable Mayor and Members of City Council
City of Longmont

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report June 20, 2016, 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

Greenwood Village, Colorado
June 20, 2016



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, 2015, provides a narrative overview of its financial activities. Please consider the information presented here in conjunction with additional information we have furnished in our letter of transmittal, which starts on page 9 of this report.

In September of 2013, St. Vrain and Left Hand creeks experienced a 1,000-year rainfall event, which created flows through the city that exceeded 500-year flood levels. The damage to City-owned infrastructure, including parks and greenways, is estimated at over \$150 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. The City is aggressively pursuing all sources of grant funding including FEMA, State of Colorado, CDBG-DR, US Army Corps of Engineers and others.

Financial Highlights

- The City's net position of \$1 billion is divided between Governmental Activities (\$382 million) and Business-type Activities (\$624 million). Governmental activities showed a decrease in net position of \$13.5 million due to a prior period adjustment to capital assets and pension liability of \$22.3 million. Activities in 2015 increased net position by \$8.8 million. Business type activities showed an increase in net position of \$39.9 million due to a prior period adjustment to capital assets and pension liability of \$21.9 million, and 2015 activities increasing net position by \$18.0 million.
- At December 31, 2015, the City of Longmont's governmental funds balance sheet reported combined ending fund balances of over \$99 million, a \$13.6 million decrease 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 decrease in fund balance of \$15.6 million.
- The fund balance within the governmental funds is \$99.1 million. Most of that fund balance, \$81 million or 81.7%, is restricted for use for specific purposes as required by external parties. \$57 million of this \$81 million balance represents reserves built up for capital acquisitions or construction as follows: Water System Projects, \$25.5 million; Transportation Projects, \$13.9 million; Open Space acquisitions, \$4.4 million; Public Improvement Fund capital projects, \$3.3 million; Conservation Trust capital projects, \$7.8 million; Parks capital projects, \$5.3 million; and various other. Additionally, \$3.6 million has been identified for emergencies.
- The unassigned fund balance for the General Fund, at the end of the current fiscal year was \$8.4 million, which was 11.8% of total General Fund expenditures.
- The City of Longmont's total debt increased by \$32.1 million during 2015. This increase was the result an issuance of \$31.1 million of Wastewater Revenue Bonds.

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 supported principally 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, Streets Systems Fund and 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 benefit, 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 52 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 referenced earlier 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 114-204 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 \$1 billion at December 31, 2015. Governmental activities make up \$382.5 million of the net position, with business-type activities comprising \$624.8 million. Total net position increased by \$26.8 million in 2015. The change is comprised of the following:

- Governmental activities increased the City's net position by \$8.8 million for 2015, but showed an overall decrease of \$13.5 million due to a prior period adjustment for capital assets and pension of \$22.3 million. (See note 24 on page 96 of this document for more details on the prior period adjustment). The 2015 increase is due primarily to an increase in capital grants and contributions of \$4.7 million and an increase of \$2.2 million in charges for services, as well as an increase of \$1.7 million in sales and use taxes. Governmental activities expenses also saw an increase in 2015 of \$5.1 million made up of an increase to general government of \$13.2 million due to the Village at the Peaks project, \$1.0 million increase to Culture and Recreation, and a \$10.1 decrease to Highways & Streets.
- Business-type net position increased by \$18 million in 2015 but showed an overall increase of \$39.9 million due to a prior period adjustment for capital assets and pension liability of \$21.9 million. (See note 24 on page 96 of this document for more details on the prior period adjustment). The 2015 increase is due primarily to increased revenues from user fees of \$4.4 million, an increase in other revenue of \$4.1 million, an increase in Electric & Broadband expenditures of \$3.0 million, and grant contributions of \$5.9 million related to the 2013 flood.

The largest portion (86%) of the City's net position reflects its investments in capital assets (e.g., land, utility systems, buildings, machinery, and equipment), less any outstanding debt used to acquire those assets. These assets are used to provide services to 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 comprises fund balances, reserves and other funds that are earmarked for capital project spending

The Citywide Statement of Activities

	Net Position					
	as of December 31					
	Governmental activities		Business-type activities		Total	
	2015	2014	2015	2014	2015	2014
Current and other assets	\$ 163,838,269	\$ 172,691,814	\$ 142,036,869	\$ 129,984,856	\$ 305,875,138	\$ 302,676,670
Capital assets	325,799,638	330,711,782	630,906,578	571,043,682	956,706,216	901,755,464
Total assets	<u>489,637,907</u>	<u>503,403,596</u>	<u>772,943,447</u>	<u>701,028,538</u>	<u>1,262,581,354</u>	<u>1,204,432,134</u>
Deferred Outflow of Resources	<u>4,892,988</u>	<u>840,633</u>	<u>2,250,818</u>	<u>-</u>	<u>7,143,806</u>	<u>840,633</u>
Long-term liabilities	77,333,142	77,575,933	132,669,592	101,818,815	210,002,734	179,394,748
Other liabilities	18,416,438	16,567,614	17,703,137	14,372,613	36,119,575	30,940,227
Total liabilities	<u>95,749,580</u>	<u>94,143,547</u>	<u>150,372,729</u>	<u>116,191,428</u>	<u>246,122,309</u>	<u>210,334,975</u>
Deferred Inflow of Resources	<u>16,321,618</u>	<u>14,168,538</u>	<u>-</u>	<u>-</u>	<u>16,321,618</u>	<u>14,168,538</u>
Net Position	<u>\$ 382,459,697</u>	<u>\$ 395,932,144</u>	<u>\$ 624,821,536</u>	<u>\$ 584,837,110</u>	<u>\$ 1,007,281,233</u>	<u>\$ 980,769,254</u>
Net investment in capital assets	\$ 289,135,313	\$ 274,626,844	\$ 572,508,835	\$ 529,204,937	\$ 861,644,148	\$ 803,831,781
Restricted	81,806,810	97,314,176	2,286,609	1,904,853	84,093,419	99,219,029
Unrestricted	11,517,574	23,991,124	50,026,092	53,727,320	61,543,666	77,718,444
Total net position	<u>\$ 382,459,697</u>	<u>\$ 395,932,144</u>	<u>\$ 624,821,536</u>	<u>\$ 584,837,110</u>	<u>\$ 1,007,281,233</u>	<u>\$ 980,769,254</u>

Governmental Activities. Governmental activities increased the City's net position by \$8.8 million. Most of this increase in governmental net position was the result of an increase in capital grants and contributions of \$4.7 million associated with the 2013 flood.

As detailed in Note 2A, program revenues are directly associated with a specific activity and account for \$48.4 million or 37% of total revenues related to governmental activities. General revenues, consisting primarily of taxes, are not generally associated directly with any operational governmental function. However, the City has sales and use taxes that are specifically earmarked for open space, streets, public safety and public improvement expenses, and thus are not available for any other governmental activities. The relationships between program revenues and expenses for governmental activities are displayed on the following page.

Total revenues from the governmental activities are depicted as a percentage of the whole on page 25.

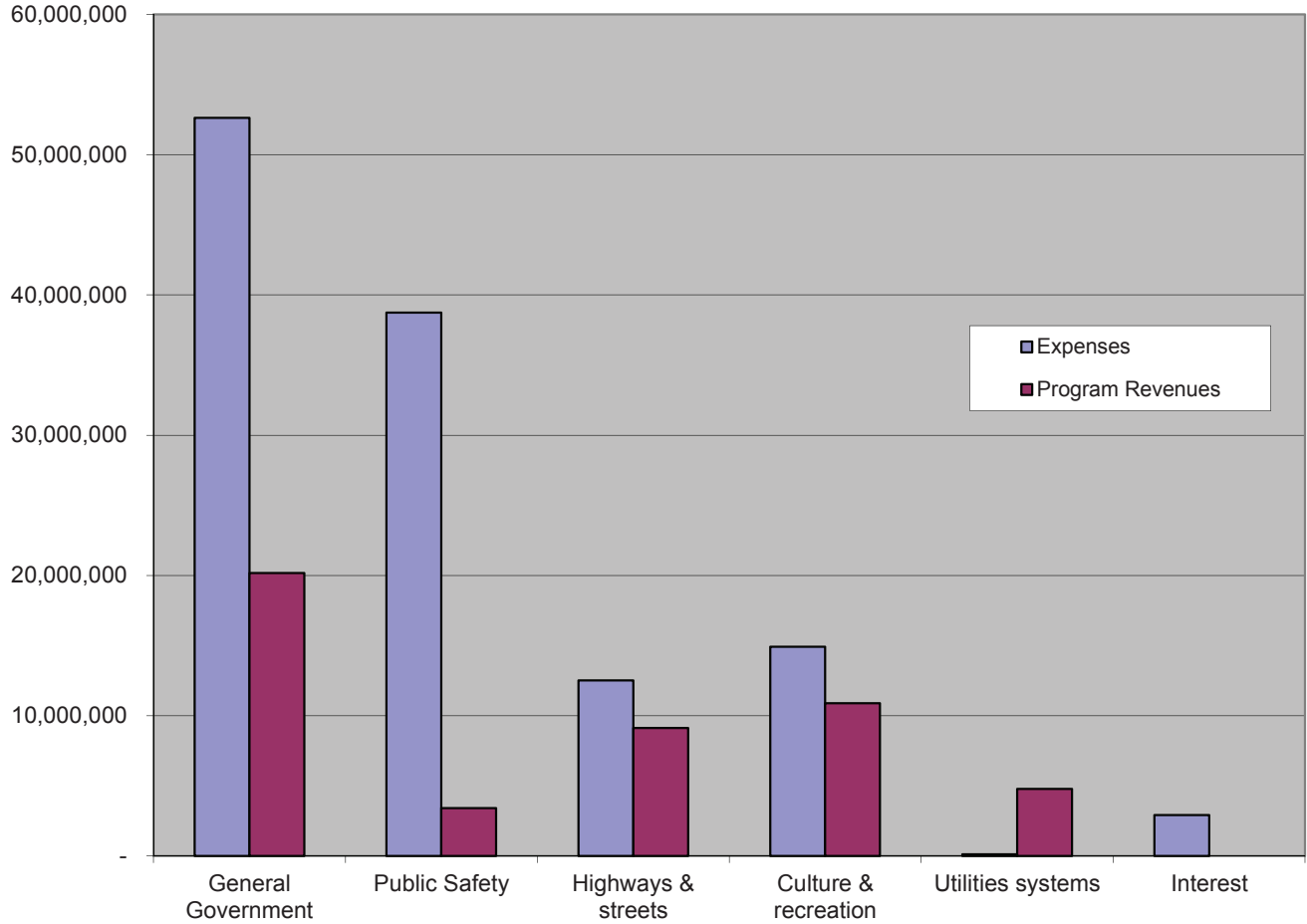
In order to understand the Governmental Funds in detail, the Statement of Revenues, Expenditures and Changes in Fund Balances, Exhibit 4 is useful. Major governmental funds are analyzed later in this discussion.

Changes in Net Position

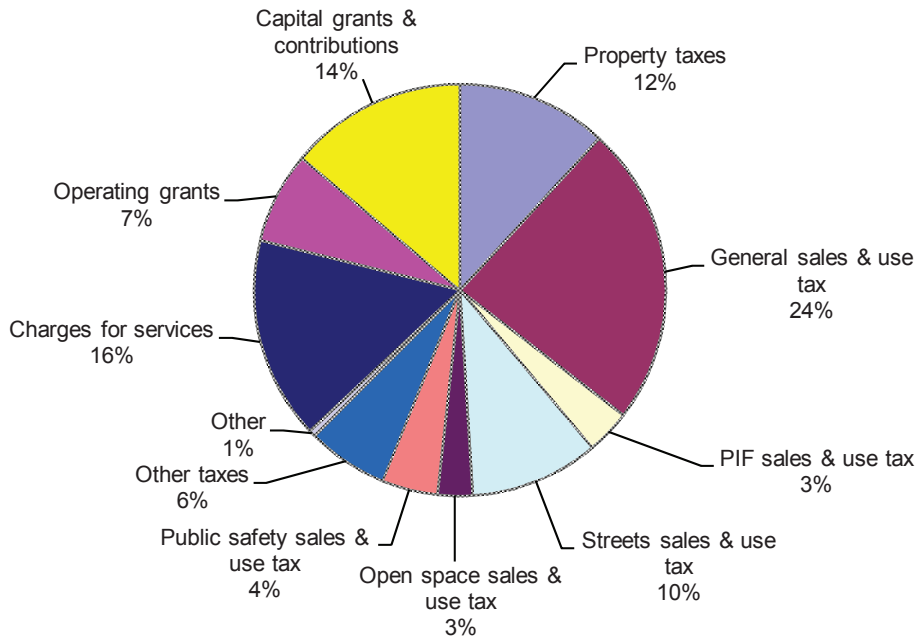
(in thousands)

	Governmental activities		Business-type activities		Total	
	2015	2014	2015	2014	2015	2014
Revenues:						
Program revenues:						
Charges for services	\$ 20,790	\$ 18,631	\$ 108,410	\$ 104,025	\$ 129,200	\$ 122,656
Operating grants & contributions	9,391	9,266	3,047	5,920	12,438	15,186
Capital grants & contributions	18,191	13,507	5,201	7,161	23,392	20,668
General revenues:						
Property taxes	15,424	14,947	-	-	15,424	14,947
Sales & use taxes	57,932	56,268	-	-	57,932	56,268
Other taxes	8,302	8,201	-	-	8,302	8,201
Other	722	1,001	3,151	(947)	3,873	54
Total revenues	130,752	121,821	119,809	116,159	250,561	237,980
Expenses:						
General government	52,630	39,410	-	-	52,630	39,410
Public Safety	38,797	38,417	-	-	38,797	38,417
Highways & streets	12,519	22,589	-	-	12,519	22,589
Culture & recreation	14,922	13,883	-	-	14,922	13,883
Municipal utilities systems	109	46	-	-	109	46
Interest on long-term debt	2,922	2,406	-	-	2,922	2,406
Sanitation	-	-	5,306	5,714	5,306	5,714
Golf	-	-	2,156	2,325	2,156	2,325
Electric & Broadband	-	-	65,458	62,429	65,458	62,429
Water	-	-	13,407	15,740	13,407	15,740
Sewer	-	-	10,801	10,813	10,801	10,813
Storm drainage	-	-	4,148	4,421	4,148	4,421
Airport	-	-	564	556	564	556
Total expenses	121,899	116,751	101,840	101,998	223,739	218,749
Excess before special items and transfers	8,853	5,070	17,969	14,161	26,822	19,231
Transfers	(68)	(1,148)	68	1,148	-	-
Increase in net position	\$ 8,785	\$ 3,922	\$ 18,037	\$ 15,309	\$ 26,822	\$ 19,231
Net position - January 1	395,932	392,010	584,837	569,528	980,769	961,538
Cumulative effect of correction to Prior Period	(22,258)	-	21,948	-	(310)	-
Restated Net Position	373,674	392,010	606,785	569,528	980,459	961,538
Net position - December 31	382,459	395,932	624,822	584,837	1,007,281	980,769

Expenses and Program Revenues - Governmental Activities

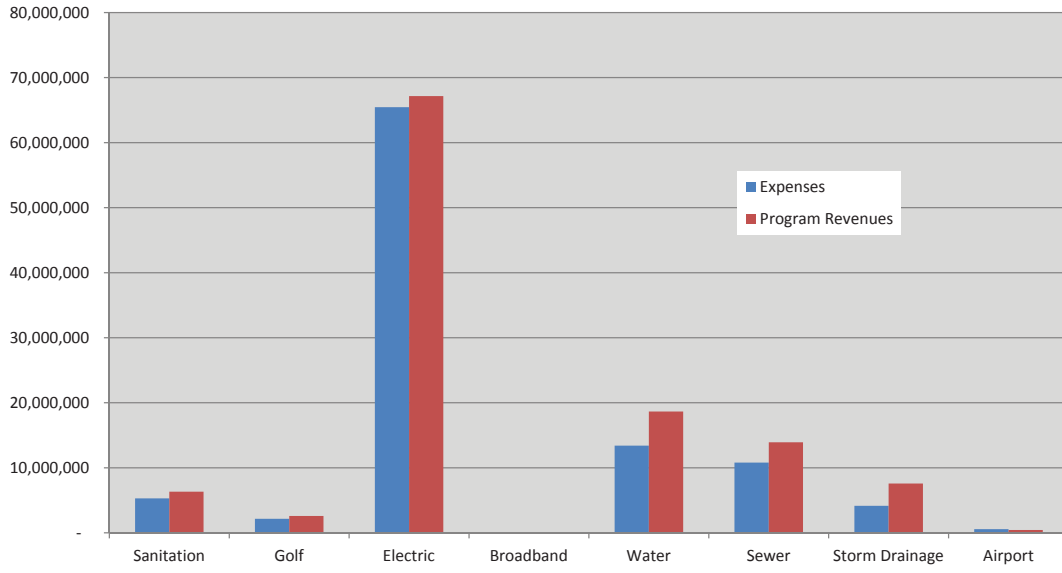


Revenues by Source - Governmental Activities

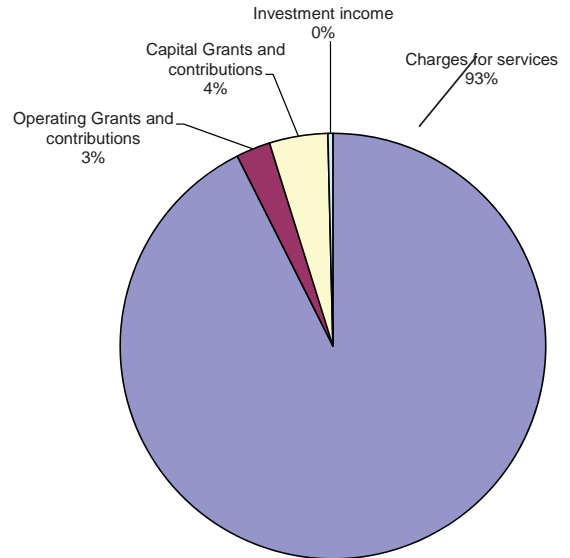


Business-type Activities. Net position increased by \$18 million from business-type activities. This increase can be attributed to increased revenues from user fees of \$4.4 million, an increase in other revenue of \$4.1 million, an increase in Electric & Broadband expenditures of \$3.0 million, and grant contributions of \$5.9 million related to the 2013 flood.

Expenses and Program Revenues - Business-type Activities



Revenues by Source - Business-type Activities



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

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

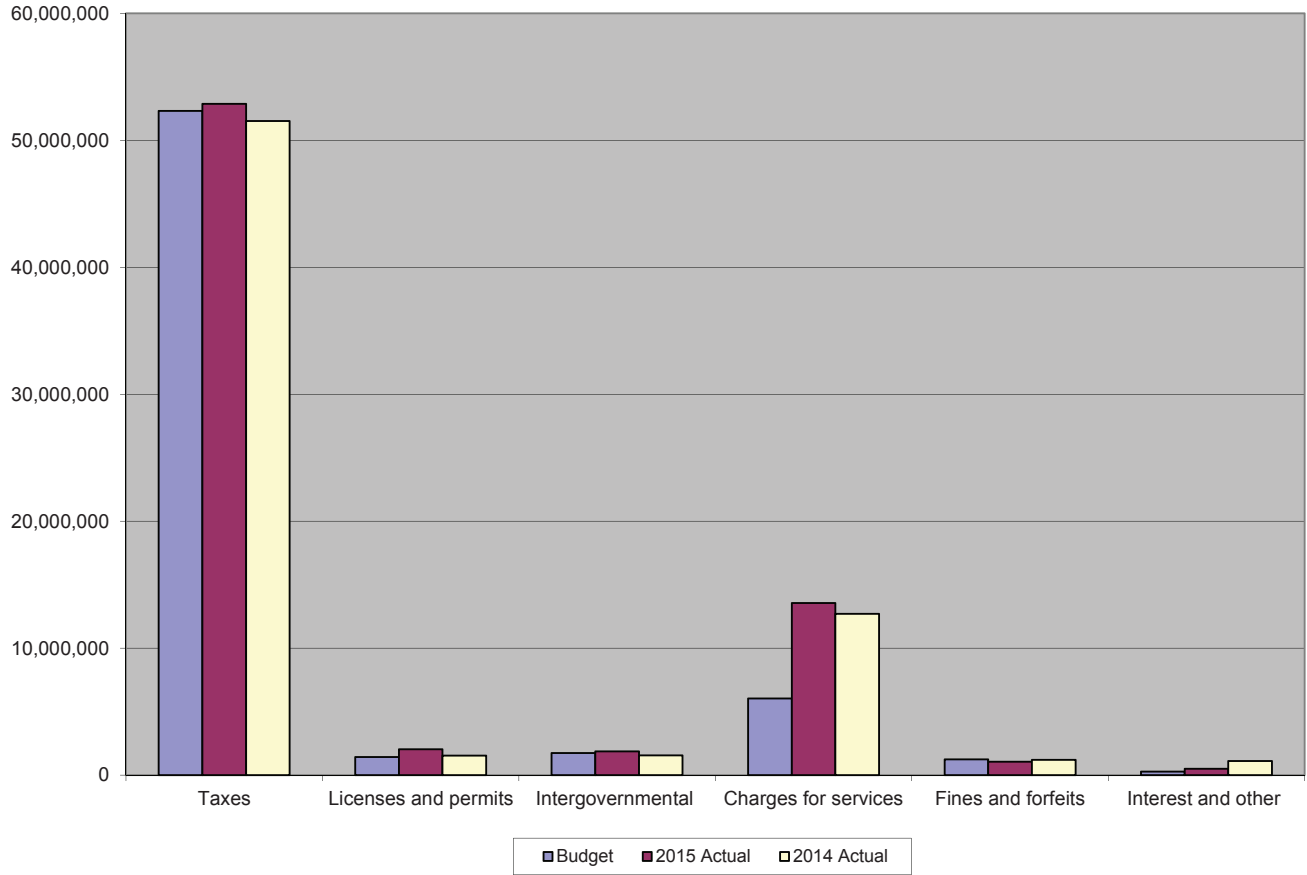
Governmental funds. The focus of the City of Longmont's governmental funds is to provide information on short-term inflows, outflows, and balances of spendable resources. This information is necessary to assess the City's financing requirements. At December 31, unassigned fund balances in the major operating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

GENERAL FUND

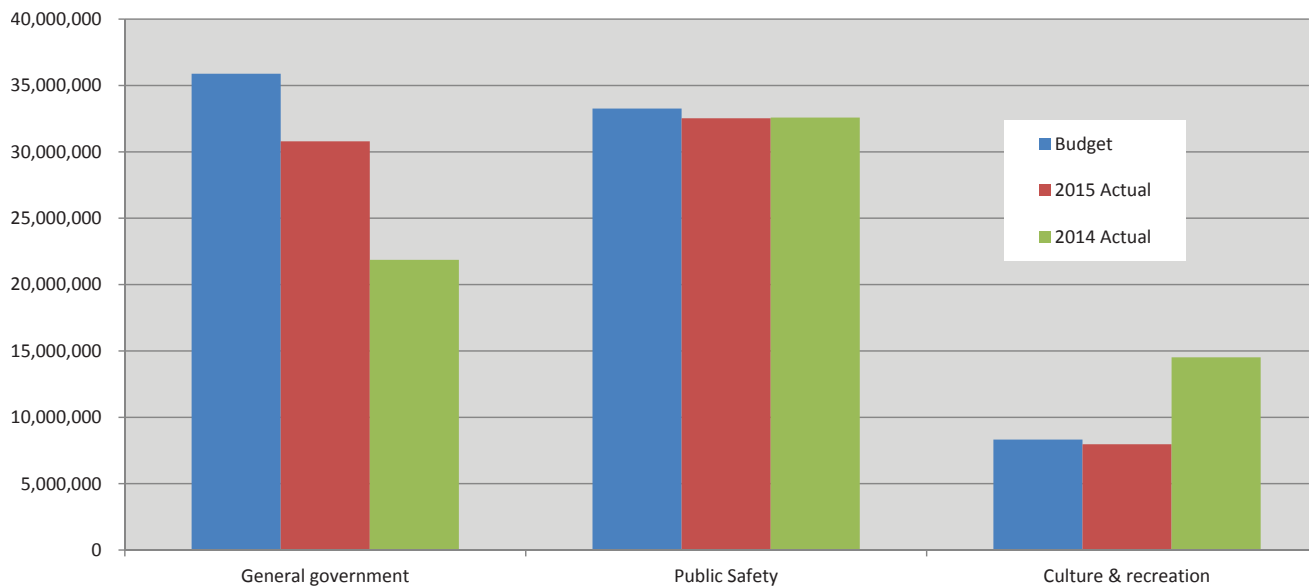
The general fund unassigned fund balance of \$8,468,460 increased by more than \$1.9 million from the prior year.

The 2015 General Fund budget was adopted without the use of fund balance to fund ongoing operating expenditures. Fund balance of \$2.2 million was budgeted for the purpose of one-time expenditures or capital acquisitions. This practice was formally adopted by the City Council in 1989.

Budget and Actual Revenue by Source - General Fund



Budget and Actual Expenditures by Function - General Fund



The original budget in the general fund was \$70,280,203. Supplemental appropriations comprised primarily encumbrances and carryover of uncompleted capital projects for a final budget of \$78,087,659. Actual general fund expenditures totaled \$71,289,871, and there were no significant budget to actual variations.

Revenues and other financing sources in the general fund totaled \$71,598,021 in 2015, an increase of 3.7%, or \$2,597,682, over 2014. This change is due primarily to an increase in taxes of \$1.4 million, or 2.63%. Lesser impacts were made by other revenue sources: licenses and permits increased by \$489,903. Investment earnings decreased in 2015 by \$30,895 from 2014.

Information on the major governmental funds of the City follows the government wide financial statements. These funds are accounted for using the modified accrual basis of accounting. At the end of 2015, the City reported a combined fund balance of \$99.2 million, of which \$17.3 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 only for spending 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 exclusively for use on City street system expenditures. An election held in November of 2009 authorized the extension of the tax for five years through 2016. In 2014, voters approved a 10-year renewal of the tax set to expire at the end of 2016, thus making it effective through December 31, 2026.

The Streets System Fund collected \$14.4 million of tax revenues in 2015, an increase of \$461,280 from 2014. At December 31, 2015, the fund balance of the fund was \$14.0 million. Of this amount \$48,860 is nonspendable. The remaining is restricted specifically for the purpose of streets and highways expenditures. The total fund balance increased by \$541,359 from 2014.

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, 2015, the fund has a fund balance of \$3.3 million, all of which is restricted for the construction of public projects and the payment of debt service.

The primary revenue for the Public Improvement Capital Projects Fund (use tax) increased approximately \$73,000 in 2015. 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, decreased to 78.45% in 2014, and decreased to 72.12% in 2015. 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 2015 but is included in this narrative discussion through management choice.

ELECTRIC/BROADBAND UTILITY FUND

The City's electric/broadband utility increased operating revenues by 2.27% over 2014. The operating loss in 2015 is \$421,076 compared to an operating income of \$1,266,245 in 2014. Operating revenue went up by \$1.4 million during 2015, resulting from an increase in power consumption. Operating expenses rose 5.0% overall with a 2.3% increase in purchased power. Purchased power costs increased by 8.9% in 2005, 2.4% in 2006, 3.6% in 2007, 1.3% in 2008, 0.4% in 2009, 8% in 2010, 9% in 2011, 4.5% in 2012, and 5.5% in 2013, and decreased by 0.5% in 2014. The fund remains in good financial condition with current assets exceeding current liabilities by \$36.0 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 build out 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 8 of the Financial Section.

Electric/Broadband Utility Fund

	2015	2014	2013	2012	2011
Operating revenues	\$ 65,218,411	\$ 63,773,864	\$ 60,870,571	\$ 57,182,388	\$ 53,838,044
Operating income (loss)	(421,076)	1,266,245	628,790	(478,168)	(2,103,559)
Change in net position	2,377,227	3,429,993	3,195,654	536,792	2,057,646

WATER UTILITY FUND

Operating revenues increased by 9.63% from 2014 as a result of increased water consumption during 2015. Operating income for 2015 was \$983,082, which represented an increase of over \$3.4 million from 2014. This increase was substantially the net result of increased operating revenues of \$1.25 million or 9.6% from a water rate increase, and decreased operating expenses of 14.0%. Unrestricted working capital in excess of \$23.5 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 developer water-related developer fees. The increase in net position in 2015 resulted primarily from increased operating revenues from a 9% water rate increase, approximately \$2,100,000 in intergovernmental revenues from flood recoveries, an increase in water consumption, and a decrease in operating expenses.

Water Utility Fund

	2015	2014	2013	2012	2011
Operating revenues	\$ 14,230,955	\$ 12,981,041	\$ 12,735,470	\$ 14,513,221	\$ 13,247,962
Operating income (loss)	983,081	(2,428,220)	(966,922)	1,124,210	338,466
Change in net position	6,064,985	5,556,395	(227,790)	3,085,042	8,407,398

SEWER UTILITY FUND

The sewer fund operating revenues increased 11.96% over 2014. Sewer rates are based upon winter water usage. The operating income increased \$1,247,109 in 2015, primarily due to increased user fees of \$1,400,000 from a 13% rate increase, along with increased operating expenses of \$150,000. The fund decreased its unrestricted working capital by \$5.1 million by the end of 2015. The net position increased by \$3,643,746, primarily due to an increase in operating income. 2013 was the first phase of a five-year phased rate increase.

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

Sewer Utility Fund

	2015	2014	2013	2012	2011
Operating revenues	\$ 13,085,133	\$ 11,686,986	\$ 9,740,105	\$ 8,634,634	\$ 8,240,989
Operating (loss)	2,079,462	832,353	(333,745)	(185,576)	(293,187)
Change in net position	3,643,746	666,486	(846,978)	298,445	800,397

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 \$65,385 or 0.99% in 2015. Operating income was just under \$2,600,000, an increase from 2014, as operating expenses decreased. Operating data for the storm drainage utility is contained in Exhibit 8. Comparative data for the last five fiscal years is tabulated in the box on this page.

Storm Drainage Utility Fund

	2015	2014	2013	2012	2011	2010
Operating revenues	\$ 6,644,935	\$ 6,579,550	\$ 4,027,152	\$ 3,835,700	\$ 3,395,622	\$ 3,420,656
Operating income	2,555,896	2,180,905	374,699	422,865	59,275	300,354
Change in net position	3,509,266	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, 2015, net of depreciation, equals \$956 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 10 on pages 74-75 of this report, as well as in the transmittal letter.

Long-term Debt. As of December 31, 2015, the City of Longmont had total bonded debt outstanding of \$151,785,000. As of December 31, 2015, there is no debt backed by the full faith and credit of the City, or general obligation debt. \$33,980,000 of the City of Longmont's debt represents revenue bonds secured solely by sales and use taxes. The final \$117,805,000 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 2015, this debt limit amounted to \$259,936,901. The total amount of debt applicable to the debt limit is \$0 leaving a legal debt margin of \$259,936,901. 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 AA rating from Standard and Poor's. The 2008 Storm Drainage Revenue Bonds were rated AA by Standard and Poor's. The 2010 Sewer Revenue Bonds received a rating of AA from Standard and Poor's. The 2010 Open Space Sales and Use Tax revenues received a rating of A2 from Moody's and a rating of A from Standard and Poor's. The 2014 Electric & Broadband Revenue Bonds received an insured rating of AA and an underlying rating of A from Standard and Poor's. The 2014 Sewer Revenue Bonds received a rating of AA from Standard and Poor's. The 2015 Wastewater Revenue Bonds received a rating of AA from Standard and Poor's.

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 2016 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 Accounting Manager at:

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

STATEMENT OF NET POSITION
December 31, 2015

	Primary Government		Total	Component Unit
	Governmental Activities	Business-Type Activities		
ASSETS				
Current assets:				
Equity in pooled cash & cash equivalents	\$ 113,975,579	\$ 48,078,005	\$ 162,053,584	\$ 6,134,307
Cash and cash equivalents	545,994	239,955	785,949	80,572
Receivables (net of allowance for uncollectibles):	33,931,497	13,751,700	47,683,197	806,113
Internal balances	(1,298,666)	1,298,666	-	-
Inventory of materials and supplies	7,479,625	-	7,479,625	-
Restricted equity in pooled cash & cash equivalents	6,236,009	2,813,470	9,049,479	-
Restricted cash and cash equivalents	-	75,823,470	75,823,470	-
Prepaid expenses	2,176,854	31,603	2,208,457	-
Total current assets	163,046,892	142,036,869	305,083,761	7,020,992
Noncurrent assets:				
Loan receivable-component unit	146,000	-	146,000	-
Net pension asset	645,377	-	645,377	-
Capital Assets				
Land and water rights	84,801,703	289,687,149	374,488,852	786,921
Construction in progress	27,563,642	37,260,613	64,824,255	702,405
Depreciable buildings, property, and equipment, net	213,434,293	303,958,816	517,393,109	4,015,372
Total noncurrent assets	326,591,015	630,906,578	957,497,593	5,504,698
Total assets	489,637,907	772,943,447	1,262,581,354	12,525,690
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charge on refunding	675,297	-	675,297	-
City contributions subsequent to the measurement date	1,566,809	940,970	2,507,779	-
Investment earnings less than expected	2,650,882	1,309,848	3,960,730	-
Total deferred outflows of resources	4,892,988	2,250,818	7,143,806	-
LIABILITIES				
Current liabilities:				
Accounts payable and accrued expenses	7,498,049	11,418,505	18,916,554	15,454
Accrued interest	905,052	730,666	1,635,718	-
Unearned revenues	-	330,606	330,606	-
Deposits	4,575,119	1,005,855	5,580,974	-
Current portion of long-term obligations	5,438,218	4,217,505	9,655,723	3,610
Total current liabilities	18,416,438	17,703,137	36,119,575	19,064
Noncurrent liabilities:				
Noncurrent portion of long-term obligations	77,333,142	132,669,592	210,002,734	174,685
Total liabilities	95,749,580	150,372,729	246,122,309	193,749
DEFERRED INFLOWS OF RESOURCES				
Property taxes	16,321,618	-	16,321,618	790,339
NET POSITION				
Net investment in capital assets	289,135,313	572,508,835	861,644,148	5,504,698
Restricted for:				
Construction/acquisition/debt service	57,479,417	2,286,609	59,766,026	6,004,382
Community development projects	1,506,357	-	1,506,357	-
Transportation improvements	16,530,643	-	16,530,643	-
Public safety	1,566,668	-	1,566,668	-
Permanent fund				
Expendable	516,821	-	516,821	-
Nonexpendable	644,576	-	644,576	-
Statutory emergency requirement	3,562,328	-	3,562,328	28,606
Other purposes	-	-	-	-
Unrestricted	11,517,574	50,026,092	61,543,666	3,916
Total net POSITION	\$ 382,459,697	\$ 624,821,536	\$ 1,007,281,233	\$ 11,541,602

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, 2015

Functions/Programs	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
PRIMARY GOVERNMENT				
Governmental activities:				
General Government	\$ 52,629,760	\$ 8,896,582	\$ 5,036,119	\$ 6,232,711
Public Safety	38,796,540	2,555,145	851,032	-
Highways & Streets	12,518,752	1,345,104	3,166,908	4,615,252
Culture & Recreation	14,922,444	7,295,109	337,361	3,264,245
Municipal utilities systems	109,431	697,560	-	4,079,290
Interest and Fiscal charges on long-term debt	2,921,678	-	-	-
Total governmental activities	121,898,605	20,789,500	9,391,420	18,191,498
Business-type activities:				
Sanitation	5,306,091	6,168,889	162,798	-
Golf	2,155,951	2,576,473	-	10,112
Electric	65,458,384	65,300,201	84,096	1,775,200
Water	13,407,301	14,230,955	2,143,580	2,273,452
Sewer	10,801,047	13,085,133	278,857	554,288
Storm Drainage	4,148,107	6,644,935	377,247	558,379
Airport	563,520	403,334	-	29,351
Total business-type activities	101,840,401	108,409,920	3,046,578	5,200,782
Total Primary Government	\$ 223,739,006	\$ 129,199,420	\$ 12,437,998	\$ 23,392,280
Component unit:				
Downtown Development Authority	\$ 1,078,251	\$ 105,304	\$ -	\$ -

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 (loss)
 Miscellaneous
 Transfers

 Total General Revenues & Transfers

 Change in Net Position

 Net Position - Beginning January 1

 Cumulative effect of correction
 to prior period

 Restated net position

 Net Position - Ending December 31

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

		Primary Government			
Governmental		Business-type		Component	
Activities		Activities		Total	Unit
\$	(32,464,348)	\$	-	-\$ (32,464,348)	\$ -
	(35,390,363)		-	(35,390,363)	-
	(3,391,488)		-	(3,391,488)	-
	(4,025,729)		-	(4,025,729)	-
	4,667,419		-	4,667,419	-
	(2,921,678)		-	(2,921,678)	-
	(73,526,187)		-	(73,526,187)	-
	-		1,025,596	1,025,596	-
	-		430,634	430,634	-
	-		1,701,113	1,701,113	-
	-		5,240,686	5,240,686	-
	-		3,117,231	3,117,231	-
	-		3,432,454	3,432,454	-
	-		(130,835)	(130,835)	-
	-		14,816,879	14,816,879	-
	(73,526,187)		14,816,879	(58,709,308)	-
	-		-	-	(972,947)
	15,424,266		-	15,424,266	783,732
	30,834,514		-	30,834,514	-
	4,544,053		-	4,544,053	-
	13,266,963		-	13,266,963	-
	3,537,857		-	3,537,857	-
	5,749,017		-	5,749,017	-
	365,300		-	365,300	-
	156,535		-	156,535	-
	7,780,475		-	7,780,475	-
	721,565		450,849	1,172,415	30,015
	-		2,700,196	2,644,736	29,765
	(68,436)		68,436	-	-
	82,312,109		3,219,481	85,531,590	843,512
	8,785,922		18,036,360	26,822,282	(129,435)
	395,932,144		584,837,110	980,769,254	11,198,008
	(22,258,369)		21,948,066	(310,303)	473,029
	373,673,775		606,785,176	980,458,951	11,671,037
\$	382,459,697	\$	624,821,536	\$ 1,007,281,233	\$ 11,541,602

