

CONTINUING DISCLOSURE REPORT

For the year ended
December 31, 2017



City of
LONGMONT, COLORADO

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FINANCE DEPARTMENT

350 Kimbark Street, Longmont, Colorado 80501



September 28, 2018

In connection with the issuance of municipal securities, the City of Longmont has agreed to provide certain continuing disclosure for the benefit of the holders of such securities. The commitments to provide such disclosure, commonly referred to as “continuing disclosure undertakings”, have been undertaken in conformity with the requirements established by Rule 15c2-12 (the Rule) under the Securities Exchange Act of 1934. The Rule was in effect at the time of the issuance of the securities, and references to the Rule in this report are to Rule 15c2-12 in effect at the time of execution and delivery of each continuing disclosure undertaking. This report is meant to supplement and complement information found within the City of Longmont’s 2016 Comprehensive Annual Financial Report (CAFR) and is not intended to be viewed as a fully inclusive compliance document.

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

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

Sincerely,

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

James M. Golden
Chief Financial Officer
City of Longmont

Reporting of Significant Events

As of December 31, 2017 the City of Longmont had outstanding four different types of obligations: Sales & Use Tax Revenue bonds, Enterprise Revenue Bonds, Loans and Certificates of Participation. Information related to the disclosures made by the City can be found at the City's disclosure portal, also known as EMMA – Electronic Municipal Market Access, at www.emma.msrb.org.

Subsequent Events

On August 23, 2018 the City of Longmont issued \$8,300,000 of Open Space Sales and Use Tax Revenue Bonds, Series 2018.

Statistical Disclosure

This Continuing Disclosure Report reflects each debt structure outstanding as of December 31, 2017 requiring annual reporting: (1) Sales and Use Tax Revenue Bonds (2) Enterprise Revenue Bonds (3) Certificates of Participation.

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

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

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

Summarized below is a listing, including the CUSIP 6-digit issuer number, of all obligations outstanding by type as of December 31, 2017.

Sales & Use Tax Revenue Bonds

Sales and Use Tax Revenue Refunding Bonds, Series 2006 – CUSIP #543103

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

Enterprise Bonds

Storm Drainage Revenue Bonds, Series 2008 – CUSIP #54310P

Electric and Broadband Utility Enterprise Revenue Bonds, Series 2014 – CUSIP #543097

Wastewater Revenue Refunding Bonds, Series 2010A and Series 2010B - CUSIP #543098

Wastewater Revenue Refunding Bonds, Series 2013 – CUSIP #543098

Wastewater Enterprise Revenue Bonds, Series 2015 – CUSIP #543098

Storm Drainage Revenue Bonds, Series 2014 – CUSIP #54310P

Storm Drainage Revenue Refunding Bonds, Series 2016 – CUSIP #54310P

Electric and Broadband Utility Enterprise Revenue Bonds, Series 2017 – CUSIP #543097

Certificates of Participation

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

Sales and Use Tax
Revenue Refunding Bonds
Series 2006

(CUSIP #543103)

Pro-Forma Debt Service Coverage

<u>Year</u>	<u>Pledged Sales and Use Tax Revenues (1)</u>	<u>Maximum Annual Debt Service on the 2006 Bonds (2)</u>	<u>Coverage</u>
1995	\$ 13,584,927	\$ 2,897,550	4.69
1996	14,898,098	2,897,550	5.14
1997	16,627,320	2,897,550	5.74
1998	18,776,718	2,897,550	6.48
1999	20,299,652	2,897,550	7.01
2000	24,381,820	2,897,550	8.41
2001	26,260,919	2,897,550	9.06
2002	25,229,706	2,897,550	8.71
2003	25,292,326	2,897,550	8.73
2004	26,834,839	2,897,550	9.26
2005	27,250,464	2,897,550	9.40
2006	27,998,620	2,799,100	10.00
2007	28,532,328	2,799,100	10.19
2008	28,160,393	2,799,100	10.06
2009	26,067,179	2,799,100	9.31
2010	27,221,782	2,799,100	9.73
2011	28,823,947	2,799,100	10.30
2012	30,105,775	2,799,100	10.76
2013	31,951,254	2,799,100	11.41
2014	34,361,981	2,799,100	12.28
2015	35,378,567	2,799,100	12.64
2016	37,385,418	2,799,100	13.36
2017	40,270,349	2,799,100	14.39
2018 (3)	16,354,699 (3)	2,799,100	5.84

(1) Includes only the Pledged Sales and Use Tax Revenues imposed at a rate of 2.0%. See "City's Pledge of the Pledged Sales and Use Tax Revenues" and "REVENUES AVAILABLE FOR DEBT SERVICE" in the Official Statement related to the 2006 Bonds. See Table 1.1a for a description of changes to the 2006-2016 Pledged Sales and Use Tax Revenues. As a result of these changes, the figures presented here differ from those presented in prior annual financial filings.

(2) Represents the combined Maximum Annual Debt Service (currently \$2,799,100 in 2018). See "DEBT SERVICE REQUIREMENTS" in the Official Statement related to the 2006 Bonds.

(3) Represents Pledged Sales and Use Tax Revenues collected for sales through May 31, 2018.

Comparative Disclosure Adjustments and Analysis

Related to Table 1.1

Pro-Forma Debt Service Coverage

	Pledged Sales and Use Tax Reported 1995 - 2017		Pledged Sales and Use Tax Reported 2017
Year	Pledged Sales & Use Tax Collections	Adjustments	Pledged Sales & Use Tax Collections (1)
1995	\$ 13,584,927	\$ -	\$ 13,584,927
1996	14,898,098	-	14,898,098
1997	16,627,320	-	16,627,320
1998	18,776,718	-	18,776,718
1999	20,299,652	-	20,299,652
2000	24,381,820	-	24,381,820
2001	26,260,919	-	26,260,919
2002	25,229,706	-	25,229,706
2003	25,292,326	-	25,292,326
2004	26,834,839	-	26,834,839
2005	27,250,464	-	27,250,464
2006	27,985,292	13,328	27,998,620
2007	28,494,697	37,631	28,532,328
2008	28,222,355	(61,962)	28,160,393 (2)
2009	26,139,009	(71,830)	26,067,179 (3)
2010	27,014,780	207,002	27,221,782
2011	28,660,031	163,916	28,823,947
2012	30,105,774	1	30,105,775
2013	31,951,254	-	31,951,254
2014	34,361,981	-	34,361,981
2015	35,369,621	8,946	35,378,567 (4)
2016	36,845,157	540,261	37,385,418 (5)
2017	40,270,349	-	40,270,349

(1) Comparative data reflects accruals added to pledged collections previously reported for years 2006 through 2016 in order to conform to the City's most current financial statements.

(2) The 2009-2013 CAFR statistical debt tables previously reported the accrual reduction for 2008 as (\$698,377). The accrual reduction of (\$61,962) is the correct accrual.

(3) Correction of transposed number reported in 2013 CAFR statistical tables as \$26,067,719.

(4) Correction of use tax accrual not reported in 2015 CAFR statistical debt tables.

(5) Correction of use tax accrual not reported in 2016 CAFR statistical debt tables.

Table 1.2

Annual History of City Sales and Use Tax Collections

<u>Year</u>	<u>Sales Tax Collections</u>	<u>Percent Increase (Decrease)</u>	<u>Use Tax Collections</u>	<u>Percent Increase (Decrease)</u>	<u>Total City Sales & Use Tax Collections</u>	<u>Percent Increase (Decrease)</u>
1995	\$ 14,791,313	---	\$ 3,887,961	---	\$ 18,679,274	---
1996	16,077,627	8.70 %	4,407,257	13.36 %	20,484,884	9.67 %
1997	17,955,152	11.68 %	4,907,413	11.35 %	22,862,565	11.61 %
1998	20,027,757	11.54 %	5,790,230	17.99 %	25,817,987	12.93 %
1999	21,974,302	9.72 %	5,937,720	2.55 %	27,912,022	8.11 %
2000	25,609,889	16.54 %	7,915,113	33.30 %	33,525,002	20.11 %
2001 (1)	29,711,296	16.01 %	8,896,046	12.39 %	38,607,342	15.16 %
2002	29,268,352	(1.49) %	8,014,657	(9.91) %	37,283,009	(3.43) %
2003	29,646,403	1.29 %	8,077,110	0.78 %	37,723,513	1.18 %
2004	30,920,491	4.30 %	8,798,520	8.93 %	39,719,011	5.29 %
2005	31,767,568	2.74 %	8,459,373	(3.85) %	40,226,941	1.28 %
2006	33,451,047	5.30 %	7,846,915	(7.24) %	41,297,962 (4)	2.66 %
2007 (2)	39,519,208	18.14 %	7,201,121	(8.23) %	46,720,329 (4)	13.13 %
2008	39,027,017	(1.25) %	7,085,626	(1.60) %	46,112,643	(1.30) %
2009	37,013,856	(5.16) %	5,671,150	(19.96) %	42,685,006 (4)	(7.43) %
2010	38,265,468	3.38 %	6,310,198	11.27 %	44,575,666 (4)	4.43 %
2011	40,109,760	4.82 %	7,089,453	12.35 %	47,199,213 (4)	5.89 %
2012	41,378,361	3.16 %	7,919,845	11.71 %	49,298,206 (4)	4.45 %
2013	43,969,073	6.26 %	8,351,103	5.45 %	52,320,176	6.13 %
2014	46,935,209	6.75 %	9,332,536	11.75 %	56,267,745	7.55 %
2015	47,615,035	1.45 %	10,317,371	10.55 %	57,932,406	2.96 %
2016	50,855,932	6.81 %	10,983,746	6.46 %	61,839,678	6.74 %
2017	55,302,213	8.74 %	12,755,456	16.13 %	68,057,669	10.06 %
2018 (3) (5)	23,618,246	n/a	5,521,828	n/a	29,140,074	n/a

(1) The Open Space Tax became effective January 1, 2001. Accordingly, the rate of the total City Sales and Use Tax increased from 2.75% to 2.95% on January 1, 2001.

(2) The City Sales and Use Tax increased on January 1, 2007 from 2.95% to 3.275% to include the .325% Public Safety Sales Tax.

(3) Represents Sales and Use Tax Revenues collected for sales through May 31, 2018

(4) These numbers have changed since the 2013 annual report in order to correctly reflect certain required accruals. These totals tie to the City's most current financial statements. Also see the table entitled "Comparative Disclosure Adjustments and Analysis - Related to Table 1.2".

(5) The City Sales and Use Tax increased on January 1, 2018 from 3.275% to 3.53% to increase the Public Safety Sales Tax from .325% to .58%.

Comparative Disclosure Adjustments and Analysis
 Related to Table 1.2
Annual History of City Sales and Use Tax Collections

Year	Reported 1995 - 2012		Reported 2013		Reported 2014
	Total City Sales & Use Tax Collections	Adjustments	Total City Sales & Use Tax Collections	Adjustments	Total City Sales & Use Tax Collections
1995	\$ 18,679,274	\$ -	\$ 18,679,274	\$ -	\$ 18,679,274
1996	20,484,884	-	20,484,884	-	20,484,884
1997	22,862,565	-	22,862,565	-	22,862,565
1998	25,817,987	-	25,817,987	-	25,817,987
1999	27,912,022	-	27,912,022	-	27,912,022
2000	33,525,002	-	33,525,002	-	33,525,002
2001	38,607,342	-	38,607,342	-	38,607,342
2002	37,283,009	-	37,283,009	-	37,283,009
2003	37,723,513	-	37,723,513	-	37,723,513
2004	39,719,011	-	39,719,011	-	39,719,011
2005	40,196,620	30,321	40,226,941	-	40,226,941
2006	41,090,980	206,955	41,297,935	27	41,297,962
2007	46,944,555	(224,831)	46,719,724	605	46,720,329
2008	46,072,240	40,403	46,112,643	-	46,112,643
2009	42,685,006	(117,625)	42,567,381	117,625	42,685,006
2010	44,575,668	338,963	44,914,631	(338,965)	44,575,666
2011	47,199,213	261,728	47,460,941	(261,728)	47,199,213
2012	-	-	49,725,060	(426,854)	49,298,206
2013	-	-	-	-	52,320,176

This illustration is intended to disclose the differences in total City Sales and Use Tax Collections as reported in the City's past annual continuing disclosure reports. Certain of the adjustments reflect the change in accrual reporting; in 2009-2012, the changes reflect the correction of accruals which were mistakenly double-counted in the 2013 report. Numbers in the "Reported 2014" column conform to the City's most current financial statements.

General Fund - Budget Summary and Comparison

	2017 Final Budget	Actual 2017	2018 Amended Budget	Actual 6/30/2018 (1)
REVENUES				
Taxes	\$ 57,115,461	\$ 57,902,019	\$ 61,597,249	\$ 31,569,994
Licenses and permits	1,842,351	2,710,611	2,065,686	1,813,350
Intergovernmental	1,203,384	1,621,870	912,576	244,270
Charges for services	14,154,286	14,541,212	14,718,465	7,736,757
Fines and forfeits	1,094,250	1,024,934	924,250	369,304
Interest earnings	125,000	149,531	277,600	224,455
Miscellaneous	131,484	179,177	63,628	163,145
Total Sources of Funds	<u>75,666,216</u>	<u>78,129,354</u>	<u>80,559,454</u>	<u>42,121,275</u>
EXPENDITURES				
General government	30,544,472	23,926,188	28,511,223	12,331,837
Public Safety	35,990,687	35,915,239	36,219,007	16,922,519
Culture and recreation	14,933,494	15,745,405	17,030,290	7,650,543
Total Expenditures	<u>81,468,653</u>	<u>75,586,832</u>	<u>81,760,520</u>	<u>36,904,899</u>
Excess of revenues of over (under) expenditures	<u>(5,802,437)</u>	<u>2,542,522</u>	<u>(1,201,066)</u>	<u>5,216,376</u>
OTHER FINANCING SOURCES (USES)				
Operating transfers in	289,279	371,216	75,509	-
Operating transfers out	<u>(1,129,371)</u>	<u>(1,129,371)</u>	<u>(1,260,061)</u>	<u>(621,935)</u>
Total other financing sources (uses)	<u>(840,092)</u>	<u>(758,155)</u>	<u>(1,184,552)</u>	<u>(621,935)</u>
Excess of revenues and other sources over (under) expenditures and other uses	<u>(6,642,529)</u>	<u>1,784,367</u>	<u>(2,385,618)</u>	<u>4,594,441</u>
BEGINNING FUND BALANCE	<u>18,427,263</u>	<u>18,427,263</u>	<u>20,211,630</u>	<u>20,211,630</u>
ENDING FUND BALANCE	<u>\$ 11,784,734</u>	<u>\$ 20,211,630</u>	<u>\$ 17,826,012</u>	<u>\$ 24,806,071</u>

(1) Source June 30, 2018 Interim, unaudited reports.

(2) This table does not include sub-funds: Art in Public Places, Sub-divider's Escrow, Air Quality and the Library Trust.

Public Improvement Fund - Budget Summary and Comparison

	2017 Final Budget	Actual 2017	2018 Amended Budget (1)	Actual at 6/30/2018 (1)
REVENUES				
Taxes	\$ 5,973,839	\$ 6,639,848	\$ 6,099,307	\$ 2,933,930
Intergovernmental	-	188,889	-	-
Interest earnings	2,000	31,786	40,000	54,292
Private grants/donations	-	9,330	-	-
Miscellaneous Revenue	-	300	-	-
Proceeds from Advance	457,054	-	-	-
Total Sources of Funds	<u>6,432,893</u>	<u>6,870,153</u>	<u>6,139,307</u>	<u>2,988,222</u>
EXPENDITURES				
General governmental	192,277	2,664,021	444,894	184,809
Capital outlay	11,127,773	1,457,025	2,563,834	830,004
Bond principal retired	2,370,010	2,370,000	2,560,000	2,560,000
Interest and fiscal charges	378,103	400,993	239,100	157,950
Total Expenditures	<u>14,068,163</u>	<u>6,892,039</u>	<u>5,807,828</u>	<u>3,732,763</u>
Excess of revenues of over (under) expenditures	(7,635,270)	(21,886)	331,479	(744,541)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	253,000	-	-
Transfers out	-	(129,344)	(817,321)	-
Total other financing sources (uses)	-	123,656	(817,321)	-
Excess of revenues and other sources over (under) expenditures and other uses	(7,635,270)	101,770	(485,842)	(744,541)
BEGINNING FUND BALANCE	<u>\$ 5,678,764</u>	<u>\$ 5,678,764</u>	<u>\$ 5,780,534</u>	<u>\$ 5,780,534</u>
ENDING FUND BALANCE	<u>\$ (1,956,506) (2)</u>	<u>\$ 5,780,534</u>	<u>\$ 5,294,692</u>	<u>\$ 5,035,993</u>

(1) This budget shows appropriated amounts only for the current year shown. Appropriations in this fund do not lapse at the end of each fiscal year as do appropriations in all other City funds. However, continuing appropriations from prior years are not reflected in this table.

(2) Budgeted fund balance is showing negative due to a liability being recognized on balance sheet for an interfund loan budgeted to be paid for in next three years.

General Fund - History of Revenue, Expenditures and Changes in Fund Balance(1)

	2013	2014	2015	2016	2017
REVENUE					
Taxes(2)	\$ 49,064,566	\$ 51,516,646	\$ 52,872,675	\$ 55,353,199	\$ 57,902,019
Licenses and permits	1,262,587	1,545,246	2,035,149	2,846,924	2,710,611
Intergovernmental	1,043,373	1,565,205	1,880,126	1,499,828	1,621,870
Charges for services	12,872,106	12,704,076	13,549,488	14,296,440	14,541,212
Fines and forfeits	1,048,076	1,208,723	1,058,103	900,999	1,024,934
Investment income	1,960	165,222	134,327	154,251	189,385
Miscellaneous income	299,480	286,468	373,008	310,297	193,430
Total revenue	<u>65,592,148</u>	<u>68,991,586</u>	<u>71,902,876</u>	<u>75,361,938</u>	<u>78,183,461</u>
EXPENDITURES					
Current					
General government	20,555,032	21,111,878	30,793,075	31,193,159	24,009,145
Public Safety	31,466,991	32,520,433	32,524,707	33,788,667	35,915,239
Culture and recreation	13,840,357	14,606,326	7,972,089	7,823,809	15,884,542
Total Expenditures	<u>65,862,380</u>	<u>68,238,637</u>	<u>71,289,871</u>	<u>72,805,635</u>	<u>75,808,926</u>
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	<u>(270,232)</u>	<u>752,949</u>	<u>613,005</u>	<u>2,556,303</u>	<u>2,374,535</u>
OTHER FINANCING SOURCES (USES)					
Lease proceeds	-	-	-	-	-
Operating transfers in	3,155,937	834,664	564,538	430,615	904,975
Operating transfers out	(709,622)	(825,911)	(869,393)	(1,829,083)	(1,129,371)
Total other financing sources (uses)	<u>2,446,315</u>	<u>8,753</u>	<u>(304,855)</u>	<u>(1,398,468)</u>	<u>(224,396)</u>
EXCESS OF REVENUE AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	<u>2,176,083</u>	<u>761,702</u>	<u>308,150</u>	<u>1,157,835</u>	<u>2,150,139</u>
FUND BALANCE, January 1	\$ 15,380,360	\$ 17,556,443	\$ 18,318,145	\$ 18,626,295	\$ 19,784,130
FUND BALANCE, December 31	<u>\$ 17,556,443</u>	<u>\$ 18,318,145</u>	<u>\$ 18,626,295</u>	<u>\$ 19,784,130</u>	<u>\$ 21,934,269</u>

(1) GAAP basis.

(2) Includes general property taxes, a portion of the City Sales and Use Tax, cigarette taxes and franchise taxes.

Public Improvement Fund - History of Revenue, Expenditures and Changes in Fund Balance(1)

	2013	2014	2015	2016	2017
REVENUE					
Taxes(2)	\$ 4,068,199	\$ 4,471,068	\$ 4,544,053	\$ 6,204,559	\$ 6,639,848
Intergovernmental	-	728,889	2,341	2,822	188,889
Interest earnings	(3,887)	34,973	17,735	21,276	31,786
Private grants/donations	1,123,350	1,059,245	220,283	41,000	9,330
Miscellaneous	-	46	-	929,030	300
Total revenue	<u>5,187,662</u>	<u>6,294,221</u>	<u>4,784,412</u>	<u>7,198,687</u>	<u>6,870,153</u>
EXPENDITURES					
General Government					2,664,021
Capital outlay	2,382,196	3,201,073	4,699,351	2,482,886	1,457,025
Debt service	2,718,925	2,065,000	2,155,000	2,255,000	2,370,000
Interest and fiscal charges	-	658,025	573,625	485,508	400,993
Total Expenditures	<u>5,101,121</u>	<u>5,924,098</u>	<u>7,427,976</u>	<u>5,223,394</u>	<u>6,892,039</u>
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	<u>86,541</u>	<u>370,123</u>	<u>(2,643,564)</u>	<u>1,975,293</u>	<u>(21,886)</u>
OTHER FINANCING SOURCES (USES)					
Operating transfers in	250,000	523,717	545,938	441,989	253,000
Operating transfers out	(12,653)	(20,795)	(34,225)	(16,094)	(129,344)
Total other financing sources (uses)	<u>237,347</u>	<u>502,922</u>	<u>511,713</u>	<u>425,895</u>	<u>123,656</u>
EXCESS OF REVENUE AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	<u>323,888</u>	<u>873,045</u>	<u>(2,131,851)</u>	<u>2,401,188</u>	<u>101,770</u>
FUND BALANCE, January 1	\$ 4,212,494	\$ 4,536,382	\$ 5,409,427	\$ 3,277,576	\$ 5,678,764
FUND BALANCE, December 31	<u>\$ 4,536,382</u>	<u>\$ 5,409,427</u>	<u>\$ 3,277,576</u>	<u>\$ 5,678,764</u>	<u>\$ 5,780,534</u>

(1) GAAP basis.