CITY OF LONGMONT, COLORADO

BALANCE SHEET
GOVERNMENTAL FUNDS
 December 31, 2015

	General	Streets Systems	Village at the Peaks	Other Governmental Funds	TOTAL Governmental Funds
ASSETS					
Equity in pooled cash & cash equivalents	\$ 13,893,343	\$ 13,435,584	\$ 74,399	\$ 63,067,710	\$ 90,471,036
Cash and cash equivalents	467,768	-	-	78,226	545,994
Receivables (net of allowance for uncollectibles):					
Accounts	-	555	-	215,323	215,879
Taxes	19,693,882	1,426,364	-	1,443,951	22,564,197
Miscellaneous	1,141,155	-	-	-	1,141,155
Grants	89,644	2,045,580	-	1,249,420	3,384,644
Loans	14,927	-	-	5,667,856	5,682,783
Fees	327,043	-	-	-	327,043
Accrued interest	50,101	32,259	171	149,977	232,507
Due from other funds	7,930,650	-	-	-	7,930,650
Due from other governments	18,034	303,679	-	702	322,415
Prepaid items	137,148	48,860	-	572	186,580
Advance to other funds	-	-	-	-	-
Restricted assets:					
Cash and cash equivalents	-	-	9,060	3,649,759	3,658,819
Total assets	\$ 43,763,695	\$ 17,292,881	\$ 83,630	\$ 75,523,496	\$ 136,663,702

BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2015

Exhibit 3

	General	Streets Systems	Village at the Peaks	Other Governmental Funds	TOTAL Governmental Funds
LIABILITIES					
Accounts payable	\$ 1,552,924	\$ 1,019,511	\$ -	\$ 1,443,912	\$ 4,016,347
Construction contracts payable	42,845	392,250	-	275,431	710,526
Accrued liabilities	1,645,105	143,421	-	213,560	2,002,086
Due to other funds	-	-	-	1,253,407	1,253,407
Advances from other funds	1,120,000	-	-	-	1,120,000
Deposits	4,555,280	2,000	-	17,839	4,575,119
Total liabilities	8,916,154	1,557,182	-	3,204,149	13,677,485
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue-property taxes	16,221,246	-	-	100,372	16,321,618
Unavailable revenue-other	-	1,741,768	-	5,736,065	7,477,833
Total deferred inflows of resources	16,221,246	1,741,768	-	5,836,437	23,799,451
FUND BALANCES					
Nonspendable	152,075	48,860		648,340	849,275
Restricted	3,559,526	13,945,071	83,630	63,430,315	81,018,542
Committed	4,224,470			3,097,417	7,321,887
Assigned	2,221,764			-	2,221,764
Unassigned	8,468,460			(693,162)	7,775,298
Total fund balances	18,626,295	13,993,931	83,630	66,482,910	99,186,766
Total liabilities, deferred inflows of resources and fund balances (deficits)	\$ 43,763,695	\$ 17,292,881	\$ 83,630	\$ 75,523,496	\$ - 136,663,702

(continued)

**Reconciliation of the Balance Sheet
to the Statement of Net Position
December 31, 2015**

Total Governmental Fund Balances	\$	99,186,766
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.		306,392,164
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.		
Adjustment of deferred inflows of resources	7,477,833	
Net pension asset	<u>645,377</u>	
		8,123,210
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.		47,337,739
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.		(76,164,303)
Internal service fund allocated to business type activities		<u>(2,415,879)</u>
Net position of governmental activities	\$	<u><u>382,459,697</u></u>



**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES-
GOVERNMENTAL FUNDS**
Year Ended December 31, 2015

	General	Streets Systems	Village at the Peaks	Other Governmental Funds	TOTAL Governmental Funds
REVENUES					
Taxes	\$ 52,872,675	\$ 14,398,909	\$ 99,064	\$ 14,288,333	\$ 81,658,981
Licenses and permits	2,035,149	41,319	-	6,149,570	8,226,038
Developer/owner participation	-	39,648	-	588,728	628,376
Intergovernmental	1,880,126	6,091,542	-	6,109,629	14,081,297
Charges for services	13,549,488	-	-	3,060,026	16,609,514
Fines and forfeits	1,058,103	-	-	66,519	1,124,622
Investment income	134,327	68,464	10,177	352,259	565,227
Miscellaneous	373,008	87,379	-	1,146,936	1,607,323
Total revenues	71,902,876	20,727,261	109,241	31,762,000	124,501,378
EXPENDITURES					
Current:					
General government	30,793,075	-	14,521,184	6,339,053	51,653,312
Public safety	32,524,707	-	-	6,765,864	39,290,571
Highways and streets	-	19,861,166	-	1,114,009	20,975,175
Municipal utility systems	-	-	-	564,370	564,370
Culture and recreation	7,972,089	-	-	6,313,321	14,285,410
Capital Outlay	-	-	-	4,699,351	4,699,351
Interest on lease payments	-	-	1,272,455	-	1,272,455
Debt service:					
Principal retired	-	-	-	3,320,000	3,320,000
Interest and fiscal charges	-	-	-	1,595,739	1,595,739
Bond issuance costs	-	-	-	-	-
Total expenditures	71,289,871	19,861,166	15,793,639	30,711,707	137,656,383
Excess of revenues over (under) expenditures	613,005	866,095	(15,684,398)	1,050,293	(13,155,005)
OTHER FINANCING SOURCES (USES)					
Transfers in	564,538	-	60,023	785,451	1,410,012
Transfers out	(869,393)	(324,736)	-	(671,196)	(1,865,325)
Total other financing sources (uses)	(304,855)	(324,736)	60,023	114,255	(455,313)
Net change in fund balances	308,150	541,359	(15,624,375)	1,164,548	(13,610,318)
FUND BALANCES, January 1	18,318,145	13,452,572	15,708,005	65,318,362	112,797,084
FUND BALANCES, December 31	\$ 18,626,295	\$ 13,993,931	\$ 83,630	\$ 66,482,910	\$ 99,186,766

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, 2015**

Exhibit 4
(continued)

Net change in fund balances - total governmental funds	\$	(13,610,318)
<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.		3,655,089
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.		6,973,527
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		6,095,248
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.		3,772,081
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		(1,165,995)
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.		4,208,458
Change in internal service funds allocated to business-type activities		<u>(1,142,168)</u>
Change in net position of governmental activities	\$	<u><u>8,785,922</u></u>

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES-
BUDGET AND ACTUAL
GENERAL (LEGAL BASIS) FUND
Year Ended December 31, 2015

	Budget		Actual (Legal Basis)	Variance From Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 52,312,552	\$ 52,312,552	\$ 52,872,675	\$ 560,123
Licenses and permits	1,325,171	1,435,829	2,035,149	599,320
Intergovernmental	368,221	1,739,352	1,880,126	140,774
Charges for services	5,828,685	6,032,657	13,549,488	7,516,831
Fines and forfeits	1,240,700	1,240,700	1,058,103	(182,597)
Investment income	75,000	75,000	134,327	59,327
Miscellaneous	93,154	195,335	373,008	177,673
Total revenues	61,243,483	63,031,425	71,902,876	8,871,451
EXPENDITURES				
Current:				
General government	30,108,306	35,886,133	30,793,075	5,093,058
Public safety	32,011,970	33,264,565	32,524,707	739,858
Culture & recreation	7,539,683	8,321,255	7,972,089	349,166
Total expenditures	69,659,959	77,471,953	71,289,871	6,182,082
Excess of revenues over (under) expenditures	(8,416,476)	(14,440,528)	613,005	15,053,533
OTHER FINANCING SOURCES				
Transfers in	6,860,571	6,906,146	564,538	(6,341,608)
Transfers out	(772,427)	(797,427)	(869,393)	(71,966)
Bond Proceeds	-	1,120,000	-	(1,120,000)
Total other financing sources	6,088,144	7,228,719	(304,855)	(7,533,574)
Net changes in fund balances	(2,328,331)	(7,211,809)	308,150	7,519,959
FUND BALANCE, January 1	18,318,145	18,318,145	18,318,145	-
FUND BALANCE, December 31	\$ 15,989,814	\$ 11,106,336	\$ 18,626,295	\$ 7,519,959

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
STREETS SYSTEMS FUND
Year Ended December 31, 2015

	Budgeted Amounts		Actual	Variance From Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 13,951,978	\$ 13,951,978	\$ 14,398,909	\$ 446,931
Licenses and permits	15,000	15,000	41,319	26,319
Developer/owner participation	-	-	39,648	39,648
Intergovernmental	5,022,902	12,593,556	6,091,542	(6,502,014)
Investment income	5,273	5,273	68,464	63,191
Miscellaneous	10,000	10,000	87,379	77,379
Total revenues	19,005,153	26,575,807	20,727,261	(5,848,546)
EXPENDITURES				
Highways and streets	15,681,397	40,284,594	19,861,166	20,423,428
Excess of revenues over (under) expenditures	3,323,756	(13,708,787)	866,095	14,574,882
OTHER FINANCING USES				
Transfers out				
General fund	(248,869)	(247,768)	(324,736)	(76,968)
Total other financing sources (uses)	(248,869)	(247,768)	(324,736)	(76,968)
Net changes in fund balance	3,074,887	(13,956,555)	541,359	14,497,914
FUND BALANCE, January 1	179,626	13,452,572	13,452,572	-
FUND BALANCE, December 31	\$ 3,254,513	\$ (503,983)	\$ 13,993,931	\$ 14,497,914

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
VILLAGE AT THE PEAKS SPECIAL REVENUE FUND
Year Ended December 31, 2015

	<u>Budgeted Amounts</u>		Actual	Variance From Final Budget
	Original	Final		
REVENUES				
Taxes	\$	-	\$	\$
Investment income		-	10,177	10,177
Total revenues		-	109,241	109,241
EXPENDITURES				
Current				
General Government		14,580,215	14,521,184	(59,031)
Interest on Lease payments			1,272,455	(1,272,455)
Total expenditures		14,580,215	15,793,639	(1,331,486)
Excess of revenues over (under) expenditures		(14,580,215)	(15,684,398)	1,440,727
OTHER FINANCING SOURCES (USES)				
Transfers in				
LURA		-	60,023	60,023
Net changes in fund balance		(14,580,215)	(15,624,375)	1,500,750
FUND BALANCE, January 1		15,708,005	15,708,005	-
FUND BALANCE, December 31	\$	-	\$	\$
		1,127,790	83,630	1,500,750

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CITY OF LONGMONT, COLORADO

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
 December 31, 2015

	Electric and Broadband	Water	Sewer
ASSETS			
Current assets:			
Equity in pooled cash & cash equivalents	\$ 12,167,314	\$ 23,139,486	\$ 6,594,699
Cash and cash equivalents	-	-	-
Accounts receivable (net of allowance for uncollectibles)	8,376,962	1,005,192	1,591,510
Intergovernmental receivable	56,246	790,121	17,871
Loans receivable	6,800	13,821	-
Interest receivable	31,328	53,684	16,575
Inventory of materials and supplies	-	-	-
Advance to other funds, current portion	-	-	-
Prepaid expenses	-	28,567	-
Total unrestricted current assets	20,638,650	25,030,871	8,220,655
Restricted assets:			
Bond debt service:			
Equity in pooled cash & cash equivalents	61,475	-	2,045,663
Interest receivable	-	-	4,300
Workers' Compensation			
Equity in pooled cash & cash equivalents	-	-	-
Electric/Storm Drainage/Sewer Construction:			
Equity in pooled cash & cash equivalents	-	-	494,385
Cash and cash equivalents	23,425,779	-	32,759,748
Interest receivable	27,135	-	29,601
Total restricted current assets	23,514,389	-	35,333,697
Total current assets	44,153,039	25,030,871	43,554,352
Noncurrent assets:			
Loan receivable-component unit	-	-	-
Capital assets:			
Land and water rights	1,657,518	258,628,145	2,318,390
Buildings	6,017,251	37,050,728	60,585,205
Improvements (other than buildings)	96,752,370	121,331,990	78,729,614
Equipment	4,381,764	2,345,900	3,484,968
Construction in progress	13,953,159	3,134,206	11,823,003
Total capital assets	122,762,062	422,490,969	156,941,180
Less - accumulated depreciation	53,826,729	60,997,861	47,541,889
Net capital assets	68,935,333	361,493,108	109,399,291
Total noncurrent assets	68,935,333	361,493,108	109,399,291
Total assets	113,088,372	386,523,979	152,953,643
DEFERRED OUTFLOW OF RESOURCES			
City Contributions Subsequent to the Measurement Date	393,574	210,030	134,153
Investment Earnings less than Expected	496,813	314,020	202,762
Total deferred outflows of resources	890,387	524,050	336,915
Total assets and deferred outflows of resources	\$ 113,978,759	\$ 387,048,029	\$ 153,290,558

	Storm Drainage	Other Enterprise Funds	TOTALS	Governmental Activities- Internal Service Funds
\$	1,843,240	\$ 4,333,266	\$ 48,078,005	\$ 23,504,543
	-	239,955	239,955	-
	854,809	775,125	12,603,598	-
	71,792	14	936,044	-
	-	-	20,621	-
	4,839	10,614	117,040	60,874
	-	-	-	7,479,625
	-	-	-	2,237,213
	-	3,036	31,603	1,990,274
	2,774,680	5,362,010	62,026,866	35,272,529
	211,758	-	2,318,896	-
	-	-	4,300	-
	-	-	-	2,577,190
	189	-	494,574	-
	19,637,943	-	75,823,470	-
	13,361	-	70,097	-
	19,863,251	-	78,711,337	2,577,190
	22,637,931	5,362,010	140,738,203	37,849,719
	-	-	-	146,000
	15,062,341	12,020,755	289,687,149	423,219
	643,692	3,425,064	107,721,940	2,798,739
	68,432,896	4,561,201	369,808,071	1,901,543
	251,782	3,319,263	13,783,677	43,642
	6,719,424	1,630,821	37,260,613	46,823,287
	91,110,135	24,957,104	818,261,450	51,990,430
	18,692,373	6,296,020	187,354,872	32,582,958
	72,417,762	18,661,084	630,906,578	19,407,472
	72,417,762	18,661,084	630,906,578	19,553,472
	95,055,693	24,023,094	771,644,781	57,403,191
	71,354	131,859	940,970	64,576
	98,918	197,335	1,309,848	91,678
	170,272	329,194	2,250,818	156,254
\$	\$ 95,225,965	\$ 24,352,288	\$ 773,895,599	\$ 57,559,445

(continued)

CITY OF LONGMONT, COLORADO

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
December 31, 2015

	Electric and Broadband	Water	Sewer
LIABILITIES AND NET POSITION			
Current liabilities:			
Payable from current assets:			
Accounts payable	\$ 4,271,992	\$ 157,169	\$ 193,590
Construction contracts payable	92,079	410,306	603,509
Accrued liabilities	379,165	153,219	86,457
Due to other funds	-	-	-
Accrued sick and vacation - current portion	133,445	71,026	27,789
Unearned revenue	330,606	-	-
Advances from other funds - current portion	-	-	-
Loans payable - current portion	-	1,039,304	-
Claims payable - current portion	-	-	-
Accrued interest	-	138,333	-
Customer deposits	979,810	25,900	-
Total current liabilities (payable from current assets)	6,187,097	1,995,257	911,345
Payable from restricted assets:			
Accounts payable	2,830	-	8,549
Construction contracts payable	1,716,774	-	1,118,895
Accrued interest	122,668	-	371,634
Bonds payable - current portion	-	-	1,545,000
Total current liabilities (payable from restricted assets)	1,842,272	-	3,044,078
Total current liabilities	8,029,369	1,995,257	3,955,423
Long-term liabilities:			
Loan payable	-	8,070,295	-
Long-term construction liability	-	248,459	-
Claims payable	-	-	-
Accrued sick and vacation	641,337	647,093	230,714
Net other post employment benefit obligation	38,485	24,455	16,875
Net Pension Liability	651,908	412,051	266,059
Advances from other funds	-	-	-
Bonds payable	40,076,159	-	50,305,656
Net long-term liabilities	41,407,889	9,402,353	50,819,304
Total liabilities	49,437,258	11,397,610	54,774,727
Net position:			
Net Investment in capital assets	50,568,180	352,135,050	90,802,768
Retained earnings:			
Restricted for debt service	-	-	2,172,882
Restricted for workers' compensation	-	-	-
Restricted for long-term disability	-	-	-
Unrestricted	13,973,321	23,515,369	5,540,181
Total net position	64,541,501	375,650,419	98,515,831
Total liabilities and net position	\$ 113,978,759	\$ 387,048,029	\$ 153,290,558

	Other Enterprise Funds	TOTALS	Governmental Activities- Internal Service Funds
\$ 17,022	\$ 94,910	\$ 4,734,683	\$ 589,995
138,070	289,385	1,533,349	129,110
48,197	102,903	769,941	46,916
-	-	-	6,677,243
8,734	32,207	273,201	18,781
-	-	330,606	-
-	194,658	194,658	-
-	-	1,039,304	-
-	-	-	817,907
-	-	138,333	-
145	-	1,005,855	-
<hr/>	<hr/>	<hr/>	<hr/>
212,168	714,063	10,019,930	8,279,952
<hr/>	<hr/>	<hr/>	<hr/>
5,438	-	16,817	-
1,528,046	-	4,363,715	-
98,031	-	592,333	-
1,360,000	-	2,905,000	-
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2,991,515	-	7,877,865	-
<hr/>	<hr/>	<hr/>	<hr/>
3,203,683	714,063	17,897,795	8,279,952
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-	-	8,070,295	-
-	-	248,459	-
-	-	-	1,669,564
36,247	239,534	1,794,925	144,841
6,423	14,963	101,201	7,051
129,798	258,940	1,718,756	120,298
-	922,555	922,555	-
30,354,141	-	120,735,956	-
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30,526,609	1,435,992	133,592,147	1,941,754
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33,730,292	2,150,055	151,489,942	10,221,706
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60,341,754	18,661,084	572,508,836	19,407,472
113,727	-	2,286,609	-
-	-	-	2,577,190
-	-	-	325,000
1,040,192	3,541,149	47,610,212	25,028,077
<hr/>	<hr/>	<hr/>	<hr/>
61,495,673	22,202,233	622,405,657	47,337,739
<hr/>	<hr/>	<hr/>	<hr/>
\$ 95,225,965	\$ 24,352,288	773,895,599	\$ 57,559,445

\$ 2,415,879

\$ 624,821,536

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, 2015

	Electric and Broadband	Water	Sewer
OPERATING REVENUES			
Charges for services	\$ 65,218,411	\$ 14,230,955	\$ 13,085,133
Warehouse sales	-	-	-
Contributions	-	-	-
Total operating revenues	65,218,411	14,230,955	13,085,133
OPERATING EXPENSES			
Administration	4,522,592	3,632,434	1,103,308
Purchased power/cost of sales/premiums	44,536,649	-	-
Transmission/distribution	7,094,651	1,973,362	1,966,981
Maintenance/development	-	-	-
Trash collection	-	-	-
Landfill	-	-	-
Treatment/disposal	-	2,697,051	3,704,305
Fleet services	-	-	-
Emergency event	-	-	-
Depreciation	2,656,444	3,432,788	2,904,957
Administrative fees	1,664,420	1,228,549	797,640
Franchise fee	5,164,731	283,690	528,480
Benefit payments	-	-	-
Claims	-	-	-
Total operating expenses	65,639,487	13,247,874	11,005,671
Operating income (loss)	(421,076)	983,081	2,079,462
NON-OPERATING REVENUES (EXPENSES)			
Investment income (loss)	150,731	105,926	37,336
Miscellaneous	111,620	575,715	444,522
Intergovernmental	84,096	2,143,580	278,857
Other sales	81,790	-	-
Gain (Loss) on disposal of assets	1,133,238	-	(10,767)
Interest expense	(98,057)	(347,753)	-
Net non-operating revenues (expenses)	1,463,418	2,477,468	749,948
Change in net position before transfers and capital contributions	1,042,342	3,460,549	2,829,410
CAPITAL CONTRIBUTIONS	1,787,449	2,716,142	554,288
TRANSFERS			
Transfers in	16,361	-	367,591
Transfers out	(468,925)	(111,706)	(107,543)
Change in net position	2,377,227	6,064,985	3,643,746
TOTAL NET POSITION-January 1	59,836,434	360,724,439	96,311,784
Cumulative effect of correction to prior period	2,327,840	8,860,995	(1,439,699)
Restated Total Net Position	62,164,274	369,585,434	94,872,085
TOTAL NET POSITION-December 31	\$ 64,541,501	\$ 375,650,419	\$ 98,515,831

	Storm Drainage	Other Enterprise Funds	Totals	Governmental Activities- Internal Service Funds
\$	6,644,935	\$ 9,148,696	\$ 108,328,130	\$ 21,045,949
	-	-	-	6,101,676
	-	-	-	2,756,030
	<u>6,644,935</u>	<u>9,148,696</u>	<u>108,328,130</u>	<u>29,903,655</u>
	1,358,521	564,341	11,181,196	232,837
	-	-	44,536,649	17,972,022
	-	-	11,034,994	-
	803,687	1,944,877	2,748,564	-
	-	4,717,874	4,717,874	-
	-	6,591	6,591	-
	-	-	6,401,356	-
	-	-	-	3,423,281
	-	-	-	-
	1,523,682	369,820	10,887,691	3,374,083
	403,149	811,170	4,904,928	505,791
	-	-	5,976,901	-
	-	-	-	535,608
	-	-	-	1,050,141
	<u>4,089,039</u>	<u>8,414,673</u>	<u>102,396,744</u>	<u>27,093,763</u>
	<u>2,555,896</u>	<u>734,023</u>	<u>5,931,386</u>	<u>2,809,892</u>
	134,843	22,013	450,849	156,338
	64,178	381,690	1,577,725	96,362
	377,247	162,798	3,046,578	28,350
	-	-	81,790	-
	-	-	1,122,471	275,702
	<u>(124,437)</u>	<u>(15,578)</u>	<u>(585,825)</u>	<u>-</u>
	<u>451,831</u>	<u>550,923</u>	<u>5,693,588</u>	<u>556,752</u>
	3,007,727	1,284,946	11,624,974	3,366,644
	558,379	39,463	5,655,721	-
	-	-	383,952	875,515
	<u>(56,840)</u>	<u>(25,440)</u>	<u>(770,454)</u>	<u>(33,701)</u>
	3,509,266	1,298,969	16,894,193	4,208,458
	<u>47,899,247</u>	<u>18,791,494</u>	<u>583,563,398</u>	<u>42,654,727</u>
	10,087,160	2,111,770	21,948,066	474,554
	<u>57,986,407</u>	<u>20,903,264</u>	<u>605,511,464</u>	<u>43,129,281</u>
	-	-	-	-
\$	<u>61,495,673</u>	\$ <u>22,202,233</u>	<u>622,405,657</u>	\$ <u>47,337,739</u>

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

1,142,168
\$ 18,036,362

Change in net position of business-type activities

CITY OF LONGMONT, COLORADO

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended December 31, 2015

	Electric and Broadband	Water	Sewer
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers	\$ 66,005,609	\$ 16,984,765	\$ 13,745,718
Cash paid to suppliers	(55,576,525)	(5,513,735)	(5,208,446)
Cash paid to employees	(7,011,575)	(4,234,300)	(2,972,608)
Claims/Benefits paid	-	-	-
Net cash provided (used) by operating activities	3,417,509	7,236,730	5,564,664
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES			
Transfers in	16,361	-	367,591
Transfers out	(468,924)	(56,126)	(69,382)
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	(452,563)	(56,126)	298,209
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Proceeds from issuance of bonds	-	-	-
Acquisition and construction of capital assets	(15,471,153)	(8,730,173)	(11,328,607)
Bond/loan/lease principal paid	-	(1,017,191)	(885,000)
Bond/loan/lease interest paid	(1,475,518)	(167,749)	(761,208)
Proceeds from issuance of debt	-	-	33,214,278
Proceeds from sale of equipment	1,149,381	333,590	333,200
Contributed capital received	1,775,200	1,527,260	-
Net cash provided (used) by capital and related financing activities	(14,022,090)	(8,054,263)	20,572,663
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment income received (paid)	158,019	101,207	28,040
Net cash provided (used) by investing activities	158,019	101,207	28,040
Net increase (decrease) in cash and cash equivalents	(10,899,125)	(772,452)	26,463,576
CASH AND CASH EQUIVALENTS, January 1	46,553,693	23,911,938	15,430,919
CASH AND CASH EQUIVALENTS, December 31	\$ 35,654,568	\$ 23,139,486	\$ 41,894,495

Storm Drainage	Other Enterprise Funds	TOTALS	Governmental Activities- Internal Service Funds
\$ 8,195,348	\$ 9,856,752	\$ 114,788,192	\$ 30,028,368
(1,262,100)	(5,003,815)	(72,564,621)	(21,229,424)
(1,321,224)	(3,074,886)	(18,614,593)	(1,354,898)
	-	-	(1,136,319)
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5,612,024	1,778,051	23,608,978	6,307,727
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-	-	383,952	-
(9,639)	(25,440)	(629,511)	(33,701)
-	-	-	(321,014)
-	-	-	321,014
-	(173,092)	(173,092)	-
-	-	-	1,473,092
(1,300,000)	-	(1,300,000)	(1,120,000)
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(1,309,639)	(198,532)	(1,718,651)	319,391
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-	-	-	-
(4,074,895)	(1,543,390)	(41,148,218)	(9,200,179)
(1,315,000)	-	(3,217,191)	-
(1,223,151)	(15,578)	(3,643,204)	-
-	-	34,363,659	-
-	-	666,790	275,702
302,142	410,112	4,014,714	-
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(6,310,904)	(1,148,856)	(8,963,450)	(8,924,477)
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138,313	20,686	446,265	156,781
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138,313	20,686	446,265	156,781
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(1,870,206)	451,349	13,373,142	(2,140,578)
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23,563,336	4,121,872	113,581,758	28,222,311
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\$ 21,693,130	\$ 4,573,221	\$ 126,954,900	\$ 26,081,733

(continued)

CITY OF LONGMONT, COLORADO

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS**

For the Year Ended December 31, 2015

	Electric and Broadband	Water	Sewer
RECONCILIATION OF NET OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Net operating income (loss)	\$ (421,076)	\$ 983,081	\$ 2,079,462
Adjustments to reconcile net operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	2,656,444	3,432,788	2,904,957
Miscellaneous income	193,412	242,125	111,319
Intergovernmental operating income	84,096	1,942,530	278,857
Issuance expenses-non-operating	-	-	-
Change in assets and liabilities:			
(Increase) decrease in accounts receivable	453,613	(99,379)	(34,487)
(Increase) decrease in loans receivable	(784)	1,242	-
(Increase) decrease in intergovernmental receivable	(56,246)	658,928	304,893
(Increase) decrease in inventory of materials	-	-	-
(Increase) decrease in prepaid expenses	-	(28,567)	-
(Increase) decrease in net pension asset	-	-	-
Increase (decrease) in deferred outflow-Contributions after the measurement date	(88,783)	(17,381)	(9,759)
Increase (decrease) in deferred outflow-Investment earnings less than expected	-	-	-
Increase (decrease) in accounts payable	360,961	(6,351)	(118,093)
Increase (decrease) in accrued liabilities	(80,774)	19,667	15,704
Increase (decrease) in deferred revenue	38,458	-	-
Increase (decrease) in due to other funds	-	-	-
Increase (decrease) in accrued sick and vacation - current portion	45,909	13,322	(1,333)
Increase (decrease) in claims payable - current portion	-	-	-
Increase (decrease) in net other post employment benefit obligation	(235)	(120)	(73)
Increase (decrease) in net pension liability	13,906	8,790	5,674
Increase (decrease) in accrued sick and vacation - long-term portion	144,740	76,450	27,543
Increase (decrease) in claims payable - long-term portion	-	-	-
Increase (decrease) in deposits/unearned revenue	73,868	9,605	-
Total adjustments	3,838,585	6,253,649	3,485,202
Net cash provided (used) by operating activities	\$ 3,417,509	\$ 7,236,730	\$ 5,564,664

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	\$ 12,167,314	\$ 23,139,486	\$ 6,594,699
Restricted equity in pooled cash and cash equivalents	61,475	-	2,540,048
Restricted cash and cash equivalents	23,425,779	-	32,759,748
Cash and Cash Equivalents per statement of cash flows	\$ 35,654,568	\$ 23,139,486	\$ 41,894,495

NON-CASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES

The following non-cash transactions occurred during 2015:

Contributed capital from developers	\$ -	\$ 746,192	\$ 554,288
Contributed capital from other funds	12,249	442,690	-
Capitalized interest	1,230,790	-	957,627
Transfers of assets to other funds	-	-	(38,161)
Transfers of assets from other funds	-	442,690	-
Change in contracts payable for purchase of capital assets			
	925,995	53,474	321,099
Amortization of bond premium/discount	146,670	5,713	48,347
Bond premium/discount	(146,670)	(5,713)	(48,347)
Loss on asset disposal	(16,142)	-	-
Intergovernmental revenue	-	201,050	-
Debt service expense	-	(201,050)	-
Prior period correction-Capital assets	2,532,910	9,130,390	(1,374,039)
Prior period correction-Pension	(205,070)	(269,395)	(65,660)
Investment earnings less than expected	496,813	314,020	202,762

CITY OF LONGMONT, COLORADO

Exhibit 10
(continued)

Storm Drainage	Other Enterprise Funds	Totals	Governmental Activities- Internal Service Funds
\$ 2,555,896	\$ 734,023	\$ 5,931,386	\$ 2,809,892
1,523,682	369,820	10,887,691	3,374,083
64,175	381,685	992,716	124,712
-	162,798	2,468,281	-
377,247	-	377,247	-
16,651	1,071	337,469	-
-	-	458	-
1,092,340	162,496	2,162,411	-
-	-	-	(3,297,688)
-	(3,036)	(31,603)	(10,756)
-	-	-	-
(10,667)	(10,794)	(137,384)	(8,332)
-	-	-	-
(15,504)	(90,049)	130,964	90,366
14,050	31,018	(335)	7,237
-	-	38,458	-
-	-	-	3,235,992
2,976	11,799	72,673	3,008
-	-	-	602,555
(38)	(73)	(539)	(35)
2,768	5,524	36,662	2,566
(11,552)	21,769	258,950	33,259
-	-	-	(659,132)
-	-	83,473	-
3,056,128	1,044,028	17,677,592	3,497,835
\$ 5,612,024	\$ 1,778,051	\$ 23,608,978	\$ 6,307,727
\$ 1,843,240	\$ 4,573,221	\$ 48,317,960	\$ 23,504,543
211,947	-	2,813,470	2,577,190
19,637,943	-	75,823,470	-
\$ 21,693,130	\$ 4,573,221	\$ 126,954,900	\$ 26,081,733
\$ 256,237	\$ -	\$ 1,556,717	\$ -
-	-	454,939	-
1,028,241	-	3,216,658	-
-	-	(38,161)	-
-	-	442,690	875,515
965,986	114,023	2,380,577	-
67,026	-	267,756	-
(67,026)	-	(267,756)	-
-	-	(16,142)	-
-	-	201,050	-
-	197,335	(3,715)	-
10,119,120	2,209,933	22,618,314	517,831
(28,112)	15,696	(552,541)	43,277
90,918	197,335	1,301,848	97,678

CITY OF LONGMONT, COLORADO
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
 December 31, 2015

Exhibit 11

	Employee Retirement Plans
<hr/>	
ASSETS	
Equity in pooled cash & cash equivalents	\$ 133,792
Cash and cash equivalents	3,895,009
Investments	
Common stock	40,859,214
Corporate bonds	89,845,583
<hr/>	
Total Assets	\$ 134,733,598
<hr/> <hr/>	
LIABILITIES	
Accounts payable	\$ 49,254
<hr/>	
Total Liabilities	49,254
<hr/> <hr/>	
NET POSITION	
Held in trust for pension & OPEB benefits	\$ 134,684,344
<hr/> <hr/>	

CITY OF LONGMONT, COLORADO
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
Year Ended December 31, 2015

Exhibit 12

	Employee Retirement Plans
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ADDITIONS	
Contributions	
Employer	\$ 2,985,253
Plan members	2,031,385
<hr/>	
Total Contributions	5,016,638
<hr/>	
Investment income	
Net appreciation in fair value of investments	(4,981,838)
Interest	2,224,390
Dividends	628,144
<hr/>	
Less investment expense	(332,206)
<hr/>	
Net investment gain	(2,461,510)
<hr/>	
Total additions	2,555,128
<hr/>	
DEDUCTIONS	
Benefits	6,263,819
Refunds of contributions	211,132
Administrative expense	78,833
<hr/>	
Total deductions	6,553,784
<hr/>	
Net increase (decrease)	(3,998,656)
<hr/>	
NET POSITION HELD IN TRUST FOR PENSION AND OPEB BENEFITS, January 1	138,683,000
<hr/>	
December 31	\$ 134,684,344
<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. 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 non-fiduciary activities of the City and its component units. For the most part, the effect of inter-fund activity has been removed from these statements. Governmental activities, which are normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the City is reported separately from the legally separate DDA component unit for which the City is financially accountable.

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

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

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

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

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

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

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

The City reports the following major governmental funds:

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

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

The 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, 2015.

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 2015, there was \$1,230,790 of interest incurred and included in the capital costs of the Electric/Broadband Fund, \$957,627 of interest incurred and included in the capital costs of Sewer Fund, and \$1,028,241 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 deferred and 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 policy, the General Fund is required to maintain a minimum unrestricted fund balance of two to three months expenditures, the Streets Systems Fund is required to maintain a minimum fund balance requirement of 6% of the fund's operating budget, and the Public Safety Fund is required to maintain a minimum fund balance requirement of 8% of the fund's operating budget.

10. Net Position

Net position represents the difference between assets, deferred outflow of resources, liabilities and deferred inflow of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net investment in capital assets for governmental and business-type activities, excludes unspent debt proceeds of \$3,658,819 and \$75,823,470, 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 \$1,506,357 for community development projects, \$16,530,643 for transportation improvements, \$1,566,668 for public safety projects, and \$3,562,328 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 Park, and Loveland to supply their wholesale electric power and energy requirements. The governing board of PRPA consists of two members from each municipality. Under Colorado law, PRPA's Board of Directors has the exclusive authority to establish electric rates. The City has contracted for electric energy supply from PRPA through the year 2020. Separately issued financial statements for PRPA are available from its corporate headquarters. The City does not have an equity interest in this joint venture, and the PRPA is not accumulating financial resources or experiencing fiscal stress that would create a significant financial benefit or burden on the City in the foreseeable future.

13. Use of Estimates

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

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	\$ 70,280,203	\$ 7,807,456	\$ 78,087,659
Art in Public Places Subfund	152,183	29,538	181,721
Special Revenue Funds:			
Electric CIF Fund	685,000	-	685,000
Water Construction Fund	708,250	451,766	1,160,016
Water Acquisition Fund	150,000	-	150,000
Sewer Construction Fund	553,789	3,013,835	3,567,624
Probation Services Fund	84,531	-	84,531
Judicial Wedding Fund	2,851	-	2,851
Police Seizure Fund	-	13,973	13,973
Police Preven Education Fund	-	203,924	203,924
CDBG Fund	629,268	28,055,225	28,684,493
Home Fund	50,000	-	50,000
Home Consortium Fund	211,308	259,713	471,021
Affordable Housing Fund	353,657	837,760	1,191,417
Downtown Parking Fund	60,590	50,500	111,090
Street Improvement Fund	15,930,266	24,600,995	40,531,261
Transportation CIF Fund	250,000	1,600,000	1,850,000
Youth Recreation Fund	-	35,640	35,640
Youth Services Fund	6,000	524,026	530,026
Library Services Fund	69,000	121,688	190,688
Museum Services Fund	73,900	66,522	140,422
Callahan House Fund	105,320	12,500	117,820
Senior Services Fund	234,387	60,000	294,387
Park Improvement Fund	1,699,729	989,720	2,689,449
Park Grants Donations Fund	-	705,456	705,456
Park and Greenway Maintenance Fund	4,230,607	4,409,310	8,639,917
Public Buildings CIF Fund	61,610	500,000	561,610
Open Space Fund	4,914,815	2,524,653	7,439,468
Public Safety Fund	6,662,186	409,588	7,071,774
Lodgers Tax Fund	393,560	162,531	556,091
Urban Renewal Fund	-	260,197	260,197
Traffic Safety Fund	-	14,439	14,439
Village at the Peaks Fund	-	14,580,215	14,580,215
General Imprvmnt District Fund	113,438	258	113,696
Conservation Trust Fund	4,237,000	1,251,781	5,488,781
Museum Trust Fund	19,000	30,464	49,464
Permanent Fund:			
Mosher/Kanemoto Trust Fund	-	-	-
Capital Projects Funds:			
Public Improvement Fund	5,242,808	100,062	5,342,870
Enterprise Funds:			
Sanitation Fund	6,187,669	1,108,232	7,295,901
Golf Fund	2,591,569	17,170	2,608,739
Electric/Broadband Fund	84,433,487	6,316,164	90,749,651
Water Fund	21,324,570	7,960,863	29,285,433
Sewer Fund	14,787,469	40,012,427	54,799,896
Storm Drainage Fund	13,998,309	5,570,547	19,568,856
Airport Fund	318,408	101,816	420,224
Fleet Internal Service Fund	9,925,727	4,765,762	14,691,489
Component Unit-DDA			
Development Authority			
Operations	196,370	8,200	204,570
Debt Service	575,707	275,000	850,707
Capital Construction	297,027	1,894,530	2,191,557
Building permit	22,500	119,679	142,179
CDBG Grant	-	-	-
Façade Improvement	-	422,007	422,007
Arts and Entertainment	275,491	45,000	320,491
	\$ 273,099,559	\$ 162,301,132	\$ 435,400,691

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 \$76,164,303 difference are as follows:

Bonds Payable/COP	\$ 63,455,000
Less: Deferred charge on refunding (to be amortized as interest expense)	(675,297)
Issuance premium (to be amortized against interest expense)	1,824,739
Accrued interest payable	905,052
Capital leases payable	4,125,942
Net other post employment benefit obligation	311,566
Net Pension Liability	3,143,243
Less: Deferred outflow on investment earnings less than expected	(2,559,204)
Less: Deferred outflow for current year pension contributions	(1,502,233)
Compensated absences	<u>7,135,495</u>
Net adjustment to reduce <i>fund balance-total governmental funds</i> to arrive at <i>net position-governmental activities</i>	<u>\$ 76,164,303</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 \$6,973,526 difference are as follows:

Capital outlay	\$ 22,054,804
Depreciation expense	<u>(15,081,277)</u>
Net adjustment to decrease <i>net changes in fund balances-total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	<u>\$ 6,973,527</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 \$3,772,081 difference are as follows:

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

Principal repayments:

General obligation debt	\$	3,320,000
Payments of capital leases		<u>452,081</u>
Net adjustments to decrease net changes in fund balances-total governmental funds to arrive at changes in net position of governmental activities	\$	<u><u>3,772,081</u></u>

Another element of that reconciliation states that “Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.” The details of this \$965,265 difference are as follows:

Compensated absences	\$	(1,226,255)
Accrued interest		59,069
Pension		(15,033)
Amortization of deferred charge on refunding		(165,336)
Write-off of debt issuance costs		0
Amortiation of bond discount		0
Amortization of bond premium		<u>181,560</u>
Net adjustment to increase net changes in fund balances-total governmental funds to arrive at changes in net position of governmental activities	\$	<u><u>(1,165,995)</u></u>

NOTE 4 – PROPERTY TAX AND SALES AND USE TAX

Property Taxes:

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

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

Sales and Use Tax:

A 3.275% tax is imposed on the sale or use of all tangible personal property in the City except for certain specified exemptions. The City administers the collection of such taxes from licensed businesses. 2% of the sales and use tax 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 2015:

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	0.431%
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 cash equivalents-primary government	\$ 162,053,584
Equity in pooled cash and cash equivalents-restricted	9,049,479
Cash and cash equivalents-primary government	785,949
Cash and cash equivalents-restricted	75,823,470
	\$ 247,712,482

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 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, 2015, the City’s deposits had a bank balance of \$24,454,278 with a corresponding book balance of \$22,983,453.