(2) Includes a portion of the City Sales and Use Tax.

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

(CUSIP #543103)

Historical Pledged Revenues and Pro-Forma Debt Service Coverage

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

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

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

Table 2.2

Annual History of Pledged Sales and Use Tax Collections

<u>Year</u>	<u>Open Space Sales Tax Collections</u>	<u>Percent Increase (Decrease)</u>	<u>Open Space Use Tax Collections</u>	<u>Percent Increase (Decrease)</u>	<u>Total City Sales & Use Tax Collections</u>	<u>Percent Increase (Decrease)</u>
2005	\$2,151,677	--	\$575,573	--	\$2,727,250	--
2006	2,267,867	5.40 %	531,994	(7.57) %	2,799,861	2.66 %
2007	2,409,631	6.25 %	443,600	(16.62) %	2,853,231	1.91 %
2008	2,385,798	(0.99) %	430,241	(3.01) %	2,816,039	(1.30) %
2009	2,260,388	(5.26) %	346,330	(19.50) %	2,606,718	(7.43) %
2010	2,336,822	3.38 %	385,356	11.27 %	2,722,178	4.43 %
2011	2,449,451	4.82 %	432,944	12.35 %	2,882,395	5.89 %
2012	2,526,923	3.16 %	483,655	11.71 %	3,010,578	4.45 %
2013	2,685,133	6.26 %	509,991	5.45 %	3,195,124	6.13 %
2014	2,866,270	6.75 %	569,926	11.75 %	3,436,196	7.55 %
2015	2,907,789	1.45 %	630,068	10.55 %	3,537,857	2.96 %
2016	3,105,706	6.81 %	670,763	6.46 %	3,776,469	6.74 %
2017	3,377,230	8.74 %	778,960	16.13 %	4,156,190	10.05 %
2018	1,338,145 (1)	-	312,437 (1)	-	1,650,582 (1)	

(1) Includes collections through 6/30/18 (for sales made in January through May 2018).

This amount represents a 4.8% decrease under collections for the same period in 2017

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

	Fiscal Year Ended December 31,				
	2013	2014	2015	2016	2017
REVENUE					
Taxes(1)	\$ 3,195,124	\$ 3,436,196	\$ 3,537,857	\$ 3,776,469	\$ 4,156,190
Developer Participation	-	-	-	-	-
Intergovernmental	286,310	185,435	877,493	658,274	2,677,164
Private Grants	-	-	-	-	-
Investment income	5,787	38,225	31,122	43,647	54,592
Miscellaneous income	57,483	78,500	202,309	61,511	73,413
Total revenue	<u>3,544,704</u>	<u>3,738,356</u>	<u>4,648,781</u>	<u>4,539,901</u>	<u>6,961,359</u>
EXPENDITURES					
Current					
Culture and recreation	1,872,505	4,649,658	1,499,466	1,433,404	829,967
Capital Outlay					2,589,160
Debt Service					
Bond principal retired	1,150,000	1,160,000	1,165,000	1,170,000	1,170,000
Interest and fiscal charges	1,068,314	1,045,314	1,022,114	998,814	975,414
Bond issuance costs	-	-	-	-	-
Total Expenditures	<u>4,090,819</u>	<u>6,854,972</u>	<u>3,686,580</u>	<u>3,602,218</u>	<u>5,564,541</u>
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	<u>(546,115)</u>	<u>(3,116,616)</u>	<u>962,201</u>	<u>937,683</u>	<u>1,396,818</u>
OTHER FINANCING SOURCES (uses)					
Transfers in:					
Street Fund	148,500	-	-	-	-
Fleet Fund	13,684	-	-	-	-
Self Insurance Fund	-	49,119	-	77,400	-
Transfers out:					
Art in public places fund	(7,218)	(28,905)	(3,407)	(8)	0
General Fund	(251)	(90)	(305)	(41)	(364)
Fleet Fund	-	-	-	(24,500)	0
Issuance of long-term debt	-	-	-	-	-
Premium on issuance of long-term debt	-	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-	-
Total other financing sources (uses)	<u>154,715</u>	<u>20,124</u>	<u>(3,712)</u>	<u>52,851</u>	<u>(364)</u>
Net Changes in Fund Balance	<u>(391,400)</u>	<u>(3,096,492)</u>	<u>958,489</u>	<u>990,534</u>	<u>1,396,454</u>
FUND BALANCE, January 1	\$ 9,775,854	\$ 9,384,454	\$ 6,287,962	\$ 7,246,451	\$ 8,236,985
FUND BALANCE, December 31	<u>\$ 9,384,454</u>	<u>\$ 6,287,962</u>	<u>\$ 7,246,451</u>	<u>\$ 8,236,985</u>	<u>\$ 9,633,439</u>

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

Open Space Fund - Budget to Actual Comparison

	Amended Budget 2017	Actual through 6/30/17 (1)	Amended Budget 2018	Actual through 6/30/18 (1)
REVENUES				
Sales tax	\$ 3,281,712	\$ 1,365,246	\$ 3,387,756	\$ 1,338,145
Use tax	700,847	368,400	714,433	312,437
Developer Participation	120,000	-	-	-
Interest income	6,953	28,438	6,871	77,121
Private Grants/donations	-	-	-	-
Miscellaneous	100,324	28,211	55,000	405,141
Intergovernmental	3,686,514	1,792,678	177,957	151,369
Total Revenue	<u>7,896,350</u>	<u>3,582,974</u>	<u>4,342,017</u>	<u>2,284,213</u>
EXPENDITURES				
Open Space Operations	10,204,171	2,132,050	1,926,015	1,229,100
Debt Service				
Interest and fiscal charges	975,414	487,707	940,314	470,157
Bond principal retired	1,170,000	-	1,185,000	-
Total Expenditures	<u>12,349,585</u>	<u>2,619,757</u>	<u>4,051,329</u>	<u>1,699,257</u>
Excess/Deficiency of Revenues Over (Under) Expenditures	(4,453,235)	963,217	290,688	584,956
OTHER FINANCING SOURCES (uses)				
Transfers out				
Art in public places fund	(41,270)	-	(4,500)	-
General fund	(364)	-	(270)	-
Total other financing sources (uses)	<u>(41,634)</u>	<u>-</u>	<u>(4,770)</u>	<u>-</u>
Net Change in Fund Balance	(4,494,869)	963,217	285,918	584,956
BEGINNING FUND BALANCE, January 1	\$ 8,236,985	\$ 8,236,985	\$ 9,633,439	\$ 9,633,439
ENDING FUND BALANCE, June 30	<u>\$ 3,742,116</u>	<u>\$ 9,200,202</u>	<u>\$ 9,919,357</u>	<u>\$ 10,218,395</u>

(1) Unaudited, interim information only.

Storm Drainage

Revenue Bonds

Series 2008

(CUSIP #54310P)

Table 3.1

History of Storm Drainage Revenues

<u>Year</u>	<u>User Charge Revenues</u>	<u>Percentage Change</u>	<u>Plant Investment Fees</u>	<u>Percentage Change</u>	<u>Total</u>	<u>Percentage Change</u>
2003	\$ 2,246,618	-	\$ 248,042	-	\$ 2,494,660	-
2004	2,299,979	2.38%	223,428	-9.92%	2,523,407	1.15%
2005	2,474,057	7.57%	339,983	52.17%	2,814,040	11.52%
2006	3,035,929	22.71%	290,158	-14.66%	3,326,087	18.20%
2007	3,386,711	11.55%	194,241	-33.06%	3,580,952	7.66%
2008	3,421,596	1.03%	82,717	-57.42%	3,504,313	-2.14%
2009	3,428,994	0.22%	30,774	-62.80%	3,459,768	-1.27%
2010	3,420,656	-0.24%	120,618	291.95%	3,541,274	2.36%
2011	3,395,622	-0.73%	93,331	-22.62%	3,488,953	-1.48%
2012	3,835,699	12.96%	163,868	75.58%	3,999,567	14.64%
2013	4,027,152	4.99%	146,340	-10.70%	4,173,492	4.35%
2014	6,579,550	63.38%	235,532	60.95%	6,815,082	63.29%
2015	6,644,935	0.99%	302,142	28.28%	6,947,077	1.94%
2016	6,730,428	1.29%	527,748	74.67%	7,258,176	4.48%
2017	6,858,415	1.90%	568,223	7.67%	7,426,638	2.32%

Source: Derived from the City's Comprehensive Annual Financial Reports for the years ended 2003-2017

Storm Drainage Enterprise Fund
Schedule of Revenues and Expenses-Budget (Legal Basis) and Actual

	2016 Final Budget	Actual 2016	2017 Final Budget	Actual 2017	Budget 2018
REVENUES					
Charges for services	\$ 6,655,300	\$ 6,730,428	\$ 6,729,251	\$ 6,858,415	\$ 6,969,300
Plant investment fee	177,693	527,748	230,408	568,223	246,900
Intergovernmental	13,747,770	1,177,585	13,570,246	5,730,043	8,786,900
Investment income	17,139	147,345	15,526	125,541	30,600
Miscellaneous	33,122	146,215	33,800	247,875	33,700
Proceeds from long-term loan	100,000	-	-	-	-
Total revenues	<u>20,731,024</u>	<u>8,729,321</u>	<u>20,579,231</u>	<u>13,530,097</u>	<u>16,067,400</u>
EXPENSES					
Administration	1,394,531	1,484,747	1,528,781	1,165,083	1,529,904
Maintenance/Development	2,548,676	1,588,043	2,011,353	2,141,103	1,732,776
Administrative Fees	546,335	546,335	455,968	455,968	538,495
Total operations	<u>4,489,542</u>	<u>3,619,125</u>	<u>3,996,102</u>	<u>3,762,154</u>	<u>3,801,175</u>
Debt service	2,536,369	2,322,013	2,535,845	2,381,041	2,437,988
Capital outlay	28,736,451	6,994,653	28,366,904	11,218,185	10,154,493
Total expenses	<u>35,762,362</u>	<u>12,935,791</u>	<u>34,898,851</u>	<u>17,361,380</u>	<u>16,393,656</u>
Excess of revenues (under) expenses	<u>\$(15,031,338)</u>	<u>\$ (4,206,470)</u>	<u>\$(14,319,620)</u>	<u>\$ (3,831,283)</u>	<u>\$ (326,256)</u>
RECONCILIATION TO NET INCOME (GAAP BASIS)					
Add: Additions to plant and equipment					
Capital outlay		\$ 6,994,653		\$ 11,218,185	
Capitalized salaries		71,059			
Capitalized interest		836,591		819,357	
Capital contributions		288,168		1,168,330	
		<u>8,190,471</u>		<u>13,205,872</u>	
Principal retired		1,360,000		1,450,000	
		<u>9,550,471</u>		<u>14,655,872</u>	
Less: Depreciation		1,601,643		1,677,140	
Proceeds from issuance of bonds		5,466			
		<u>1,607,109</u>		<u>1,677,140</u>	
Net income (GAAP basis)		<u>\$ 3,736,892</u>		<u>\$ 9,147,449</u>	

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

	Fiscal Year Ended December 31,				
	2013	2014	2015	2016	2017
OPERATING REVENUES					
Charges for services	\$ 4,027,152	\$ 6,579,550	\$ 6,644,935	\$ 6,730,428	\$ 6,858,415
OPERATING EXPENSES					
Administration	1,184,587	1,844,970	1,358,521	2,190,103	2,471,680
Maintenance/Development	674,955	737,224	803,687	800,241	810,584
Depreciation	1,340,628	1,395,679	1,523,682	1,601,643	1,677,140
Administrative fees	452,283	420,772	403,149	546,335	455,968
Total operating expenses	<u>3,652,453</u>	<u>4,398,645</u>	<u>4,089,039</u>	<u>5,138,322</u>	<u>5,415,372</u>
Operating income (loss)	<u>374,699</u>	<u>2,180,905</u>	<u>2,555,896</u>	<u>1,592,106</u>	<u>1,443,043</u>
NON-OPERATING REVENUES (EXPENSES)					
Investment income	(13,883)	50,134	134,843	147,345	125,541
Miscellaneous	44,432	79,408	64,178	146,216	247,875
Intergovernmental	33,992	1,436,590	377,247	1,177,585	5,730,043
Interest	(2,581)	(47,301)	(124,437)	(125,423)	(111,684)
Bond/Loan issuance expense (2)	(105,899)	-	-	-	-
Net non-operating revenues	<u>(43,939)</u>	<u>1,518,831</u>	<u>451,831</u>	<u>1,345,723</u>	<u>5,991,775</u>
Change in net position before transfers and capital contributions	<u>330,760</u>	<u>3,699,736</u>	<u>3,007,727</u>	<u>2,937,829</u>	<u>7,434,818</u>
CAPITAL CONTRIBUTIONS	284,619	770,802	558,379	815,916	1,736,553
SPECIAL ITEM					
Impairment loss	(6,343,272) (1)	-	-	-	-
TRANSFERS					
Transfers in	-	-	-	-	-
Transfers out	<u>(56,926)</u>	<u>(7,239)</u>	<u>(56,840)</u>	<u>(16,853)</u>	<u>(23,922)</u>
Change in net position	<u>(5,784,819)</u>	<u>4,463,299</u>	<u>3,509,266</u>	<u>3,736,892</u>	<u>9,147,449</u>
TOTAL NET POSITION - January 1	<u>\$ 49,220,767</u>	<u>\$ 43,435,948</u>	<u>\$ 47,899,247</u>	<u>\$ 61,495,673</u>	<u>\$ 65,232,565</u>
Cumulative effect of correction to prior period			10,087,160		
Restated Net Position (3)			<u>57,986,407</u>		
TOTAL NET POSITION-December 31	<u>\$ 43,435,948</u>	<u>\$ 47,899,247</u>	<u>\$ 61,495,673</u>	<u>\$ 65,232,565</u>	<u>\$ 74,380,014</u>

(1) Impairment loss due to flood damage in September 2013.

(2) In 2013 the City wrote off all the remaining unamortized issuance expense in accordance with GASB 65.

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

Pro-Forma Debt Service Coverage (1)

<u>Year</u>	<u>User Charge Revenues (2)</u>	<u>Plant Investment Fees</u>	<u>Total</u>	<u>Maximum Annual Debt Service on the 2008 Bonds (3)</u>	<u>Coverage</u>
2003	\$ 2,246,618	\$ 248,042	\$ 2,494,660	\$1,112,925	2.24
2004	2,299,979	223,428	2,523,407	1,112,925	2.27
2005	2,474,057	339,983	2,814,040	1,112,925	2.53
2006	3,035,929	290,158	3,326,087	1,112,925	2.99
2007	3,386,711	194,241	3,580,952	1,112,925	3.22
2008	3,421,596	82,717	3,504,313	1,112,925	3.15
2009	3,428,994	30,774	3,459,768	1,112,925	3.11
2010	3,420,656	120,618	3,541,274	1,112,925	3.18
2011	3,395,622	93,331	3,488,953	1,112,925	3.13
2012	3,835,699	163,868	3,999,567	1,112,925	3.59
2013	4,027,152	146,340	4,173,492	1,112,925	3.75
2014	6,579,550	235,532	6,815,082	2,563,263	2.66
2015	6,644,935	302,142	6,947,077	2,563,263	2.71
2016	6,730,427	527,748	7,258,175	2,465,238	2.94
2017	6,858,415	568,223	7,426,638	2,465,238	3.01

(1) Includes only storm drainage user charge revenues and storm drainage plant investment fees,

and does not include developer participation, investment income or miscellaneous income

See "Pledged Revenues" above and "FINANCIAL INFORMATION CONCERNING THE STORM DRAINAGE SYSTEM - Storm Drainage Fees."

(2) Revenues increased in User Charge revenues due in part to a rate increase as described in "THE

STORM DRAINAGE - Fees." Also see "Storm Drainage Fees" above.

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

Electric and Broadband Utility

Enterprise Revenue Bonds

Series 2014

(CUSIP #543097)

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

	2013	2014	2015	2016	2017	Budgeted 2018
Gross Pledged Revenues						
<u>Electric System</u>						
Charges for services	\$60,870,571	\$63,158,938	\$63,877,212	\$64,235,076	\$66,071,721	\$70,392,200
Electric Aid to Construction (1)	1,245,959	1,686,685	1,775,200	2,973,582	3,501,670	3,000,000
Other (2)	130,370	332,630	1,384,197	277,123	254,954	370,180
	<u>62,246,900</u>	<u>65,178,253</u>	<u>67,036,609</u>	<u>67,485,781</u>	<u>69,828,345</u>	<u>73,762,380</u>
<u>Broadband System</u>						
Charges for services	316,941	614,926	1,341,199	4,533,251	10,824,169	12,313,643
Broadband Aid to Construction	-	-	-	25,361	7,847	85,000
Other (3)	1,806	48,272	93,182	82,807	41,715	21,680
	<u>318,747</u>	<u>663,198</u>	<u>1,434,381</u>	<u>4,641,419</u>	<u>10,873,731</u>	<u>12,420,323</u>
Total Gross Pledged Revenues	<u>62,565,647</u>	<u>65,841,451</u>	<u>68,470,990</u>	<u>72,127,200</u>	<u>80,702,076</u>	<u>86,182,703</u>
Operation and Maintenance Expenses (4)						
Electric System	53,099,447	52,003,050	55,184,701	58,667,809	59,110,553	64,516,717
Broadband System	720,652	2,936,261	2,633,611	3,747,660	4,711,047	6,187,763
Total O&M Expenses	<u>53,820,099</u>	<u>54,939,311</u>	<u>57,818,312</u>	<u>62,415,469</u>	<u>63,821,600</u>	<u>70,704,480</u>
Net Pledged Revenues	\$8,745,548	\$10,902,140	\$10,652,678	\$9,711,731	16,880,476	15,478,223
Combined Maximum Annual Principal and Interest Requirements (5)	\$3,717,013	\$3,717,013	\$3,717,013	\$3,717,013	\$4,462,500	\$4,462,500
Pro-Forma Coverage	2.35x	2.93x	2.87x	2.61x	3.78x	3.47x

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

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

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

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

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

(5) Represents the Combined Maximum Annual Principal and Interest Requirements payable on the 2014 and 2017 Bonds (\$4,462,500 in 2018) See "DEBT SERVICE REQUIREMENTS."

(6) Correction to increase Broadband System O&M Expenses by \$144,192 for a total of \$720,652 in 2013. This was erroneously reported as \$576,460 on the 2014 version of this table.

Source: Derived from the City's audited financial statements for 2013-2017 and the 2018 Budget.

Electric System User Charges - 2017

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

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

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

Source: Longmont Power and Communications, City of Longmont.

History of Electric System Customers

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

Source: Longmont Power and Communications, City of Longmont.

Electric System Customer Information by Customer Type

	2013	2014	2015	2016	2017
Electric Sales in MWH					
Residential	309,764	302,116	303,034	307,300	303,854
Commercial	348,984	354,705	352,810	357,065	356,881
Industrial	118,885	114,369	116,862	117,865	118,393
Total	777,633	771,190	772,706	782,230	779,128
Electric Revenue (in 000s)					
Residential	\$ 27,088	\$ 27,927	\$ 28,480	\$ 28,527	\$ 29,367
Commercial	25,884	27,252	27,397	27,707	28,368
Industrial	7,366	7,543	7,759	7,707	8,053
Total	\$ 60,338	\$ 62,722	\$ 63,636	\$ 63,941	\$ 65,788
Average Customer Accounts					
Residential-inside City limits	33,766	34,024	34,645	34,899	35,564
Residential-outside City limits	827	810	820	822	828
	34,593	34,834	35,465	35,721	36,392
Commercial-inside City limits	2,523	2,564	2,632	2,648	2,684
Commercial-outside City limits	119	118	123	129	130
	2,642	2,682	2,755	2,777	2,814
Industrial-inside City limits	8	6	7	8	8
Industrial-outside City limits	1	1	1	1	1
	9	7	8	9	9
Contract-inside City limits	0	0	0	0	0
Contract-outside City limits	1	1	1	1	1
	1	1	1	1	1
Total Average Accounts	37,245	37,524	38,229	38,508	39,216
Average Use per Customer					
Residential - Annual	8,955	8,673	8,545	8,636	8,432
Residential - Monthly	746	723	712	720	703
Annual Peak Demand (MW)					
Summer Peak	178	169	170	179	183
Winter Peak	129	128	122	124	127

Source: Longmont Power and Communications, City of Longmont.