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

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

NOTE 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 AAAM 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, 2015, was 1.92 years. The City's investment policy does not otherwise limit interest rate risk.

As of December 31, 2015, the City had the following investments:

Investment Type	Fair Value	Weighted Average Market Duration (in years)	S & P Rating	% of Portfolio
U.S. Treasuries	\$ 75,324,023	1.71	AA+	33.53
U.S. Instrumentality-FNMA	24,919,244	2.08	AA+	11.09
U.S. Instrumentality-FHLMC	22,221,909	1.51	AA+	9.89
U.S. Instrumentality-FHLB	37,771,281	1.89	AA+	16.81
U.S. Instrumentality-FFCB	32,049,264	2.82	AA+	14.26
Commercial Paper	4,531,905	0.34	A-1	2.02
Money Market Funds	23,580,182	n/a	AAAm	10.50
Local Investment Pools	<u>4,282,013</u>	n/a	AAAm	1.90
Total fair value	<u>\$ 224,679,821</u>			
Portfolio duration		1.92		
Percentage of Portfolio				100.00

The value of the pooled investments includes \$133,792 and \$6,134,307 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 quoted market

NOTE 5 – DEPOSITS AND INVESTMENTS (continued)

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

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

Concentration of Credit Risk - Concentration of credit risk is the risk of loss attributed to the concentration of the pension's investment in a single issuer. The policy states that the plan's assets should be diversified with a strategic asset allocation of 25% in both Domestic Large Cap Value and Domestic Large Cap Growth, 10% in Domestic Small and Mid Cap, 16% in International Equity, 6% in Emerging Mkt Equity, 19% in Domestic Fixed Income and 3% in High Yield Credit, 3% in Commodities, 5% in Low Correlated Hedges, 4% in Global REITs and 9% in Floating Rate Corporate Loans. As of December 31, 2015, 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 2015, the actual return for the plan was a loss of 1.60% while the targeted rate of return was 6.51%.

As of December 31, 2015, the Fiduciary Funds had the following investments.

Employee, Police and Fire Pension Plans:

Investment Type	Fair Value	% of Portfolio	Rating
Domestic Equities	\$ 46,176,769	36.38%	Not available
International Equities	28,768,394	16.84%	Not available
Domestic Fixed Income	24,626,123	23.05%	Not available
Corporate Loans	11,611,719	8.95%	Not available
High Yield Credit	3,736,459	2.97%	Not available
Commodities	3,776,574	2.19%	Not available
Global REITs	6,603,139	4.28%	Not available
Hedge Funds	6,952,216	4.99%	Not available
Cash & Cash Equivalents	144,268	0.35%	Not available
Total	\$ 132,395,661	100.00%	

OPEB Trust Fund:

Investment Type	Fair Value	% of Portfolio	Rating
Cash & Cash Equivalents	2,204,145	100.00%	Not available
Total	\$ 2,204,145	100.00%	

NOTE 6 – DONOR-RESTRICTED ENDOWMENTS

The City is the recipient of two nonexpendable trusts for which the corpora are as follows: \$629,576 Mosher Trust for library purposes and \$15,000 Kanemoto Trust for Kanemoto Park purposes. Net appreciation on these investments is available for expenditure upon appropriation by City Council in the amounts of \$516,665 and \$155, respectively. City Financial Policy requires that the interest earnings on these endowments be expended on the recommendation of the related advisory board.

NOTE 7 – LEASED PROPERTY UNDER CAPITAL LEASES

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

The following is an analysis of the equipment and facilities under capital leases by activity and fund and by type as of December 31, 2015:

Governmental Activities	
Terry St. Fire Station	\$ 3,180,836
Energy Equipment Lease, Phase 1	2,284,299
Energy Equipment Lease, Phase 2	<u>1,153,749</u>
Total Governmental Activities	<u>\$ 6,618,884</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, 2015:

Governmental Activities			
Year	Principal	Interest	Total
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	617,545	53,653	671,198
2021-2025	1,392,562	81,768	1,474,330
<u>Total</u>	<u>\$ 4,125,942</u>	<u>\$ 562,855</u>	<u>\$ 4,688,797</u>

NOTE 8 – PRIOR YEAR DEFEASANCE OF DEBT

In fiscal year 2010, the City defeased Open Space Sales and Use Tax Revenue Bonds by placing the proceeds of the new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and liability for the defeased bonds are included in the City’s financial statements. As of December 31, 2015, \$9,355,000 of the Series 2001 Sales and Use Tax Revenue Bonds outstanding are considered defeased.

NOTE 9 – LONG-TERM LIABILITIES

Long-term liability activity for the year end December 31, 2015, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Bonds Payable:					
Revenue Bond	\$ 37,300,000	\$ -	\$ (3,320,000)	\$ 33,980,000	\$ 3,425,000
Amortization of discount/premium	679,360	-	(123,660)	555,700	-
Total bonds payable	37,979,360	-	(3,443,660)	34,535,700	3,425,000
Capital Leases	4,578,024	-	(452,082)	4,125,942	476,374
Certificates of Participation	29,475,000	-	-	29,475,000	-
Amortization of COP premium	1,326,939	-	(57,900)	1,269,039	-
Claims (see Note 12)	2,544,048	1,050,141	(1,106,718)	2,487,471	817,908
Net OPEB Obligation	320,146	352,900	(354,429)	318,617	-
Net Pension Liability	706,813	4,082,557	(1,525,829)	3,263,541	-
Compensated Absences	6,052,115	5,696,815	(4,452,880)	7,296,050	718,936
Governmental activity long-term liabilities	<u>\$ 82,982,445</u>	<u>\$ 11,182,413</u>	<u>\$ (11,393,498)</u>	<u>\$ 82,771,360</u>	<u>\$ 5,438,218</u>
Business-type Activities:					
Revenue Bonds Payable	\$ 88,905,000	\$ 31,100,000	\$ (2,200,000)	\$ 117,805,000	\$ 2,905,000
Amortization of bond premium	3,983,721	2,114,277	(262,042)	5,835,956	-
Compensated Absences	1,736,505	1,474,004	(1,142,383)	2,068,126	273,201
Loans payable	10,083,462	-	(1,017,191)	9,066,271	1,039,304
Amortization of loan discount/premium	49,042	-	(5,714)	43,328	-
Net OPEB Obligation	101,740	124,575	(125,114)	101,201	-
Net Pension Liability	372,246	2,150,095	(803,583)	1,718,758	-
Construction contracts	377,066	-	(128,607)	248,459	-
	<u>\$ 105,608,782</u>	<u>\$ 36,962,951</u>	<u>\$ (5,684,634)</u>	<u>\$ 136,887,099</u>	<u>\$ 4,217,505</u>
Component Unit :					
Loans payable - primary government	\$ 146,000	\$ 621,014	\$ (621,014)	\$ 146,000	\$ -
Compensated Absences	25,106	25,428	(18,239)	32,295	3,610
	<u>\$ 171,106</u>	<u>\$ 646,442</u>	<u>\$ (639,253)</u>	<u>\$ 178,295</u>	<u>\$ 3,610</u>

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

NOTE 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 \$640,000 to \$2,705,000 through May 15, 2019; interest rates range from 4.0 to 6.0 percent (unamortized premium of \$436,214). Total principal and interest remaining to be paid is \$11,073,788 and is expected to require less than 0% of pledged revenue. Total payment in 2015 was \$2,728,625 and pledged revenue was \$35,078,567. \$ 9,890,000

\$19,330,000 2010 Open Space Sales and Use Tax Revenue Refunding Bonds due in annual installments of \$1,060,000 to \$1,330,000 through November 15, 2026; interest rates range 2 to 3.75 percent (plus amortized premium of \$119,486). Total principal and interest remaining to be paid is \$16,541,946 and is expected to require less than 65% of pledged revenue. Total payment in 2015 was \$1,630,216 and pledged revenue was \$3,537,857. 13,650,000

\$10,440,000 2010 Open Space Sales and Use Tax Revenue Bonds due in annual installments of \$85,000 to \$1,570,000 through November 15, 2033; interest rates range from 5.0 to 5.45 percent with a 35% interest rate subsidy under the Build America Bonds program. Total principal and interest remaining to be paid is \$18,845,840 and is expected to require less than 65% of pledged revenue. Total payment in 2015 was \$556,898 and pledged revenue was \$3,537,857. 10,440,000
\$ 33,980,000

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	
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	1,225	869	(195)	1,899
2021-2025	6,425	3,725	(975)	9,175
2026-2030	7,095	2,378	(815)	8,658
2031-2033	4,615	507	(177)	4,945
	<u>\$33,980</u>	<u>\$12,482</u>	<u>\$(2,942)</u>	<u>\$43,520</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 \$1,269,039). Total principal and interest remaining to be paid is \$29,475,000. Total payment in 2015 was \$1,272,455. \$ 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		
	Principal	Interest	City Total
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>\$ 18,125</u>	<u>\$ 47,600</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, 2015.

Capital Lease

Lease obligations per Note 7. Payable from
General Fund and Public Safety Fund \$ 4,125,942

Net Other Post Employment Benefit Obligation

Implicit Subsidy for blended rate retiree healthcare \$ 318,617

Net Pension Liability

Actuarily determined net pension liability \$ 3,263,541

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 \$ 7,296,050

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, 2015:

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 2015 was \$1,083,281 compared to net pledged fees of \$4,248,599. Due in installments of \$510,000 to \$1,065,000 through December 1, 2028; interest rates range from 3.0 to 4.5 percent (unamortized premium of \$40,410). \$ 10,675,000

\$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 2015 was \$498,658 compared to net pledged fees of \$5,426,273. 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 2015 was \$556,150 compared to pledged fees of \$5,426,273. Due in installments of \$310,000 to \$550,000 through November 1, 2032; interest rates range from 2 to 4 percent (unamortized premium of \$448,997). 7,115,000

\$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 2015 was \$1,472,013 compared to net pledged fees of \$9,519,440. 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 \$2,041,159). 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 2015 was \$1,451,522 compared to net pledged fees of \$4,278,599. Due in installments of \$710,000 to \$1,405,000 through December 1, 2034; interest rates range from 3.0 to 5.0 percent (unamortized premium of \$1,208,731). 19,790,000

\$31,100,000 2015 Enterprise Wastewater Revenue Bonds for the purpose of wastewater system improvements including improvements, additions and rehabilitation of the wastewater treatment plant, as recommended in the 2012 Planning Study to Meet New Ammonia Permit Limits. Future customer fees, net of certain operating expenses, are expected to exceed the annual payments by 25%. Total principal and interest paid in 2015 was \$0, compared to net pledged fees of \$5,466,273. Due in installments of \$635,000 to \$3,525,000 through November 1, 2035; interest rates range from 3.0 to 5.0 percent (unamortized premium of \$2,096,659). 31,100,000

72 \$ 117,805,000

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	
2016	\$2,905	\$4,732	\$(174)	\$7,463
2017	5,385	4,493	(168)	9,710
2018	5,585	4,269	(161)	9,693
2019	5,820	4,027	(153)	9,694
2020	6,060	3,769	(144)	9,685
2021-2025	34,455	14,716	(562)	48,609
2026-2030	35,910	7,287	(239)	42,958
2031-2034	21,685	2,141	-	23,826
	<u>\$117,805</u>	<u>\$45,434</u>	<u>\$(1,601)</u>	<u>\$161,638</u>

Accrued Sick and Vacation

Accrual of compensated absences per Note 2-C7.

Payable from the Enterprise Funds \$ 2,068,126

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 \$1,353,789 to \$1,356,326 through August 1, 2023 at 3.11% (plus unamortized premium of \$49,042).

\$ 9,066,271

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

Year Ending December 31	Principal	Interest	Total
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	1,128	177	1,305
2021-2023	3,648	248	3,896
Total	<u>\$ 9,066</u>	<u>\$ 1,359</u>	<u>\$ 10,425</u>

Net Other Post Employment Benefit Obligation

Implicit Subsidy for blended rate retiree healthcare \$ 101,201

Net Pension Liability

Actuarially determined net pension liability \$ 1,718,758

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.

\$ 248,459

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.

\$ 32,295

NOTE 10 – CHANGES IN CAPITAL ASSETS

	Beginning Balance Restated	Additions	Deletions	Impairments/ Transfers	Ending Balance
Governmental activities:					
Capital assets, not being depreciated:					
Land and water rights	\$ 84,321,640	\$ 480,063	\$ -	\$ -	\$ 84,801,703
Construction in progress	15,863,217	11,700,425	-	-	27,563,642
Total capital assets, not being depreciated	<u>100,184,857</u>	<u>12,180,488</u>	<u>-</u>	<u>-</u>	<u>112,365,345</u>
Capital assets, being depreciated:					
Buildings	77,183,475	347,179	-	-	77,530,654
Improvements other than buildings	342,439,052	14,411,076	-	-	356,850,128
Equipment	58,433,060	7,509,888	(870,321)	-	65,072,627
Equipment under capital leases	-	-	-	-	-
Total capital assets, being depreciated	<u>478,055,587</u>	<u>22,268,143</u>	<u>(870,321)</u>	<u>-</u>	<u>499,453,409</u>
Less accumulated depreciation for:					
Buildings	(24,051,332)	(1,539,279)	-	-	(25,590,611)
Improvements other than buildings	(201,280,936)	(12,576,270)	-	-	(213,857,206)
Equipment	(43,071,325)	(4,339,811)	839,837	-	(46,571,299)
Total accumulated depreciation	<u>(268,403,593)</u>	<u>(18,455,360)</u>	<u>839,837</u>	<u>-</u>	<u>(286,019,116)</u>
Total capital assets, being depreciated, net	<u>209,651,994</u>	<u>3,812,782</u>	<u>(30,484)</u>	<u>-</u>	<u>213,434,293</u>
Governmental activities capital assets, net	<u>\$ 309,836,850</u>	<u>\$ 15,993,270</u>	<u>\$ (30,484)</u>	<u>\$ -</u>	<u>\$ 325,799,638</u>

	Beginning Balance Restated	Additions	Deletions	Impairments/ Transfers	Ending Balance
Business-type activities:					
Capital assets, not being depreciated:					
Land and water rights	\$ 287,116,590	\$ 2,570,559	\$ -	\$ -	\$ 289,687,149
Construction in progress	7,227,323	30,033,290	-	-	37,260,613
Total capital assets, not being depreciated	<u>294,343,913</u>	<u>32,603,849</u>	<u>-</u>	<u>-</u>	<u>326,947,762</u>
Capital assets, being depreciated:					
Buildings	107,721,940	-	-	-	107,721,940
Improvements other than buildings	354,556,271	15,251,800	-	-	369,808,071
Equipment	13,694,047	303,435	(213,803)	-	13,783,679
Total capital assets, being depreciated	<u>475,972,258</u>	<u>15,555,235</u>	<u>(213,803)</u>	<u>-</u>	<u>491,313,690</u>
Less accumulated depreciation for:					
Buildings	(31,064,593)	(1,707,762)	-	-	(32,772,355)
Improvements other than buildings	(133,487,657)	(8,626,607)	-	-	(142,114,264)
Equipment	(12,101,827)	(553,322)	186,894	-	(12,468,255)
Total accumulated depreciation	<u>(176,654,077)</u>	<u>(10,887,691)</u>	<u>186,894</u>	<u>-</u>	<u>(187,354,874)</u>
Total capital assets, being depreciated, net	<u>299,318,181</u>	<u>4,667,544</u>	<u>(26,909)</u>	<u>-</u>	<u>303,958,816</u>
Business-type activities capital assets, net	<u>\$ 593,662,094</u>	<u>\$ 37,271,393</u>	<u>\$ (26,909)</u>	<u>\$ -</u>	<u>\$ 630,906,578</u>

NOTE 10 – CHANGES IN CAPITAL ASSETS (continued)

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

Governmental activities:	
General government	\$ 5,090,484
Public safety	802,834
Highway and streets	12,047,317
Culture and recreation	<u>514,725</u>
Total depreciation expense - governmental activities	<u>\$ 18,455,360</u>
Business-type activities:	
Sanitation	\$ 56,625
Golf	76,574
Electric	2,354,191
Broadband	302,253
Water	3,432,788
Sewer	2,904,957
Storm drainage	1,523,682
Airport	<u>236,621</u>
Total depreciation expense - business-type activities	<u>\$ 10,887,691</u>

Discretely presented component unit

	Beginning Balance Restated	Additions	Deletions	Transfers	Ending Balance
Downtown development authority:					
Capital assets, not being depreciated:					
Land and water rights	\$ 786,921	\$ -	\$ -	\$ -	\$ 786,921
Construction in progress	649,736	52,669	-	-	702,405
Total capital assets, not being depreciated	<u>1,436,657</u>	<u>52,669</u>	<u>-</u>	<u>-</u>	<u>1,489,326</u>
Capital assets, being depreciated:					
Buildings	80,454	-	-	-	80,454
Improvements other than buildings	7,233,279	-	-	-	7,233,279
Equipment	425	-	-	-	425
Total capital assets, being depreciated	<u>7,314,158</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,314,158</u>
Less accumulated depreciation for:					
Buildings	(33,912)	(1,619)	-	-	(35,531)
Improvements other than buildings	(2,796,264)	(466,566)	-	-	(3,262,830)
Equipment	(425)	-	-	-	(425)
Total accumulated depreciation	<u>(2,830,601)</u>	<u>(468,185)</u>	<u>-</u>	<u>-</u>	<u>(3,298,786)</u>
Total capital assets, being depreciated, net	<u>4,483,557</u>	<u>(468,185)</u>	<u>-</u>	<u>-</u>	<u>4,015,372</u>
Downtown development authority capital assets, net	<u>\$ 5,920,214</u>	<u>\$(415,516)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,504,698</u>

NOTE 11 – 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 through December 31, 2017. The City recognized \$58,146 of expenditures for this recreational purpose lease during 2015. The future minimum lease payments as of December 31, 2015, are as follows:

<u>Year Ending December 31</u>	<u>Amount</u>
2016	\$58,527
2017	\$59,315

NOTE 12 – RISK MANAGEMENT

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

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

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

All funds of the City participate in these programs and make payments to the appropriate risk retention internal service fund based on actuarial estimates of the amounts needed to pay prior- and current-year claims and to establish a reserve for catastrophic losses. The claims liability of \$2,487,471 reported in these funds at December 31, 2015, 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>
2015				
Self Insurance	\$ 384,490	\$ 94,750	\$ 276,763	\$ 202,477
Workers Compensation	2,159,558	918,274	792,838	2,284,994
	<u>\$ 2,544,048</u>	<u>\$ 1,013,024</u>	<u>\$ 1,069,601</u>	<u>\$ 2,487,471</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 13 – OTHER REQUIRED INDIVIDUAL FUND DISCLOSURES

Interfund receivable and payable balances at December 31, 2015, were:

Fund	Interfund Receivables	Interfund Payables
Governmental:		
General	\$ 7,930,650	\$ 1,120,000
Nonmajor Governmental		
Police Seizure Fund	-	2,000
CDBG Fund	-	1,251,407
Proprietary:		
Nonmajor Enterprise		
Golf (Advances)	-	1,117,213
Internal Service:		
Fleet (Advances)	2,237,213	-
Warehouse	-	6,677,243
	\$ 10,167,863	\$10,167,863

NOTE 14 – INTERFUND TRANSACTIONS

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

A. Administrative Fee - The Enterprise Funds, the Street System, Open Space and General Improvement District #1 Special Revenue Funds, the Self Insurance, Workers Compensation Insurance, and Fleet Internal Service Funds make monthly payments to the General Fund for administrative expenses. The charge is approved by the City Council as part of the appropriation process, and is calculated to cover ETS, accounting, billing, purchasing and other administrative functions performed and/or paid by the General Fund on behalf of the above mentioned funds. The total administrative fees paid by Enterprise Funds to the General Fund were \$561,085 by the Sanitation Fund, \$137,341 by the Golf Fund, \$1,664,420 by the Electric and Broadband Fund, \$1,228,549 by the Water Fund, \$797,640 by the Sewer Fund, \$403,149 by the Storm Drainage Fund and \$112,744 by the Airport Fund. Total administrative fees paid by Special Revenue Funds in 2015 were \$874,464 by the Street System Fund, \$159,716 by the Open Space Fund and \$9,784 by the General Improvement District #1 Fund. Total 2015 administrative fees paid to the General Fund by Internal Service funds were \$112,206 by the Self Insurance Fund, \$129,421 by the Workers' Compensation Insurance Fund, and \$264,164 by the Fleet Fund.

B. Franchise Fee - The Electric and Broadband Fund, Water Fund and the Sewer Fund pay an annual franchise fee to the General Fund for the exclusive right to provide electric and telecommunications, water and sewer service (respectively) within the City of Longmont. The Electric and Broadband Fund electric fee is 8% of the current year revenues of the electric portion of the Fund, or \$5,155,460 in 2015. The broadband fee is 5% of the current year portion of the broadband revenues, or \$9,271 in 2015. The Water Fund franchise fee approximates 2% of the Fund's current year budgeted revenues, or \$283,690 in 2015. The Sewer Fund franchise fee approximates 4% of the Fund's current year budgeted revenues, or \$528,480 in 2015.

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 market 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 2015 were \$2,914,269 by the General Fund, \$1,143,061 by the Street System Fund, \$1,568,794 by the Sanitation Fund, \$246,993 by the Golf Fund, \$594,862 by the Electric and Broadband Fund, \$476,519 by the Water Fund, \$309,653 by the Sewer Fund, \$245,389 by the Storm Drainage Fund, \$1,315 by the Airport Fund, \$409,361 by the Public Safety Sales Tax Special Revenue Fund and \$19,683 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 2015 were \$90,341 from the General Fund, \$282,998 from the Electric and Broadband Enterprise Fund, \$55,580 from the Water Enterprise Fund, \$38,161 from the Sewer Enterprise fund, \$47,201 from the Storm Drainage Enterprise Fund, \$316,005 from the Streets Special revenue fund and \$45,229 from the Public Safety Sales Tax Special Revenue Fund.

NOTE 14 – INTERFUND TRANSACTIONS (continued)

F. Art Transfers - The Art in Public Places Fund is funded through transfers from the operating funds of the City. Any construction project costing \$50,000 or more must transfer 1% of the construction cost to the Art fund. Certain funds with legal limitations on their monies are exempt from this requirement. The amounts of such operating transfers in 2015 were \$6,332 from the Sanitation Fund, \$634 from the Golf Fund, \$131,371 from the Electric and Broadband Fund, \$21,945 from the Water Fund, \$57,370 from the Sewer Fund, \$2,529 from the Storm Drainage Fund, \$7 from the Airport Fund, \$34,225 from the Public Improvement Fund, \$3,407 from the Open Space Fund, \$14,017 from the Parks Fund, \$4,709 from the Parks Greenway Fund, \$2,687 from the Public Buildings Community Investment Fee Fund, \$28,875 from the Fleet Fund, \$8 from the Downtown Development Authority Construction Fund and \$862 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 2015 were \$53,529 from the General Fund, \$70 from the Electric fund, \$216 from the Water Fund, \$180 from the Sewer Fund, and \$21,882 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 2015 from each fund were:

	Self- Insurance	Employee Benefit	Workers' Compensation Insurance	Unemployment Insurance
General Fund	\$ 693,110	\$ 5,777,341	\$ 1,132,853	\$ 72,507
Component Unit				
Downtown Development Authority Special Revenue Fund	-	18,387	-	225
Downtown Development Authority Arts & Entertainment Soecial Revenue Fund	-	9,766	-	120
Probation Services Special Revenue Fund	196	9,275	46	114
Community Development Special Revenue Fund	60	17,936	6,007	221
Affordable Housing Special Revenue Fund	451	18,425	8,747	226
Downtown Parking Special Revenue Fund	-	3,165	-	39
Streets System Special Revenue Fund	140,790	368,859	56,034	4,906
Museum Servics Special Revenue Fund	110	-	264	-
Callahan House Special Revenue Fund	300	8,351	905	102
Senior Services Special Revenue Fund	57	-	12	-
Art in Public Places Special Revenue Fund	7,152	4,524	20	56
Park Improvement Special Revenue Fund	-	-	-	-
Open Space Special Revenue Fund	5,334	30,562	1,251	560
Public Safety Sales Tax Special Revenue Fund	34,633	497,157	132,841	6,100
General Improvement District Special Revenue Fund	-	3,327	-	40
Sanitation Enterprise Fund	83,189	211,834	80,415	2,599
Golf Enterprise Fund	41,746	103,219	40,002	1,265
Electric & Broadband Enterprise Fund	170,308	1,067,982	41,096	13,105
Water Enterprise Fund	92,378	543,671	81,535	7,247
Sewer Enterprise Fund	199,221	328,550	59,096	4,315
Storm Drainage Enterprise Fund	24,102	174,197	6,562	2,615
Airport Enterprise Fund	5,505	14,855	64	182
Fleet Internal Service Fund	8,186	157,234	53,251	1,929
TOTAL	\$ 1,506,828	\$ 9,368,617	\$ 1,701,001	\$ 118,473

NOTE 14 – INTERFUND TRANSACTIONS (continued)

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

- The General Fund paid \$25,000 to the Component Unit DDA Special Revenue Fund to fund community events projects.
- The General Fund transferred \$69,352 to the Callahan House Special Revenue Fund to fund operations.
- The General Fund transferred \$17,846 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.
- The Water Enterprise Fund transferred \$249,826 and the Sewer Enterprise Fund transferred \$83,729 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 \$367,479 to the Sewer Fund to pay current debt service on the sewer loan.
- The Water Enterprise Fund transferred \$11,912, the Sewer Enterprise Fund transferred \$1,099, the Sanitation Enterprise Fund transferred \$587, the Golf Enterprise Fund transferred \$649, the Storm Drainage Enterprise Fund transferred \$469, the Fleet Internal Service Fund transferred \$544 and the Streets Special Revenue Fund transferred \$1,101 to the Electric Enterprise Fund to fund their shares of warehouse administrative costs.
- The General Fund transferred \$539,539 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 \$144,518, the Sewer Enterprise Fund transferred \$98,439, the Storm Drainage Enterprise Fund transferred \$196,877 and the Streets Special Revenue Fund transferred \$246,097 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 \$111,322, the Sewer Enterprise Fund transferred \$74,216 and the Storm Drainage Enterprise Fund transferred \$111,322 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 \$210,853, the Sewer Enterprise Fund transferred \$128,810, the Streets Special revenue Fund transferred \$4,386 and the Sanitation Enterprise Fund transferred \$9,558 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 OPEP 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 \$2,067 by the Sanitation Fund, \$5,433 by the Golf Fund, \$148 by the Electric and Broadband Fund, \$6,331 by the Water Fund, \$1,541 by the Sewer Fund and \$689 by the Storm Drainage Fund. Total expenditures paid by Special Revenue Funds in 2015 were \$4,133 by the Street System Fund. Total 2015 expenses paid to the General Fund by Internal Service funds were \$4,282 by the Fleet Fund.
- The Fleet Internal service Fund advance the General Fund \$1,120,000 to fund costs for the Butterball Redevelopment project.
- The Fleet Internal Service Fund loaned the Downtown Development Authority Arts and Entertainment Fund \$300,000 to assist on operations.
- The Downtown Development Authority Debt Service Fund repaid the total amount of the loans of \$621,014 to the Fleet Internal Service Fund in 2015. The proceeds were used to assist in the funding of the Downtown Alley Improvements, Streetscape improvements and Downtown Infrastructure Improvements.
- The Senior Services Special revenue Fund transferred \$5,769 to the General Fund to assist in the funding of an office assistant position.

NOTE 14 – INTERFUND TRANSACTIONS (continued)

Primary Government

Transfers from:	Transfers to:							Total
	General Fund	Village at the Peaks	Nonmajor Governmental Funds	Electric Fund	Sewer Fund	Internal Service Funds		
General Fund	\$ -	\$ -	\$ 779,052	\$ -	\$ -	\$ 90,341	\$ 869,393	
Streets Systems Fund	7,630	-	-	1,101	-	316,005	324,736	
Nonmajor Governmental Funds	191,954	60,023	6,399	-	367,591	45,229	671,196	
Electric Fund	185,926	-	-	-	-	282,998	468,924	
Water Fund	44,214	-	-	11,912	-	55,580	111,706	
Sewer Fund	68,283	-	-	1,099	-	38,161	107,543	
Storm Drainage Fund	9,170	-	-	469	-	47,201	56,840	
Nonmajor Enterprise Funds	24,204	-	-	1,236	-	-	25,440	
Internal Service Funds	33,157	-	-	544	-	-	33,701	
	\$ 564,538	\$ 60,023	\$ 785,451	\$ 16,361	\$ 367,591	\$ 875,515	\$ 2,669,479	

NOTE 15 – 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 63½ through blended rates. Standalone Plan Financial Reports are not issued. Medical plan group rates are determined using both retirees and active employees as a group. Plan rates are negotiated annually based on total covered population and are adopted by the City Council as a part of the annual budget. Retirees may enroll in the plan upon retirement and may continue in the plan without interruption until age 63½, 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. Following table shows the components of the City's annual OPEB cost for the year ended December 31, 2015, the amount actually contributed to the plan, and changes in the City's OPEB obligation.

Normal Cost with Interest	\$ 205,326
Amortization of Unfunded AAL Over 30 years	278,514
Annual Required Contribution (ARC)	483,840
Interest on NOPEBO	16,875
ARC Adjustment	(25,308)
Annual OPEB Cost	475,407
Contributions Made	(477,475)
Net OPEB Obligation Change	(2,068)
Net OPEB 12/31/14	421,886
Net OPEB 12/31/15	\$ 419,818

NOTE 15 – OTHER POSTEMPLOYMENT BENEFITS (continued)

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

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
12/31/13	\$421,886	97.8%	\$421,886
12/31/14	477,475	100.0	421,886
12/31/15	475,407	100.0	419,818

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

In the most current actuarial valuation, January 1, 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, 2015 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 15 – OTHER POSTEMPLOYMENT BENEFITS (continued)**For the Year Ended December 31, 2015**

	OPEB
ASSETS	
Cash and cash equivalents	\$ 2,204,145
Total Assets	\$ 2,204,145
NET POSITION	
Held in trust for OPEB benefits	\$ 2,204,145
OPEB	
ADDITIONS	
Contributions	
Employer	\$ 477,475
Investment income	
Interest	176
Total additions	477,651
DEDUCTIONS	
Administrative expense	3,416
Net increase	474,235
NET POSITION HELD IN TRUST FOR	
OPEB BENEFITS, January 1	1,729,910
December 31	\$ 2,204,145

NOTE 16 – 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, 2015.

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, 2015, the amount required as an Emergency Reserve in compliance with the Amendment is \$3,559,526 for the City; \$2,802 for the GID component unit and \$18,606 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 17 – 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 "Old Hire" Police Officers' Pension Plan (Police Pension). Standalone Plan Financial Reports are not issued. Each plan is administered by a Board of Trustees that acts as the administrator of the plan. Although the assets of the plans are commingled for investment purposes, each plan's assets may be used only for the payment of benefits to the members of the plan in accordance with the terms of the plan.

A. Plan Provisions

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

	Employee Retirement	Fire Pension	Police Pension
Benefit percent per year of service	2.2% per year at age 65 (age 60 with 5 years of service reduced by 6% each year, age 55 for pre-2012 members reduced by 3% each year)	2.5% per year up to 20 years (plus 1% per year for each year in excess of 20 before age 50 plus 2% per year in excess of 20 after age 50 but before age 55)	2.5% per year up to 20 years
Average annual compensation	Highest 36 consecutive calendar months	-	-
Average monthly compensation	-	Last full month	Last full month
Years of service required for vesting	5 years	10 years	10 years
Age and year of service eligible for benefit	<u>Member prior to 12/31/2011</u> Age 65 or 25 years and Age 55 <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 17 – 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 Board of Trustees of the General Employees' Retirement Fund, sometimes hereinafter referred to as the "Employees' Board," consists of two citizens at large and three employees of the City of Longmont appointed by City Council, the Finance Director and the City Manager. The Employees Board is responsible for implementing the provisions of the Employees Plan, establishment of investment policies and selection of investment managers for the Employees Fund.

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

Contributions. Plan members are required to contribute 5.7% for members joining prior to December 31, 2011, and 4.7% for members joining the Plan after December 31, 2011, of their covered salary. The City is required to contribute at a rate that is determined actuarially. The plan requires that the City make contributions adequate to finance the benefits provided by the plan on a sound actuarial basis. An actuarial study is performed annually using the entry age actuarial cost method. The last annual study for the Employees' Retirement plan was performed as of January 1, 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. The Board of Trustees of the "Old Hire Firefighters' Pension Fund, sometimes hereinafter referred to as the "Firefighters Board," consists of the Mayor of Longmont, Colorado, the Finance Director of the City, one City Council member and three eligible active or retiree participants. The Firefighters Board is responsible for implementing the provisions of the Firefighters Plan, establishment of investment policies and selection of investment managers for the Firefighters Fund.

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

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

NOTE 17 – RETIREMENT COMMITMENTS (continued)**Police Pension Plan**

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

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

Contributions. There are no current employee plan members. The City is required to contribute at a rate that is determined actuarially. The plan requires that the City make contributions adequate to finance the benefits provided by the plan on a sound actuarial basis. An actuarial study is performed biennially using the entry age actuarial cost method. The last annual study for the Police Pension plan was performed as of January 1, 2014.

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.

D. The City does not issue separate financial reports for the individual pension plans, and are presented as follows:**For the Year Ended December 31, 2015**

	Employee Pension	Fire Pension	Police Pension	Total
ASSETS				
Equity in pooled cash & cash equivalents	\$ 106,529	\$ 15,044	\$ 12,219	\$ 133,792
Cash and cash equivalents	1,632,181	38,811	19,872	1,690,864
Investments				
Common Stock	39,441,152	937,854	480,208	40,859,214
Mutual funds	86,727,397	2,062,254	1,055,932	89,845,583
Total Assets	127,907,259	3,053,963	1,568,231	132,529,453
LIABILITIES				
Accounts payable	48,528	516	210	49,254
Total Liabilities	48,528	516	210	49,254
NET POSITION				
Held in trust for pensior benefits	\$ 127,858,731	\$ 3,053,447	\$ 1,568,021	\$ 132,480,199

NOTE 17 – RETIREMENT COMMITMENTS (continued)**For the Year Ended December 31, 2015**

	Employee Pension	Fire Pension	Police Pension	Total
ADDITIONS				
Contributions				
Employer	\$ 2,507,778	\$ -	\$ -	\$ 2,507,778
Plan members	2,031,385	-	-	2,031,385
Total Contributions	4,539,163	-	-	4,539,163
Investment income				
Net appreciation in fair value of investments	(4,811,010)	(114,142)	(56,686)	(4,981,838)
Interest	2,144,029	52,748	27,437	2,224,214
Dividends	605,230	15,049	7,865	628,144
Less investment expense	(319,379)	(5,022)	(7,805)	(332,206)
Net investment gain (loss)	(2,381,130)	(51,367)	(29,189)	(2,461,686)
Total additions	2,158,033	(51,367)	(29,189)	2,077,477
DEDUCTIONS				
Benefits	5,743,610	293,522	226,687	6,263,819
Refunds of contributions	211,132	-	-	211,132
Administrative expense	72,646	1,055	1,716	75,417
Total deductions	6,027,388	294,577	228,403	6,550,368
Net increase (decrease)	(3,869,355)	(345,944)	(257,592)	(4,472,891)
NET POSITION HELD IN TRUST FOR				
PENSION BENEFITS, January 1	131,728,086	3,399,391	1,825,613	136,953,090
December 31	\$ 127,858,731	\$ 3,053,447	\$ 1,568,021	\$ 132,480,199

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 Policy and Concentrations

At December 31, 2015, the market value of pooled plan investments total \$132,395,661. These investments included Mutual Funds account with a market value of \$90,015,277, representing 67.99% of total plan assets; Westfield Capital Management account with a market value of \$16,716,439, representing 12.63% of total plan assets; Diamond Hill account with a market value of \$10,617,691, representing 8.02% of total plan assets; Luther King account with a market value of \$9,002,719, representing 6.80% of total plan assets; and Cambiar account with a market value of \$6,043,535, representing 4.56% 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 17 – RETIREMENT COMMITMENTS (continued)

The assets of the Employees Fund, Firefighters Fund and Police Fund 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.

The 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 Plan's debt securities represent more than 5% of total investments in any one issuer.

Money-Weighted Rate of Return on Investments

For the year ended December 31, 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.

G. 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	<u>\$ 4,982,299</u>	<u>\$ (504,143)</u>	<u>\$ (141,234)</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	96.36%	117.41%	108.38%

NOTE 17 – RETIREMENT COMMITMENTS (continued)

H. 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 by adding expected inflation. For each major asset class that is included in the pension plan's 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 <u>Retirement</u>	Fire <u>Pension</u>	Police <u>Pension</u>
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%

I. Single Discount Rate

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

NOTE 17 – RETIREMENT COMMITMENTS (continued)**J. Changes in the Net Pension Liability**

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
<u>Employee Retirement</u>			
Balance at 12/31/13	\$ 129,116,911	\$ 128,037,852	\$ 1,079,059
Changes for the Year	-	-	-
Service Cost	3,323,050	-	3,323,050
Interest	9,608,216	-	9,608,216
Actual Experience	-	-	-
Contributions - Employer	-	2,329,412	(2,329,412)
Contributions – Employee	-	1,920,158	(1,920,158)
Net Investment Income	-	4,814,477	(4,814,477)
of Employee Contributions	(5,337,792)	(5,337,792)	-
Administrative Expenses	-	(36,021)	36,021
Other Changes	-	-	-
Net Changes	7,593,474	3,690,234	3,903,240
Balance at 12/31/14	<u>\$ 136,710,385</u>	<u>\$ 131,728,086</u>	<u>\$ 4,982,299</u>
<u>Fire Pension</u>			
Balance at 12/31/13	\$ 2,946,028	\$ 3,484,702	\$ (538,674)
Changes for the Year	-	-	-
Service Cost	-	-	-
Interest	211,130	-	211,130
Actual Experience	-	-	-
Contributions - Employer	-	50,000	(50,000)
Contributions – Employee	-	-	-
Net Investment Income	-	127,269	(127,269)
of Employee Contributions	(261,910)	(261,910)	-
Administrative Expenses	-	(670)	670
Other Changes	-	-	-
Net Changes	(50,780)	(85,311)	34,531
Balance at 12/31/14	<u>\$ 2,895,248</u>	<u>\$ 3,399,391</u>	<u>\$ (504,143)</u>
<u>Police Pension</u>			
Balance at 12/31/13	\$ 1,789,672	\$ 1,946,775	\$ (157,103)
Changes for the Year	-	-	-
Service Cost	-	-	-
Interest	125,568	-	125,568
Actual Experience	-	-	-
Contributions - Employer	-	50,000	(50,000)
Contributions – Employee	-	-	-
Net Investment Income	-	60,595	(60,595)
of Employee Contributions	(230,861)	(230,861)	-
Administrative Expenses	-	(896)	896
Other Changes	-	-	-
Net Changes	(105,293)	(121,162)	15,869
Balance at 12/31/14	<u>\$ 1,684,379</u>	<u>\$ 1,825,613</u>	<u>\$ (141,234)</u>

NOTE 17 – RETIREMENT COMMITMENTS (continued)**K. Sensitivity of Net Pension Liability to Changes in the Single Discount Rate**

The following presents the net pension liability of the Pension Plans calculated using a Single Discount Rate of 7.50% measured as of December 31, 2014, as well as what the Plan's net pension liability would be if it were calculated using a Single Discount Rate that is one percent lower or one percent higher:

	<u>1% Decrease</u>	<u>Current Rate</u>	<u>1% Increase</u>
<u>Employee Retirement</u>			
Discount Rate	6.50%	7.50%	8.50%
Net Pension Liability	\$ 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)

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

For the year ended December 31, 2015, the City recognized pension expense/(income) of \$2,435,690, (\$16,359) and \$2,991 for Employee Retirement, Fire Pension and Police Pension, respectively. At December 31, 2014, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Net Deferred Outflows (Inflows) of Resources</u>
<u>Employee Retirement</u>			
Net difference between projected and actual earnings on pension plan investments	\$ 3,796,962	\$ -	\$ 3,796,962
Contributions subsequent to measurement date	2,507,779	-	2,507,779
Total	<u>\$ 6,304,741</u>	<u>\$ -</u>	<u>\$ 6,304,741</u>
<u>Fire Pension</u>			
Net difference between projected and actual earnings on pension plan investments	\$ 100,890	\$ -	\$ 100,890
Total	<u>\$ 100,890</u>	<u>\$ -</u>	<u>\$ 100,890</u>
<u>Police Pension</u>			
Net difference between projected and actual earnings on pension plan investments	\$ 62,878	\$ -	\$ 62,878
Total	<u>\$ 62,878</u>	<u>\$ -</u>	<u>\$ 62,878</u>

\$2,507,779 reported as deferred outflows of resources related to pensions resulting from the City's contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year ended December 31, 2016.

NOTE 17 – RETIREMENT COMMITMENTS (continued)

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

Year Ending December 31	Net Deferred Outflows of Resources		
	Employee Retirement	Fire Pension	Police Pension
2016	\$ 949,241	\$ 25,222	\$ 15,719
2017	949,241	25,222	15,719
2018	949,241	25,222	15,719
2019	949,239	25,224	15,721
Total	<u>\$ 3,796,962</u>	<u>\$ 100,890</u>	<u>\$ 62,878</u>

M. Participant Changes

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

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

N. Defined Contribution Plans

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

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

Covered payroll for the plan during 2015 was \$17,759,555. Both the City and the participants contributed the required 10% to this money purchase plan in 2015 amounting to \$1,775,955 each from the City and from employees for a total of \$3,551,911 of contributions. Vesting schedule for the plan is as follows:

NOTE 17 – RETIREMENT COMMITMENTS (continued)

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

Money Accumulation Pension Plan. The City provides the Money Accumulation Pension Plan for all regular City employees other than firefighters and police officers. This plan, a defined contribution plan, was adopted on January 1, 1980, in lieu of participation in Social Security. The City has no future liability to this Plan. Administrative changes to conform to federal legislation were adopted effective January 1, 2013. Contributions of 5% of base pay (6% for new members of the Plan after December 31, 2011) are required from all participants and a matching contribution of 5% is made by the City to the Plan. Covered payroll for the plan during 2015 was \$37,431,927. The City contributed the required 5% of base compensation to the plan in 2015 amounting to \$1,871,596 and participants contributed the required 5% (6% for new members of the Plan after December 31, 2011) from employees amounting to \$1,973,722 for a total of \$3,845,319 of contributions. Vesting schedule for the plan is as follows:

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

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

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

NOTE 18 – DEFERRED COMPENSATION PLAN

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

NOTE 19 – 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 position.

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.

NOTE 19 – WINDY GAP WATER PROJECT (continued)

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, 2015, is \$53,785,267 of which \$1,655,004 was paid in 2015. The assessed contribution to be paid in 2016 is \$1,697,958.

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.

2016	\$	1,678,408
2017		1,700,408

NOTE 20 – JOINT VENTURE PLATTE RIVER POWER AUTHORITY

The City purchased \$44,522,731 of electric power during 2015 from Platte River Power Authority of which \$3,604,744 is outstanding as an account payable of the Electric Enterprise Fund at December 31, 2015.

NOTE 21 – COMMITMENTS

At December 31, 2015, there were the following outstanding encumbrances in governmental funds:

	Total
Governmental Funds	
General	\$ 1,606,280
Electric Community Investment Fee Fund	-
Water System Construction Reserve	5,269
Water Acquisition	-
Sewer Construction Fund	2,982,102
Public Improvement Fund	481,689
Police Seizure	-
Prevention/Education	-
Community Development Block Grant	601,490
Affordable Housing	870
Downtown Parking Fund	49,650
Streets Systems	12,472,899
Transportation Community Investment Fee	627,105
Youth Services Fund	-
Library Services	1,950
Museum Services	-
Callahan House Fund	853
Senior Services Fund	2,714
Park Improvement	905,041
Parks Grants and Donations	27,380
Parks/Greenway Maintenance	297,659
Public Buildings Community Investment Fee	199,133
Open Space	171,108
Public Safety	13,307
Conservation Trust	251,258
Museum Trust	1
Longmont Urban Renewal Fund	25,561
Downtown General Improvement District #1	2,449
	20,725,768
Component Unit	
Downtown Development Authority	2,889
Downtown Development Capital Projects	1,044,636
Downtown Development Building Permits Fund	25,124
Downtown Development Arts & Entertainment Fund	4,875
	1,077,524
TOTAL COMMITTED ENCUMBRANCES	\$ 21,803,292

NOTE 21 – COMMITMENTS (continued)

B. At December 31, 2015, there were the following uncompleted construction contracts:

Fund	Project Title	Remaining Committed Construction
Enterprise Funds:		
Electric Fund	Broadband - FTTP Construction, Phase 1, Main Fiber	\$ 1,796,479
	Broadband - City Wide Fiber Engineering Services	149,609
	Electric-Sunset Bridge Construction	84,750
Water Fund	Skyline Tank Pump Station Rehabilitator	429,120
	Main Street Bridge over the St. Vrain River	227,225
	Water Distribution Rehab & Improvements	70,190
	Spillway Bridge Design	65,891
Sewer Fund	DB WWTP Ammonia-Dewatering Improvement Projects	23,982,076
	Directional Boring	541,117
Storm Drainage Fund	St. Vrain Creek Improvements	1,521,459
	Lefthand Creek Sediment	276,785
	St. Vrain Bank Stabilization	226,494
	Downtown Alley Improvements - Phase 2	218,577
	Main St Pavement Reconstruction Project	115,699
	Pleasant Valley Reservoir Spillway Improvements	35,837
Sanitation Fund (non-major)	St. Vrain Creek Improvements	15,860
		29,757,168
Capital Project Funds:		
Public Improvement Fund	Planning & Design-Garden Acres Park Renewal Plan	108,224
	Affolter Park Playground Replacement	19,016
		127,240
General Fund:	Software & Implementation Services for Enterprise Resource Planning System	575,650
		575,650
Special Revenue Funds:		
Sewer Construction Fund	DB WWTP Ammonia-Dewatering Improvement Projects	2,982,102
Street Improvement Fund	Main Street Bridge over the St. Vrain River	4,446,017
	Main St Pavement Reconstruction Proj	2,901,638
	Sunset Street Bridge Construction	2,885,471
	Downtown Alley Improvements - Phase 2	1,321,949
	On Call Transportation Engineering Services	138,048
	2015 Miscellaneous Concrete	62,320
	Design Services for Sunset Street Bridge	27,004
Transportation Community Investment Fee Fund	Main Street Bridge over the St. Vrain River	628,643
Park Improvement Fund	Quail Campus Tennis Courts	844,938
Parks/Greenway Fund	Design services-St Vrain Greenway	53,779
	Main Street Bridge over the St. Vrain River	35,000
	Kanemoto Playground Replace	32,058
Open Space Fund	St. Vrain River Redevelopment and Creek Improvements	91,025
Conservation Trust Fund	St. Vrain Greenway, Phase II at Pavlakis Open Space	212,655
	Main Street Bridge over the St. Vrain River	35,000
		16,697,647
Component Unit		
Downtown Alley Improvements - Phase 2	Downtown Alley Improvements	1,028,949
TOTAL COMMITTED CONSTRUCTION		\$ 48,186,654

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 22 – 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	137,148	48,860	-	472	186,480
Long-term notes & loan receivables	14,927	-	-	3,292	18,219
Total Nonspendable	152,075	48,860	-	648,340	849,275
Restricted:					
Endowments/Donations/Grants	-	-	-	1,010,929	1,010,929
Conservation Trust	-	-	-	7,785,155	7,785,155
Capital improvements - Parks	-	-	-	5,334,675	5,334,675
Capital improvements - Transportation	-	-	-	1,088,635	1,088,635
Capital improvements - Public Buildings	-	-	-	1,388,815	1,388,815
Capital improvements - Electric	-	-	-	3,120,234	3,120,234
Capital improvements - Water	-	-	-	25,477,565	25,477,565
Capital improvements - Sewer	-	-	-	4,140,457	4,140,457
District Improvements	-	-	74,570	88,725	163,295
State imposed Emergencies	3,559,526	-	-	2,802	3,562,328
Historical Preservation	-	-	-	10,893	10,893
Open Space Acquisition	-	-	-	4,918,712	4,918,712
Parks and Greenway Maintenance	-	-	-	1,922,314	1,922,314
Public Safety	-	-	-	1,417,548	1,417,548
Tourism Programs	-	-	-	117,541	117,541
Streets and Highways	-	13,945,071	-	-	13,945,071
Capital Project Construction/Acquisition	-	-	-	3,277,576	3,277,576
Debt Service	-	-	9,060	2,327,739	2,336,799
Total Restricted	3,559,526	13,945,071	83,630	63,430,315	81,018,542
Committed:					
Downtown Parking	-	-	-	185,047	185,047
Judicial Programs	-	-	-	24,598	24,598
Youth Services	-	-	-	155,170	155,170
Museum Services	-	-	-	88,639	88,639
Urban Renewal	-	-	-	175,966	175,966
Callahan House	-	-	-	21,272	21,272
Senior Services	-	-	-	229,572	229,572
Parks	-	-	-	627,796	627,796
Affordable Housing	-	-	-	943,876	943,876
Probation Services	-	-	-	86,617	86,617
Greenway/Izaak Walton	-	-	-	61,233	61,233
Public Safety	-	-	-	85,943	85,943
Water Acquisition	-	-	-	411,688	411,688
Staff Contract	225,720	-	-	-	225,720
Future carryover projects	2,585,563	-	-	-	2,585,563
Subsequent years' expenditures	1,413,187	-	-	-	1,413,187
Total Committed	4,224,470	-	-	3,097,417	7,321,887
Assigned:					
Art in Public Places	687,707	-	-	-	687,707
Air Quality Control	16,093	-	-	-	16,093
Library Services	5,245	-	-	-	5,245
Reimbursement to Developers	513,031	-	-	-	513,031
Gifts/Memorials	525	-	-	-	525
Tree Mitigation	214,000	-	-	-	214,000
Historic Eastside	600	-	-	-	600
Homeless Study	50,000	-	-	-	50,000
Bohn Farm	240,000	-	-	-	240,000
Assoc Judge	6,460	-	-	-	6,460
Hazmat	61,453	-	-	-	61,453
Wildland Fires	391,515	-	-	-	391,515
Flood Recovery	33,503	-	-	-	33,503
Mental Health	1,631	-	-	-	1,631
Total Assigned	2,221,764	-	-	-	2,221,764
Unassigned:	8,468,460	-	-	(693,162)	7,775,298
Total Fund Balances	\$ 18,626,295	\$ 13,993,931	\$ 83,630	\$ 66,482,910	\$ 99,186,766

NOTE 23 – 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 \$1,663,203. This estimate is not reported as a liability by the City because the water treatment facility does not meet the definition of landfill contained in GASB Statement No. 18, as defined by the U.S. Environmental Protection Agency.

NOTE 24 – CORRECTIONS TO PRIOR PERIODS

In 2015, the City implemented new accounting software to replace the old system that has been in place for over 30 years. The fixed asset accounting within the old system was unable to keep up with changes throughout the years, and therefore did not accumulate totals correctly. During conversion to the new system, the City was unable to extract the correct totals that have been presented in the financial statements in past years. This resulted in the need for accounting to adjust the balances in order for the financial statements to tie out to the new fixed asset accounting system going forward. In addition to corrections for fixed assets for conversion adjustments, the City also discovered some assets that were inadvertently booked twice. The following tables show the cumulative effect of the changes to the fixed assets for the Governmental activities, Business type activities, and the Downtown Development Authority.

TOTAL GOVERNMENTAL ACTIVITIES	AMOUNTS PER 2014 CAFR	RESTATED AMOUNTS PER CONVERSION	ADJUSTMENT
WATER RIGHTS	\$ -	\$ 165,815	\$ 165,815
LAND	99,129,704	84,155,825	(14,973,879)
CONSTRUCTION IN PROGRESS	15,374,500	15,863,217	488,717
BUILDINGS	92,897,660	77,183,475	(15,714,185)
OTHER IMPROVEMENTS	347,290,834	342,439,052	(4,851,782)
EQUIPMENT	52,338,973	58,433,060	6,094,087
EQUIP/CAPITAL LEASE	3,420,351	-	(3,420,351)
ACCUMULATED DEPR	(279,740,240)	(268,403,593)	11,336,647
	<u>\$ 330,711,782</u>	<u>\$ 309,836,851</u>	<u>\$ (20,874,931)</u>

TOTAL BUSINESS TYPE ACTIVITIES	AMOUNTS PER 2014 CAFR	RESTATED AMOUNTS PER CONVERSION	ADJUSTMENT
WATER RIGHTS	\$ -	\$ 194,214,888	\$ 194,214,888
LAND	200,139,563	92,901,702	(107,237,861)
CONSTRUCTION IN PROGRESS	7,227,324	7,227,321	-
BUILDINGS	156,107,941	107,721,940	(48,386,001)
OTHER IMPROVEMENTS	399,146,630	354,556,271	(44,590,359)
EQUIPMENT	11,582,296	13,694,047	2,111,751
ACCUMULATED DEPR	(203,160,072)	(176,654,074)	26,505,998
	<u>\$ 571,043,682</u>	<u>\$ 593,662,095</u>	<u>\$ 22,618,415</u>

TOTAL DOWNTOWN DEVELOPMENT AUTHORITY	AMOUNTS PER 2014 CAFR	RESTATED AMOUNTS PER CONVERSION	ADJUSTMENT
LAND	\$ 445,668	\$ 786,921	\$ (341,253)
CONSTRUCTION IN PROGRESS	539,377	649,736	(110,359)
BUILDINGS	82,455	80,454	2,001
OTHER IMPROVEMENTS	7,535,409	7,233,279	302,130
EQUIPMENT	2,542	425	2,117
EQUIP/CAPITAL LEASE	-	-	-
ACCUMULATED DEPR	(3,158,266)	(2,830,601)	(327,665)
	<u>\$ 5,447,185</u>	<u>\$ 5,920,214</u>	<u>\$ (473,029)</u>

Effective January 1, 2015, net position for governmental activities and business type activities have also been restated due to the implementation of the provisions of GASB Statement No. 68, Accounting and Financial Reporting for Pensions and GASB statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date. Net Position was restated by \$(1,383,438) for Governmental Activities, and by \$(670,349) for Business type activities. Total cumulative effect of all restatements are as follows:

	Governmental Activities	Business-type Activities	Downtown Development Authority
Net Position December 31, 2014 as previously reported	\$ 395,932,144	\$ 584,837,110	\$ 11,198,008
Cumulative effect of correction to prior period	(22,258,369)	21,948,066	473,029
Net Position December 31, 2014 as Restated	<u>\$ 373,673,775</u>	<u>\$ 606,785,176</u>	<u>\$ 11,671,037</u>



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, 2015

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, 2015**

Retirement System - Defined Benefit Plan (Continued)

The following information presents a schedule of contributions:

Employee Retirement					
Fiscal Year Ended December 31,	Actuarially Determined Contribution (1)	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
2015	\$ 2,160,600	\$ 2,507,779	\$ (347,179)	\$ 37,431,927	6.70 %
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
2015	\$ -	\$ -	\$ -	-	N/A %
2014	\$ -	\$ 50,000	\$ (50,000)	-	N/A %

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

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

(1) The most current Actuary report is as of 12/31/2014, thus Actuarially Determined Contribution is the same for 2014 and 2015.

**EMPLOYEE, FIRE AND POLICE PENSION PLANS
SCHEDULE OF EMPLOYER CONTRIBUTIONS (CONTINUED)
REQUIRED SUPPLEMENTARY INFORMATION
December 31, 2015**

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, 2015**

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.

**RETIREE HEALTH INSURANCE PLAN
REQUIRED SUPPLEMENTARY INFORMATION
December 31, 2015**

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
12/31/15	\$ 475,407	100.0 %	\$ 419,818
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, 2015

	Budget	Actual	Variance from Final Budget
TAXES			
General property taxes:			
Current	\$ 13,906,468	\$ 14,112,717	\$ 206,249
Prior years	-	(11,567)	(11,567)
General sales and use tax	30,348,825	30,834,514	485,689
Selected sales and use tax -			
Cigarette	160,000	156,536	(3,464)
Franchise taxes:			
Gas	820,000	696,019	(123,981)
Cable Television	860,000	891,477	31,477
Telephone	200,304	216,078	15,774
Electric	5,196,643	5,155,460	(41,183)
Telecommunications	8,142	9,271	1,129
Water	283,690	283,690	-
Wastewater	528,480	528,480	-
	52,312,552	52,872,675	560,123
LICENSES AND PERMITS			
Business licenses and permits:			
Liquor	7,000	7,894	894
Business	6,000	4,690	(1,310)
Sales Tax	25,600	25,350	(250)
Non-Business licenses and permits:			
Building	1,269,989	1,866,122	596,133
Wood burning	-	543	543
Contractor	119,440	122,950	3,510
Animal	-	-	-
Parade / use of public places	7,800	7,600	(200)
	1,435,829	2,035,149	599,320
INTERGOVERNMENTAL REVENUE			
Federal revenue	820,732	752,875	(67,857)
State shared revenue:			
Severance tax	20,000	276,880	256,880
Grants	517,892	326,590	(191,302)
Non-grant state revenue	27,279	96,227	68,948
Local government shared revenue:			
Shared Fines	75,000	77,889	2,889
Grants/School Resource Officer	278,449	349,665	71,216
	1,739,352	1,880,126	140,774

(continued)

GENERAL FUND
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
COMPARED TO BUDGET (LEGAL BASIS)
Year Ended December 31, 2015

	Budget	Actual	Variance from Final Budget
CHARGES FOR SERVICE			
General government:			
Zoning and hearing	\$ 65,000	\$ 157,744	92,744
Disconnect Tag Fees	440,000	448,559	8,559
Maps and publications	800	786	(14)
Pcard rebate	74,250	-	(74,250)
Print shop charges	-	-	-
Sales tax commission	45,000	86,677	41,677
Liquor application fee	27,000	23,925	(3,075)
Public safety:			
Criminal justice records	20,000	23,092	3,092
Off-duty officer reimbursement	50,000	30,066	(19,934)
Fire inspection & fireworks fees	64,730	96,597	31,867
Offender registration/impound fees	12,200	13,032	832
Emergency dispatch reimbursement	220,173	220,373	200
Elevator inspection	39,900	28,140	(11,760)
Highways and streets:			
Work in right of way permit	-	7,394	7,394
Developer Participation	-	11,521	11,521
Plan check fees	384,524	931,163	546,639
Variance/Appeals board	1,300	-	(1,300)
Right-of-way maintenance	240,138	240,138	-
Downtown maintenance	40,000	26,191	(13,809)
Culture and Recreation:			
Recreation center - all fees	1,764,780	1,988,820	224,040
Pool fees	538,300	506,606	(31,694)
Reservoir fees	240,000	353,714	113,714
Activity fees	1,275,129	1,357,151	82,022
Facility use fees	330,940	367,675	36,735
Concessions	138,943	146,412	7,469
Parks maintenance	-	-	-
Senior citizens:			
Activity fees	550	575	25
Facility fees	19,000	28,446	9,446
Administrative reimbursements:			
Sanitation	561,085	561,085	-
Golf	137,341	137,341	-
Electric	1,499,015	1,499,015	-
Telecommunications	165,405	165,405	-
Water	1,228,549	1,228,549	-
Sewer	797,640	797,640	-
Storm Drainage	403,149	403,149	-
Airport	112,744	112,744	-
Tree Planting	23,000	23,000	-
Rec Sponsorship	10,500	1,000	-
Streets	874,464	874,464	-
Wedding	1,351	1,351	-
Museum	-	21,000	-
Library Services	52,075	79,641	-
Senior Services	19,769	19,769	-
Open Space	159,716	159,716	-
Fleet	264,164	268,446	4,282
Self Insurance	112,206	112,206	-
Workers' Compensation	129,421	129,421	-
General Improvement District	9,784	9,784	-
	12,594,035	13,719,865	1,086,764
FINES AND FORFEITS			
Court:			
Parking	105,000	111,607	6,607
Other court fines	715,000	550,247	(164,753)
Court fine surcharge	76,000	62,507	(13,493)
Jury fees	-	-	-
Bond forfeitures	18,000	29,043	11,043
Court education fees	26,000	29,480	3,480
Court costs reimbursements	117,500	106,503	(10,997)
Probation & home detention monitoring fees	26,400	27,970	1,570
Outstanding judgments/warrants	4,300	4,410	110
Library fines	93,000	87,618	(5,382)
False alarm fines	40,000	32,780	(7,220)
Weed cutting fines	18,000	15,178	(2,822)
Other fines	1,500	760	(740)
	1,240,700	1,058,103	(182,597)

GENERAL FUND
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
COMPARED TO BUDGET (LEGAL BASIS)
Year Ended December 31, 2015

	Budget	Actual	Variance from Final Budget
INVESTMENT INCOME AND MISCELLANEOUS REVENUE			
Investment income	\$ 75,000	\$ 110,050	35,050
Miscellaneous	77,413	273,081	195,668
Private grants/donations	109,422	54,153	(55,269)
Oil and gas royalties	8,500	45,774	37,274
	270,335	483,058	212,723
OTHER FINANCING SOURCES			
Transfers in:			
Electric Fund	30,296	30,296	-
Library Services Fund	-	-	-
Senior Services	-	-	-
Museum Services Fund	-	-	-
Museum Trust Fund	-	-	-
Judicial Wedding Fund	-	-	-
Sanitation Fund	6,871	6,871	-
Golf Fund	2,784	2,784	-
Telecommunications Fund	111	111	-
Water Fund	15,938	15,938	-
Sewer Fund	9,372	9,372	-
Storm Drainage Fund	5,952	5,952	-
Airport Fund	76	76	-
Probation Services Fund	-	64	64
Affordable Housing Fund	-	108	108
Streets Fund	3,497	3,497	-
Art in Public Places Fund	-	31	31
Open Space Fund	305	305	-
Public Safety Fund	9,809	9,809	-
Fleet Fund	-	-	-
Proceeds from Advance	1,120,000	1,120,000	-
Total other financing sources	1,205,011	1,205,214	203
Total revenues and other sources (legal basis)	\$ 70,797,814	\$ 73,254,190	2,456,376

RECONCILIATION TO GAAP BASIS

Less - other financing sources	(1,205,214)
Total revenues (GAAP basis)	\$ 72,048,976

GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
COMPARED TO BUDGET (LEGAL BASIS)
Year Ended December 31, 2015

	Budget	Actual	Variance from Final Budget
NON-DEPARTMENTAL			
CITY COUNCIL	\$ 786,341	\$ 693,833	\$ 92,508
CITY ATTORNEY	1,115,117	1,055,150	59,967
MUNICIPAL COURT			
Courts	505,945	480,890	25,055
Probation	291,436	274,756	16,680
CITY MANAGER			
City Manager	1,231,315	1,198,447	32,868
General Fund Transfers	550,729	557,385	(6,656)
Non Departmental	722,307	597,927	124,380
Butterball Redevelopment	1,250,000	660,000	590,000
HUMAN RESOURCES	1,012,400	974,403	37,997
	<u>7,465,590</u>	<u>6,492,791</u>	<u>972,799</u>
SHARED SERVICES			
Purchasing	607,329	576,934	30,395
Enterprise Technology Services			
ETS one time	278,259	133,292	144,967
PC Replacements	240,700	229,240	11,460
ETS Operations	1,984,935	1,628,285	356,650
ETS Applications	1,319,534	1,250,379	69,155
ETS Telephone	306,878	275,093	31,785
City Clerk	500,673	460,496	40,177
Election Voter Registration	130,266	133,889	(3,623)
	<u>5,368,574</u>	<u>4,687,608</u>	<u>680,966</u>
FINANCE			
Finance Administration	256,550	248,384	8,166
Sales Tax	390,528	319,278	71,250
Treasury	239,863	205,531	34,332
Information Desk	71,058	84,492	(13,434)
Accounting	774,123	746,223	27,900
Budget	310,572	231,334	79,238
HATS Project	2,729,601	762,433	1,967,168
Risk	270,102	284,361	(14,259)
Wellness	84,888	82,260	2,628
Safety	151,628	115,393	36,235
Utility Billing	1,475,494	1,404,853	70,641
Mail Delivery	64,826	65,313	(487)
	<u>6,819,233</u>	<u>4,549,853</u>	<u>2,269,380</u>

(continued)

GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
COMPARED TO BUDGET (LEGAL BASIS)
Year Ended December 31, 2015

	Budget	Actual	Variance from Final Budget
PUBLIC SAFETY			
Public Safety Chief	\$ 526,773	\$ 533,971	\$ (7,198)
Patrol	9,647,955	9,655,405	(7,450)
Detectives	2,553,839	2,552,821	1,018
Special Enforcement Unit	867,097	878,678	(11,581)
SWAT Team	341,883	361,972	(20,089)
Animal Control	642,302	583,818	58,484
School Resources Officers	591,280	579,613	11,667
Traffic Unit	1,013,308	1,023,906	(10,598)
Special Operations	542,474	488,103	54,371
Fire Suppression	9,654,370	9,546,134	108,236
Hazmat Team	117,485	110,060	7,425
Technical Rescue Team	80,183	50,277	29,906
Wild land Team	272,190	236,016	36,174
Fire Codes and Planning	421,348	417,447	3,901
Fire Investigations	36,447	26,224	10,223
Public Safety Info Services	460,955	450,738	10,217
Public Safety Outreach	175,830	154,546	21,284
Emergency Communication Center	1,735,926	1,711,458	24,468
Public Safety IT	473,664	428,857	44,807
Records Unit	600,342	510,618	89,724
Click it or Ticket Grant	9,000	8,988	12
Public Safety Volunteers	17,505	14,941	2,565
DUI Grant	38,911	40,309	(1,398)
Restorative Justice Grant	110,200	41,326	68,874
Public Safety Support Services	706,185	681,469	24,716
Extra Duty	73,842	21,876	51,966
Training and Personnel	1,142,673	1,210,235	(67,562)
Emergency Management	117,538	109,591	7,947
Flood Recovery	293,060	185,651	107,409
	<u>33,264,565</u>	<u>32,615,048</u>	<u>649,517</u>
DEVELOPMENT SERVICES			
Development Services	2,115,345	1,549,261	566,084
Building Permits	1,042,704	1,003,269	39,435
Code Enforcement	522,823	483,075	39,748
Graffiti Eradication	40,116	32,527	7,589
Redevelopment	182,870	172,971	9,899
	<u>3,903,858</u>	<u>3,241,103</u>	<u>662,755</u>

(continued)

GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
COMPARED TO BUDGET (LEGAL BASIS)
Year Ended December 31, 2015

	Budget	Actual	Variance from Final Budget
COMMUNITY SERVICES			
Community Services Admin	\$ 700,393	\$ 644,310	\$ 56,083
Outside Agencies	1,075,027	1,075,000	27
Recreation Administration	396,914	338,497	58,417
Recreation Aquatics	981,935	861,742	120,193
Recreation Athletics	464,122	452,485	11,637
Recreation Concessions	169,432	228,076	(58,644)
Recreation Community Events	173,511	166,775	6,736
Recreation General Programs	771,833	741,601	30,232
Recreation Special Needs	66,101	62,061	4,040
Recreation Outdoor Programs	49,352	46,902	2,450
Recreation Ice Rink	147,903	175,128	(27,225)
Recreation Sport Fields Mtce	208,943	203,221	5,722
Recreation Youth Programs	42,357	44,406	(2,049)
Recreation Center	1,446,841	1,553,518	(106,677)
Neighborhood Resources	432,526	370,661	61,865
Parking Enforcement	108,382	108,984	(602)
CYF Administration	736,179	662,201	73,978
Library Administration	442,524	423,152	19,372
Library Adult Services	1,101,197	1,071,754	29,443
Library Children and Teens	493,870	487,794	6,076
Library Tech Services	622,706	581,570	41,136
Library Circulation	632,610	630,852	1,758
Museum Administration	865,510	788,760	76,750
Museum Auditorium	83,974	67,215	16,759
Senior Services Administration	730,442	702,849	27,593
	12,944,584	12,489,516	455,068
PUBLIC WORKS NATURAL RESOURCES			
PWNR Engineering and Tech Svcs	405,314	407,890	(2,576)
PWNR Facilities Operations	1,412,067	1,380,878	31,189
PWNR Facilities Maintenance	1,616,068	1,561,462	54,606
PWNR Parks Maintenance	2,044,662	2,149,540	(104,878)
PWNR DDA Maintenance	-	9,346	(9,346)
PWNR Muni Grounds Maintenance	228,578	207,648	20,930
PWNR ROW Maintenance	479,711	345,669	134,042
PWNR Parks Administration	363,836	361,627	2,209
PWNR Parks Development Improveme	197,603	185,130	12,473
PWNR Forestry Maintenance	666,952	670,443	(3,491)
PWNR Union Reservoir	265,613	259,181	6,432
Natural Resources CIP Projects	640,851	433,275	207,576
	8,321,255	7,972,089	349,166
Total Expenditures (legal basis)	\$ 78,087,659	72,048,009	\$ 6,039,650
RECONCILIATION TO GAAP BASIS			
Transfers Out:			
DDA Transfer		(20,000)	
Holiday Lights Transfer		(5,000)	
Public Improvement Fund		(557,385)	
Affordable Housing Fund		(152,319)	
Callahan House Fund		(69,348)	
Total expenditures (GAAP Basis)		\$ 71,243,957	



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, 2015

	Conservation	Park Improvement	General Improvement District #1 Operating
ASSETS			
Equity in pooled cash & cash equivalents	\$ 7,793,760	\$ 5,538,348	\$ 94,850
Cash and cash equivalents	-	-	-
Receivables (net of allowance for uncollectibles):			
Accounts	-	-	-
Taxes	-	-	100,372
Grants	-	-	-
Loans	-	-	-
Deferred loans	-	-	-
Fees	-	-	-
Accrued Interest	17,672	12,943	229
Prepays	-	-	-
Due from other governments	-	-	702
Restricted assets:			
Equity in pooled cash & cash	-	-	-
Cash and cash equivalents	-	-	-
Total assets	\$ 7,811,432	\$ 5,551,291	\$ 196,153
LIABILITIES			
Accounts payable	\$ 25,997	\$ 91,007	\$ 3,183
Construction contracts payable	280	71,515	-
Accrued liabilities	-	-	1,071
Accrued sick and vacation - current portion	-	-	-
Due to other funds	-	-	-
Unearned revenue	-	-	-
Deposits	-	-	-
Total liabilities	26,277	162,522	4,254
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue-property taxes	-	-	100,372
Unavailable revenue-grants	-	-	-
Total deferred inflows of resources	-	-	100,372
FUND BALANCES			
Nonspendable	-	-	-
Restricted	7,785,155	5,388,769	91,527
Committed	-	-	-
Assigned	-	-	-
Unassigned	-	-	-
Total fund balances (deficits)	7,785,155	5,388,769	91,527
Total liabilities, deferred inflows of resources and fund balances (deficits)	\$ 7,811,432	\$ 5,551,291	\$ 196,153

Special Revenue Funds

	Community Development Block Grant	Downtown Parking	Judicial Wedding Fee	Police Seizures	Prevention/ Education	Youth Services	Transportation Community Investment Fee
\$	-	185,534	24,542	43,611	138,483	162,181	1,091,157
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	1,180,721	-	-	-	14,447	-	-
	1,293,659	-	-	-	-	-	-
	-	-	-	-	-	-	-
	1,257	416	56	-	316	391	2,538
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
\$	2,475,637	185,950	24,598	43,611	153,245	162,572	1,093,695
\$	555,699	224	-	-	12,973	47	6,027
	-	-	-	-	-	-	(967)
	21,533	679	-	-	1,903	658	-
	-	-	-	-	-	-	-
	1,251,407	-	-	2,000	-	-	-
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	1,828,639	903	-	2,000	14,876	705	5,060
	-	-	-	-	-	-	-
	1,340,160	-	-	-	-	-	-
	1,340,160	-	-	-	-	-	-
	-	-	-	-	-	-	-
	-	-	-	41,611	70,241	6,697	1,088,635
	-	185,047	24,598	-	68,128	155,170	-
	(693,162)	-	-	-	-	-	-
	-	-	-	-	-	-	-
	(693,162)	185,047	24,598	41,611	138,369	161,867	1,088,635
\$	2,475,637	185,950	24,598	43,611	153,245	162,572	1,093,695

(continued)

COMBINING BALANCE SHEET
Nonmajor Governmental Funds
December 31, 2015

	Public Buildings Community Investment Fee	Electric Community Investment Fee	Water System Construction Reserve	Water Acquisition
ASSETS				
Equity in pooled cash & cash equivalents	\$ 1,554,659	\$ 3,113,129	\$ 20,200,912	\$ 5,220,381
Cash and cash equivalents	-	-	-	-
Receivables (net of allowance for uncollectibles):				
Accounts	-	-	-	(691)
Taxes	-	-	-	-
Grants	-	-	-	-
Loans	-	-	-	-
Deferred loans	-	-	-	-
Fees	-	-	-	-
Accrued Interest	3,527	7,105	44,985	11,978
Prepays	-	-	-	-
Due from other governments	-	-	-	-
Restricted assets:				
Equity in pooled cash & cash	-	-	-	-
Cash and cash equivalents	-	-	-	-
Total assets	\$ 1,558,186	\$ 3,120,234	\$ 20,245,897	\$ 5,231,668
LIABILITIES				
Accounts payable	\$ 149,230	\$ -	\$ -	\$ -
Construction contracts payable	20,141	-	-	-
Accrued liabilities	-	-	-	-
Accrued sick and vacation - current portion	-	-	-	-
Due to other funds	-	-	-	-
Unearned revenue	-	-	-	-
Deposits	-	-	-	-
Total liabilities	169,371	-	-	-
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue-property taxes	-	-	-	-
Unavailable revenue-grants	-	-	-	-
Total deferred inflows of resources	-	-	-	-
FUND BALANCES				
Nonspendable	-	-	-	-
Restricted	1,388,815	3,120,234	20,245,897	5,231,668
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total fund balances (deficits)	1,388,815	3,120,234	20,245,897	5,231,668
Total liabilities, deferred inflows of resources and fund balances (deficits)	\$ 1,558,186	\$ 3,120,234	\$ 20,245,897	\$ 5,231,668