Largest Electric System Customers - 2017

Customer Number (2)	Total kWh	Total kW	Total 2017 Revenue	Percent of Total 2017 Revenue(1)
126902	34,274,880	59,483	\$ 2,366,970	3.58%
264674	25,190,400	39,922	1,693,433	2.56%
507522	21,583,697	42,686	1,499,074	2.27%
332917	16,322,688	24,773	1,116,122	1.69%
127015	16,111,907	73,193	1,557,359	2.36%
231353	11,576,846	22,872	791,659	1.20%
126234	11,116,486	23,932	780,991	1.18%
125672	8,587,127	15,499	575,402	0.87%
291785	8,376,960	13,962	541,359	0.82%
307785	8,334,720	14,024	553,726	0.84%
Total	161,475,711	330,346	\$ 11,476,096	17.37%

(1) Based on total Electric System charges for service of \$66,071,721 for 2017.

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

Source: Longmont Power and Communications, City of Longmont.

History of Broadband System Customers by Customer Class

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

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

Source: Longmont Power and Communications, City of Longmont.

History of Broadband System Revenues by Customer Class

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

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

Source: Longmont Power and Communications, City of Longmont.

Budget Summary and Comparison - Electric and Broadband Fund

	2017 <u>Budget</u>	2017 <u>Actual</u>	2018 <u>Budget</u>
REVENUES			
Electric charges for services	\$ 68,353,808	\$66,071,721	\$70,392,200
Electric aid to underground construction	4,400,000	3,501,670	3,000,000
Electric intergovernmental revenue	-	101,200	-
Electric interest income	65,000	58,905	144,300
Electric miscellaneous	152,000	196,049	225,880
Electric operating transfers in	19,835	19,835	29,710
Broadband charges for services	12,486,482	10,824,169	12,313,643
Broadband aid to underground construction	-	7,847	85,000
Broadband interest income	-	22,814	5,180
Broadband miscellaneous	22,272	18,900	16,500
Bond proceeds	7,265,000	7,265,000	-
Total Revenue	<u>\$ 92,764,397</u>	<u>\$88,088,110</u>	<u>\$ 86,212,413</u>
EXPENSES			
Electric distribution	\$ 6,014,737	\$ 5,560,118	\$ 5,983,308
Electric engineering	1,381,624	1,309,617	1,518,196
Electric purchased power	49,962,373	48,120,219	51,623,487
Electric administration	3,026,464	3,015,244	3,051,170
Electric franchise fee	5,385,936	5,219,180	5,553,824
Electric meter reading	454,717	378,532	526,100
Electric warehouse	603,815	203,203	573,173
Electric customer services and marketing	219,851	152,507	223,695
Electric energy services	986,360	680,242	1,086,109
Electric debt service	-	-	-
Electric capital outlay	5,392,319	3,671,612	3,090,684
Broadband administration	2,244,628	2,056,733	2,228,742
Broadband franchise fee	7,812	9,632	6,840
Broadband distribution	2,980,750	2,732,754	3,528,375
Broadband engineering	435,916	313,724	435,146
Broadband debt service	3,717,013	3,642,512 (1)	4,462,500
Broadband capital outlay	10,589,723	9,904,185	1,003,906
Total Expenses	<u>\$ 93,404,038</u>	<u>\$ 86,970,014</u>	<u>\$ 84,895,255</u>
Excess of Revenues over (under)			
Expenditures	<u>\$ (639,641)</u>	<u>\$ 1,118,096</u>	<u>\$ 1,317,158</u>

(1) Includes principal and interest.

Source: Derived from the 2017 and 2018 Budgets and the audited 2017 financial statements provided by the City of Longmont.

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

	<u>2013 (3)</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Operating Revenues					
Charges for services	\$ 61,187,512	\$ 63,773,864	\$ 65,218,411	\$ 68,768,327	\$ 76,895,890
Operating Expenses					
Administration	2,936,124	3,693,506	4,522,592	3,847,192	4,168,223
Purchased power/cost of sales/premiums	43,744,408	43,541,289	44,536,649	47,131,953	48,120,219
Transmission/distribution	5,474,986	6,069,814	7,094,651	9,705,998	9,720,815
Depreciation	2,377,522	2,531,638	2,656,444	3,019,109	3,919,443
Administrative fees (1)	1,664,581	1,634,702	1,664,420	1,730,327	1,812,344
Franchise fee (2)	4,848,046	5,036,670	5,164,731	5,109,626	5,228,811
Total operating expenses	<u>61,045,667</u>	<u>62,507,619</u>	<u>65,639,487</u>	<u>70,544,205</u>	<u>72,969,855</u>
Operating Income (Loss)	141,845	1,266,245	(421,076)	(1,775,878)	3,926,035
Non-Operating Revenues (Expenses)					
Investment income (loss)	(7,230)	91,795	150,731	152,111	81,719
Miscellaneous	52,345	178,050	111,620	128,686	124,219
Intergovernmental	3,702	177,869	84,096	10,203	101,200
Other Sales	87,061	111,057	81,790	82,026	90,730
Gain (Loss) on disposal of assets	-	-	1,133,238	(2,894)	-
Interest Expense	-	(41,601)	(98,057)	(72,848)	(132)
Total non-operating revenues	<u>135,878</u>	<u>517,170</u>	<u>1,463,418</u>	<u>297,284</u>	<u>397,736</u>
Change in net position before transfers and capital contributions	277,723	1,783,415	1,042,342	(1,478,594)	4,323,771
Capital Contributions (4)	1,391,135	1,806,325	1,787,449	3,392,782	3,851,052
Special Item					
Impairment Loss	(118,785)	-			
Transfers					
Transfers in	28,168	40,281	16,361	15,974	19,835
Transfers out	(664,212)	(200,028)	(468,925)	(132,685)	(517,167)
Change in net position	914,029	3,429,993	2,377,227	1,797,477	7,677,491
Total Net Position - January 1 (5)	<u>55,492,412</u>	<u>56,406,441</u>	<u>59,836,434</u>	<u>64,541,501</u>	<u>66,338,979</u>
Cumulative effect of correction to prior period (6)			2,327,840		
Restated Total Net Position - January 1			62,164,274		
Total Net Position - December 31 (5)	<u>\$ 56,406,441</u>	<u>\$ 59,836,434</u>	<u>\$ 64,541,501</u>	<u>\$ 66,338,979</u>	<u>\$ 74,016,470</u>

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

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

(3) Includes the combination of the Electric and Broadband Funds reported separately in the 2013 Combined Annual Financial Report.

(4) A portion of this amount is "aid to underground installation revenue." See "REVENUES AVAILABLE FOR DEBT SERVICE."

A portion of this amount is proceeds of the Electric Community Investment Fee, which is initially recorded in the ECIF Fund but transferred to the Electric Fund as capital contributions upon expenditure.

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

(6) Prior period correction due to fixed assets adjustments and implementation of GASB 68 and 71 related to Pension.

Source: Derived from the City's CAFRs for the years ended December 31, 2013 through 2017

Wastewater
Enterprise Revenue Bonds
Series 2010A Tax-Exempt
&
Series 2010B Taxable

(CUSIP #543098)

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

<u>Fiscal Year</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Gross Pledged Revenues					
Charges for services	\$ 9,740,105	\$ 11,686,986	\$ 13,085,133	\$ 13,432,618	\$ 14,486,062
System development fees	765,285	1,077,096	1,504,040	2,459,528	2,234,310
Developer participation	60	-	14,760	67,226	14,690
Other income	65,906	(23,084)	111,321	53,180	63,214
Interest earnings	67,280	99,692	66,174	225,043	254,279
BAB Credit on 2010B Bonds (2)	168,247	161,877	162,226	162,662	156,528
Total	10,806,883	13,002,567	14,943,654	16,400,257	17,209,083
Operation and Maintenance Expenses (3)	7,498,334	8,178,180	8,100,714	8,025,133	7,725,060
Net Pledged Revenues	\$ 3,308,549	\$ 4,824,387	\$ 6,842,940	\$ 8,375,124	\$ 9,484,023
Actual Debt Service Paid (4)	\$ 1,190,917	\$ 1,648,608	\$ 1,646,208	\$ 3,628,517	\$ 3,625,293
Coverage	2.78x	2.93x	4.16x	2.31x	2.62x
Combined Maximum Annual Principal and Interest Requirements (5)	3,648,375	3,648,375	3,648,375	3,648,375	3,648,375
Pro-Forma Coverage	0.91x	1.32x	1.88x	2.30x	2.60x

(1) Derived from the City's audited financial statements for 2013 through 2017, with the exception that investment gains and losses are excluded.

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

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

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

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

Comparative Disclosure Adjustments and Analysis
 Related to Table 5.1
Pro-Forma Debt Service Coverage

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

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

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

Residential and Small Commercial System Development Fee Schedules - 2018

<u>Meter Size</u>	Residential <u>SDF</u>	Small Commercial <u>SDF</u>
5/8 inch	\$ 4,220	\$ 5,850
3/4 inch	6,340	8,760
1 inch	10,540	14,620
1.5 inches	-	29,260
2 inches	-	46,800
3 inches	-	93,590

History of Wastewater System Development Fees

<u>Year</u>	<u>Total Number of Connections</u>	<u>Total System Development Fees</u>
2005	25,190	\$1,550,118
2006	25,691	\$889,964
2007	25,887	\$851,565
2008	26,044	\$288,158
2009	26,147	\$96,975
2010	26,013	\$277,085
2011	25,875	\$380,154
2012	25,965	\$783,174
2013	26,091	\$765,285
2014	26,276	\$1,077,096
2015	26,477	\$1,504,040
2016	26,919	\$2,459,528
2017	27,284	\$2,234,310
2018 (1)	27,481	\$1,716,510

(1) Taps and fees collected through June 30, 2018

History of User Connections by Customer Type

<u>Year</u>	<u>Residential Connections</u>	<u>Commercial/ Industrial Connections</u>	<u>Contract Connection</u>	<u>Other/Out of City Users</u>	<u>Total Connections</u>	<u>% Change in Connections</u>
2005	23,775	1,369	1	45	25,190	--
2006	24,161	1,463	1	66	25,691	2.0%
2007	24,323	1,485	1	78	25,887	0.8%
2008	24,435	1,521	1	87	26,044	0.6%
2009	24,507	1,547	1	92	26,147	0.4%
2010	24,537	1,410	1	66	26,014	-0.5%
2011	24,515	1,311	1	48	25,875	-0.5%
2012	24,562	1,309	0	94	25,965	0.3%
2013	24,679	1,330	0	82	26,091	0.5%
2014	24,825	1,367	0	84	26,276	0.7%
2015	25,011	1,376	0	90	26,477	0.8%
2016	25,318	1,488	0	113	26,919	1.7%
2017	25,620	1,543	0	121	27,284	1.4%
2018 (1)	25,681	1,675	0	125	27,481	--