Special Revenue Funds

Raw Water Storage Reserve	Sewer Construction	Library Services	Museum Services	Historic Preservation	Callahan House	Senior Services	Parks Grants & Donations
\$ 410,746	\$ 4,131,284	\$ 83,314	\$ 29,236	\$ 10,868	\$ 23,634	\$ 237,038	\$ 634,518
-	-	78,226	-	-	-	-	-
-	205	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	122	-	-	-	-	-	-
-	-	-	-	-	-	-	-
942	8,968	203	66	25	59	573	1,448
-	-	100	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 411,688</u>	<u>\$ 4,140,579</u>	<u>\$ 161,843</u>	<u>\$ 29,302</u>	<u>\$ 10,893</u>	<u>\$ 23,693</u>	<u>\$ 237,611</u>	<u>\$ 635,966</u>
\$ -	\$ -	\$ 7,197	\$ -	\$ -	\$ 141	\$ 4,518	\$ -
-	-	-	823	-	2,280	185	4,447
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	14,504	-	-	3,335	-
-	-	7,197	15,327	-	2,421	8,038	4,447
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	122	-	-	-	-	-	-
-	4,140,457	154,646	13,976	10,893	-	-	3,723
411,688	-	-	(1)	-	21,272	229,573	627,796
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>411,688</u>	<u>4,140,579</u>	<u>154,646</u>	<u>13,975</u>	<u>10,893</u>	<u>21,272</u>	<u>229,573</u>	<u>631,519</u>
<u>\$ 411,688</u>	<u>\$ 4,140,579</u>	<u>\$ 161,843</u>	<u>\$ 29,302</u>	<u>\$ 10,893</u>	<u>\$ 23,693</u>	<u>\$ 237,611</u>	<u>\$ 635,966</u>

(continued)

COMBINING BALANCE SHEET
Nonmajor Governmental Funds
December 31, 2015

	Affordable Housing	Open Space	Public Safety	Lodgers Tax	Probation Services
ASSETS					
Equity in pooled cash & cash equivalents	\$ 948,166	\$ 3,433,055	\$ 1,141,249	\$ 104,016	\$ 88,646
Cash and cash equivalents	-	-	-	-	-
Receivables (net of allowance for uncollectibles):					
Accounts	-	411	-	-	-
Taxes	-	380,365	618,086	17,854	-
Grants	-	10,000	44,252	-	-
Loans	4,370,905	-	3,170	-	-
Deferred loans	-	-	-	-	-
Fees	-	-	-	-	-
Accrued Interest	2,122	13,500	3,129	215	207
Prepays	-	-	472	-	-
Due from other governments	-	-	-	-	-
Restricted assets:					
Equity in pooled cash & cash	-	-	-	-	-
Cash and cash equivalents	-	3,649,759	-	-	-
Total assets	\$ 5,321,193	\$ 7,487,090	\$ 1,810,358	\$ 122,085	\$ 88,853
LIABILITIES					
Accounts payable	\$ -	\$ 207,594	\$ 57,719	\$ 4,544	\$ -
Construction contracts payable	-	15,561	-	-	-
Accrued liabilities	6,412	6,157	167,329	-	2,236
Accrued sick and vacation - current portion	-	1,327	-	-	-
Due to other funds	-	-	-	-	-
Unearned revenue	-	-	-	-	-
Deposits	-	-	-	-	-
Total liabilities	6,412	230,639	225,048	4,544	2,236
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue-property taxes	-	-	-	-	-
Unavailable revenue-grants	4,370,905	10,000	15,000	-	-
Total deferred inflows of resources	4,370,905	10,000	15,000	-	-
FUND BALANCES					
Nonspendable	-	-	3,642	-	-
Restricted	-	7,246,451	1,566,668	117,541	-
Committed	943,876	-	-	-	86,617
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total fund balances (deficits)	943,876	7,246,451	1,570,310	117,541	86,617
Total liabilities, deferred inflows of resources and fund balances (deficits)	\$ 5,321,193	\$ 7,487,090	\$ 1,810,358	\$ 122,085	\$ 88,853

Special Revenue Funds

Park/ Greenway Maintenance	Traffic Safety	Museum Trust	Jones Foundation Trust	Longmont Urban Renewal Authority	TOTALS
\$ 1,881,940	\$ 17,772	\$ 88,979	\$ 61,093	\$ 176,442	\$ 58,663,542
-	-	-	-	-	78,226
215,398	-	-	-	-	215,323
-	-	-	-	-	1,116,677
-	-	-	-	-	1,249,420
-	-	-	-	-	5,667,856
-	-	-	-	-	-
-	-	-	-	-	-
4,367	43	203	140	491	140,114
-	-	-	-	-	572
-	-	-	-	-	702
-	-	-	-	-	-
-	-	-	-	-	3,649,759
<u>\$ 2,101,705</u>	<u>\$ 17,815</u>	<u>\$ 89,182</u>	<u>\$ 61,233</u>	<u>\$ 176,933</u>	<u>\$ 70,782,191</u>
\$ 71,588	\$ -	\$ 543	\$ -	\$ -	\$ 1,198,231
107,803	-	-	-	-	218,780
-	-	-	-	967	212,233
-	-	-	-	-	1,327
-	-	-	-	-	1,253,407
-	-	-	-	-	-
-	-	-	-	-	17,839
<u>179,391</u>	<u>-</u>	<u>543</u>	<u>-</u>	<u>967</u>	<u>2,901,817</u>
-	-	-	-	-	100,372
-	-	-	-	-	5,736,065
-	-	-	-	-	5,836,437
-	-	-	-	-	3,764
1,922,314	-	-	-	-	59,635,918
-	17,815	88,639	61,233	175,966	3,097,417
-	-	-	-	-	(693,162)
-	-	-	-	-	-
<u>1,922,314</u>	<u>17,815</u>	<u>88,639</u>	<u>61,233</u>	<u>175,966</u>	<u>62,043,937</u>
<u>\$ 2,101,705</u>	<u>\$ 17,815</u>	<u>\$ 89,182</u>	<u>\$ 61,233</u>	<u>\$ 176,933</u>	<u>\$ 70,782,191</u>

(continued)

COMBINING BALANCE SHEET
Nonmajor Governmental Funds
December 31, 2015

	Capital Projects Fund	Permanent Fund	
	Public Improvement Capital Projects	Mosher/ Kanemoto Trust	Total Nonmajor Governmental Funds
ASSETS			
Equity in pooled cash & cash equivalents	\$ 3,245,427	\$ 1,158,740	\$ 63,067,710
Cash and cash equivalents	-	-	78,226
Receivables (net of allowance for uncollectibles):			
Accounts	-	-	215,323
Taxes	327,274	-	1,443,951
Grants	-	-	1,249,420
Loans	-	-	5,667,856
Deferred loans	-	-	-
Fees	-	-	-
Accrued Interest	7,206	2,657	149,977
Prepays	-	-	572
Due from other governments	-	-	702
Restricted assets:			
Equity in pooled cash & cash	-	-	-
Cash and cash equivalents	-	-	3,649,759
Total assets	\$ 3,579,908	\$ 1,161,397	\$ 75,523,496
LIABILITIES			
Accounts payable	\$ 245,681	\$ -	1,443,912
Construction contracts payable	56,651	-	275,431
Accrued liabilities	-	-	212,233
Accrued sick and vacation - current portion	-	-	1,327
Due to other funds	-	-	1,253,407
Unearned revenue	-	-	-
Deposits	-	-	17,839
Total liabilities	302,332	-	3,204,149
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue-property taxes	-	-	100,372
Unavailable revenue-grants	-	-	5,736,065
Total deferred inflows of resources	-	-	5,836,437
FUND BALANCES			
Nonspendable	-	644,576	648,340
Restricted	3,277,576	516,821	63,430,315
Committed	-	-	3,097,417
Assigned	-	-	(693,162)
Unassigned	-	-	-
Total fund balances	3,277,576	1,161,397	66,482,910
Total liabilities, deferred inflows of resources and fund balances (deficits)	\$ 3,579,908	\$ 1,161,397	\$ 75,523,496

**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES**
Nonmajor Governmental Funds
For the Year Ended December 31, 2015

Special Revenue Funds

	Conservation	Park Improvement	General Improvement District #1	Community Development Block Grant	Downtown Parking	Judicial Wedding Fees
REVENUES						
Taxes	\$ -	\$ -	\$ 92,106	\$ -	\$ -	-
Licenses and permits	-	1,464,015	-	-	70,766	-
Developer/owner participation	-	-	-	-	-	-
Intergovernmental	868,143	5,241	-	3,451,505	-	-
Charges for services	-	-	-	-	-	1,600
Fines and forfeits	-	-	-	-	-	-
Investment income	34,957	28,635	1,221	23,065	766	122
Private grants/donations	-	2,175	-	-	-	-
Miscellaneous	-	-	60	103,690	-	-
Total revenues	903,100	1,500,066	93,387	3,578,260	71,532	1,722
EXPENDITURES						
Current:						
General governmental	-	-	110,551	4,717,890	44,336	507
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Culture and recreation	131,953	1,532,418	-	-	-	-
Municipal utility system	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
Debt service:						
Bond principal retired	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
Bond issuance costs	-	-	-	-	-	-
Total expenditures	131,953	1,532,418	110,551	4,717,890	44,336	507
Excess of revenues over (under) expenditures	771,147	(32,352)	(17,164)	(1,139,630)	27,196	1,215
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	17,846	-
Transfers out	-	(14,017)	-	(6,399)	-	(1,351)
Total other financing sources (uses)	-	(14,017)	-	(6,399)	17,846	(1,351)
Excess of revenues and other sources over Net change in fund balances	771,147	(46,369)	(17,164)	(1,146,029)	45,042	(136)
FUND BALANCES (DEFICITS), January 1	7,014,008	5,435,138	108,691	452,867	140,005	24,734
Cumulative effect of correction to prior period	-	-	-	-	-	-
Restated Fund Balance	7,014,008	5,435,138	108,691	452,867	140,005	24,734
FUND BALANCES, December 31	\$ 7,785,155	\$ 5,388,769	\$ 91,527	\$ (693,162)	\$ 185,047	\$ 24,598

(continued)

**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES**
Nonmajor Governmental Funds
For the Year Ended December 31, 2015

	Police Seizures	Prevention Education	Youth Services	Transportation Community Investment Fee	Public Buildings Community Investment Fee
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	583,325	-
Developer/owner participation	-	-	-	-	540,152
Intergovernmental	1,852	81,716	46,946	-	-
Charges for services	-	27,124	28,702	-	-
Fines and forfeits	-	-	-	-	-
Investment income	9	641	919	7,175	6,673
Private grants/donations	-	16,772	70,266	-	-
Miscellaneous	-	-	635	-	-
Total revenues	1,861	126,253	147,468	590,500	546,825
EXPENDITURES					
Current:					
General governmental	-	-	-	-	454,107
Public safety	13,451	131,604	-	-	-
Highways and streets	-	-	-	1,114,009	-
Culture and recreation	-	-	147,627	-	-
Municipal utility system	-	-	-	-	-
Capital Outlay	-	-	-	-	-
Debt service:					
Bond principal retired	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Bond issuance costs	-	-	-	-	-
Total expenditures	13,451	131,604	147,627	1,114,009	454,107
Excess of revenues over (under) expenditures	(11,590)	(5,351)	(159)	(523,509)	92,718
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	(2,687)
Total other financing sources (uses)	-	-	-	-	(2,687)
Excess of revenues and other sources over Net change in fund balances	(11,590)	(5,351)	(159)	(523,509)	90,031
FUND BALANCES (DEFICITS), January 1	53,201	143,720	162,026	1,612,144	1,298,784
Cumulative effect of correction to prior period	-	-	-	-	-
Restated Fund Balance	53,201	143,720	162,026	1,612,144	1,298,784
FUND BALANCES (DEFICITS), December 31	\$ 41,611	\$ 138,369	\$ 161,867	\$ 1,088,635	\$ 1,388,815

Electric Community Investment Fee	Water System Construction Reserve	Water Acquisition	Raw Water Storage Reserve	Sewer Construction
\$ -	\$ -	\$ -	\$ -	\$ -
594,344	1,932,330	-	-	1,504,040
-	33,816	-	-	14,760
-	-	-	-	-
-	-	697,560	-	-
-	-	-	-	-
12,986	91,195	21,924	2,003	17,300
-	-	-	-	-
-	-	-	-	-
<u>607,330</u>	<u>2,057,341</u>	<u>719,484</u>	<u>2,003</u>	<u>1,536,100</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
12,249	494,241	57,880	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>12,249</u>	<u>494,241</u>	<u>57,880</u>	<u>-</u>	<u>-</u>
<u>595,081</u>	<u>1,563,100</u>	<u>661,604</u>	<u>2,003</u>	<u>1,536,100</u>
-	-	-	-	-
-	-	-	-	(367,591)
-	-	-	-	(367,591)
<u>595,081</u>	<u>1,563,100</u>	<u>661,604</u>	<u>2,003</u>	<u>1,168,509</u>
<u>2,525,153</u>	<u>18,682,797</u>	<u>4,570,064</u>	<u>409,685</u>	<u>2,972,070</u>
-	-	-	-	-
<u>2,525,153</u>	<u>-</u>	<u>4,570,064</u>	<u>409,685</u>	<u>2,972,070</u>
<u>\$ 3,120,234</u>	<u>\$ 20,245,897</u>	<u>\$ 5,231,668</u>	<u>\$ 411,688</u>	<u>\$ 4,140,579</u>

**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES**
Nonmajor Governmental Funds
For the Year Ended December 31, 2015

	Library Services	Museum Services	Historic Preservation	Callahan House	Senior Services
REVENUES					
Taxes	\$ -	\$ -	-	\$ -	-
Licenses and permits	-	-	750	-	-
Developer/owner participation	-	-	-	-	-
Intergovernmental	23,230	30,000	-	-	-
Charges for services	-	78,964	-	46,508	185,566
Fines and forfeits	-	-	-	-	-
Investment income	522	176	52	107	1,135
Private grants	77,524	4,466	-	78	24,467
Miscellaneous	23,133	1,784	-	-	3,918
Total revenues	124,409	115,390	802	46,693	215,086
EXPENDITURES					
Current:					
General governmental	-	-	-	-	-
Public safety	-	-	-	-	-
Highways and streets	-	-	-	-	-
Culture and recreation	71,580	117,158	-	111,946	181,853
Municipal utility system	-	-	-	-	-
Capital Outlay	-	-	-	-	-
Debt service:					
Bond principal retired	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Bond issuance costs	-	-	-	-	-
Total expenditures	71,580	117,158	-	111,946	181,853
Excess of revenues over (under) expenditures	52,829	(1,768)	802	(65,253)	33,233
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	69,352	-
Transfers out	(79,641)	(18,500)	-	-	(19,769)
Total other financing sources (uses)	(79,641)	(18,500)	-	69,352	(19,769)
Excess of revenues and other sources over Net change in fund balances	(26,812)	(20,268)	802	4,099	13,464
FUND BALANCES (DEFICITS), January 1	181,458	34,243	10,091	17,173	216,109
Cumulative effect of correction to prior period	-	-	-	-	-
Restated Fund Balance	181,458	34,243	10,091	17,173	216,109
FUND BALANCES (DEFICITS), December 31	\$ 154,646	\$ 13,975	\$ 10,893	\$ 21,272	\$ 229,573

Special Revenue Funds

Parks Grants & Donations	Affordable Housing	Open Space	Public Safety	Lodgers Tax	Probation Services	Park/Greenway Maintenance
\$ -	\$ -	\$ 3,537,857	\$ 5,749,017	\$ 365,300	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	877,493	243,317	-	-	477,844
-	18,900	-	65,525	-	-	1,868,834
-	-	-	-	-	66,519	-
3,108	23,463	31,122	7,983	433	475	8,666
32,175	-	-	171,550	-	-	-
-	175,005	202,309	13,623	-	-	-
35,283	217,368	4,648,781	6,251,015	365,733	66,994	2,355,344
-	911,593	-	-	-	76,491	-
-	-	-	6,617,964	-	-	-
-	-	-	-	-	-	-
45,256	-	1,499,466	141,075	409,143	-	1,886,278
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	1,165,000	-	-	-	-
-	-	1,022,114	-	-	-	-
-	-	-	-	-	-	-
45,256	911,593	3,686,580	6,759,039	409,143	76,491	1,886,278
(9,973)	(694,225)	962,201	(508,024)	(43,410)	(9,497)	469,066
-	152,315	-	-	-	-	-
-	(108)	(3,712)	(55,900)	-	(64)	(4,709)
-	152,207	(3,712)	(55,900)	-	(64)	(4,709)
(9,973)	(542,018)	958,489	(563,924)	(43,410)	(9,561)	464,357
641,492	1,485,894	6,287,962	2,134,234	160,951	96,178	1,457,957
-	-	-	-	-	-	-
641,492	1,485,894	-	2,134,234	160,951	96,178	1,457,957
\$ 631,519	\$ 943,876	\$ 7,246,451	\$ 1,570,310	\$ 117,541	\$ 86,617	\$ 1,922,314

(continued)

**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES**
Nonmajor Governmental Funds
For the Year Ended December 31, 2015

	Special Revenue Funds				TOTALS
	Traffic Safety	Museum Trust	Jones Foundation Trust	Longmont Urban Renewal Authority	
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	9,744,280
Licenses and permits	-	-	-	-	6,149,570
Developer/owner participation	-	-	-	-	588,728
Intergovernmental	-	-	-	-	6,107,287
Charges for services	12,710	28,033	-	-	3,060,026
Fines and forfeits	-	-	-	-	66,519
Investment income	71	417	298	1,255	328,874
Private grants	-	2,900	-	-	402,373
Miscellaneous	-	123	-	-	524,280
Total revenues	12,781	31,473	298	1,255	26,971,937
EXPENDITURES					
Current:					
General governmental	-	-	-	23,578	6,339,053
Public safety	2,845	-	-	-	6,765,864
Highways and streets	-	-	-	-	1,114,009
Culture and recreation	-	37,568	-	-	6,313,321
Municipal utility system	-	-	-	-	564,370
Capital Outlay	-	-	-	-	-
Debt service:					
Bond principal retired	-	-	-	-	1,165,000
Interest and fiscal charges	-	-	-	-	1,022,114
Bond issuance costs	-	-	-	-	-
Total expenditures	2,845	37,568	-	23,578	23,283,731
Excess of revenues over (under) expenditures	9,936	(6,095)	298	(22,323)	3,688,206
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	239,513
Transfers out	-	(2,500)	-	(60,023)	(636,971)
Total other financing sources (uses)	-	(2,500)	-	(60,023)	(397,458)
Excess of revenues and other sources over Net change in fund balances	9,936	(8,595)	298	(82,346)	3,290,748
FUND BALANCES (DEFICITS), January 1	7,879	97,234	60,935	258,312	58,753,189
Cumulative effect of correction to prior period	-	-	-	-	-
Restated Fund Balance	-	97,234	60,935	258,312	58,753,189
FUND BALANCES (DEFICITS), December 31	\$ 17,815	\$ 88,639	\$ 61,233	\$ 175,966	\$ 62,043,937

Capital Projects Fund	Permanent Fund	Total Nonmajor Governmental Funds
Public Improvement Capital Projects	Mosher/Kanemoto Trust	
\$ 4,544,053	\$ -	\$ 14,288,333
-	-	6,149,570
-	-	588,728
2,341	-	6,109,629
-	-	3,060,026
-	-	66,519
17,735	5,651	352,259
220,283	-	622,656
-	-	524,280
<u>4,784,412</u>	<u>5,651</u>	<u>31,762,000</u>
-	-	6,339,053
-	-	6,765,864
-	-	1,114,009
-	-	6,313,321
-	-	564,370
4,699,351	-	4,699,351
2,155,000	-	3,320,000
573,625	-	1,595,739
<u>-</u>	<u>-</u>	<u>-</u>
<u>7,427,976</u>	<u>-</u>	<u>30,711,707</u>
<u>(2,643,564)</u>	<u>5,651</u>	<u>1,050,293</u>
545,938	-	785,451
(34,225)	-	(671,196)
<u>511,713</u>	<u>-</u>	<u>114,255</u>
<u>(2,131,851)</u>	<u>5,651</u>	<u>1,164,548</u>
<u>5,409,427</u>	<u>1,155,746</u>	<u>65,318,362</u>
-	-	-
<u>5,409,427</u>	<u>1,155,746</u>	<u>65,318,362</u>
<u>\$ 3,277,576</u>	<u>\$ 1,161,397</u>	<u>\$ 66,482,910</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, 2015

	Final Budget	Actual	Variance From Final Budget
REVENUES			
Intergovernmental	\$ 750,000	\$ 868,143	\$ 118,143
Investment income	18,552	34,957	16,405
Miscellaneous	-	-	-
Total revenues	768,552	903,100	134,548
EXPENDITURES			
Culture and recreation	5,488,781	131,953	5,356,828
Net change in fund balance	(4,720,229)	771,147	5,491,376
FUND BALANCE, January 1	7,014,008	7,014,008	-
FUND BALANCE, December 31	\$ 2,293,779	\$ 7,785,155	\$ 5,491,376

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, 2015

	Final Budget	Actual	Variance From Final Budget
REVENUES			
Licenses and permits	\$ 1,001,875	\$ 1,464,015	\$ 462,140
Intergovernmental	-	5,241	5,241
Investment income	18,933	28,635	9,702
Private grants/donations	-	2,175	2,175
Total revenues	1,020,808	1,500,066	479,258
EXPENDITURES			
Culture and recreation	2,662,900	1,532,418	1,130,482
Excess of revenues over (under) expenditures	(1,642,092)	(32,352)	1,609,740
OTHER FINANCING (USES)			
Transfer out			
Art in Public Places Fund	(26,549)	(14,017)	12,532
Net change in fund balance	(1,668,641)	(46,369)	1,622,272
FUND BALANCE, January 1	5,435,138	5,435,138	-
FUND BALANCE, December 31	\$ 3,766,497	\$ 5,388,769	\$ 1,622,272

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, 2015

	Final Budget	Actual	Variance From Final Budget
REVENUES			
Taxes	\$ 106,231	\$ 92,106	\$ (14,125)
Investment income	600	1,221	621
Miscellaneous	-	60	60
<hr/>			
Total revenues	106,831	93,387	(13,444)
EXPENDITURES			
General government	113,696	110,551	3,145
<hr/>			
Net change in fund balance	(6,865)	(17,164)	(10,299)
<hr/>			
FUND BALANCE, January 1	108,691	108,691	-
<hr/>			
FUND BALANCE, December 31	\$ 101,826	\$ 91,527	\$ (10,300)

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, 2015

	Final Budget	Actual	Variance From Final Budget
REVENUES			
Intergovernmental	\$ 28,900,645	\$ 3,451,505	\$ (25,449,140)
Investment income	-	23,065	23,065
Miscellaneous	95,000	103,690	8,690
Total revenues	28,995,645	3,578,260	(25,417,385)
EXPENDITURES			
General government	29,205,514	4,717,890	24,487,624
Excess of revenues over (under) expenditures	(209,869)	(1,139,630)	(929,761)
OTHER FINANCING (USES)			
Transfer out			
Public Improvement Fund	-	(6,399)	(6,399)
Senior Services Fund	-	-	-
Total other financing (uses)	-	(6,399)	(6,399)
Net change in fund balance	(209,869)	(1,146,029)	(936,160)
FUND BALANCE, January 1	452,867	452,867	-
FUND BALANCE, December 31	\$ 242,998	\$ (693,162)	\$ (936,160)

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, 2015

	Final Budget	Actual	Variance From Final Budget
REVENUES			
Licenses and permits	\$ 55,400	\$ 70,766	\$ 15,366
Investment income	200	766	566
Miscellaneous	25,000	-	(25,000)
Total revenues	80,600	71,532	(9,068)
EXPENDITURES			
General government	111,090	44,336	66,754
Excess of revenues over (under) expenditures	(30,490)	27,196	57,686
OTHER FINANCING SOURCES			
Transfer in General Fund	11,190	17,846	6,656
Total other financing sources	11,190	17,846	6,656
Net change in fund balance	(19,300)	45,042	64,342
FUND BALANCE, January 1	140,005	140,005	-
FUND BALANCE, December 31	\$ 120,705	\$ 185,047	\$ 64,342

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, 2015

	Final Budget	Actual	Variance From Final Budget
REVENUES			
Charges for services	\$ 3,000	\$ 1,600	\$ (1,400)
Investment income (loss)	-	122	122
Total revenues	3,000	1,722	(1,278)
EXPENDITURES			
General government	1,500	507	993
Excess of revenues over expenditures	1,500	1,215	(285)
OTHER FINANCING (USES)			
Transfer out			
General fund	(1,351)	(1,351)	-
Net change in fund balance	149	(136)	(285)
FUND BALANCE, January 1	24,734	24,734	-
FUND BALANCE, December 31	\$ 24,883	\$ 24,598	\$ (285)

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, 2015

	Final Budget	Actual	Variance From Final Budget
REVENUES			
Intergovernmental	\$ 1,000	\$ 1,852	\$ 852
Investment income	-	9	9
Miscellaneous	-	-	-
Total revenues	1,000	1,861	861
EXPENDITURES			
Public safety	13,973	13,451	521
Excess of revenues (under) expenditures	(12,973)	(11,590)	1,383
OTHER FINANCING (USES)			
Transfer out Prevention/Education fund	-	-	-
Net change in fund balance	(12,973)	(11,590)	1,383
FUND BALANCE, January 1	53,201	53,201	-
FUND BALANCE, December 31	\$ 40,228	\$ 41,611	\$ 1,383

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, 2015

	Final Budget	Actual	Variance From Final Budget
REVENUES			
Charges for services	\$ 24,892	\$ 27,124	\$ 2,232
Intergovernmental	72,188	81,716	9,528
Investment income	-	641	641
Private grants/donations	11,185	16,772	5,587
Total revenues	108,265	126,253	17,988
EXPENDITURES			
Public safety	203,924	131,604	72,320
Excess of revenues over (under) expenditures	(95,659)	(5,351)	90,308
OTHER FINANCING SOURCES			
Transfer in			
Seizure fund	-	-	-
Net change in fund balance	(95,659)	(5,351)	90,308
FUND BALANCE, January 1	143,720	143,720	-
FUND BALANCE, December 31	\$ 48,061	\$ 138,369	\$ 90,308

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, 2015

	Final Budget	Actual	Variance From Final Budget
REVENUES			
Charges for services	\$ 31,640	\$ 28,702	\$ (2,938)
Intergovernmental	451,661	46,946	(404,715)
Investment income	-	919	919
Private grant	77,932	70,266	(7,666)
Miscellaneous	433	635	202
<hr/>			
Total revenues	561,666	147,468	(414,198)
EXPENDITURES			
Culture and recreation	565,666	147,627	418,039
<hr/>			
Net change in fund balance	(4,000)	(159)	3,841
<hr/>			
FUND BALANCE, January 1	162,026	162,026	-
<hr/>			
FUND BALANCE, December 31	\$ 158,026	\$ 161,867	3,841

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, 2015

	Final Budget	Actual	Variance From Final Budget
REVENUES			
Licenses and permits	\$ 287,227	\$ 583,325	\$ 296,098
Investment income	403	7,175	6,772
Total revenues	287,630	590,500	302,869
EXPENDITURES			
Highways and streets	1,850,000	1,114,009	735,991
Net change in fund balance	(1,562,370)	(523,509)	1,038,861
FUND BALANCE, January 1	1,612,144	1,612,144	-
FUND BALANCE, December 31	\$ 49,774	\$ 1,088,635	\$ 1,038,861

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, 2015

	Final Budget	Actual	Variance From Final Budget
REVENUES			
Developer participation	\$ 346,960	\$ 540,152	\$ 193,192
Investment income	3,000	6,673	3,673
Private grants/donations	-	-	-
Total revenues	349,960	546,825	196,865
EXPENDITURES			
General Government	556,049	454,107	101,942
Excess of revenues over (under) expenditures	(206,089)	92,718	298,807
OTHER FINANCING (USES)			
Transfer out			
Art in Public Places fund	(5,561)	(2,687)	2,874
Net change in fund balance	(211,650)	90,031	301,681
FUND BALANCE, January 1	1,298,784	1,298,784	-
FUND BALANCE, December 31	\$ 1,087,134	\$ 1,388,815	\$ 301,681

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, 2015

	Final Budget	Actual	Variance From Final Budget
REVENUES			
Licenses and permits	\$ 435,500	\$ 594,344	\$ 158,844
Investment income	12,000	12,986	986
Total revenues	447,500	607,330	159,830
EXPENDITURES			
Municipal utility systems	685,000	12,249	672,751
Net change in fund balance	(237,500)	595,081	832,581
FUND BALANCE, January 1	2,525,153	2,525,153	-
FUND BALANCE, December 31	\$ 2,287,653	\$ 3,120,234	\$ 832,581

**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, 2015**

	Final Budget	Actual	Variance From Final Budget
REVENUES			
Licenses and permits	\$ 981,900	\$ 1,932,330	\$ 950,430
Developer/owner participation	-	33,816	33,816
Investment income	86,600	91,195	4,595
Miscellaneous	-	-	-
Total revenues	1,068,500	2,057,341	988,841
EXPENDITURES			
Municipal utility systems	1,158,208	494,241	663,967
Excess of revenues over (under) expenditures	(89,708)	1,563,100	1,652,808
OTHER FINANCING (USES)			
Transfer out			
Art in Public Places fund	(1,808)	-	1,808
Net change in fund balance	(91,516)	1,563,100	1,654,616
FUND BALANCE, January 1	18,682,797	18,682,797	-
FUND BALANCE, December 31	\$ 18,591,281	\$ 20,245,897	\$ 1,654,616

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, 2015

	Final Budget	Actual	Variance From Final Budget
REVENUES			
Charges for services	\$ 5,000	\$ 697,560	\$ 692,560
Investment income	19,700	21,924	2,224
<hr/>			
Total revenues	24,700	719,484	694,783
EXPENDITURES			
Municipal utility systems	150,000	57,880	92,120
<hr/>			
Net change in fund balance	(125,300)	661,604	786,903
<hr/>			
FUND BALANCE, January 1	4,570,064	4,570,064	-
<hr/>			
FUND BALANCE, December 31	\$ 4,444,764	\$ 5,231,668	\$ 786,904

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, 2015

	Final Budget	Actual	Variance From Final Budget
REVENUES			
Investment income	\$ 1,500	\$ 2,003	\$ 503
EXPENDITURES			
Municipal utility system	-	-	-
Net change in fund balance	1,500	2,003	503
FUND BALANCE, January 1	409,685	409,685	-
FUND BALANCE, December 31	\$ 411,185	\$ 411,688	503

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, 2015

	Final Budget	Actual	Variance From Final Budget
REVENUES			
Licenses and permits	\$ 884,100	\$ 1,504,040	\$ 619,940
Developer participation	-	14,760	14,760
Intergovernmental	-	-	-
Investment income	12,900	17,300	4,400
Miscellaneous	-	-	-
Total revenues	897,000	1,536,100	639,100
EXPENDITURES			
Municipal utility systems	2,984,602	-	2,984,602
Excess of revenues over expenditures	(2,087,602)	1,536,100	3,623,702
OTHER FINANCING (USES)			
Transfer out			
Sewer Fund	(551,289)	(367,591)	183,698
Art in Public Places fund	(31,733)	-	31,733
Total other financing (uses)	(583,022)	(367,591)	215,431
Net change in fund balance	(2,670,624)	1,168,509	3,839,133
FUND BALANCE, January 1	2,972,070	2,972,070	-
FUND BALANCE, December 31	\$ 301,446	\$ 4,140,579	\$ 3,839,132

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, 2015

	Final Budget	Actual	Variance From Final Budget
REVENUES			
Intergovernmental	\$ 43,207	\$ 23,230	(19,977)
Investment income	500	522	22
Private grants/donations	109,412	77,524	(31,888)
Miscellaneous	-	23,133	23,133
Total revenues	153,119	124,409	(28,710)
EXPENDITURES			
Culture and recreation	111,047	71,580	39,467
Excess revenues over expenditures	42,072	52,829	10,757
OTHER FINANCING (USES)			
Transfer out General fund	(79,641)	(79,641)	-
Net change in fund balance	(37,569)	(26,812)	10,757
FUND BALANCE, January 1	181,458	181,458	-
FUND BALANCE, December 31	\$ 143,889	\$ 154,646	10,757

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, 2015

	Final Budget	Actual	Variance From Final Budget
REVENUES			
Intergovernmental	\$ 29,250	\$ 30,000	\$ 750
Charges for services	48,250	78,964	30,714
Investment income	-	176	176
Private grants/donations	42,922	4,466	(38,456)
Miscellaneous	1,500	1,784	284
Total revenues	121,922	115,390	(6,533)
EXPENDITURES			
Culture and recreation	140,422	117,158	23,264
Excess revenues over expenditures	(18,500)	(1,768)	(29,798)
OTHER FINANCING (USES)			
Transfer out General fund	-	(18,500)	(18,500)
Net change in fund balance	(18,500)	(20,268)	(1,768)
FUND BALANCE, January 1	34,243	34,243	-
FUND BALANCE, December 31	\$ 15,743	\$ 13,975	(1,768)

HISTORICAL PRESERVATION SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP) BASIS AND ACTUAL
For the Year Ended December 31, 2015

	Final Budget	Actual	Variance From Final Budget
REVENUES			
Licenses and permits	\$ -	\$ 750	\$ 750
Investment income	-	52	52
<hr/>			
Total revenues	-	802	802
EXPENDITURES			
Culture and recreation	-	-	-
<hr/>			
Net change in fund balance	-	802	802
<hr/>			
FUND BALANCE, January 1	10,091	10,091	-
<hr/>			
FUND BALANCE, December 31	\$ 10,091	\$ 10,893	\$ 802

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, 2015

	Final Budget	Actual	Variance From Final Budget
REVENUES			
Charges for services	\$ 37,550	\$ 46,508	\$ 8,958
Investment income	200	107	(93)
Private grants/donations	-	78	78
Total revenues	37,750	46,693	8,943
EXPENDITURES			
Culture and recreation	117,820	111,946	5,874
Excess of revenues (under) expenditures	(80,070)	(65,253)	14,817
OTHER FINANCING SOURCES			
Transfer in General fund	69,352	69,352	-
Net change in fund balance	(10,718)	4,099	14,817
FUND BALANCE, January 1	17,173	17,173	-
FUND BALANCE, December 31	\$ 6,455	\$ 21,272	\$ 14,816

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, 2015

	Final Budget	Actual	Variance From Final Budget
REVENUES			
Charges for services	\$ 166,200	\$ 185,566	\$ 19,366
Investment income	-	1,135	1,135
Private grants/donations	5,000	24,467	19,467
Miscellaneous	6,000	3,918	(2,082)
Total revenues	177,200	215,086	37,886
EXPENDITURES			
Culture and recreation	274,618	181,853	92,765
Excess of revenues over (under) expenditures	(97,418)	33,233	130,651
OTHER FINANCING USES			
Transfer out General fund	(19,769)	(19,769)	-
Net change in fund balance	(117,187)	13,464	130,651
FUND BALANCE, January 1	216,109	216,109	-
FUND BALANCE, December 31	\$ 98,922	\$ 229,573	\$ 130,651

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, 2015

	Final Budget	Actual	Variance From Final Budget
REVENUES			
Intergovernmental	\$ 671,942	\$ -	(671,942)
Investment income	-	3,108	3,108
Private grants/donations	15,250	32,175	16,925
Total revenues	687,192	35,283	(651,909)
EXPENDITURES			
Culture and recreation	705,456	45,256	660,200
Net change in fund balance	(18,264)	(9,973)	8,291
FUND BALANCE, January 1	641,492	641,492	-
FUND BALANCE, December 31	\$ 623,228	\$ 631,519	8,291

AFFORDABLE HOUSING SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP) BASIS AND ACTUAL
For the Year Ended December 31, 2015

	Final Budget	Actual	Variance From Final Budget
REVENUES			
Investment income	\$ -	\$ 23,463	23,463
Charges for services	-	18,900	18,900
Miscellaneous	180,000	175,005	(4,995)
Total revenues	180,000	217,368	37,367
EXPENDITURES			
General government	1,191,309	911,593	279,716
Excess of revenues over (under) expenditures	(1,011,309)	(694,225)	317,083
OTHER FINANCING SOURCES (USES)			
Transfer in			
General fund	152,315	152,315	-
Transfer out			
General fund	(108)	(108)	-
Total other financing sources (uses)	152,207	152,207	-
Net change in fund balance	(859,102)	(542,018)	317,084
FUND BALANCE, January 1	1,485,894	1,485,894	-
FUND BALANCE, December 31	\$ 626,792	\$ 943,876	317,084

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, 2015

	Final Budget	Actual	Variance From Final Budget
REVENUES			
Taxes	\$ 3,460,527	\$ 3,537,857	\$ 77,330
Intergovernmental	2,964,301	877,493	(2,086,808)
Investment income	10,000	31,122	21,122
Private grants/donations	-	-	-
Miscellaneous	40,000	202,309	162,309
Total revenues	6,474,828	4,648,781	(1,826,047)
EXPENDITURES			
Current:			
Culture and Recreation	5,239,588	1,499,466	3,740,122
Debt Service:			
Bond principal retired	1,165,000	1,165,000	-
Interest and fiscal charges	1,022,114	1,022,114	0
Total expenditures	7,426,702	3,686,580	3,740,122
Excess of revenues (under) expenditures	(951,874)	962,201	1,914,075
OTHER FINANCING SOURCES (USES)			
Transfer in			
Open Space Fund	-	-	-
Transfers out			
Art in Public Places Fund	(12,461)	(3,407)	9,054
General Fund	(305)	(305)	-
Total other financing sources (uses)	(12,766)	(3,712)	9,054
Net changes in fund balance	(964,640)	958,489	1,923,129
FUND BALANCE, January 1	6,287,962	6,287,962	-
FUND BALANCE, December 31	\$ 5,323,322	\$ 7,246,451	\$ 1,923,129

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, 2015

	Final Budget	Actual	Variance From Final Budget
REVENUES			
Taxes	\$ 5,623,357	\$ 5,749,017	\$ 125,660
Intergovernmental	324,282	243,317	(80,965)
Charges for service	57,750	65,525	7,775
Investment income	10,603	7,983	(2,620)
Private grants/donations	190,731	171,550	(19,181)
Miscellaneous	-	13,623	13,623
Total revenues	6,206,723	6,251,015	44,292
EXPENDITURES			
Current:			
Public Safety	6,895,976	6,617,964	232,783
Culture and recreation	164,989	141,075	23,914
Total expenditures	7,060,965	6,759,039	256,697
Excess of revenues (under) expenditures	(854,242)	(553,253)	300,989
OTHER FINANCING SOURCES (USES)			
Transfers out			
Art in Public Places fund	(1,000)	(862)	138
General Fund	(9,809)	(9,809)	-
Fleet Fund	-	(45,229)	-
Total other financing sources (uses)	(10,809)	55,900	138
Net changes in fund balance	(865,051)	(563,924)	301,127
FUND BALANCE, January 1	2,134,234	2,134,234	-
FUND BALANCE, December 31	\$ 1,269,183	\$ 1,570,310	\$ 301,127

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, 2015

	Final Budget	Actual	Variance From Final Budget
REVENUES			
Taxes	\$ 393,560	\$ 365,300	\$ (28,260)
Investment income	750	433	(317)
Total revenues	394,310	365,733	(28,577)
EXPENDITURES			
Culture and recreation	555,365	409,143	146,222
Excess of revenues over (under) expenditures	(161,055)	(43,410)	117,645
OTHER FINANCING (USES)			
Transfers out			
Art in Public Places fund	(726)	-	726
Net changes in fund balance	(161,781)	(43,410)	118,371
FUND BALANCE, January 1	160,951	160,951	-
FUND BALANCE, December 31	\$ (830)	\$ 117,541	\$ 118,371

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, 2015

	Final Budget	Actual	Variance From Final Budget
REVENUES			
Fines and forfeits	\$ 70,000	\$ 66,519	\$ (3,481)
Investment income	400	475	75
Total revenues	70,400	66,994	(3,406)
EXPENDITURES			
General government	84,467	76,491	7,976
Excess of revenues over (under) expenditures	(14,067)	(9,497)	4,570
OTHER FINANCING (USES)			
Transfers out General Fund	(64)	(64)	-
Net changes in fund balance	(14,131)	(9,561)	4,570
FUND BALANCE, January 1	96,178	96,178	-
FUND BALANCE, December 31	\$ 82,047	\$ 86,617	4,570

PARK/GREENWAY MAINTENANCE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP) BASIS AND ACTUAL
For the Year Ended December 31, 2015

	Final Budget	Actual	Variance From Final Budget
REVENUES			
Charges for service	\$ 1,759,352	\$ 1,868,834	\$ 109,482
Intergovernmental	6,198,128	477,844	(5,720,284)
Private grants	-	-	-
Investment income	7,215	8,666	1,451
Miscellaneous	-	-	-
Total revenues	7,964,695	2,355,344	(5,609,350)
EXPENDITURES			
Culture and recreation	8,630,090	1,886,278	6,743,812
Excess of revenues (under) expenditures	(665,395)	469,066	1,134,462
OTHER FINANCING (USES)			
Transfers in			
Self insurance fund	-	-	-
Transfers out			
Art in Public Places fund	(9,827)	(4,709)	(5,118)
Total other financing sources (uses)	(9,827)	(4,709)	(5,118)
Net change in fund balance	(675,222)	464,357	1,139,579
FUND BALANCE, January 1	1,457,957	1,457,957	-
FUND BALANCE, December 31	\$ 782,735	\$ 1,922,314	\$ 1,139,579

TRAFFIC SAFETY SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP) BASIS AND ACTUAL
For the Year Ended December 31, 2015

	Final Budget	Actual	Variance From Final Budget
REVENUES			
Charges for services	\$ -	\$ 12,710	\$ 12,710
Investment income	-	71	71
<hr/>			
Total revenues	-	12,781	12,781
EXPENDITURES			
Public safety	14,439	2,845	11,594
<hr/>			
Net change in fund balance	(14,439)	9,936	24,375
<hr/>			
FUND BALANCE, January 1	7,879	7,879	-
<hr/>			
FUND BALANCE, December 31	\$ (6,560)	\$ 17,815	\$ 24,375

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, 2015

	Final Budget	Actual	Variance From Final Budget
REVENUES			
Charges for services	\$ 30,550	\$ 28,033	\$ (2,517)
Investment income	500	417	(83)
Private grants/donations	1,000	2,900	1,900
Miscellaneous	-	123	123
Total revenues	32,050	31,473	(577)
EXPENDITURES			
Culture and recreation	46,964	37,568	9,396
Excess of revenues (under) expenditures	(14,914)	(6,095)	8,819
OTHER FINANCING (USES)			
Transfers out	(2,500)	(2,500)	-
Excess of revenues over (under) expenditures and other financing uses	(17,414)	(8,595)	(26,009)
FUND BALANCE, January 1	97,234	97,234	-
FUND BALANCE, December 31	\$ 79,820	\$ 88,639	\$ 8,818

JONES FOUNDATION TRUST SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP) BASIS AND ACTUAL
For the Year Ended December 31, 2015

	Final Budget	Actual	Variance From Final Budget
REVENUES			
Investment income	\$ -	\$ 298	298
EXPENDITURES			
Culture and recreation	-	-	-
Net change in fund balance	-	298	298
FUND BALANCE, January 1	60,935	60,935	-
FUND BALANCE, December 31	\$ 60,935	\$ 61,233	298

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, 2015

	Final Budget	Actual	Variance From Final Budget
REVENUES			
Taxes	\$ -	\$ -	-
Investment income	-	1,255	1,255
Total revenues	-	1,255	1,255
EXPENDITURES			
General government	260,197	23,578	236,619
Excess of revenues (under) expenditures	(260,197)	(22,323)	237,874
OTHER FINANCING SOURCES			
Transfer in			
Village at the Peaks fund	-	-	-
Proceeds from advance	-	-	-
Transfers out	-	(60,023)	60,023
Total other financing sources	-	(60,023)	60,023
Net change in fund balance	(260,197)	(82,346)	177,851
FUND BALANCE, January 1	258,312	258,312	-
FUND BALANCE, December 31	\$ (1,885)	\$ 175,966	\$ 177,851

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, 2015

	Final Budget	Actual	Variance From Final Budget
REVENUES			
Investment income	\$ -	\$ 5,651	\$ 5,651
EXPENDITURES			
Culture and recreation	-	-	-
Net change in fund balance	-	5,651	5,651
FUND BALANCE, January 1	1,155,746	1,155,746	-
FUND BALANCE, December 31	\$ 1,155,746	\$ 1,161,397	\$ 5,651

CAPITAL PROJECTS FUND

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

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

**PUBLIC IMPROVEMENT CAPITAL PROJECTS FUND
PROJECT-LENGTH SCHEDULE OF CONSTRUCTION PROJECTS
Beginning of Projects to December 31, 2015**

Project Account No.	Project	Appropriations	
		Prior	2015
TRANSFERS			
40101	DDA Building Permits	\$ 9,577	\$ -
-	Art Transfers	48,046	-
		57,623	-
PUBLIC IMPROVEMENTS CAPITAL PROJECTS			
40101	Debt Service - Principal	24,860,230	2,155,000
	Debt Service - Interest	24,123,753	573,625
	Fiscal Charges	51,335	4,550
43037	Neighborhood Improvement Program	880,000	50,000
43170	Recreation Center Front Desk/Gate	80,000	
43183	Quail Campus Land	53,255	
44502	Economic Development Incentives	34,248	3,500
81244	Lefthand Creek Rehab	-	
81413	Kanemoto Pump Demolition	110,032	
81488	Kanemoto Pump Station	525,000	
94056	Park Bldg Rehab Replace	424,146	60,313
94102	Swimming and Wading Pool Improvements	4,938,748	255,617
94113	Park Irrigation Pumps	871,750	122,000
94121	Parks Ponds Dredging		49,490
94136	Parks Bridge Replacement	508,077	
94165	Neighborhood Parks Master Plan	60,000	
94174	Playground Rehabilitation	(19,501)	
94185	Roosevelt Park Lot Expansion	-	
94186	Sport Court Reconstruction	806,382	196,336
94190	Stephen Day Park Lighting		12,600
95001	Municipal Building Roof Improvements	3,476,841	114,108
95002	ADA Facility Improvements	1,240,820	-
95037	Fire Stations-Heat & Exhaust	916,789	60,600
95080	Municipal Building Boilers	681,115	237,673
95082	Municipal Buildings HVAC	2,309,957	1,069,529
95087	Municipal Training Center	80,800	
95093	Civic Center Remodel	100,000	
95109	Parking Lot Rehabilitation	831,131	64,206
95119	Municipal Buildings Carpet	1,426,940	25,000
95145	Specialized Equipment Replacement	1,376,186	231,148
95153	Museum Auditorium	5,542,269	
95160	Muni Bldgs Auto Door Gate	40,000	10,000
95163	Municipal Buildings Keyless Entry	149,922	10,000
95165	Muni Bldgs Emergency Genr	177,600	
95181	UPS Repair/Replacement	194,039	17,575
95185	Rec Center Facility Imprvmt	136,350	
95189	Muni Building Exterior Maintenance	85,800	10,000
95190	Muni Building Interior Maintenance	86,000	10,000
-	Completed Projects	32,685,785	-
		109,845,799	5,342,870
CAPITAL PROJECTS FUND TOTAL		\$ 109,903,422	\$ 5,342,870

Other Projects	Transfers (to) from		Expenditures		Unexpended Balance
	Fund Balance		Prior	2015	
\$ 30,875	\$ 236,489		\$ 255,059	\$ 21,882	\$ -
430,194	6,111		450,126	34,225	-
461,069	242,600		705,185	56,107	-
15,000	-		24,875,230	2,155,000	-
3,160	(915,493)		23,211,420	573,625	-
24,478	(14,454)		30,220	7,900	27,789
11,347	(50,000)		799,241	43,877	48,229
-	-		36,046		43,954
-	-		-	48,496	4,759
-	-		2,973	17,525	17,250
29,120	(15,312)		-	13,808	-
6,135	(62,743)		45,473	7,951	-
(6,135)	(479,143)		14,908	23,048	1,766
8,612	-		89,582	150,828	252,661
(99,208)	(423,505)		4,323,824	252,732	95,096
94,699	(54,850)		797,912	110,133	125,554
				48,609	881
(61,263)	(95,021)		225,976	6,732	119,085
178,806	-		233,938	4,868	-
119,451	(45,000)		54,950		-
59,498	-		50,187		9,311
(13,770)	-		323,637	331,085	334,226
2,215				14,159	656
(42,707)	(470,972)		2,823,885	88,304	165,081
116,862	(25,000)		1,121,202	85,224	126,256
(12,116)	(71,995)		750,312	138,124	4,842
(47,161)	(195,512)		440,526	229,673	5,916
13,748	(258,369)		1,945,897	911,350	277,618
-	-		-		80,800
-	-		-	2,885	97,115
(46,628)	(90,155)		640,008	75,416	43,130
320	(166,743)		1,229,762	14,199	41,556
(132,326)	(90,975)		1,190,759	153,880	39,394
194,994	(1,807,876)		2,109,210	1,820,177	-
(2,339)	-		10,000	24,310	13,351
1,795	(29,905)		119,473	12,339	-
(973)	-		145,514	-	31,113
(1,463)	(62,620)		113,246	17,575	16,710
(1,338)	-		133,886		1,126
-	-		77,743	5,945	12,112
(163)	-		63,508	16,319	16,010
(873,719)	(8,668,969)		23,143,097	-	-
(461,069)	(14,094,612)		91,173,545	7,406,096	2,053,347
\$ -	\$ (13,852,012)		\$91,878,730	\$7,462,203	\$ 2,053,347

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, 2015**

	Sanitation	Golf	Airport	TOTALS
ASSETS				
Current assets:				
Equity in pooled cash & cash equivalents	\$ 2,585,982	\$ 1,572,779	\$ 174,505	\$ 4,333,266
Cash and cash equivalents	239,955	-	-	239,955
Accounts receivable (net of allowance for doubtful accounts)	775,125	-	-	775,125
Grants receivable	14	-	-	14
Loans receivable	-	-	-	-
Accrued interest receivable	5,941	4,170	503	10,614
Advance to other funds	-	-	-	-
Prepaid expenses	3,036	-	-	3,036
Total unrestricted assets	3,610,053	1,576,949	175,008	5,362,010
Restricted assets:				
Bond debt service:				
Equity in pooled cash & cash equivalents	-	-	-	-
Cash and cash equivalents	-	-	-	-
Accrued interest receivable	-	-	-	-
Unamortized bond/note issuance costs	-	-	-	-
Storm drainage construction and debt service				
Equity in pooled cash & cash equivalents	-	-	-	-
Cash and cash equivalents	-	-	-	-
Accounts receivable	-	-	-	-
Fees receivable	-	-	-	-
Accrued interest receivable	-	-	-	-
Total restricted assets	-	-	-	-
Total current assets	3,610,053	1,576,949	175,008	5,362,010
Net pension asset	-	-	-	-
Property, plant and equipment:				
Land and water rights	559,413	8,323,594	3,137,748	12,020,755
Construction in progress	1,170,549	-	460,272	1,630,821
Buildings	1,424,083	1,849,027	151,954	3,425,064
Improvements (other than buildings)	194,718	902,598	3,463,885	4,561,201
Equipment	3,110,881	200,388	7,994	3,319,263
Total property and equipment	6,459,644	11,275,607	7,221,853	24,957,104
Less - accumulated depreciation	3,701,758	1,264,296	1,329,966	6,296,020
Net property and equipment	2,757,886	10,011,311	5,891,887	18,661,084
Total assets	6,367,939	11,588,260	6,066,895	24,023,094
DEFERRED OUTFLOW OF RESOURCES				
City Contributions Subsequent to the Measurement Date	88,082	38,726	5,051	131,859
Investment Earnings less than Expected	129,237	58,868	9,230	197,335
Total deferred outflows of resources	217,319	97,594	14,281	329,194
Total assets and deferred outflows of resources	\$ 6,585,258	\$ 11,685,854	\$ 6,081,176	\$ 24,352,288

(continued)

COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS
December 31, 2015

	Sanitation	Golf	Airport	TOTALS
LIABILITIES AND NET POSITION				
Current liabilities:				
Payable from current assets:				
Accounts payable	\$ 88,631	\$ 5,069	\$ 1,210	\$ 94,910
Construction contracts payable	223,468	65,917	-	289,385
Accrued liabilities	70,875	28,395	3,633	102,903
Accrued sick and vacation - current portion	16,852	11,492	3,863	32,207
Advances from other funds - current portion	-	194,658	-	194,658
Total current liabilities	399,826	305,531	8,706	714,063
Long-term liabilities:				
Net other post employment benefit obligation	9,412	4,878	673	14,963
Net pension liability	169,583	77,246	12,111	258,940
Accrued sick and vacation	128,216	111,318	-	239,534
Advances from other funds	-	922,555	-	922,555
Net long-term liabilities	307,211	1,115,997	12,784	1,435,992
Total liabilities	707,037	1,421,528	21,490	2,150,055
Net position:				
Net investment in capital assets	2,757,886	10,011,311	5,891,887	18,661,084
Unrestricted	3,120,335	253,014	167,799	3,541,149
Total net position	5,878,221	10,264,326	6,059,686	22,202,233
Total liabilities and net position	\$ 6,585,258	\$ 11,685,854	\$ 6,081,176	\$ 24,352,288

**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
NONMAJOR ENTERPRISE FUNDS
Year Ended December 31, 2015**

	Sanitation	Golf	Airport	TOTALS
OPERATING REVENUES				
Charges for services	\$ 6,168,889	\$ 2,576,473	\$ 403,334	\$ 9,148,696
OPERATING EXPENSES				
Administration	284,206	146,078	134,057	564,341
Transmission/distribution	-	-	-	-
Maintenance/development	-	1,860,200	84,677	1,944,877
Trash collection	4,717,874	-	-	4,717,874
Landfill	6,591	-	-	6,591
Depreciation	56,625	76,574	236,621	369,820
Administrative fees	561,085	137,341	112,744	811,170
Franchise fee	-	-	-	-
Total operating expenses	5,626,381	2,220,193	568,099	8,414,673
Operating income (loss)	542,508	356,280	(164,765)	734,023
NON-OPERATING REVENUES (EXPENSES)				
Investment income (loss)	13,711	7,644	659	22,013
Miscellaneous	343,898	160	37,631	381,690
System development fees	-	-	-	-
Intergovernmental	162,798	-	-	162,798
Interest expense	-	(15,578)	-	(15,578)
Net non-operating revenues (expenses)	520,407	(7,774)	38,290	550,923
Change in net position before transfers and capital contributions	1,062,915	348,506	(126,475)	1,284,946
CAPITAL CONTRIBUTIONS	-	10,112	29,351	39,463
TRANSFERS				
Transfers In	-	-	-	-
Transfers out	(15,857)	(9,500)	(83)	(25,440)
Change in net position	1,047,058	349,118	(97,207)	1,298,969
TOTAL NET POSITION-January 1	5,287,239	7,784,980	5,719,275	18,791,494
Cumulative effect of correction to prior period	(456,076)	2,130,228	437,618	2,111,770
Restated Net Position	4,831,163	9,915,208	6,156,893	20,903,264
TOTAL NET POSITION-December 31	\$ 5,878,221	\$ 10,264,326	\$ 6,059,686	\$ 22,202,233

COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
For the Year Ended December 31, 2015

	Sanitation	Golf	Airport	TOTALS
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers	\$ 6,839,153	\$ 2,576,633	\$ 440,966	\$ 9,856,752
Cash paid to suppliers	(3,631,427)	(1,143,324)	(229,065)	(5,003,816)
Cash paid to employees	(1,952,152)	(1,004,997)	(117,737)	(3,074,886)
Net cash provided (used) by operating activities	1,255,574	428,312	94,164	1,778,050
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES				
Transfers in	-	-	-	-
Transfers out	(15,857)	(9,500)	(83)	(25,440)
Advances from other funds	-	(173,092)	-	(173,092)
Repayment of advances	-	-	-	-
Net cash provided (used) by non-capital financing activities	(15,857)	(182,592)	(83)	(198,532)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition and construction of capital assets	(1,068,182)	(51,272)	(423,936)	(1,543,390)
Lease/loan interest paid	-	(15,578)	-	(15,578)
Contributed capital received	-	10,112	400,000	410,112
Net cash provided (used) by capital and related financing activities	(1,068,182)	(56,738)	(23,936)	(1,148,856)
CASH FLOWS FROM INVESTING ACTIVITIES				
Investment income received (paid)	13,464	6,680	543	20,687
Net cash provided (used) by investing activities	13,464	6,680	543	20,687
Net increase (decrease) in cash and cash equivalents	184,999	195,662	70,688	451,349
CASH AND CASH EQUIVALENTS, January 1	2,640,938	1,377,117	103,817	4,121,872
CASH AND CASH EQUIVALENTS, December 31	\$ 2,825,937	\$ 1,572,779	\$ 174,505	\$ 4,573,221

**COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
For the Year Ended December 31, 2015**

	Sanitation	Golf	Airport	TOTALS
RECONCILIATION OF NET OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Net operating income (loss)	\$ 542,508	\$ 356,280	\$ (164,765)	\$ 734,023
Adjustments to reconcile net operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	56,624	76,574	236,621	369,819
Miscellaneous income (expense)	343,897	160	37,631	381,688
Intergovernmental operating income	162,798	-	-	162,798
Change in assets and liabilities:				
(Increase) decrease in accounts receivable	1,070	-	-	1,070
(Increase) decrease in intergovernmental receivable	162,496	-	-	162,496
(Increase) decrease in prepaid expense	(3,036)	-	-	(3,036)
Increase (decrease) in deferred outflow- Contributions after the measurement date	(8,795)	(2,611)	612	(10,794)
Increase (decrease) in accounts payable	(52,821)	(33,700)	(3,529)	(90,050)
Increase (decrease) in accrued liabilities	23,006	7,509	502	31,017
Increase (decrease) in accrued sick and vacation - current portion	3,439	6,769	1,591	11,799
Increase (decrease) in net other post employment benefit obligation	(47)	(23)	(3)	(73)
Increase (decrease) in net pension liability	3,618	1,648	258	5,524
Increase (decrease) in accrued sick and vacation - long-term portion	20,817	15,706	(14,754)	21,769
Increase (decrease) in deposits/unearned revenue			-	-
Total adjustments	713,066	72,032	258,929	1,044,027
 Net cash provided (used) by operating activities	 \$ 1,255,574	 \$ 428,312	 \$ 94,164	 \$ 1,778,050
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	\$ 2,825,937	\$ 1,572,779	\$ 174,505	\$ 4,573,221
Cash and Cash Equivalents per statement of cash flows	\$ 2,825,937	\$ 1,572,779	\$ 174,504	\$ 4,573,221
NON-CASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES				
The following non-cash transactions occurred during 2015:				
Change in contracts payable for purchase of capital assets	\$ 91,714	\$ -	\$ 22,309	\$ 114,023
Prior period correction-Capital assets	(399,146)	2,166,824	442,255	2,209,933
Prior period correction-Pension	56,929	(36,596)	(4,637)	15,696
Investment earnings less than expected	129,237	58,868	9,230	197,335
Total non-cash transactions	\$ (121,266)	\$ 2,189,096	\$ 469,157	\$ 2,536,987

**SANITATION ENTERPRISE FUND
SCHEDULE OF REVENUES AND EXPENSES -
BUDGET (LEGAL BASIS) AND ACTUAL
For the Year Ended December 31, 2015**

	Budget	Actual	Variance From Budget
REVENUES			
Charges for services	\$ 5,995,000	\$ 6,168,889	\$ 173,889
Intergovernmental	593,039	162,798	(430,241)
Investment income	11,221	13,711	2,490
Miscellaneous	1,000	343,898	342,898
Transfers in	-	-	-
Total revenues	6,600,260	6,689,296	89,036
EXPENSES			
Administration	566,697	292,604	274,092
Landfill operations	10,000	6,591	3,409
Trash removal	3,777,841	3,693,069	84,772
Special trash pickup	955,379	812,081	143,298
Curbside recycling	796,682	781,268	15,414
Total operations	6,106,599	5,585,613	520,985
Capital outlay	1,189,302	1,159,896	29,406
Total expenses	7,295,901	6,745,509	550,392
Excess of revenues over (under) expenses	\$ (695,641)	(56,213)	\$ 639,428
RECONCILIATION TO NET (LOSS) (GAAP BASIS)			
Add: Additions to plant and equipment			
Capital outlay		1,159,896	
Less: Depreciation		56,625	
Net income (GAAP basis)		\$ 1,047,058	

GOLF ENTERPRISE FUND
SCHEDULE OF REVENUES AND EXPENSES -
BUDGET (LEGAL BASIS) AND ACTUAL
For the Year Ended December 31, 2015

	Budget	Actual	Variance From Budget
REVENUES			
Charges for services	\$ 2,582,045	\$ 2,576,473	\$ (5,572)
Developer participation fee	-	10,112	10,112
Investment income	9,519	7,644	(1,875)
Miscellaneous	-	160	160
Total revenues	2,591,564	2,594,389	2,825
EXPENSES			
Administration	310,456	292,919	17,537
Course maintenance/development	1,931,925	1,860,200	71,725
Total operations	2,242,381	2,153,119	89,262
Debt service	194,658	188,671	5,987
Capital outlay	171,700	117,089	54,611
Total expenses	2,608,739	2,458,879	149,860
Excess of revenues over (under) expenses	\$ (17,175)	135,510	\$ 152,685
RECONCILIATION TO NET INCOME (GAAP BASIS)			
Add: Additions to plant and equipment			
Capital outlay		117,089	
Principal payments capital leases		173,093	
Gains on sale of assets		-	
		290,182	
Less: Depreciation		76,574	
Net income (GAAP basis)		\$ 349,118	

AIRPORT ENTERPRISE FUND
SCHEDULE OF REVENUES AND EXPENSES -
BUDGET (LEGAL BASIS) AND ACTUAL
For the Year Ended December 31, 2015

	Budget	Actual	Variance From Budget
REVENUES			
Charges for services	\$ 282,923	\$ 403,334	\$ 120,411
Intergovernmental	49,225	29,351	(19,874)
Investment income (loss)	-	659	659
Miscellaneous	42,000	37,631	(4,369)
Total revenues	374,148	470,975	96,827
EXPENSES			
Administration	250,758	246,884	3,874
Maintenance	111,980	84,677	27,303
Total operations	362,738	331,561	31,177
Capital outlay	57,486	51,949	5,537
Total expenses	420,224	383,510	36,714
Excess of revenue over (under) expenses	\$ (46,076)	87,465	\$ 133,541
RECONCILIATION TO NET INCOME (GAAP BASIS)			
Add: Capital outlay		51,949	
Less: Depreciation		236,621	
Net income (GAAP basis)		\$ (97,207)	

MAJOR ENTERPRISE FUNDS

These funds are established to finance and account for the acquisition, operation and maintenance of governmental facilities and services that are entirely or predominantly self-supporting by user charges. The Major Enterprise Funds 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, 2015

	Budget	Actual	Variance From Budget
REVENUES			
Charges for services	\$ 68,298,910	\$ 65,218,411	\$ (3,080,499)
Intergovernmental	-	84,096	84,096
Investment income	30,000	150,731	120,731
Miscellaneous	427,700	1,244,858	817,158
Aid to underground installation	2,400,000	1,775,200	(624,800)
Other sales	78,000	81,790	3,790
Proceeds from issuance of bonds	-	-	-
Transfers in	16,361	16,361	-
Total revenues	71,250,971	68,571,447	(2,679,524)
EXPENSES			
Administration	6,518,451	6,774,077	(255,626)
Power purchased	45,769,141	44,536,649	1,232,492
Distribution	8,125,984	8,025,465	100,519
Franchise fee	5,283,142	5,164,731	118,411
Total operations	65,696,718	64,500,922	1,195,796
Debt service	1,475,013	1,328,847	146,166
Capital outlay	23,577,920	15,348,195	8,229,725
Total expenses	90,749,651	81,177,964	9,571,687
Excess of revenues over expenses	\$ (19,498,680)	(12,606,517) \$	6,892,163
RECONCILIATION TO NET INCOME (GAAP BASIS)			
Add: Additions to plant and equipment			
Capital outlay		15,348,195	
Capitalized salaries and expenses		1,048,954	
Capitalized interest		1,230,790	
Capital contributions		12,249	
		17,640,188	
		17,640,188	
Less: Depreciation		2,656,444	
Proceeds from issuance of bonds		-	
Vehicle transfers		-	
Impairment loss		-	
Grants - capital			
Aid to underground installation			
		2,656,444	
Net income (GAAP basis)		\$ 2,377,227	

**WATER ENTERPRISE FUND
SCHEDULE OF REVENUES AND EXPENSES -
BUDGET (LEGAL BASIS) AND ACTUAL
For the Year Ended December 31, 2015**

	Budget	Actual	Variance From Budget
REVENUES			
Charges for services	\$ 14,184,492	\$ 14,230,955	\$ 46,463
System development fees	490,900	966,165	475,265
Development fee surcharge	306,800	561,095	254,295
Intergovernmental	4,610,992	2,143,580	(2,467,412)
Investment income - operating	68,100	105,926	37,826
Investment income - debt service	-	-	-
Miscellaneous	-	575,715	575,715
Transfer in	-	-	-
Total revenues	19,661,284	18,583,436	(1,077,848)
EXPENSES			
Administration	3,700,694	3,592,112	108,581
Water resources	2,990,530	1,818,316	1,172,214
Transmission/distribution	3,020,958	2,029,727	991,231
Treatment plant	3,152,754	2,722,521	430,233
Total operations	12,864,936	10,162,676	2,702,260
Debt service	1,183,932	1,364,944	(181,012)
Capital outlay	15,236,565	8,363,576	6,872,989
Total expenses	29,285,433	19,891,197	9,394,237
Excess of revenue (under) expenses	\$ (9,624,149)	(1,307,760)	\$ 8,316,389
RECONCILIATION TO NET INCOME (GAAP BASIS)			
Add: Additions to plant and equipment			
Capital outlay		8,363,576	
Capitalized salaries		235,884	
Capital contributions		1,188,882	
		9,788,342	
Principal retired		1,017,191	
		10,805,533	
Less: Depreciation		3,432,788	
Net income (GAAP basis)		\$ 6,064,985	

**SEWER ENTERPRISE FUND
SCHEDULE OF REVENUES AND EXPENSES -
BUDGET (LEGAL BASIS) AND ACTUAL
For the Year Ended December 31, 2015**

	Budget	Actual	Variance From Budget
REVENUES			
Charges for services	\$ 13,207,500	\$ 13,085,133	\$ (122,367)
Intergovernmental	3,108,794	278,857	(2,829,937)
Investment income	17,900	37,336	19,436
Miscellaneous	4,545	444,521	439,976
Transfers in	551,289	367,591	(183,698)
Total revenues	16,890,028	14,213,438	(2,676,590)
EXPENSES			
Administration	2,653,620	2,607,580	46,040
Sewer collection system	2,260,901	2,048,845	212,056
Sewer disposal plant	4,148,494	3,704,305	444,189
Total operations	9,063,015	8,360,730	702,285
Debt service	3,866,683	2,912,627	954,056
Capital outlay	41,870,198	11,459,072	30,411,126
Total expenses	54,799,896	22,732,429	32,067,467
Excess of revenues (under) expenses	\$ (37,909,868)	(8,518,991)	\$ 29,390,877
RECONCILIATION TO NET INCOME (GAAP BASIS)			
Add: Additions to plant and equipment			
Capital outlay		11,459,072	
Capitalized salaries		152,474	
Capital contributions		554,288	
Capitalized interest		957,627	
		13,123,461	
Principal retired		1,955,000	
		15,078,461	
Less: Depreciation		2,904,957	
Loss on disposal of assets		10,767	
		2,915,724	
Net income (GAAP basis)		\$ 3,643,746	

STORM DRAINAGE ENTERPRISE FUND
SCHEDULE OF REVENUES AND EXPENSES -
BUDGET (LEGAL BASIS) AND ACTUAL
For the Year Ended December 31, 2015

	Budget	Actual	Variance From Budget
REVENUES			
Charges for services	\$ 6,402,517	\$ 6,644,935	\$ 242,418
Plant investment fee	137,619	302,142	164,523
Intergovernmental	1,397,904	377,247	(1,020,657)
Investment income	15,410	134,843	119,433
Miscellaneous	32,473	64,178	31,705
Total revenues	7,985,923	7,523,345	(462,578)
EXPENSES			
Administration	1,153,178	1,039,051	114,128
Engineering	1,083,032	801,918	281,114
Maintenance	950,048	850,887	99,161
Total operations	3,186,258	2,691,856	494,404
Debt service	4,183,575	3,767,678	415,897
Capital outlay	12,199,023	4,924,021	7,275,002
Total expenses	19,568,856	11,383,555	8,185,303
Excess of revenues over (under) expenses	\$ (11,582,933)	(3,860,210)	\$ 7,722,725
RECONCILIATION TO NET INCOME (GAAP BASIS)			
Add: Additions to plant and equipment			
Capital outlay		4,924,021	
Capitalized salaries		69,659	
Capitalized interest		1,028,241	
Capital contributions		256,237	
		6,278,158	
Principal retired		2,615,000	
		8,893,158	
Less: Depreciation		1,523,682	
Net income (GAAP basis)		\$ 3,509,266	



INTERNAL SERVICE FUNDS

Warehouse Fund The Warehouse Fund was established to finance and account for the purchase and warehousing of equipment, materials and supplies required by other funds. Amounts expended by this fund are restored when the goods are drawn from inventory or by means of an operating subsidy from the General Fund.

Fleet Fund The Fleet Fund was established to account for citywide costs related to vehicle purchases and fleet services. All departments using the fleet pay a fleet lease charge that is based on the actual usage of the department.

Self Insurance Fund The Self Insurance Fund was established to account for the cost of fire, casualty and liability insurance coverage for the City and to pay small claims court judgments against the City on a self-insured basis.

Employee Benefit Fund The Employee Benefit Fund was established to provide health insurance coverage for municipal employees as well as to account for the cost of long-term disability and life insurance benefits provided to the City's employees.

Workers' Compensation Insurance Fund The Workers' Compensation Insurance Fund was established by City Council resolution to accumulate and expend funds for Workers' Compensation Insurance premiums and to accumulate dividends received on such premiums.

Unemployment Insurance Fund The Unemployment Insurance Fund was established to accumulate and expend funds for unemployment benefits paid by the State of Colorado.

COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
December 31, 2015

	Warehouse	Fleet	Self-Insurance
ASSETS			
Current assets:			
Equity in pooled cash & cash equivalents	\$ -	\$ 12,570,712	\$ 3,545,535
Accounts receivable	-	-	-
Accrued interest receivable	-	30,635	8,119
Inventory of materials and supplies	7,040,678	438,947	-
Advance to other funds	-	2,237,213	-
Restricted equity in pooled cash & cash equivalents	-	-	-
Prepaid expenses	-	1,631,116	277,833
Total current assets	7,040,678	16,908,623	3,831,487
Net pension asset	-	-	-
Loan receivable-component unit	-	146,000	-
Property, plant and equipment:			
Land and water rights	-	423,219	-
Construction in progress	-	2,798,739	-
Buildings	-	1,901,543	-
Improvements (other than buildings)	-	43,642	-
Equipment	-	46,823,287	-
Total property and equipment	-	51,990,430	-
Less - accumulated depreciation	-	32,582,958	-
Net property, plant and equipment	-	19,407,472	-
Total assets	7,040,678	36,462,095	3,831,487
DEFERRED OUTFLOWS OF RESOURCES			
City contributions subsequent to the measurement date	-	64,576	-
Investment earnings less than expected	-	91,678	-
Total deferred outflows of resources	-	156,254	-
Total assets and deferred outflows of resources	\$ 7,040,678	\$ 36,618,349	\$ 3,831,487
LIABILITIES AND NET POSITION			
Current liabilities:			
Accounts payable	\$ 363,435	\$ 209,396	\$ -
Contracts payable	-	129,110	-
Accrued liabilities	-	46,912	-
Due to other funds	6,677,243	-	-
Claims payable - current portion	-	-	128,018
Accrued sick and vacation - current portion	-	18,781	-
Total current liabilities	7,040,678	404,199	128,018
Long-term liabilities:			
Net pension liability	-	120,298	-
Net other post employment benefit obligation	-	7,051	-
Claims payable	-	-	74,459
Accrued sick and vacation	-	144,841	-
Net long-term liabilities	-	272,190	74,459
Total liabilities	7,040,678	676,389	202,477
Net position:			
Invested in capital assets	-	19,407,472	-
Restricted for workers' compensation	-	-	-
Restricted for long-term disability	-	-	-
Unrestricted	-	16,534,488	3,629,010
Total net position	-	35,941,960	3,629,010
Total liabilities and net position	\$ 7,040,678	\$ 36,618,349	\$ 3,831,487

Employee Benefit	Workers' Compensation Insurance	Unemployment Insurance	TOTALS
\$ 6,130,490	\$ 928,060	\$ 329,746	\$ 23,504,543
-	-	-	-
13,434	7,947	739	60,874
-	-	-	7,479,625
-	-	-	2,237,213
-	2,577,190	-	2,577,190
6,000	75,325	-	1,990,274
<u>6,149,924</u>	<u>3,588,522</u>	<u>330,485</u>	<u>37,849,719</u>
-	-	-	-
-	-	-	146,000
-	-	-	423,219
-	-	-	2,798,739
-	-	-	1,901,543
-	-	-	43,642
-	-	-	46,823,287
-	-	-	51,990,430
-	-	-	32,582,958
-	-	-	19,407,472
<u>6,149,924</u>	<u>3,588,522</u>	<u>330,485</u>	<u>57,403,191</u>
-	-	-	64,576
-	-	-	91,678
-	-	-	156,254
<u>\$ 6,149,924</u>	<u>\$ 3,588,522</u>	<u>\$ 330,485</u>	<u>\$ 57,559,445</u>
\$ -	\$ 8,659	\$ 8,505	\$ 589,995
-	-	-	129,110
4	-	-	46,916
-	-	-	6,677,243
-	689,889	-	817,907
-	-	-	18,781
<u>4</u>	<u>698,548</u>	<u>8,505</u>	<u>8,279,952</u>
-	-	-	120,298
-	-	-	7,051
-	1,595,105	-	1,669,564
-	-	-	144,841
-	1,595,105	-	1,941,754
<u>4</u>	<u>2,293,653</u>	<u>8,505</u>	<u>10,221,706</u>
-	-	-	19,407,472
-	2,577,190	-	2,577,190
325,000	-	-	325,000
5,824,920	(1,282,321)	321,980	25,028,077
<u>6,149,920</u>	<u>1,294,869</u>	<u>321,980</u>	<u>47,337,739</u>
<u>\$ 6,149,924</u>	<u>\$ 3,588,522</u>	<u>\$ 330,485</u>	<u>\$ 57,559,445</u>

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
December 31, 2015

	Warehouse	Fleet	Self- Insurance
OPERATING REVENUES			
Charges for services	\$ -	\$ 7,949,899	\$ 1,506,828
Warehouse sales	6,101,676	-	-
Contributions	-	-	-
Total operating revenues	6,101,676	7,949,899	1,506,828
OPERATING EXPENSES			
Administration	-	-	37,063
Cost of sales/premiums	6,101,676	-	370,397
Fleet services	-	3,423,281	-
Depreciation	-	3,374,083	-
Administrative fees	-	264,164	112,206
Benefit payments	-	-	-
Claims	-	-	94,750
Total operating expenses	6,101,676	7,061,528	614,416
Operating income (loss)	-	888,371	892,412
NON-OPERATING REVENUES			
Investment income (loss)	-	99,658	15,708
Miscellaneous	-	2,607	766
Intergovernmental	-	-	-
Gain on disposal of assets	-	275,702	-
Net non-operating revenues	-	377,967	16,474
Income (loss) before transfers	-	1,266,338	908,886
SPECIAL ITEM-insurance recoveries	-	-	-
TRANSFERS			
Transfers in	-	875,515	-
Transfers out	-	(33,701)	-
Net operating transfers	-	841,814	-
Change in net position	-	2,108,152	908,886
TOTAL NET POSITION-January 1	-	33,359,254	2,720,124
Cumulative effect of correction to prior period	-	474,554	-
Restated Retained Earnings	-	33,833,808	2,720,124
TOTAL NET POSITION-December 31	\$ -	\$ 35,941,960	\$ 3,629,010

Employee Benefit	Workers' Compensation Insurance	Unemployment Insurance	TOTALS
\$ 9,769,748	\$ 1,701,001	\$ 118,473	\$ 21,045,949
-	-	-	6,101,676
2,756,030	-	-	2,756,030
12,525,778	1,701,001	118,473	29,903,655
127,563	68,211	-	232,837
11,392,477	107,472	-	17,972,022
-	-	-	3,423,281
-	-	-	3,374,083
-	129,421	-	505,791
535,608	-	-	535,608
-	918,274	37,117	1,050,141
12,055,648	1,223,378	37,117	27,093,763
470,130	477,623	81,356	2,809,892
24,383	15,255	1,334	156,338
92,989	-	-	96,362
28,350	-	-	28,350
-	-	-	275,702
145,722	15,255	1,334	556,752
615,852	492,878	82,690	3,366,644
-	-	-	875,515
-	-	-	(33,701)
-	-	-	841,814
615,852	492,878	82,690	4,208,458
5,534,068	801,991	239,290	42,654,727
-	-	-	474,554
5,534,068	801,991	239,290	43,129,281
\$ 6,149,920	\$ 1,294,869	\$ 321,980	\$ 47,337,739

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
Year Ended December 31, 2015

	Warehouse	Fleet	Self- Insurance
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers	\$ 6,101,676	\$ 7,952,507	\$ 1,507,594
Cash paid to suppliers	(6,101,676)	(2,138,210)	(568,006)
Cash paid to employees	-	(1,354,898)	-
Claims/Benefits paid	-	-	(276,763)
Net cash provided (used) by operating activities	-	4,459,399	662,825
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES			
Repayment of advances	-	1,473,092	-
Advances to other funds	-	(1,120,000)	-
Loan to discretely presented component unit	-	(321,014)	-
Loan repayments from discretely presented component unit	-	321,014	-
Transfers in	-	-	-
Transfers out	-	(33,701)	-
Net cash (used) by non-capital financing activities	-	319,391	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition and construction of capital assets	-	(9,200,179)	-
Contributed capital received	-	-	-
Proceeds from sale of equipment	-	275,702	-
Net cash (used) by capital and related financing activities	-	(8,924,477)	-
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment income received	-	99,965	20,290
Net cash provided (used) by investing activities	-	99,965	20,290
Net increase (decrease) in cash and cash equivalents	-	(4,045,722)	683,115
CASH AND CASH EQUIVALENTS - January 1	-	16,616,434	2,862,420
CASH AND CASH EQUIVALENTS - December 31	\$ -	\$ 12,570,712	\$ 3,545,535

Employee Benefit	Workers' Compensation Insurance	Unemployment Insurance	TOTALS
\$ 12,647,117	\$ 1,701,001	\$ 118,473	\$ 30,028,368
(12,055,644)	(365,888)	-	(21,229,424)
-	-	-	(1,354,898)
-	(792,838)	(66,718)	(1,136,319)
591,473	542,275	51,755	6,307,727
-	-	-	1,473,092
-	-	-	(1,120,000)
-	-	-	(321,014)
-	-	-	321,014
-	-	-	-
-	-	-	(33,701)
-	-	-	319,391
-	-	-	(9,200,179)
-	-	-	-
-	-	-	275,702
-	-	-	(8,924,477)
21,851	13,496	1,179	156,781
21,851	13,496	1,179	156,781
613,324	555,771	52,934	(2,140,578)
5,517,166	2,949,479	276,812	28,222,311
\$ 6,130,490	\$ 3,505,250	\$ 329,746	\$ 26,081,733

(continued)

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
Year Ended December 31, 2015

	Warehouse	Fleet	Self-Insurance
Reconciliation of net operation income (loss) to net cash provided (used) by operating activities			
Net operating income (loss)	\$ -	\$ 888,371	\$ 892,412
Adjustments to reconcile net operating income (loss) to net cash provided (used) by operating activities			
Depreciation	-	3,374,083	-
Miscellaneous income	-	2,607	766
Change in assets and liabilities:			
(Increase) decrease in inventory of materials and supplies	(3,289,773)	(7,915)	-
(Increase) decrease in prepaid expenses	-	-	(3,237)
Increase (decrease) in deferred outflow-Contributions after the measurement date	-	(8,332)	-
Increase (decrease) in accounts payable	53,781	164,554	(45,103)
Increase (decrease) in accrued liabilities	-	7,233	-
Increase (decrease) in due to other funds	3,235,992	-	-
Increase (decrease) in accrued sick and vacation - current portion	-	3,008	-
Increase (decrease) in claims payable - current portion	-	-	51,676
Increase (decrease) in net pension liability	-	2,566	-
Increase (decrease) in net other post employment benefit obligation	-	(35)	-
Increase (decrease) in claims payable - long-term portion	-	-	(233,689)
Increase (decrease) in accrued sick and vacation - long-term portion	-	33,259	-
Total adjustments	-	3,571,028	(229,587)
Net cash provided (used) by operating activities	\$ -	\$ 4,459,399	\$ 662,825

**NON-CASH INVESTING, CAPITAL AND
FINANCING ACTIVITIES**

The following non-cash transactions
occurred during 2015:

Transfer of assets from other funds	\$ -	\$ 875,515	\$ -
Prior period correction-Capital assets	-	517,831	-
Prior period correction-Pension	-	43,277	-
Investment earnings less than expected	-	97,678	-

Employee Benefit	Workers' Compensation Insurance	Unemployment Insurance	TOTALS
\$ 470,130	\$ 477,623	\$ 81,356	\$ 2,809,892
-	-	-	3,374,083
121,339	-	-	124,712
-	-	-	(3,297,688)
-	(7,519)	-	(10,756)
-	-	-	(8,332)
-	(53,265)	(29,601)	90,366
4	-	-	7,237
-	-	-	3,235,992
-	-	-	3,008
-	550,879	-	602,555
-	-	-	2,566
-	-	-	(35)
-	(425,443)	-	(659,132)
-	-	-	33,259
121,343	64,652	(29,601)	3,497,835
\$ 591,473	\$ 542,275	\$ 51,755	\$ 6,307,727

\$ -	\$ -	\$ -	\$ 875,515
-	-	-	517,831
-	-	-	43,277
-	-	-	97,678

**FLEET INTERNAL SERVICE FUND
SCHEDULE OF REVENUES AND EXPENSES -
BUDGET (LEGAL) BASIS AND ACTUAL
Year Ended December 31, 2015**

	Budget	Actual	Variance From Final Budget
REVENUES			
Charges for services	\$ 7,949,899	\$ 7,949,899	\$ -
Investment income (loss)	55,500	99,658	44,158
Miscellaneous	-	278,308	278,308
Total revenues	8,005,399	8,327,865	322,466
EXPENSES			
Operations:			
Personal services	1,357,419	1,398,398	(40,979)
Operating & maintenance	2,407,340	2,289,046	118,294
Transfers out	34,213	33,701	512
Total operations	3,798,972	3,721,145	77,827
Capital outlay	10,892,517	7,832,741	3,059,776
Total expenses	14,691,489	11,553,886	3,137,603
Excess of revenues (under) expenses	\$ (6,686,090)	(3,226,021)	\$ 3,460,069
RECONCILIATION TO NET INCOME (GAAP BASIS)			
Add: Additions to plant and equipment			
Capital outlay		7,832,741	
Property and equipment transferred from other funds		875,515	
		8,708,256	
Less: Depreciation		3,374,083	
Net income (GAAP basis)		\$ 2,108,152	

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, 2015**

	Employee Retirement Plans				Total Fiduciary Funds
	Employee Pension	Fire Pension	Police Pension	OPEB Trust	
ASSETS					
Equity in pooled cash & cash equivalents	\$ 106,529	\$ 15,044	\$ 12,219	-	\$ 133,792
Cash and cash equivalents	1,632,181	38,811	19,872	2,204,145	3,895,009
Investments					
Common stock	39,441,152	937,854	480,208	-	40,859,214
Mutual funds	86,727,397	2,062,254	1,055,932	-	89,845,583
Total Assets	127,907,259	3,053,963	1,568,231	2,204,145	134,733,598
LIABILITIES					
Accounts payable	48,528	516	210	-	49,254
Total Liabilities	48,528	516	210	-	49,254
NET POSITION					
Held in trust for pension and OPEB benefits	\$ 127,858,731	\$ 3,053,447	\$ 1,568,021	\$ 2,204,145	\$ 134,684,344

**COMBINING STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUNDS
For the Year Ended December 31, 2015**

	Employee Retirement Plans				Total Fiduciary Funds
	Employee Pension	Fire Pension	Police Pension	OPEB Trust	
ADDITIONS					
Contributions					
Employer	\$ 2,507,778	\$ -	\$ -	\$ 477,475	\$ 2,985,253
Plan members	2,031,385	-	-	-	2,031,385
Total Contributions	4,539,163	-	-	477,475	5,016,638
Investment income					
Net appreciation in fair value of investments	(4,811,010)	(114,142)	(56,686)	-	(4,981,838)
Interest	2,144,029	52,748	27,437	176	2,224,390
Dividends	605,230	15,049	7,865	-	628,144
Less investment expense	(319,379)	(5,022)	(7,805)	-	(332,206)
Net investment gain	(2,381,130)	(51,367)	(29,189)	176	(2,461,510)
Total additions	2,158,033	(51,367)	(29,189)	477,651	2,555,128
DEDUCTIONS					
Benefits	5,743,610	293,522	226,687	-	6,263,819
Refunds of contributions	211,132	-	-	-	211,132
Administrative expense	72,646	1,055	1,716	3,416	78,833
Total deductions	6,027,388	294,577	228,403	3,416	6,553,784
Net increase (decrease)	(3,869,355)	(345,944)	(257,592)	474,235	(3,998,656)
NET POSITION HELD IN TRUST FOR					
PENSION AND OPEB BENEFITS, January 1	131,728,086	3,399,391	1,825,613	1,729,910	138,683,000
December 31	\$ 127,858,731	\$ 3,053,447	\$ 1,568,021	\$ 2,204,145	\$ 134,684,344



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, 2015

	General	Special Revenue	Debt Service	Capital Projects	Totals
ASSETS					
Equity in pooled cash & cash equivalents	\$ 193,500	\$ 1,074,105	\$ 2,702,393	\$ 2,164,309	\$ 6,134,307
Cash and cash equivalents	-	80,572	-	-	80,572
Receivables (net of allowance for uncollectibles):					
Taxes	178,820	-	611,519	-	790,339
Accrued interest	459	2,471	6,183	4,969	14,082
Omtergpvermental	-	-	-	-	-
Due from other governments	973	-	719	-	1,692
Prepaid expenditures	-	-	-	-	-
Total Assets	\$ 373,752	\$ 1,157,148	\$ 3,320,814	\$ 2,169,278	\$ 7,020,992
LIABILITIES					
Accounts payable	\$ 3,385	\$ 2,567	\$ -	\$ 2,745	\$ 8,697
Construction contracts payable	-	-	-	-	-
Accrued liabilities	4,325	2,432	-	-	6,757
Total liabilities	7,710	4,999	-	2,745	15,454
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property taxes	178,820	-	611,519	-	790,339
Total deferred inflows of resources	178,820	-	611,519	-	790,339
FUND BALANCES					
Fund balances:					
Nonspendable	-	-	-	-	-
Restricted	4,731	4,059	19,557	259	18,606
Committted	280	1,148,090	2,689,738	2,166,274	6,014,382
Unassigned	182,211	-	-	-	182,211
Total fund balance	187,222	1,152,149	2,709,295	2,166,533	6,215,199
Total liabilities, deferred inflows of resources and fund balances	\$ 373,752	\$ 1,157,148	\$ 3,320,814	\$ 2,169,278	\$ 7,020,992

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.	5,504,698
Long-term liabilities, including compensated absences, are not due and payable in the current period and therefore are not reported in the funds.	(32,295)
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>\$ 11,541,602</u>

DOWNTOWN DEVELOPMENT AUTHORITY COMPONENT UNIT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
Year Ended December 31, 2015

	General	Special Revenue	Debt Service	Capital Projects	Totals
REVENUES					
Taxes	\$ 145,479	\$ -	\$ 638,253	\$ -	\$ 783,732
Intergovernmental	-	-	-	-	-
Investment income (loss)	1,796	5,950	13,634	8,635	30,015
Charges for service	5,425	99,879	-	-	105,304
Donations	-	27,240	-	-	27,240
Grants	2,500	-	-	-	2,500
Miscellaneous	-	25	-	-	25
Total revenues	155,200	133,094	651,887	8,635	948,816
EXPENDITURES					
Current:					
General government	194,428	349,117	-	110,836	654,381
Debt service:					
Principal retired	-	-	621,014	-	621,014
Interest and fiscal charges	-	-	1,165	-	1,165
Total expenditures	194,428	349,117	622,179	110,836	1,276,560
Excess of revenues over (under) expenditures	(39,228)	(216,023)	29,708	(102,201)	(327,744)
OTHER FINANCING SOURCES (USES)					
Issuance of debt	-	-	-	621,014	621,014
Transfers in	2,500	-	-	-	2,500
Transfers out	-	(2,500)	-	-	(2,500)
Total other financing sources (uses)	2,500	(2,500)	-	621,014	621,014
Net changes in fund balances	(36,728)	(218,523)	29,708	518,813	293,270
FUND BALANCES, January 1	223,950	1,370,672	2,679,587	1,647,720	5,921,929
FUND BALANCE, December 31	\$ 187,222	\$ 1,152,149	\$ 2,709,295	\$ 2,166,533	\$ 6,215,199

Net change in fund balance - component unit	\$ 293,270
Amounts reported for governmental activities in the statement are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.	(415,516)
The issuance of debt provides current financial resources to governmental funds, while repayment of the principal of debt consumes current financial resources of the governmental funds. Neither transaction has any effect on net position.	
Loan proceeds	621,014
Principal repayments on loans	(621,014)
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.	(7,189)
Change in net position of component unit activities	<u>\$ (129,435)</u>

DOWNTOWN DEVELOPMENT AUTHORITY COMPONENT UNIT
COMBINING BALANCE SHEET
SPECIAL REVENUE FUNDS
December 31, 2015

	Downtown Development Bldg Permit	Downtown Development CDBG Grant	Downtown Development Façade Improvement	Art and Entertainment	Totals
ASSETS					
Equity in pooled cash & cash equivalents	\$ 139,890	\$ -	472,667	\$ 461,548	\$ 1,074,105
Cash and cash equivalents	-	29,711	-	50,861	80,572
Receivables (net of allowance for uncollectibles):					
Taxes	-	-	-	-	-
Loans	-	-	-	-	-
Accrued interest	337	-	1,084	1,050	2,471
Due from other governments	-	-	-	-	-
Prepaid expenditures	-	-	-	-	-
Total assets	\$ 140,227	\$ 29,711	\$ 473,751	\$ 513,459	\$ 1,157,148
LIABILITIES					
Accounts payable	\$ -	\$ -	-	\$ 2,567	\$ 2,567
Accrued liabilities	-	-	-	2,432	2,432
Total liabilities	-	-	-	4,999	4,999
FUND BALANCE					
Fund balances:					
Nonspendable	-	-	-	-	-
Restricted	2,297	-	69	1,693	4,059
Committed	137,930	29,711	473,682	506,767	1,148,090
Total fund balance	140,227	29,711	473,751	508,460	1,152,149
Total liabilities and fund balance	\$ 140,227	\$ 29,711	\$ 473,751	\$ 513,459	\$ 1,157,148

DOWNTOWN DEVELOPMENT AUTHORITY COMPONENT UNIT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
SPECIAL REVENUE FUNDS
Year Ended December 31, 2015

	Downtown Development Bldg Permit	Downtown Development CDBG Grant	Downtown Development Façade Improvement	Art and Entertainment	Totals
REVENUES					
Intergovernmental	\$ -	\$ -	\$ -	\$ -	-
Investment income (loss)	678	9	2,305	2,958	5,950
Charges for service	75,877	-	-	24,002	99,879
Donations	-	-	-	27,240	27,240
Miscellaneous	-	25	-	-	25
Total revenues	76,555	34	2,305	54,200	133,094
EXPENDITURES					
General Governmental	56,007	24	-	293,087	349,118
Excess of revenues over (under) expenditures	20,548	10	2,305	(238,887)	(216,024)
OTHER FINANCING SOURCES (USES)					
Issuance of debt	-	-	-	-	-
Transfers out	(2,500)	-	-	-	(2,500)
Total other financing sources (uses)	(2,500)	-	-	-	(2,500)
Net changes in fund balances	18,048	10	2,305	(238,887)	(218,524)
FUND BALANCES, January 1	122,179	29,701	471,446	747,346	1,370,672
FUND BALANCES, December 31	\$ 140,227	\$ 29,711	\$ 473,751	\$ 508,459	\$ 1,152,148

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, 2015

	Budget	Actual	Variance From Final Budget
REVENUES			
Taxes	\$ 181,725	\$ 145,479	\$ (36,246)
Intergovernmental	-	-	-
Investment income	900	1,796	896
Charges for service	-	5,425	5,425
Grants	2,500	2,500	-
Miscellaneous	-	-	-
Total revenues	185,125	155,200	(29,925)
EXPENDITURES			
General government	204,570	194,428	10,142
Excess of revenues			
Net changes in fund balances (under) expenditures	(19,445)	(39,228)	(19,783)
OTHER FINANCING SOURCES			
Transfers in	2,500	2,500	-
Net changes in fund balances	(16,945)	(36,728)	(19,783)
FUND BALANCE, January 1	223,950	223,950	-
FUND BALANCE, December 31	\$ 207,005	\$ 187,222	\$ (19,783)

**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, 2015**

	Budget	Actual	Variance From Final Budget
REVENUES			
Investment income	\$ -	\$ 678	\$ 678
Charges for service	20,000	75,877	55,877
Total revenues	20,000	76,555	56,555
EXPENDITURES			
General government	139,679	56,007	83,672
Excess of revenues (under) expenditures	(119,679)	20,548	140,227
OTHER FINANCING SOURCES (USES)			
Transfers out	(2,500)	(2,500)	-
Net changes in fund balances	(122,179)	18,048	140,227
FUND BALANCE, January 1	122,179	122,179	-
FUND BALANCE, December 31	\$ -	\$ 140,227	\$ 140,227

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, 2015

	Budget	Actual	Variance From Final Budget
REVENUES			
Investment income	\$ -	\$ 9	\$ 9
Miscellaneous income	-	25	25
Total revenues	-	34	34
EXPENDITURES			
General government	-	24	(24)
Excess of revenues (under) expenditures	-	10	10
FUND BALANCE, January 1	29,701	29,701	-
FUND BALANCE, December 31	\$ 29,701	\$ 29,711	\$ 10

**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, 2015**

	Budget	Actual	Variance From Final Budget
REVENUES			
Taxes	\$ 483,324	\$ 638,253	\$ 154,929
Investment income	-	13,634	13,634
Total revenues	483,324	651,887	168,563
EXPENDITURES			
Principal retired	845,707	621,014	224,693
Interest and fiscal charges	5,000	1,165	3,835
Total expenditures	850,707	622,179	228,528
Net changes in fund balances	(367,383)	29,708	397,091
FUND BALANCE, January 1	2,679,587	2,679,587	-
FUND BALANCE, December 31	\$ 2,312,204	\$ 2,709,295	\$ 397,091

**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, 2015**

	Budget	Actual	Variance From Final Budget
REVENUES			
Investment income	\$ -	\$ 8,635	\$ 8,635
Total revenues	-	8,635	8,635
EXPENDITURES			
General government	2,182,907	110,836	2,072,071
Excess of revenues (under) expenditures	(2,182,907)	(102,201)	2,080,706
OTHER FINANCING SOURCES (USES)			
Proceeds from advance	597,027	621,014	23,987
Total other financing sources (uses)	597,027	621,014	23,987
Net changes in fund balances	(1,585,880)	518,813	2,104,693
FUND BALANCE, January 1	1,647,720	1,647,720	-
FUND BALANCE, December 31	\$ 61,840	\$ 2,166,533	\$ 2,104,693

**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, 2015**

	Budget	Actual	Variance From Final Budget
REVENUES			
Investment income	\$ -	\$ 2,305	\$ 2,305
Total revenues	-	2,305	2,305
EXPENDITURES			
General government	422,007	-	422,007
Net changes in fund balances	(422,007)	2,305	424,312
FUND BALANCE, January 1	471,446	471,446	-
FUND BALANCE, December 31	\$ 49,439	\$ 473,751	\$ 424,312

**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, 2015**

	Budget	Actual	Variance From Final Budget
REVENUES			
Charges for service	\$ 10,000	\$ 24,002	\$ 14,002
Donations	40,000	27,240	(12,760)
Investment income	-	2,958	2,958
Total revenues	50,000	54,200	4,200
EXPENDITURES			
General government	320,491	293,087	27,404
Excess of revenues (under) expenditures	(270,491)	(238,887)	31,604
OTHER FINANCING SOURCES			
Proceeds from advance	248,680	-	(248,680)
Total other financing sources	248,680	-	(248,680)
Net changes in fund balances	(21,811)	(238,887)	(217,076)
FUND BALANCE, January 1	747,346	747,346	-
FUND BALANCE, December 31	\$ 725,535	\$ 508,459	\$ (217,076)

**STATISTICAL SCHEDULES
INDEX**

December 31, 2015

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

Financial Trends..... 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
- Principal Sales and Use Taxpayers

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
- Pledged Revenue Bond/Loan Coverage

Operating Information 235

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**

	2006	2007	2008	2009
Governmental activities				
Net investment in capital assets	\$ 247,224,992	\$ 255,023,291	\$ 258,841,455	\$ 268,747,804
Restricted	58,618,824	63,286,907	67,045,402	56,858,647
Unrestricted	40,803,801	41,253,598	36,524,738	40,365,372
Total governmental activities net position	\$ 346,647,617	\$ 359,563,796	\$ 362,411,595	\$ 365,971,823
Business-type activities				
Net investment in capital assets	\$ 457,130,355	\$ 481,563,714	\$ 489,038,783	\$ 493,511,315
Restricted	-	-	-	9,167,995
Unrestricted	148,894,983	161,368,686	167,593,678	157,873,139
Total business-type activities net position	\$ 606,025,338	\$ 642,932,400	\$ 656,632,461	\$ 660,552,449
Primary government				
Net investment in capital assets	\$ 704,355,347	\$ 736,587,005	\$ 747,880,238	\$ 762,259,119
Restricted	58,618,824	63,286,907	67,045,402	66,026,642
Unrestricted	189,698,784	202,622,284	204,118,416	198,238,511
Total primary government net position	\$ 952,672,955	\$ 1,002,496,196	\$ 1,019,044,056	\$ 1,026,524,272

2010	2011	2012	2013	2014	2015
\$ 270,382,692	\$ 275,902,207	\$ 281,989,606	\$ 280,876,469	\$ 274,626,844	\$ 289,135,313
66,741,761	69,059,013	67,157,981	75,323,135	97,314,176	81,806,810
32,146,885	30,916,114	31,926,358	35,810,330	23,991,124	11,517,574
<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>	<u>\$ 382,459,697</u>
\$ 507,056,869	\$ 521,558,060	\$ 524,809,966	\$ 520,033,029	\$ 529,204,937	\$ 572,508,835
18,817,163	19,421,825	14,472,701	9,662,221	1,904,853	2,286,609
146,541,477	145,887,387	35,837,666	39,832,309	53,727,320	50,026,092
<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>	<u>\$ 624,821,536</u>
\$ 777,439,561	\$ 797,460,267	\$ 806,799,572	\$ 800,909,498	\$ 803,831,781	\$ 861,644,148
85,558,924	88,480,838	81,630,682	84,985,356	99,219,029	84,093,419
178,688,362	176,803,501	67,764,024	75,642,639	77,718,444	61,543,666
<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>	<u>\$ 1,007,281,233</u>

CHANGES IN NET POSITION LAST TEN FISCAL YEARS

	2006	2007	2008	2009
Expenses				
Governmental activities:				
General government	\$ 20,551,339	\$ 20,762,868	\$ 25,433,222	\$ 18,772,527
Public Safety	26,798,046	29,163,736	31,049,011	32,842,216
Highways & Streets	14,130,933	15,006,093	14,947,947	17,180,057
Culture & Recreation	14,838,299	15,884,722	15,665,711	16,073,099
Municipal utilities systems	37,904	117,429	100,345	174,499
Interest and fiscal charges on long-term debt	1,794,986	2,001,277	1,949,198	2,302,996
Total governmental activities expenses	<u>\$ 78,151,507</u>	<u>\$ 82,936,125</u>	<u>\$ 89,145,434</u>	<u>\$ 87,345,394</u>
Business-type activities:				
Sanitation	\$ 4,174,022	\$ 4,899,295	\$ 5,500,624	\$ 5,358,336
Golf	2,319,540	2,255,648	2,286,369	2,185,459
Electric	44,074,244	45,154,130	46,779,652	47,780,116
Telecommunications	169,813	151,499	166,219	164,129
Water	11,137,061	12,149,962	12,799,254	12,975,167
Sewer	8,667,832	8,496,031	8,277,407	8,368,101
Storm Drainage	2,247,699	2,362,745	2,533,933	3,085,889
Airport	220,414	242,715	291,899	328,375
Total business-type activities expenses	<u>\$ 73,010,625</u>	<u>\$ 75,712,025</u>	<u>\$ 78,635,357</u>	<u>\$ 80,245,572</u>
Total primary government expenses	<u>\$ 151,162,132</u>	<u>\$ 58,648,150</u>	<u>\$ 167,780,791</u>	<u>\$ 67,590,966</u>
Program Revenues				
Governmental activities:				
Charges for services				
General Government	\$ 7,096,710	\$ 6,700,035	\$ 6,993,588	\$ 6,965,851
Public Safety	1,629,177	1,448,170	1,297,757	1,039,975
Highways & Streets	1,823,874	771,687	706,732	649,631
Culture & Recreation	5,162,614	4,097,691	4,681,964	5,171,304
Municipal utilities systems	-	-	-	-
Operating grants and contributions	5,313,124	7,425,910	5,147,423	5,770,130
Capital grants and contributions	7,794,399	7,637,432	3,495,473	7,124,956
Total governmental activities program revenues	<u>\$ 28,819,898</u>	<u>\$ 28,080,925</u>	<u>\$ 22,322,937</u>	<u>\$ 26,721,847</u>
Business-type activities:				
Charges for services				
Sanitation	\$ 5,027,391	\$ 5,116,877	\$ 5,169,059	\$ 5,105,311
Golf	2,543,686	2,581,174	2,597,381	2,460,988
Electric	44,045,475	44,952,976	44,201,753	44,547,396
Telecommunications	175,361	144,884	216,387	238,663
Water	14,539,286	14,185,321	13,748,106	11,936,337
Sewer	7,446,278	7,174,708	7,121,233	7,352,469
Storm Drainage	3,043,207	3,398,017	3,434,723	3,469,114
Airport	197,537	238,652	251,284	251,376
Operating grants and contributions	567,576	458,608	327,993	547,269
Capital grants and contributions	14,147,803	27,666,764	8,740,582	6,394,173
Total business-type activities program revenues	<u>\$ 91,733,600</u>	<u>\$ 105,917,981</u>	<u>\$ 85,808,501</u>	<u>\$ 82,303,096</u>
Total primary government program revenues	<u>\$ 20,553,498</u>	<u>\$ 133,998,906</u>	<u>\$ 108,131,438</u>	<u>\$ 109,024,943</u>
Net (Expenses)/Revenue				
Governmental activities	\$ (49,331,609)	\$ (54,855,200)	\$ (66,822,497)	\$ (60,623,547)
Business-type activities	18,722,975	30,205,956	7,173,144	2,057,524
Total primary government net expense	<u>\$ (30,608,634)</u>	<u>\$ (24,649,244)</u>	<u>\$ (59,649,353)</u>	<u>\$ (58,566,023)</u>
General Revenues and Other Changes in Net Position				
Governmental activities:				
Taxes				
Property taxes	\$ 14,139,391	\$ 14,578,798	\$15,493,699	\$ 15,539,641
General government sales and use taxes	23,798,827	24,252,480	24,207,871	22,751,072
Public improvement sales and use taxes	4,199,793	4,279,848	3,952,522	3,316,107
Streets sales and use taxes	10,499,482	10,699,626	10,560,147	9,775,192
Open space sales and use taxes	2,799,862	2,853,231	2,816,040	2,606,718
Public safety sales and use taxes	-	4,635,144	4,576,063	4,235,917
Lodgers taxes	-	-	307,877	244,527
Cigarette taxes	218,365	212,223	199,546	185,093
Franchise taxes	4,731,940	4,831,536	4,849,024	5,269,452
Investment income	5,144,710	6,584,535	6,369,843	1,526,527
Miscellaneous	1,928	5,062	57,837	16,433
Gain (loss) from Impairment	-	-	-	-
Transfers	(3,560,154)	(4,004,935)	(3,720,173)	(1,282,904)
Total governmental activities	<u>\$ 61,974,144</u>	<u>\$ 68,927,548</u>	<u>\$69,670,296</u>	<u>\$ 64,183,775</u>
Business-type activities:				
Miscellaneous	\$ -	\$ -	\$ -	\$ -
Investment income	1,675,728	2,696,171	2,806,744	579,560
Transfers	3,560,154	4,004,935	3,720,173	1,282,904
Gain (loss) from Impairment	-	-	-	-
Total business-type activities	<u>\$ 5,235,882</u>	<u>\$6,701,106</u>	<u>\$6,526,917</u>	<u>\$ 1,862,464</u>
Total primary government	<u>\$ 67,210,026</u>	<u>\$ 75,628,654</u>	<u>\$76,197,213</u>	<u>\$ 66,046,239</u>
Change in Net Position				
Governmental activities	\$12,642,535	\$ 14,072,348	\$2,847,799	\$ 3,560,228
Business-type activities	23,958,857	36,907,062	13,700,061	3,919,988
Total primary government	<u>\$ 36,601,392</u>	<u>\$ 50,979,410</u>	<u>\$16,547,860</u>	<u>\$ 7,480,216</u>

2010	2011	2012	2013	2014	2015
\$ 21,237,772	\$ 24,377,612	\$ 24,309,220	\$ 23,402,845	\$ 39,410,084	\$ 52,629,760
33,562,076	35,173,865	36,268,842	37,546,039	38,416,984	38,796,540
14,191,614	14,171,432	15,852,244	16,881,092	22,589,058	12,518,752
16,138,524	15,484,551	17,284,703	17,127,905	13,883,071	14,922,444
82,033	105,992	55,025	48,260	45,871	109,431
1,542,188	2,153,318	2,186,966	2,488,204	2,405,958	2,921,678
\$ 86,754,207	\$ 91,466,770	\$ 95,957,000	\$ 97,494,345	\$ 116,751,026	\$ 121,898,605
\$ 5,713,703	\$ 5,683,344	\$ 5,731,916	\$ 5,716,575	\$ 5,713,661	\$ 5,306,091
2,084,456	2,188,918	2,041,225	2,076,148	2,325,070	2,155,951
51,614,473	55,928,077	57,649,118	60,237,764	62,428,256	65,458,384
194,834	218,722	393,902	801,013	-	-
12,648,106	13,417,307	13,814,391	14,226,561	15,740,172	13,407,301
8,690,949	8,625,100	8,881,680	10,267,292	10,813,201	10,801,047
3,134,594	3,334,858	3,405,295	3,755,498	4,420,557	4,148,107
400,939	405,307	437,068	515,668	556,171	563,520
\$ 84,482,054	\$ 89,801,633	\$ 92,354,595	\$ 97,596,519	\$ 101,997,088	\$ 101,840,401
\$ 171,236,261	\$ 181,268,403	\$ 188,311,595	\$ 195,090,864	\$ 218,748,114	\$ 223,739,006
\$ 8,324,058	\$ 8,342,658	\$ 8,212,442	\$ 8,745,048	\$ 9,025,285	\$ 8,896,582
1,223,119	1,266,512	1,551,831	1,636,769	1,900,659	2,555,145
620,595	785,188	740,477	787,118	838,087	1,345,104
5,947,012	6,032,378	6,362,496	6,043,561	6,866,923	7,295,109
-	-	-	-	-	697,560
5,051,949	6,845,819	6,241,265	6,021,175	9,266,563	9,391,420
5,177,181	4,793,222	6,479,562	8,247,611	13,506,619	18,191,498
\$ 26,343,914	\$ 28,065,777	\$ 29,588,073	\$ 31,481,282	\$ 41,404,136	\$ 48,372,419
\$ 5,265,217	\$ 5,235,308	\$ 5,676,335	\$ 5,676,697	\$ 6,152,091	\$ 6,168,889
2,220,975	2,262,563	2,640,817	2,357,757	2,452,630	2,576,473
49,487,659	53,924,965	57,233,475	60,957,632	63,884,921	65,300,201
293,519	282,208	290,774	316,941	-	-
12,757,083	13,247,962	14,513,221	12,735,470	12,981,041	14,230,955
7,846,470	8,249,362	8,634,634	9,740,105	11,686,986	13,085,133
3,420,656	3,395,622	3,835,700	4,027,152	6,579,550	6,644,935
239,006	220,441	258,643	277,449	288,089	403,334
513,732	1,406,669	3,342,077	562,042	5,919,672	3,046,578
8,962,852	14,473,936	3,447,605	4,321,616	7,160,769	5,200,782
\$ 91,007,169	\$ 102,699,036	\$ 99,873,281	\$ 100,972,861	\$ 17,105,749	\$ 116,657,280
\$ 117,351,083	\$ 130,764,813	\$ 129,461,354	\$ 132,454,143	\$ 58,509,885	\$ 165,029,699
\$ (60,410,293)	\$ (63,400,993)	\$ (66,368,927)	\$ (66,013,063)	\$ (75,346,890)	\$ (73,526,187)
6,525,115	12,897,403	7,518,686	3,376,342	15,108,661	14,816,879
\$ (53,885,178)	\$ (50,503,590)	\$ (58,850,241)	\$ (62,636,721)	\$ (60,238,229)	\$ (58,709,308)
\$ 15,357,141	\$ 15,280,446	\$ 14,760,834	\$ 14,766,570	\$ 14,946,758	\$ 15,424,266
23,640,672	24,562,915	26,106,434	27,883,056	29,890,913	30,834,514
3,581,110	4,261,032	3,999,340	4,068,199	4,471,068	4,544,053
10,208,168	10,808,980	11,289,666	11,981,718	12,885,741	13,266,963
2,722,178	2,882,395	3,010,577	3,195,124	3,436,196	3,537,857
4,423,539	4,683,891	4,892,188	5,192,082	5,583,826	5,749,017
263,041	257,566	283,947	346,352	364,767	365,300
185,916	180,436	171,029	147,338	157,523	156,535
6,314,911	6,677,207	6,874,941	7,342,848	7,678,732	7,780,475
1,241,858	1,150,812	787,171	16,428	985,788	721,565
19,354	21,280	5,908	9,633	15,656	-
-	-	-	714,300	-	-
(4,248,080)	(759,971)	(616,497)	1,285,404	(1,147,868)	(68,436)
\$ 63,709,808	\$ 70,006,989	\$ 71,565,538	\$ 76,949,052	\$ 79,269,100	\$ 82,312,109
\$ 589,572	\$ 379,225	\$ 371,403	389,865	(1,408,853)	\$ 2,700,196
500,293	415,164	286,509	(63,402)	461,875	450,849
4,248,080	759,971	616,497	(1,285,404)	1,147,868	68,436
-	-	-	(8,010,175)	-	-
\$ 5,337,945	\$ 1,554,360	\$ 1,274,409	\$ (8,969,116)	\$200,890	\$ 3,219,481
\$ 69,047,753	\$ 71,561,349	\$ 72,839,947	\$ 67,979,936	\$ 79,469,990	\$ 85,531,590
\$ 3,299,515	\$ 6,605,996	\$ 5,196,611	\$ 10,935,989	\$ 3,922,210	\$ 8,785,922
11,863,060	14,451,763	8,793,095	(5,592,774)	15,309,551	18,036,360
\$ 15,162,575	\$ 21,057,759	\$ 13,989,706	\$ 5,343,215	\$ 19,231,761	\$ 26,822,282

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

	2006	2007	2008	2009
General Fund				
Nonspendable	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-
Committed				
Assigned	-	-	-	-
Unassigned	-	-	-	-
Reserved	4,337,821	4,506,632	5,095,369	4,075,650
Unreserved	7,397,972	7,476,103	6,568,529	8,065,091
Total general fund	<u>\$11,735,793</u>	<u>\$ 11,982,735</u>	<u>\$ 11,663,898</u>	<u>\$12,140,741</u>
All Other Governmental Funds				
Nonspendable	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Reserved	37,698,742	32,353,892	32,476,928	26,385,055
Unreserved, reported in:				
Special revenue funds	20,583,382	31,070,480	30,664,909	27,193,080
Capital projects funds	5,957,055	4,889,877	4,967,815	4,033,587
Total all other governmental funds	<u>\$64,239,179</u>	<u>\$68,314,249</u>	<u>\$68,109,652</u>	<u>\$57,611,722</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.