(1) As of June 30, 2018

History of Charges for Service by Category

<u>Year</u>	<u>Residential Service Charges</u>	<u>Commercial/ Industrial Service Charges</u>	<u>Other Industrial Charges (1)</u>	<u>Special Tap/ Contract Revenues</u>	<u>Miscellaneous Revenues (2)</u>	<u>Total Revenues</u>	<u>Percent Change in Revenues</u>
2005	\$ 5,356,563	\$ 1,144,869	\$ 273,843	\$ 407,406	\$ 10,920	\$ 7,193,601	--
2006	5,621,533	1,181,641	223,662	390,832	9,201	7,426,869	3.2%
2007	5,402,944	1,146,694	228,839	409,684	(19,603)	7,168,558	-3.5%
2008	5,436,825	1,113,443	246,565	329,322	(8,166)	7,117,989	-0.7%
2009	5,844,437	1,206,730	285,927	19,068	59,877	7,416,039	4.2%
2010	6,216,671	1,275,971	244,465	68,749	30,617	7,836,473	5.7%
2011	6,459,187	1,384,300	260,554	62,618	74,330	8,240,989	5.2%
2012 (3)	6,846,158	1,490,467	286,632	10,609	766	8,634,632	4.8%
2013	7,935,973	1,697,791	19,269	3,121	83,951	9,740,105	12.8%
2014	9,374,332	2,073,369	31,567	2,907	204,811	11,686,986	20.0%
2015	10,615,333	2,343,578	116,557	4,096	5,569	13,085,133	12.0%
2016	10,752,333	2,419,355	173,170	3,265	84,496	13,432,619	2.7%
2017	11,512,472	2,791,456	139,688	3,684	38,762	14,486,062	7.8%
2018 (4)	5,859,046	1,291,229	34,649	2,138	18,314	7,205,376	--

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

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

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

(4) Through June 30, 2018

Budget Summary and Comparison - Sewer Fund

	2017 Final Budget	2017 YTD (through 6/30/17) (1)	2018 Revised Budget	2018 YTD (through 6/30/18) (1)
REVENUE				
Operating Revenue				
Charges for services (2)	\$ 14,251,100	\$ 7,138,381	\$ 14,572,000	\$ 7,205,376
Non-Operating Revenue				
Interest income	30,600	157,261	36,480	188,326
Intergovernmental	162,076	(411,851) (3)	155,034	101,650
Bond Proceeds	-	-	-	-
Grant Awards	-	-	-	-
Miscellaneous	3,000	37,253	3,000	50,611
Operating transfers in	527,276	-	524,922	-
Total non-operating revenue	<u>722,952</u>	<u>(217,337)</u>	<u>719,436</u>	<u>340,587</u>
Total revenue	<u>\$ 14,974,052</u>	<u>\$ 6,921,044</u>	<u>\$ 15,291,436</u>	<u>\$ 7,545,963</u>
APPLICATION OF REVENUE				
Operating Expense				
Director administration	225,156	94,963	458,576	74,695
Administration	1,360,548	542,233	1,421,124	647,277
Industrial pretreatment	154,410	54,289	156,189	52,117
Collection system	1,475,938	521,425	1,506,761	532,286
Treatment plant	3,730,919	1,468,036	3,453,574	1,426,543
Water quality lab	596,584	269,912	675,837	251,015
Administrative services	879,370	439,684	909,683	454,841
Franchise equivalency	570,164	285,080	583,000	291,502
Bad debt expense	2,000	390	2,000	125
Total operating expenses	<u>8,995,089</u>	<u>3,676,012</u>	<u>9,166,744</u>	<u>3,730,401</u>
Capital Expense	<u>22,119,538</u>	<u>3,517,008</u>	<u>2,849,422</u>	<u>1,773,974</u>
Non-Operating Expenses				
Transfers to other funds	211,707	1,677	41,901	2,088
Debt Requirements	<u>3,625,293</u>	<u>630,098</u>	<u>3,607,520</u>	<u>609,173</u>
Total expenses	<u>\$ 34,951,627</u>	<u>\$ 7,824,795</u>	<u>\$ 15,665,587</u>	<u>\$ 6,115,636</u>
Additions To (Deductions From) Operating Reserves	<u>(19,977,575)</u>	<u>(903,751)</u>	<u>(374,151)</u>	<u>1,430,327</u>
Total Application of Revenue	<u>\$ 14,974,052</u>	<u>\$ 6,921,044</u>	<u>\$ 15,291,436</u>	<u>\$ 7,545,963</u>

(1) Unaudited, interim information only.

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

(3) Negative revenue is due to 2016 FEMA reimbursements that was reclassified to proper ledger accounts in June. There is an offsetting FEMA revenue for \$595,050 that was credited in September 2017.

Budget Summary and Comparison - Sewer Construction Fund

	2017 Final Budget	2017 YTD (through 6/30/17) (1)	2018 Revised Budget	2018 YTD (through 6/30/18) (1)
Sources of Funds				
Beginning Working Capital (fund balance) (2)	\$ 6,142,809	\$ 6,142,809	\$ 5,520,273	\$ 5,520,273
Connection fee	-	-	-	-
System development fee	1,529,900	1,335,060	1,633,800	1,716,510
Developer participation	-	-	-	27,692
Interest Income	10,200	21,137	21,400	46,914
Total Sources of Funds	<u>7,682,909</u>	<u>7,499,006</u>	<u>7,175,473</u>	<u>7,311,389</u>
Expenses				
Capital Expense	3,142,102	1,288,998	398,218	-
Non-capital expense (3)	2,600	-	6,000	-
Transfers out	559,009	-	526,404	-
Total Expenses	<u>3,703,711</u>	<u>1,288,998</u>	<u>930,622</u>	<u>-</u>
Ending Working Capital	<u>\$ 3,979,198</u>	<u>\$ 6,210,008</u>	<u>\$ 6,244,851</u>	<u>\$ 7,311,389</u>

(1) Unaudited, interim information only.

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

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

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

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Operating Revenues					
Charges for services	\$ 9,740,105	\$ 11,686,986	\$ 13,085,133	\$ 13,432,618	\$ 14,486,062
Operating Expenses					
Administration	968,953	1,054,139	1,103,308	1,290,974	1,205,666
Transmission/distribution	1,684,493	2,255,778	1,966,981	1,397,097	1,170,209
Treatment/disposal	3,695,667	3,651,191	3,704,305	4,045,224	3,899,651
Depreciation	2,575,516	2,676,453	2,904,957	3,010,430	3,136,126
Administrative fees (1)	768,009	753,720	797,640	740,067	879,370
Franchise fee (2)	381,212	463,352	528,480	551,772	570,164
Total operating expenses	<u>10,073,850</u>	<u>10,854,633</u>	<u>11,005,671</u>	<u>11,035,564</u>	<u>10,861,186</u>
Operating Income (Loss)	(333,745)	832,353	2,079,462	2,397,054	3,624,876
Non-Operating Revenues (Expenses)					
Investment income (loss)	(7,727)	138,732	37,336	192,270	218,714
Miscellaneous	65,861	(23,205)	444,522	55,283	63,214
Intergovernmental	194,686	1,111,741	278,857	1,641,549	662,443
Interest expense	(1,354)	(31,909)	-	(134,787)	(156,178)
Gain (Loss) on disposal of assets	-	(2,294,421)	(10,767)	-	-
Bond/loan issuance expenses (4)	(189,734)	-	-	-	-
Total non-operating revenues	<u>61,732</u>	<u>(1,099,062)</u>	<u>749,948</u>	<u>1,754,315</u>	<u>788,193</u>
Change in net assets before transfers and capital contributions	(272,013)	(266,709)	2,829,410	4,151,369	4,413,069
Capital Contributions	295,352	654,766	554,288	608,787	3,536,162
Special Item					
Impairment loss	(925,375)	-	-	-	-
Transfers					
Transfers in	382,377	368,071	367,591	552,119	527,276
Transfers out	(327,319)	(89,642)	(107,543)	(349,915)	(115,022)
Change in net position	(846,978)	666,486	3,643,746	4,962,360	8,361,485
Total Net Position - January 1 (3)	<u>96,492,276</u>	<u>95,645,298</u>	<u>96,311,784</u>	<u>98,515,831</u>	<u>103,478,191</u>
Cumulative effect of correction to prior period (5)			(1,439,699)	-	-
Restated Total Net Position - January			94,872,085		
Total Net Position - December 31 (3)	<u>\$ 95,645,298</u>	<u>\$ 96,311,784</u>	<u>\$ 98,515,831</u>	<u>\$ 103,478,191</u>	<u>\$ 111,839,676</u>

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

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

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

(4) In 2013 the City wrote off all the remaining unamortized issuance expense in accordance with GASB 65.

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

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

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Revenues					
Licenses and permits (1)	\$ 765,285	\$ 1,077,096	\$ 1,504,040	\$ 2,459,528	\$ 2,234,310
Developer/owner participation	60	-	14,760	67,226	14,690
Investment income (loss)	(3,092)	19,156	17,300	27,595	35,565
Miscellaneous	45	120	-	-	-
Total revenues	<u>762,298</u>	<u>1,096,372</u>	<u>1,536,100</u>	<u>2,554,349</u>	<u>2,284,565</u>
Expenditures					
Current:					
Municipal utility system	442	-	-	-	1,454
Capital Outlay	-	-	-	-	2,359,368
Total expenditures	<u>442</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,360,822</u>
Excess of Revenues Over (Under) Expenditures	<u>762,298</u>	<u>1,096,372</u>	<u>1,536,100</u>	<u>2,554,349</u>	<u>(76,257)</u>
Other Financing Sources (Uses)					
Transfers out (2)	<u>(328,152)</u>	<u>(368,071)</u>	<u>(367,591)</u>	<u>(552,119)</u>	<u>(546,279)</u>
Net change in fund balance	434,146	728,301	1,168,509	2,002,230	(622,536)
Fund Balance - January 1	<u>1,810,065</u>	<u>2,243,769</u>	<u>2,972,070</u>	<u>4,140,579</u>	<u>6,142,809</u>
Fund Balance - December 31	<u>\$ 2,244,211</u>	<u>\$ 2,972,070</u>	<u>\$ 4,140,579</u>	<u>\$ 6,142,809</u>	<u>\$ 5,520,273</u>

(1) Consists primarily of System Development Fees.

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

Wastewater
Enterprise Revenue Bonds
Series 2013

(CUSIP #543098)

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

<u>Fiscal Year</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Gross Pledged Revenues					
Charges for services	\$ 9,740,105	\$ 11,686,986	\$ 13,085,133	\$ 13,432,618	\$ 14,486,062
System development fees	765,285	1,077,096	1,504,040	2,459,528	2,234,310
Developer participation	60	-	14,760	67,226	14,690
Other income	65,906	(23,084)	111,321	53,180	63,214
Interest earnings	67,280	99,692	66,174	225,043	254,279
BAB Credit on 2010B Bonds (2)	168,247	161,877	162,226	162,662	156,528
Total	10,806,883	13,002,567	14,943,654	16,400,257	17,209,083
Operation and Maintenance Expenses (3)	7,498,334	8,178,180	8,100,714	8,025,133	7,725,060
Net Pledged Revenues	\$ 3,308,549	\$ 4,824,387	\$ 6,842,940	\$ 8,375,124	\$ 9,484,023
Actual Debt Service Paid (4)	\$ 1,190,917	\$ 1,648,608	\$ 1,646,208	\$ 3,628,517	\$ 3,625,293
Coverage	2.78x	2.93x	4.16x	2.31x	2.62x
Combined Maximum Annual Principal and Interest Requirements (5)	3,648,375	3,648,375	3,648,375	3,648,375	3,648,375
Pro-Forma Coverage	0.91x	1.32x	1.88x	2.30x	2.60x

(1) Derived from the City's audited financial statements for 2013 through 2017, with the exception that investment gains and losses are excluded.

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

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

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

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

Comparative Disclosure Adjustments and Analysis
 Related to Table 6.1
Pro-Forma Debt Service Coverage

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

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

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

History of Wastewater System Development Fees

<u>Year</u>	<u>Total Number of Connections</u>	<u>Total System Development Fees</u>
2008	26,044	\$288,158
2009	26,147	\$96,975
2010	26,013	\$277,085
2011	25,875	\$380,154
2012	25,965	\$783,174
2013	26,091	\$765,285
2014	26,276	\$1,077,096
2015	26,477	\$1,504,040
2016	26,919	\$2,459,528
2017	27,284	\$2,234,310
2018 (1)	27,481	\$1,716,510

(1) Taps and fees collected through June 30, 2018

History of User Connections by Customer Type

<u>Year</u>	<u>Residential Connections</u>	<u>Commercial/ Industrial Connections</u>	<u>Contract Connection</u>	<u>Other/Out of City Users</u>	<u>Total Connections</u>	<u>% Change in Connections</u>
2008	24,435	1,521	1	87	26,044	--
2009	24,507	1,547	1	92	26,147	0.4%
2010	24,537	1,410	1	66	26,014	-0.5%
2011	24,515	1,311	1	48	25,875	-0.5%
2012	24,562	1,309	0	94	25,965	0.3%
2013	24,679	1,330	0	82	26,091	0.5%
2014	24,825	1,367	0	84	26,276	0.7%
2015	25,011	1,376	0	90	26,477	0.8%
2016	25,318	1,488	0	113	26,919	1.7%
2017	25,620	1,543	0	121	27,284	1.4%
2018 (1)	25,681	1,675	0	125	27,481	--

(1) As of June 30, 2018

History of Charges for Service by Category

<u>Year</u>	<u>Residential Service Charges</u>	<u>Commercial/ Industrial Service Charges</u>	<u>Other Industrial Charges (1)</u>	<u>Special Tap/ Contract Revenues</u>	<u>Miscellaneous Revenues (2)</u>	<u>Total Revenues</u>	<u>Percent Change in Revenues</u>
2008	\$ 5,436,825	\$ 1,113,443	\$ 246,565	\$ 329,322	\$ (8,166)	\$ 7,117,989	--
2009	5,844,437	1,206,730	285,927	19,068	59,877	7,416,039	4.2%
2010	6,216,671	1,275,971	244,465	68,749	30,617	7,836,473	5.7%
2011	6,459,187	1,384,300	260,554	62,618	74,330	8,240,989	5.2%
2012 (3)	6,846,158	1,490,467	286,632	10,609	766	8,634,632	4.8%
2013	7,935,973	1,697,791	19,269	3,121	83,951	9,740,105	12.8%
2014	9,374,332	2,073,369	31,567	2,907	204,811	11,686,986	20.0%
2015	10,615,333	2,343,578	116,557	4,096	5,569	13,085,133	12.0%
2016	10,752,333	2,419,355	173,170	3,265	84,496	13,432,619	2.7%
2017	11,512,472	2,791,456	139,688	3,684	38,762	14,486,062	7.8%
2018 (4)	5,859,046	1,291,229	34,649	2,138	18,314	7,205,376	--

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

(2) Includes miscellaneous revenues, mixed use rates and charges and accruals for unbilled revenue, which represents service provided

as of the end of each year that will not be billed until the first billing date in January. Unbilled revenue was negative in 2008, 2012 and 2015.

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

(4) Through June 30, 2018

Budget Summary and Comparison - Sewer Fund

	2017 Final Budget	2017 YTD (through 6/30/17) (1)	2018 Revised Budget	2018 YTD (through 6/30/18) (1)
REVENUE				
Operating Revenue				
Charges for services (2)	\$ 14,251,100	\$ 7,138,381	\$ 14,572,000	\$ 7,205,376
Non-Operating Revenue				
Interest income	30,600	157,261	36,480	188,326
Intergovernmental	162,076	(411,851) (3)	155,034	101,650
Bond Proceeds	-	-	-	-
Grant Awards	-	-	-	-
Miscellaneous	3,000	37,253	3,000	50,611
Operating transfers in	527,276	-	524,922	-
Total non-operating revenue	<u>722,952</u>	<u>(217,337)</u>	<u>719,436</u>	<u>340,587</u>
Total revenue	<u><u>\$ 14,974,052</u></u>	<u><u>\$ 6,921,044</u></u>	<u><u>\$ 15,291,436</u></u>	<u><u>\$ 7,545,963</u></u>
APPLICATION OF REVENUE				
Operating Expense				
Director administration	225,156	94,963	458,576	74,695
Administration	1,360,548	542,233	1,421,124	647,277
Industrial pretreatment	154,410	54,289	156,189	52,117
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Franchise equivalency	570,164	285,080	583,000	291,502
Bad debt expense	2,000	390	2,000	125
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Capital Expense	<u>22,119,538</u>	<u>3,517,008</u>	<u>2,849,422</u>	<u>1,773,974</u>
Non-Operating Expenses				
Transfers to other funds	211,707	1,677	41,901	2,088
Debt Requirements	<u>3,625,293</u>	<u>630,098</u>	<u>3,607,520</u>	<u>609,173</u>
Total expenses	<u><u>\$ 34,951,627</u></u>	<u><u>\$ 7,824,795</u></u>	<u><u>\$ 15,665,587</u></u>	<u><u>\$ 6,115,636</u></u>
Additions To (Deductions From) Operating Reserves	<u>(19,977,575)</u>	<u>(903,751)</u>	<u>(374,151)</u>	<u>1,430,327</u>
Total Application of Revenue	<u><u>\$ 14,974,052</u></u>	<u><u>\$ 6,921,044</u></u>	<u><u>\$ 15,291,436</u></u>	<u><u>\$ 7,545,963</u></u>

(1) Unaudited, interim information only.

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

(3) Negative revenue is due to 2016 FEMA reimbursements that was reclassified to proper ledger accounts in June. There is an offsetting FEMA revenue for \$595,050 that was credited in September 2017.

Budget Summary and Comparison - Sewer Construction Fund

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Sources of Funds				
Beginning Working Capital (fund balance) (2)	\$ 6,142,809	\$ 6,142,809	\$ 5,520,273	\$ 5,520,273
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System development fee	1,529,900	1,335,060	1,633,800	1,716,510
Developer participation	-	-	-	27,692
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Total Sources of Funds	<u>7,682,909</u>	<u>7,499,006</u>	<u>7,175,473</u>	<u>7,311,389</u>
Expenses				
Capital Expense	3,142,102	1,288,998	398,218	-
Non-capital expense (3)	2,600	-	6,000	-
Transfers out	559,009	-	526,404	-
Total Expenses	<u>3,703,711</u>	<u>1,288,998</u>	<u>930,622</u>	<u>-</u>
Ending Working Capital	<u>\$ 3,979,198</u>	<u>\$ 6,210,008</u>	<u>\$ 6,244,851</u>	<u>\$ 7,311,389</u>

(1) Unaudited, interim information only.

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

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

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

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Operating Revenues					
Charges for services	\$ 9,740,105	\$ 11,686,986	\$ 13,085,133	\$ 13,432,618	\$ 14,486,062
Operating Expenses					
Administration	968,953	1,054,139	1,103,308	1,290,974	1,205,666
Transmission/distribution	1,684,493	2,255,778	1,966,981	1,397,097	1,170,209
Treatment/disposal	3,695,667	3,651,191	3,704,305	4,045,224	3,899,651
Depreciation	2,575,516	2,676,453	2,904,957	3,010,430	3,136,126
Administrative fees (1)	768,009	753,720	797,640	740,067	879,370
Franchise fee (2)	381,212	463,352	528,480	551,772	570,164
Total operating expenses	<u>10,073,850</u>	<u>10,854,633</u>	<u>11,005,671</u>	<u>11,035,564</u>	<u>10,861,186</u>
Operating Income (Loss)	(333,745)	832,353	2,079,462	2,397,054	3,624,876
Non-Operating Revenues (Expenses)					
Investment income (loss)	(7,727)	138,732	37,336	192,270	218,714
Miscellaneous	65,861	(23,205)	444,522	55,283	63,214
Intergovernmental	194,686	1,111,741	278,857	1,641,549	662,443
Interest expense	(1,354)	(31,909)	-	(134,787)	(156,178)
Gain (Loss) on disposal of assets	-	(2,294,421)	(10,767)	-	-
Bond/loan issuance expenses (4)	(189,734)	-	-	-	-
Total non-operating revenues	<u>61,732</u>	<u>(1,099,062)</u>	<u>749,948</u>	<u>1,754,315</u>	<u>788,193</u>
Change in net assets before transfers and capital contributions	(272,013)	(266,709)	2,829,410	4,151,369	4,413,069
Capital Contributions	295,352	654,766	554,288	608,787	3,536,162
Special Item					
Impairment loss	(925,375)	-	-	-	-
Transfers					
Transfers in	382,377	368,071	367,591	552,119	527,276
Transfers out	(327,319)	(89,642)	(107,543)	(349,915)	(115,022)
Change in net position	(846,978)	666,486	3,643,746	4,962,360	8,361,485
Total Net Position - January 1 (3)	<u>96,492,276</u>	<u>95,645,298</u>	<u>96,311,784</u>	<u>98,515,831</u>	<u>103,478,191</u>
Cumulative effect of correction to prior period (5)			(1,439,699)	-	-
Restated Total Net Position - January			94,872,085		
Total Net Position - December 31 (3)	<u>\$ 95,645,298</u>	<u>\$ 96,311,784</u>	<u>\$ 98,515,831</u>	<u>\$ 103,478,191</u>	<u>\$ 111,839,676</u>

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

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

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

(4) In 2013 the City wrote off all the remaining unamortized issuance expense in accordance with GASB 65.