2010 (a)	2011	2012	2013	2014	2015
\$ 211,490	\$ 161,082	\$ 327,709	\$ 204,490	\$ 150,911	\$ 152,075
3,436,907	3,025,111	3,224,558	3,345,167	4,397,047	3,559,526
4,698,499	4,978,762	4,785,126	6,232,102	6,206,280	4,224,470
995,711	853,145	889,790	928,368	1,000,109	2,221,764
5,858,268	5,884,527	6,153,177	6,846,316	6,563,798	8,468,460
-	-	-	-	-	-
-	-	-	-	-	-
<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>	<u>\$18,626,295</u>
\$ 48,596	\$ 58,461	\$ 39,718	\$ 38,963	\$ 688,654	\$ 697,200
62,458,573	66,036,493	63,894,630	69,569,526	90,105,866	77,459,016
3,528,546	2,748,623	2,219,873	3,144,472	3,684,420	3,097,417
-	-	-	-	-	(693,162)
-	-	(84,392)	(307,976)	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<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>	<u>\$80,560,471</u>

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

	2006	2007	2008	2009
Revenues				
Taxes	\$ 60,387,660	\$ 66,342,886	\$ 66,962,789	\$ 63,923,719
Licenses and permits	6,461,681	6,319,585	2,785,437	1,519,378
Developer/owner participation	1,434,799	2,032,823	629,496	2,533,001
Intergovernmental	7,592,786	7,613,336	5,649,691	7,530,226
Charges for services	10,863,269	10,386,406	10,572,260	10,914,591
Fines and forfeits	755,870	796,912	1,140,815	1,479,993
Investment income	3,948,365	5,019,535	4,899,613	1,148,839
Other revenues	1,133,657	756,318	1,260,921	862,381
Total revenues	<u>\$ 92,578,087</u>	<u>\$ 99,267,801</u>	<u>\$ 93,901,022</u>	<u>\$ 89,912,128</u>
Expenditures				
General government	\$ 21,645,074	\$ 20,945,076	\$ 24,066,704	\$ 19,772,116
Public safety	27,970,863	28,989,750	32,278,720	34,855,013
Highways and streets	21,469,617	17,553,984	15,407,398	17,685,686
Culture and recreation	17,721,843	15,055,606	15,526,255	21,097,271
Municipal utility systems	3,267,866	1,855,661	4,231,950	1,689,899
Capital outlay	4,271,369	3,101,154	1,524,043	2,733,830
Interest on lease payments	-	-	-	-
Debt Service				
Principal retired	2,440,000	2,530,000	2,620,000	2,725,000
Bond Issuance costs	-	-	-	-
Interest and fiscal charges	1,905,092	1,962,756	1,919,846	1,761,168
Total expenditures	<u>\$ 100,691,724</u>	<u>\$ 91,993,987</u>	<u>\$ 97,574,916</u>	<u>\$ 102,319,983</u>
Excess of revenues over (under) expenditures	\$ (8,113,637)	\$ 7,273,814	\$ (3,673,894)	\$ (12,407,855)
Other Financing Sources (Uses)				
Proceeds from leases	\$ -	\$ -	\$ -	\$ -
Transfers in	472,612	1,349,500	822,968	1,990,519
Transfers out	(1,112,389)	(3,145,133)	(832,508)	(1,885,997)
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	2,282,246
Premium on issuance of long-term debt	1,519,835	-	-	-
Total other financing sources (uses)	<u>\$ (820,261)</u>	<u>\$ (1,795,633)</u>	<u>\$ 3,150,460</u>	<u>\$ 2,386,768</u>
Net change in fund balances	<u>\$ (8,933,898)</u>	<u>\$ 5,478,181</u>	<u>\$ (523,434)</u>	<u>\$ (10,021,087)</u>
Debt service as a percentage of noncapital expenditures	6%	6%	6%	6%

2010	2011	2012	2013	2014	2015
\$ 66,696,676	\$ 69,594,868	\$ 71,388,956	\$ 74,923,287	\$ 79,415,524	\$ 81,658,981
3,149,131	2,852,843	5,140,350	4,580,507	7,172,900	8,226,038
1,143,047	634,951	1,233,382	1,261,004	1,262,254	628,376
5,354,292	9,658,445	6,563,036	6,759,018	10,801,693	14,081,297
13,070,916	12,749,635	13,327,419	13,317,119	14,928,434	16,609,514
1,551,177	1,461,305	1,523,237	1,116,600	1,279,841	1,124,622
915,661	872,429	603,458	8,256	753,871	565,227
756,224	1,432,450	1,395,962	2,787,902	2,401,080	1,607,323
<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>	<u>\$ 124,501,378</u>
\$ 19,157,561	\$ 21,838,334	\$ 25,480,536	\$ 22,090,958	\$ 37,776,012	\$ 51,653,312
33,073,119	35,454,207	36,097,088	37,310,096	38,657,499	39,290,571
13,345,985	15,201,301	17,659,757	13,699,379	19,695,403	20,975,175
22,624,470	16,166,215	18,572,576	17,122,413	22,219,018	14,285,410
3,707,650	452,416	841,556	379,386	564,272	564,370
893,318	2,193,219	3,375,563	2,382,196	3,201,073	4,699,351
-	-	-	-	424,151	1,272,455
1,690,000	2,840,000	2,975,000	3,130,000	3,225,000	3,320,000
408,421	-	-	-	-	-
1,362,961	2,112,015	1,927,339	1,807,239	1,703,339	1,595,739
<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>	<u>\$ 137,656,383</u>
\$ (3,626,361)	\$ 2,999,219	\$ (5,753,615)	\$ 6,832,026	\$ (9,450,170)	\$ 13,155,003)
\$74,088	\$ -	\$ 3,195,823	\$ -	\$ -	\$ -
669,210	1,207,868	1,953,999	3,874,917	3,841,432	1,410,012
(847,551)	(1,697,473)	(1,692,222)	(2,155,704)	(2,421,669)	(1,865,325)
-	-	-	-	29,475,000	-
-	-	-	-	1,351,064	-
(14,732,432)	-	-	-	-	-
29,770,000	-	-	-	-	-
177,173	-	-	-	-	-
<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>\$ (455,313)</u>
\$ 11,484,127	\$ 2,509,614	\$ (2,296,015)	\$ 8,551,239	\$ 22,795,657	\$ (13,610,318)
3%	6%	6%	5%	5%	4%

**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)			
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
2015	946,389,803	8,217,007,836	129,791,176	447,555,547	1,076,180,979	8,664,563,383	12.42	(b)	13.42

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

(b) For tax levy years 2006 through 2014, collection years 2007 through 2015, 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)
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
2014	2015	13.420	11.798	99.869
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
2014	2015	14,331,095	248,022	830,098

(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
<u>TAX</u>		<u>RATES (a)</u>		
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
53.679	24.794	0.184	1.000	11.747
<u>TAX</u>		<u>LEVIES</u>		
\$ 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
128,536,897	143,254,180	259,171	5,346,845	4,174,499

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

Taxpayer	2015			2006		
	2014 Assessed Value	Rank	Percentage of Total Assessed Value	2005 Assessed Value	Rank	Percentage of Total Assessed Value
AMGEN INC	\$ 21,315,965	1	1.99%	\$ 36,815,790	1	3.75%
LONGMONT DIAGONAL INVESTMENTS LP	19,488,611	2	1.81			
SEAGATE TECHNOLOGY LLC	14,116,624	3	1.31	21,637,770	3	2.20
XILINX INC	13,533,267	4	1.26	8,848,540	4	0.90
RAMCO-GERSHENSON PROPERTIES LP	12,628,871	5	1.17			
HUB PROPERTIES TRUST	12,585,843	6	1.17	5,804,090	8	0.59
DIGITALGLOBE INC	8,835,423	7	0.82			
PUBLIC SERVICE COMPANY OF COLORADO	8,317,768	8	0.77			
SEAGATE TECHNOLOGY	7,880,707	9	0.73			
NMMS TWIN PEAKS LLC	7,157,076	10	0.67			
PRATT LAND LIMITED LIABILITY CO				33,296,550	2	3.39
TWIN PEAKS MALL				8,351,770	5	0.85
MAXTOR CORPORATION				6,960,000	6	0.71
QWEST CORPORATION				5,838,500	7	0.59
LM VENTURE LLC				5,320,740	9	0.54
McCLANE WESTERN INC.				4,437,660	10	0.45
	\$ 125,860,155		11.70	\$ 137,311,410		13.98
Total Taxable Assessed Value of Other Taxpayers	950,320,824		88.30	845,156,990		86.02
Total Taxable Assessed Value All Taxpayers	\$ 1,076,180,979		100%	\$ 982,468,400		100%

Source: Boulder County and Weld County assessors' offices



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

LEVY YEAR	COLLECTION YEAR	TOTAL TAX LEVY	CURRENT TAX COLLECTIONS	PERCENT OF LEVY COLLECTED	DELINQUENT TAX COLLECTIONS
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	13,864,802	13,712,024	98.9	(20,700) (b)
2013	2014	13,986,967	13,800,707	98.7	(11,229) (b)
2014	2015	14,331,095	14,112,717	98.5	(11,567) (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
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	1,229,322	1,230,435	100.1	(2,539) (b)
2013	2014	968,915	753,346	77.8	(5,686) (b)
2014	2015	1,078,120	850,589	78.9	(2,551) (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)
\$ 12,856,376	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	98.7	-
13,789,478	98.6	-
14,101,150	98.4	-

TOTAL COMPONENT UNITS COLLECTIONS	COLLECTIONS AS % OF CURRENT LEVY	OUTSTANDING DELINQUENT COMPONENT UNITS (a)
\$ 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	99.9	-
747,660	77.2	-
848,039	78.7	-

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

Fiscal Year	Apparel	Automotive	Food	Home Furnishings	General	Lodging	Lumber
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
2015	949,499	4,159,892	17,203,836	1,570,836	8,251,006	649,678	7,442,208

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
\$ 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
1,579,979	4,961,207	5,062,575	209,384	2,290,516	3,601,790	-	57,932,406	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	
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
2015	3.275	2.900	0.985	1.000	0.100	0.000	8.260

Sources: City of Longmont sales and use tax reports



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

	Fiscal Year			
	2006	2007	2008	2009
Aggregate top ten filers ⁽¹⁾	\$12,478,376	\$14,231,545	\$14,314,666	\$12,735,201
Aggregate all other filers ⁽²⁾	<u>28,819,586</u>	<u>32,488,784</u>	<u>31,797,977</u>	<u>29,949,805</u>
Total sales and use tax ⁽³⁾	<u>\$41,297,962</u>	<u>\$46,720,329</u>	<u>\$46,112,643</u>	<u>\$42,685,006</u>
Top ten filers as a percentage of total tax	30.22%	30.46%	31.04%	29.84%

(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, King Soopers #42, Target Stores, Wal-Mart Supercenter #5370, Wal-Mart 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					
2010	2011	2012	2013	2014	2015
\$13,768,827	\$14,396,809	\$15,894,438	\$17,214,271	\$18,298,951	\$19,916,128
<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>38,016,277</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>	<u>\$57,932,405</u>
30.89%	30.50%	32.24%	32.90%	32.52%	34.38%

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

Fiscal Year	Governmental Activities				Business-Type Activities			Total Primary Government	(1)	(1)
	General Obligation Bonds	Sales & Use Tax Revenue Bonds	Certificates of Participation	Capital Leases	Revenue Bonds	Loans Payable	Capital Leases		% of Personal Income	Per Capita
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	1.9%	996
2014	-	37,979,360	30,801,939	4,578,024	92,888,721	10,132,504	-	176,380,548	3.2%	1,900
2015	-	34,535,700	30,744,039	4,125,942	123,640,956	9,109,599	-	202,156,236	3.7%	2,177

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 PAY-ABLE 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
2006	85,762	\$ 971,473,670	\$ 6,500,000	-	\$ 6,500,000	0.0067	\$75.79
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	-	-	-	-	-
2015	92,852	1,076,180,979	-	-	-	-	-

- (a) Bureau of Census; City of Longmont Department of Planning & Development Services
(b) Source: Boulder and Weld counties assessors' offices.
(c) Gross bonded debt includes all long-term general obligation debt.

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
As of December 31, 2015

Governmental Unit	Direct Debt Outstanding	Percentage Applicable To City of Longmont (a)	Estimated Share of Overlapping Debt
Overlapping:			
St. Vrain Valley School District ¹	\$ 376,575,000	45.14%	\$ 169,985,955
Northern Colorado Water Conservancy District ²	4,124,069	7.14%	<u>294,459</u>
Subtotal, overlapping debt			170,280,414
City of Longmont	69,405,681	100.00%	<u>69,405,681</u>
Total Direct & Overlapping Debt			<u>\$ 239,686,095</u>

Sources:

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

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

	Fiscal Year				
	2006	2007	2008	2009	2010
Debt Limit	\$ 244,291,416	\$ 252,410,087	\$ 269,365,309	\$ 272,149,250	\$ 264,574,063
Total net debt applicable to limit	<u>6,500,000</u>	<u>5,505,000</u>	<u>4,480,000</u>	<u>3,425,000</u>	<u>2,325,000</u>
Legal debt margin	<u>\$ 237,791,416</u>	<u>\$ 246,905,087</u>	<u>\$ 264,885,309</u>	<u>\$ 268,724,250</u>	<u>\$ 262,249,063</u>
Total net debt applicable to the limit as a percentage of debt limit	2.66%	2.18%	1.66%	1.26%	0.88%

Legal Debt Margin Calculation for Fiscal Year 2015

Estimated actual value	<u>\$8,664,563,383</u>
Debt limit (3% of actual value)	259,936,901
Debt applicable to limit:	
General Obligation Bonds	<u>\$0</u>
Legal Debt Margin	\$ 259,936,901

	Fiscal Year				
	2011	2012	2013	2014	2015
\$	264,875,278	\$ 254,458,859	\$ 254,406,723	\$ 255,775,308	\$ 259,936,901
	<u>1,185,000</u>	-	-	-	-
\$	<u>263,690,278</u>	<u>\$ 254,458,859</u>	<u>\$ 254,406,723</u>	<u>\$ 255,775,308</u>	<u>\$ 259,936,901</u>
	0.45%	0.00%	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
2015	65,480,762	63,451,968	2,028,794	-	1,472,013	1,472,013	1.38
SEWER REVENUE BONDS/LOANS							
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
2015	13,566,991	8,208,256	5,358,735	1,955,000	761,208	2,716,208	1.97
WATER BONDS/LOANS							
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
2015	14,912,596	9,926,790	4,985,806	1,017,191	166,740	1,183,931	4.21
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
2015	6,843,956	2,622,197	4,221,759	2,615,000	1,219,803	3,834,803	1.10
OPEN SPACE SALES AND USE TAX REVENUE BONDS							
	Open Space Sales and Use Tax Revenues		Maximum Annual Debt Service on Bonds			Coverage	
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	
2015	3,537,857		1,992,200			1.78	
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	
2015	35,369,621		2,799,100			12.64	

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 (%)
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
2015	92,852	5,443,634	58,627	36.5	31,777	2.6

Source: (1) City of Longmont Department of Planning & Development Services
(2) U.S. Bureau of Labor Statistics
(3) U.S. Bureau of Economic Analysis
(4) St. Vrain Valley School District Data Specialist
(5) U.S. Census Bureau

NOTES TO PLEDGED REVENUE BOND/LOAN COVERAGE on previous page

- (a) Gross resources include operating revenues, 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	2015			2006		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
St. Vrain Valley Schools	3,960	1	8.3%			
Seagate Technology	1,558	2	3.3%	1,605	1	3.7%
Longmont United Hospital	1,276	3	2.7%			
Intrado	1,247	4	2.6%	697	4	1.6%
Circle Graphics, Inc.	919	5	1.9%			
City of Longmont	818	6	1.7%			
DigitalGlobe	514	7	1.1%	315	8	0.7%
Federal Aviation Administration	448	8	0.9%	547	5	1.3%
McLane Western	432	9	0.9%	545	6	1.3%
Longmont Clinic	279	10	0.6%			
Amgen				1,183	2	2.8%
Butterball, LLC				920	3	2.1%
Xilinx				400	7	0.9%
Times-Call				218	9	0.5%
Sunrise Medical Colorado Division				208	10	0.5%
Total	11,451		23.9%	6,638		15.5%

Source: Longmont Economic Development Partnership
Bureau of Labor Statistics

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

<u>Function/Program</u>	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Government										
City Administration	37	37	35	36	30	31	31	40	41	42
Finance	82	82	81	80	86	88	88	81	81	80
Public Safety										
Police	157	174	179	185	173	171	171	171	171	174
Fire	86	91	97	96	92	91	91	91	91	91
Shared	20	21	22	23	30	29	31	31	32	33
Community Development										
Parks, Open Space and Public Works	81	79 *	80	78	75	59	59	59	58	58
Planning	12	13	11	11	14	14	14	14	13	13
Development and Building Inspection	15	15	13	12	11	13	12	12	12	14
Community Services										
Library	41	41	39	39	39	37	37	37	37	37
Museum	8	8	8	8	7	7	7	7	7	8
Recreation	22	22	21	22	21	21	21	21	23	34
Senior Services	7	7	7	7	7	7	7	7	8	8
Children and Youth Services	6	8	7	6	6	8	8	8	8	9
Community Services Administration	10	10	12	12	11	12	13	13	16	16
Public Works and Natural Resources	175	176 *	169	163	157	169	168	167	165	165
Power and Communications	70	70	71	70	73	73	73	73	73	92
Total	829	854	850	846	832	829	831	832	836	873

Source: City of Longmont Budget Office

* Public Works reorganization

OPERATING INDICATORS BY FUNCTION/PROGRAM
Last Ten Fiscal Years

<u>Function/Program</u>	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Police										
DUI Arrests	310	381	317	270	288	268	329	243	256	281
Traffic Violations	6,818	9,438	9,261	10,524	11,132	9,163	8,903	6,984	7,748	5,821
Case Clearance Rate	85%	75%	68%	65%	42%	44%	40%	39%	40%	40%
Fire										
Emergency Responses	3,263	3,681	6,638	6,772	7,007	6,788	7,918	8,262	8,279	6,574
Inspections	860	704	1,206	1,429	1,336	277	2,360	1,538	1,916	1,595
Fires Extinguished	216	161	228	72	156	102	190	202	152	138
Call Response Time										
< 5 mins	73%(a)	71%	75%	51%	0%	67%	47%	50%	58%	61%
> 5 mins	27%	29%	25%	49%	0%	33%	53%	50%	42%	39%
Public Works										
Streets Resurfaced (miles)	8.43	7.09	8.10	10.54	8.75	8.90	15.90	10.86	14.10	13.95
Parks and Recreation										
Library										
Total Circulation	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	1,235,696
Total Items Added	20,446	23,379	24,330	22,170	22,933	19,502	18,084	18,837	16,694	15,733
Patron Visits	352,286	326,289	458,469	580,767	531,139	584,119	650,526	611,262	621,074	508,424
Museum										
Total People Served	63,216	63,700	71,831	71,443	70,009	71,077	62,024	65,137	47,177	60,414
Golf										
Rounds of Golf	102,478	105,800	100,488	96,108	89,517	88,607	100,958	87,620	90,402	90,963
Water										
New connections	2,626	350	116	506	-	62	330	116	140	281
Water main breaks	39	40	23	23	25	26	38	30	29	16
Average daily consumption (mgd)	16.45	16.33	15.95	13.66	14.51	15.53	15.45	13.49	13.12	13.37
Wastewater										
Average daily sewage treatment (mgd)	7.85	8.21	7.63	7.31	7.22	6.97	6.71	7.21	6.91	7.24
Power and Communications										
Customers	35,561	35,906	36,231	36,383	36,683	36,809	37,107	37,360	37,751	38,229
Meter Reading Accuracy	99.92%	99.93%	99.94%	99.94%	99.90%	99.90%	99.90%	99.90%	99.90%	99.97%

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>	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol vehicles	64	66	68	70	63	63	62	62	62	73
Fire										
Stations	5	5	5	5	5	5	6	6	6	6
Public Works										
Streets (miles)	315	315	315	319	319	330	330	330	334	337
Traffic Signals	6,991	7,109	7,204	7,228	7,228	7,355	7,402	7,415	7,467	7,480
Parks and Recreation										
Parks	44	44	44	44	44	44	47	47	47	47
Park, trail and open space acreage	3,727	3,727	3,727	5,213	5,213	5,213	4,676	4,715	4,719	4,719
Libraries	1	1	1	1	1	1	1	1	1	1
Number of volumes	298,897	300,093	295,723	292,299	283,758	277,279	270,176	267,769	266,082	267,769
Museum	1	1	1	1	1	1	1	1	1	1
Swimming Pools	5	5	5	5	5	5	5	4	4	4
Golf Courses	3	3	3	3	3	3	3	3	3	3
Water										
Water mains (miles)	437	439	441	442	441	443	443	443	447	450
Water connections	26,075	25,919	26,035	26,541	-	26,603	26,933	27,049	27,189	27,470
Wastewater										
Sanitary sewer (miles)	323	325	328	328	326	328	328	329	331	333
Wastewater connections	25,538	25,192	25,795	26,147	-	25,875	26,067	26,132	26,163	26,455
Power and Communications										
Substations	6	7	7	7	7	7	7	7	7	7

Source: Various City of Longmont departments

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended December 31, 2015

	Federal CFDA Number	Pass-through Grantor's Number	Program or Award Amount	Federal Expenditures
US Department of Housing and Urban Development				
Community Development				
2012	14.218	12-MC-08-0011	\$ 532,458	\$ 6,399
2013	14.218	13-MC-08-0011	568,555	64,915
2014	14.218	14-MC-08-0011	580,094	234,482
2015	14.218	15-MC-08-0011	587,833	222,500
CDBG-DR Grant (Down Payment & Temporary Rental Assistance)	14.269	#14-082	307,911	149,486
CDBG-DR Grant (Housing Repairs)	14.269	#14-082A	3,494,161	2,662,076
CDBG-DR Grant (Resiliency Planning)	14.269	B-13-DS-08-0001	100,000	0
CDBG-DR Grant (Boulder County Collaborative)	14.269	#84365	46,416,338	1,144,826
CDBG-DR Resiliency Planning Grant	14.269	P15-053	125,000	11,946
CDBG-DR Resiliency Staffing Grant	14.269	P15-052	377,799	10,922
CDBG-DR Resiliency Unmet Needs Grant	14.269	P15-054	156,413	86,525
Total Community Development Block Grant				4,594,077
HOME Consortium Grant 2014	14.239	M-14-DC-08-0202	237,976	41,360
HOME Consortium Grant 2015	12.239	M-14-DC-08-0202	244,627	13,932
HOME STATE Grant 2010 (Passed through Division of Housing)	14.239	H9-HOM-08-039T	245,300	0
Total HOME Grants				55,292
TOTAL U.S. Department of Housing and Urban Development				4,649,369
US Department of Justice				
Edward Byrne Grant Award IGA with City of Boulder - Project Coordinator	16.738	2014-DJ-BX-0944	25,384	19,432
Edward Byrne Grant Award IGA with City of Boulder - Project Coordinator	16.738	2015-H2633-CO-DJ	21,286	3,222
JAG - Project Pinwheel (year 2)	16.738	14-DJ-14-003265-03-2	26,469	24,587
JAG - Project Pinwheel (year 3)	16.738	15-DJ-15-008659-07-2	23,822	2,906
JAG - Rest. Practices in in Schools Training and Technical Asst.	16.738	14-DJ-14-003251-03-2	58,000	58,000
JAG - Coordinated Response & Assist. to Domestic Violence Crime Victims	16.738	12-DJ-14-003366-07-1	13,876	11,808
JAG - Domestic and Dating Violence Prevention and Education	16.738	14-DJ-14-003365-03-1	13,651	12,031
JAG - Domestic and Dating Violence Prevention and Education	16.738	15-DJ-15-008660-03-2	11,064	2,452
St. Vrain Family Center - S.A.F.E. Services Program Grant	16.527	2013-FL-AX-K001	382,607	0
Victims of Crime Act - VOCA	16.575	14-VA-20-91	39,007	39,007
Total US Department of Justice				173,445
US Fish and Wildlife				
Fishing is Fun	15.605	15-FIF-71319	20,000	0
Total US Fish and Wildlife				0
US Department of Labor				
Disaster National Emergency Grant (D-NEG) - Workforce Boulder County	17.277	(PO #P112063, #P112248, #P112249)	60,000	567
Total US Department of Labor				567
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	18,780
Reconstruction of Main Street Grant (Ken Pratt & 3rd Ave.)	20.205	13-HA4-54179	1,890,000	1,357,672
Ken Pratt Blvd Improvement Grant (SH119 & S. Emery) FASTER	20.205	15-HA4-75957	550,000	550,000
Hover Street Bridge over Dry Creek (CDOT pass through)	20.205	15-HA4-73950	1,616,000	0
Denver Regional Council Trans. Improvement - Ped. Underpass Hwy 119	20.205	12-HA4-45217	965,000	0
Click It or Ticket - Seatbelts	20.600	PO411005153	6,000	5,999
FAA Grant- Rehabilitate Taxiways/ Apron	20.106	3-08-0040-014-2015	\$ 46,634	36,870
Total US Department of Transportation				1,969,321

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended December 31, 2015

	Federal CFDA Number	Pass-through Grantor's Number	Program or Award Amount	Federal Expenditures
USDA Forest Service				
Passed through Colorado State University				
CO State Forest Service - Button Rock Forest Stewardship	10.664	5314113-2BLB	\$ 37,800	\$ 8,375
Total USDA Forest Services				8,375
US Department of Homeland Security				
City and County of Denver-Metropolitan Medical Response System	97.067		45,176	45,176
Emergency Management Performance Grant (2014)	97.042	14EM-15-128	46,000	11,500
Emergency Management Performance Grant (2015)	97.042		46,000	34,500
Pre-disaster Mitigation (PDM) Grant - FEMA	97.047	12PDM15LMT	3,000,000	458,267
FEMA - Federal Emergency Management Award	97.036	DR-4229-CO	242,790	108,892
FEMA - Federal Emergency Management Award	97.036	DR-4145-CO	\$ 41,530,131	8,425,651
Total US Department of Homeland Security				9,083,986
Total Federal Assistance			\$	15,885,063

NOTES TO THE SCHEDULE OF FEDERAL AWARDS
Year Ended December 31, 2015

NOTE 1: BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of the City of Longmont under programs of the federal government for the year ended December 31, 2015. The information in this Schedule is presented in accordance with the requirements of 2 CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the City.

NOTE 2: BASIS OF ACCOUNTING

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

NOTE 3: SUBRECIPIENTS

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

Program Title	Federal CFDA Number	Amount Provided to Sub-recipients
Community Development Block Grant	14.218	\$ 219,594
HOME Program	14.239	41,360

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:

Program Title	Federal CFDA Number	Amount Provided to Sub-recipients
City and County of Denver-Metropolitan Medical Response System	97.067	\$ 45,176

Summary Schedule of Prior Audit Findings Year Ended December 31, 2014

Comment Number	Comment	Status	Corrective Action or Other Explanation
Findings Related to Financial Statements			
None reported.			
Findings and Questioned Costs for Federal Awards			
2014-001	The City omitted federal expenditures that were spent in fiscal year 2013 on the prior year SEFA.	Corrected	Expenditures are properly reported on the 2014 and subsequent SEFAs
2014-002	The City omitted federal expenditures that were spent in fiscal year 2013 on the prior year SEFA	Corrected	The City has implemented procedures to ensure that expenditures are reported properly on the SEFA
2014-003	The second quarter Community Development Block Grant quarterly report (SF-425) was not filed within the one-month filing window.	Corrected	The City has implemented procedure to ensure that reports are filed timely.
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	Corrected	The City has implemented procedures to ensure that proper documentation is retained.



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

Honorable Mayor and 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 unit, each major fund, and the aggregate remaining fund information of the City of Longmont, as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the City of Longmont's basic financial statements, and have issued our report thereon dated June 20, 2016.

Internal Control Over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying scheduling of findings and questions costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and a significant deficiency.

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. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as findings 2015-001 and 2015-002 to be material weaknesses.

Honorable Mayor and City Council
City of Longmont

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. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as findings 2015-003, 2015-004 and 2015-005 to be significant deficiencies.

Compliance and Other Matters

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

City of Longmont's Response to Findings

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

Purpose of this Report

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



CliftonLarsonAllen LLP

Greenwood Village, Colorado
June 20, 2016



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

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

Report on Compliance for Each Major Federal Program

We have audited the City of Longmont's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City of Longmont's major federal program for the year ended December 31, 2015. The City of Longmont's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, the City of Longmont complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2015.

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

Other Matters

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

Report on Internal Control Over Compliance

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

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

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

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



CliftonLarsonAllen LLP

Greenwood Village, Colorado
June 20, 2016

**CITY OF LONGMONT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2015**

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

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
97.036	Disaster Grants – Public Assistance (Presidentially Declared Disasters)

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

Auditee qualified as low-risk auditee? yes no

**CITY OF LONGMONT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2015**

PART II—FINDINGS RELATED TO FINANCIAL STATEMENTS

Finding 2015-001 Capital Assets

Material Weakness

Criteria: Accurate recording of capital asset purchases are critical to proper reporting of capital assets between governmental activities, business-type funds and internal service funds.

Condition/Context: Through implementation of the new information technology system and review of the City's capital assets, it was noted the recording of capital assets was materially misstated.

Cause: Purchases of capital assets made prior to fiscal year 2015 were not accurately recorded within the correct reporting fund. Capital assets were either recorded as governmental activities capital assets when they should have been recorded within business-type activities or vice versa.

Effect: The City's capital asset balances were materially misstated between governmental activities and business-type activities, which resulted in a prior period adjustment during 2015 to correctly state capital assets in either governmental activities or business-type activities.

Recommendation: We recommend that management continue to review the capital asset listing utilized within the new information technology system to ensure capital assets are properly recorded within governmental activities and business-type activities.

Views of responsible officials and planned corrective actions:

The City has established procedures to review and ensure the capital assets in the new information technology system are recorded properly within governmental activities and business-type activities.

**CITY OF LONGMONT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2015**

Finding 2015-002 Grant Receivables and Revenue

Material Weakness

Criteria: The City of Longmont is required to track and maintain a general ledger to account for grant related receivables and revenues.

Condition/Context: Through audit procedures performed over grant receivables and grant revenue, we noted the City recorded duplicate journal entries to account for grant accounts receivable and revenue in the amount of \$1,496,936.

Cause: The City did not properly account for the grant activity between the general fund and the street improvement fund.

Effect: The City's grant receivable and revenue balances were materially misstated in the general fund and street improvement fund, respectively. As a result, we proposed and the City record adjustments to correctly reflect fiscal year 2015 activity.

Recommendation: We recommend the City review its existing procedures to more accurately track grant receivable and revenue balances for expenditures incurred related to grants entered into by the City.

Views of responsible officials and planned corrective actions:

The City is currently working on establishing a City wide grant policy to more accurately track grant receivables and expenditures. The City expects to have this new policy in place by December 31, 2016. The City's accounting department will review these transactions more thoroughly to ensure they are recorded accurately.

**CITY OF LONGMONT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2015**

Finding 2015-003 Grant Receivables and Unearned Revenue

Significant Deficiency

Criteria: The City of Longmont is required to track and maintain a general ledger to account for grant related receivables and unearned revenue.

Condition/Context: Through audit procedures performed over grant receivables and unearned revenue, we noted the City recorded \$282,227 in excess based on eligible costs for reimbursement.

Cause: The City inadvertently recorded grant receivable and unearned revenue at a one-hundred percent reimbursement rate. It was determined that only eighty three percent of eligible expenditures were reimbursable under the grant.

Effect: The City's grant receivable and unearned revenue balances were overstated in the street improvement fund. As a result, we proposed and the City recorded adjustments to correctly reflect fiscal year 2015 activity.

Recommendation: We recommend the City review its grant agreements in determining the reimbursement rate for individual grant agreements to help ensure balances recorded related to grant reimbursements are accurately recorded at the end of the fiscal year.

Views of responsible officials and planned corrective actions:

The City is currently working on establishing a City wide grant policy to more accurately track grant receivables and expenditures. The City expects to have this new policy in place by December 31, 2016. The City's accounting department will review these transactions more thoroughly to ensure they are recorded accurately.

**CITY OF LONGMONT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2015**

Finding 2015-004 Segregation of Duties with Programmers' Access

Significant Deficiency

Criteria: The City of Longmont is required to provide adequate segregation of duties to prevent individuals from doing all tasks within a process.

Condition/Context: Through audit procedures performed over Information Technology General Controls, we noted programmers have the ability to execute, update, and read production programs and data files.

Cause: The City has granted programmers update access due to limited resources and knowledge of the application.

Effect: The risk of unauthorized programs being introduced into the production environment increases. Unauthorized programs include programs that have not been approved by the user community, may perform illegitimate functions, have not been properly tested, etc.

Recommendation: We recommend the City provide inquiry-only access to programmers and only provide privileged access if there is a production problem which needs to be addressed.

Views of responsible officials and planned corrective actions:

The City of Longmont has 6 programmers and 1 DBA. The IT group supports somewhere between 50 and 70 distinct applications. It is not feasible to provide segregation of duties with the limited staff that we have. With the majority of our systems we do not have access to source code. When we are able we test all system changes in a test environment before moving to production.

**CITY OF LONGMONT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2015**

Finding 2015-005 Override of Security Settings

Significant Deficiency

Criteria: The City of Longmont protects the data and information its records and stored through the use of security configuration setting in Active Directory.

Condition/Context: Through audit procedures performed over Information Technology General Controls, we noted two domain administrator accounts (wagnerlm and martin) in Active Directory that do not require passwords to authenticate to the City's security.

Cause: The City accidentally provided the two accounts with ability to bypass the security configuration.

Effect: The risk of having accounts that do not require passwords increases the risk that the account being compromised. These accounts have the highest privileges you can obtain in Active Directory.

Recommendation: We recommend the City enforce all security configurations to all user accounts and not allow users to bypass the security.

Views of responsible officials and planned corrective actions:

 The City changed access for two accounts noted to require a password.

PART III—FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

There were no findings required to be reported relating to the single audit under the Uniform Grant Guidance for the fiscal year ended December 31, 2015.

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

PART II – PRIOR YEAR 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 – PRIOR YEAR 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**

Summary: 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.

Status: Implemented

Finding 2014-002

DEPARTMENT OF HOMELAND SECURITY
97.036 Disaster Grants – Public Assistance (Presidentially Declared Disasters)

**Program Costs
Material Weakness, Noncompliance**

Summary: 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.

Status: Implemented

**CITY OF LONGMONT
SCHEDULE OF PRIOR YEAR 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**

Summary: 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.

Status: Implemented.

Finding 2014-004

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
14.239 HOME Consortium Grant

**Cash Management
Significant Deficiency, Internal Control**

Summary: 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.

Status: The City has established procedures to ensure that proper documentation is retained by the City.

Corrective Action Plan Year Ended December 31, 2015

Comment Number	Comment	Corrective Action Plan	Contact Person	Initial Date of Communication	Anticipated Date of Completion
Findings Related to Financial Statements					
2015-001	Purchases of capital assets made prior to fiscal year 2015 were not accurately recorded within the correct reporting fund.	See Corrective Action Plan at 2015-001	Jim Golden	2015	2016
2015-002	The City did not properly account for grant activity between the General Fund and the Street Improvement Fund.	See Corrective Action Plan at 2015-002	Jim Golden	2015	2016
2015-003	The City's grant receivable and unearned revenue balances were overstated in the Street Improvement Fund.	See Corrective Action Plan at 2015-003	Jim Golden	2015	2016
2015-004	The City has not segregated the finance-related duties of some Information Technology staff.	See Corrective Action Plan at 2015-004	Jim Golden	2015	2017
2015-005	Two Information Technology staff accounts were provided system access without proper security controls.	See Corrective Action Plan at 2015-005	Jim Golden	2015	2016

Findings and Questioned Costs for Federal Awards

None

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 2015
	Prepared By:	Marjo Tinsley
This Information From The Records Of (example - City of _ or County of City of Longmont)	Phone:	(303) 651-8676

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

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT	ITEM	AMOUNT
A. Receipts from local sources:		A. Local highway disbursements:	
1. Local highway-user taxes		1. Capital outlay (from page 2)	17,082,945
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	3,989,957
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	1,367,628
2. General fund appropriations	3,523,732	b. Snow and ice removal	933,509
3. Other local imposts (from page 2)	14,301,565	c. Other	0
4. Miscellaneous local receipts (from page 2)	162,112	d. Total (a. through c.)	2,301,137
5. Transfers from toll facilities	0	4. General administration & miscellaneous	1,018,349
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	2,413,852
a. Bonds - Original Issues	0	6. Total (1 through 5)	26,806,240
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)	17,987,409	b. Redemption	0
B. Private Contributions	3,694,734	c. Total (a. + b.)	0
C. Receipts from State government		2. Notes:	
(from page 2)	4,087,854	a. Interest	0
D. Receipts from Federal Government		b. Redemption	0
(from page 2)	1,577,603	c. Total (a. + b.)	0
E. Total receipts (A.7 + B + C + D)	27,347,600	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)	26,806,240

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
	13,452,572	27,347,600	26,806,240	13,993,932	0

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT		STATE: Colorado	
		YEAR ENDING (mm/yy): December 2015	
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	68,464
b. Other local imposts:		b. Traffic Fines & Penalties	0
1. Sales Taxes	13,266,963	c. Parking Garage Fees	0
2. Infrastructure & Impact Fees	42,388	d. Parking Meter Fees	0
3. Liens	0	e. Sale of Surplus Property	0
4. Licenses	0	f. Charges for Services	0
5. Specific Ownership &/or Other	992,214	g. Other Misc. Receipts	93,648
6. Total (1. through 5.)	14,301,565	h. Other	0
c. Total (a. + b.)	14,301,565	i. Total (a. through h.)	162,112
	(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	2,854,628	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	197,419
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	315,486	d. Federal Transit Admin	
d. Other (Specify) - DOLA Grant	0	e. U.S. Corps of Engineers	
e. Other (Specify) - Grnts/Rehab Pjct	917,740	f. Other Federal	1,380,184
f. Total (a. through e.)	1,233,226	g. Total (a. through f.)	1,577,603
4. Total (1. + 2. + 3.f)	4,087,854	3. Total (1. + 2.g)	
			(Carry forward to page 1)
		ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)
		TOTAL (c)	
A.1. Capital outlay:			
a. Right-Of-Way Costs		0	146,863
b. Engineering Costs		0	1,405,769
c. Construction:			
(1). New Facilities		0	0
(2). Capacity Improvements		0	9,504,481
(3). System Preservation		0	6,025,832
(4). System Enhancement & Operation		0	0
(5). Total Construction (1) + (2) + (3) + (4)		0	15,530,313
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)		0	17,082,945
			(Carry forward to page 1)
Notes and Comments:			

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