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

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

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Revenues					
Licenses and permits (1)	\$ 765,285	\$ 1,077,096	\$ 1,504,040	\$ 2,459,528	\$ 2,234,310
Developer/owner participation	60	-	14,760	67,226	14,690
Investment income (loss)	(3,092)	19,156	17,300	27,595	35,565
Miscellaneous	45	120	-	-	-
Total revenues	<u>762,298</u>	<u>1,096,372</u>	<u>1,536,100</u>	<u>2,554,349</u>	<u>2,284,565</u>
Expenditures					
Current:					
Municipal utility system	442	-	-	-	1,454
Capital Outlay	-	-	-	-	2,359,368
Total expenditures	<u>442</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,360,822</u>
Excess of Revenues Over (Under) Expenditures	<u>762,298</u>	<u>1,096,372</u>	<u>1,536,100</u>	<u>2,554,349</u>	<u>(76,257)</u>
Other Financing Sources (Uses)					
Transfers out (2)	<u>(328,152)</u>	<u>(368,071)</u>	<u>(367,591)</u>	<u>(552,119)</u>	<u>(546,279)</u>
Net change in fund balance	434,146	728,301	1,168,509	2,002,230	(622,536)
Fund Balance - January 1	<u>1,810,065</u>	<u>2,243,769</u>	<u>2,972,070</u>	<u>4,140,579</u>	<u>6,142,809</u>
Fund Balance - December 31	<u>\$ 2,244,211</u>	<u>\$ 2,972,070</u>	<u>\$ 4,140,579</u>	<u>\$ 6,142,809</u>	<u>\$ 5,520,273</u>

(1) Consists primarily of System Development Fees.

Storm Drainage

Revenue Bonds

Series 2014

(CUSIP #54310P)

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

Fiscal Year	2013	2014	2015	2016	2017
Pledged Revenues					
User charges (2)	\$ 4,027,152	\$ 6,579,550	\$ 6,644,935	\$ 6,730,428	\$ 6,858,415
Plant investment fees	146,340	235,532	302,142	527,748	568,223
Total	\$ 4,173,492	\$ 6,815,082	\$ 6,947,077	\$ 7,258,176	\$ 7,426,638
Actual Debt Service Paid on 2008/2014 Bonds Coverage	\$ 1,083,531 3.85x	\$ 2,383,756 2.86x	\$ 2,534,803 2.74x	\$ 2,419,351 3.00x	\$ 2,441,688 3.04x
Combined Maximum Annual Debt Service (3) Pro-Forma Coverage	\$ 2,465,238 1.69x	\$ 2,465,238 2.76x	\$ 2,465,238 2.81x	\$ 2,465,238 2.94x	\$ 2,465,238 3.01x

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

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

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

Source: Derived from the City's Comprehensive Annual Financial Reports for 2013-2017; and the debt service schedules (as to the combined maximum annual debt service).

History of Storm Drainage Revenues

<u>Year</u>	<u>User Charge Revenues</u>	<u>Percentage Change</u>	<u>Plant Investment Fees</u>	<u>Percentage Change</u>	<u>Total</u>	<u>Percentage Change</u>
2009	\$ 3,428,994	-	\$ 30,774	-	\$ 3,459,768	-
2010	3,420,656	-0.24%	120,618	291.95%	3,541,274	2.36%
2011	3,395,622	-0.73%	93,331	-22.62%	3,488,953	-1.48%
2012	3,835,699	12.96%	163,868	75.58%	3,999,567	14.64%
2013	4,027,152	4.99%	146,340	-10.70%	4,173,492	4.35%
2014	6,579,550	63.38%	235,532	60.95%	6,815,082	63.29%
2015	6,644,935	0.99%	302,142	28.28%	6,947,077	1.94%
2016	6,730,428	1.29%	527,748	74.67%	7,258,176	4.48%
2017	6,858,415	1.90%	568,223	7.67%	7,426,638	2.32%
2018 (1)	3,513,585	-	419,576	-	3,933,161	-

(1) Represents collections through June 2018

Source: Derived from the City's Comprehensive Annual Financial Reports for the years ended 2009-2017 and from 2018 interim information provided by the City.

Storm Drainage Enterprise Fund - Budget Summary and Comparison

	2017 Final Budget	2017 YTD through (06/30/17) (1)	2018 Amended Budget	2018 YTD through (06/30/18) (1)
REVENUES				
Charges for services	\$ 6,729,251	\$ 3,431,169	\$ 6,969,300	\$ 3,513,585
Plant investment fee	230,408	264,653	246,900	419,576
Intergovernmental	13,570,246	962,396	8,786,900	613,152
Investment income	15,526	80,363	30,600	125,809
Miscellaneous	33,800	15,232	33,700	129,000
Proceeds from long-term loan	-	-	-	-
Total Revenues	<u>20,579,231</u>	<u>4,753,813</u>	<u>16,067,400</u>	<u>4,801,122</u>
EXPENDITURES				
Administration	1,528,781	536,000	1,529,904	971,195
Maintenance/Development	2,011,353	957,718	1,732,776	1,687,619
Administrative Fees (2)	455,968	227,986	538,495	269,245
Total Operations	<u>3,996,102</u>	<u>1,721,704</u>	<u>3,801,175</u>	<u>2,928,059</u>
Debt service	2,535,845	431,953	2,437,988	411,661
Capital outlay	28,366,904	4,120,405	10,154,493	1,725,322
Transfers to other funds	-	-	-	-
Total Expenses	<u>34,898,851</u>	<u>6,274,062</u>	<u>16,393,656</u>	<u>5,065,042</u>
Excess of Revenues over (under) Expenditures	<u>\$ (14,319,620)</u>	<u>\$ (1,520,249)</u>	<u>\$ (326,256)</u>	<u>\$ (263,920)</u>

(1) Unaudited, interim information only.

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

Source: The City; derived from the 2018 Budget, the 2017 CAFR and unaudited interim information provided by the City.

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

	Fiscal Year Ended December 31,				
	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Operating Revenues					
Charges for services	<u>\$ 4,027,152</u>	<u>\$ 6,579,550</u>	<u>\$ 6,644,935</u>	<u>\$ 6,730,428</u>	<u>\$ 6,858,415</u>
Operating Expenses					
Administration	1,184,587	1,844,970	1,358,521	2,190,103	2,471,680
Maintenance/Development	674,955	737,224	803,687	800,241	810,584
Depreciation	1,340,628	1,395,679	1,523,682	1,601,643	1,677,140
Administrative fees (1)	452,283	420,772	403,149	546,335	455,968
Total operating expenses	<u>3,652,453</u>	<u>4,398,645</u>	<u>4,089,039</u>	<u>5,138,322</u>	<u>5,415,372</u>
Operating Income (Loss)	<u>374,699</u>	<u>2,180,905</u>	<u>2,555,896</u>	<u>1,592,106</u>	<u>1,443,043</u>
Non-Operating Revenues (Expenses)					
Investment income	(13,883)	50,134	134,843	147,345	125,541
Miscellaneous	44,432	79,408	64,178	146,216	247,875
Intergovernmental	33,992	1,436,590	377,247	1,177,585	5,730,043
Interest	(2,581)	(47,301)	(124,437)	(125,423)	(111,684)
Bond/Loan issuance expense (4)	(105,899)	-	-	-	-
Total non-operating revenues	<u>(43,939)</u>	<u>1,518,831</u>	<u>451,831</u>	<u>1,345,723</u>	<u>5,991,775</u>
Change in net position before transfers and capital contributions	<u>330,760</u>	<u>3,699,736</u>	<u>3,007,727</u>	<u>2,937,829</u>	<u>7,434,818</u>
Capital Contributions	284,619	770,802	558,379	815,916	1,736,553
Special Items					
Impairment Loss (2)	(6,343,272)	-	-	-	-
Transfers					
Transfers in	-	-	-	-	-
Transfers out	(56,926)	(7,239)	(56,840)	(16,853)	(23,922)
Change in Net Position	<u>(5,784,819)</u>	<u>4,463,299</u>	<u>3,509,266</u>	<u>3,736,892</u>	<u>9,147,449</u>
Total Net Position - January 1 (3)	<u>\$ 49,220,767</u>	<u>\$ 43,435,948</u>	<u>\$ 47,899,247</u>	<u>\$ 61,495,673</u>	<u>\$ 65,232,565</u>
Cumulative effect of correction to prior period			<u>10,087,160</u>		
Restated Net Position (5)			<u>57,986,407</u>		
Total Net Position - December 31 (3)	<u>\$ 43,435,948</u>	<u>\$ 47,899,247</u>	<u>\$ 61,495,673</u>	<u>\$ 65,232,565</u>	<u>\$ 74,380,014</u>

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

(2) Impairment loss due to flood damage in September 2013.

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

(4) In 2013 the City wrote off all the remaining unamortized issuance expense in accordance with GASB 65.

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

Source: Derived from the City's CAFRs for the years ended December 31, 2013 through 2017

Wastewater
Enterprise Revenue Bonds
Series 2015

(CUSIP #543098)

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

<u>Fiscal Year</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Gross Pledged Revenues					
Charges for services	\$ 9,740,105	\$ 11,686,986	\$ 13,085,133	\$ 13,432,618	\$ 14,486,062
System development fees	765,285	1,077,096	1,504,040	2,459,528	2,234,310
Developer participation	60	-	14,760	67,226	14,690
Other income	65,906	(23,084)	111,321	53,180	63,214
Interest earnings	67,280	99,692	66,174	225,043	254,279
BAB Credit on 2010B Bonds (2)	168,247	161,877	162,226	162,662	156,528
Total	<u>10,806,883</u>	<u>13,002,567</u>	<u>14,943,654</u>	<u>16,400,257</u>	<u>17,209,083</u>
Operation and Maintenance Expenses (3)	<u>7,498,334</u>	<u>8,178,180</u>	<u>8,100,714</u>	<u>8,025,133</u>	<u>7,725,060</u>
Net Pledged Revenues	\$ 3,308,549	\$ 4,824,387	\$ 6,842,940	\$ 8,375,124	\$ 9,484,023
Actual Debt Service Paid (4)	\$ 1,190,917	\$ 1,648,608	\$ 1,646,208	\$ 3,628,517	\$ 3,625,293
Coverage	2.78x	2.93x	4.16x	2.31x	2.62x
Combined Maximum Annual Principal and Interest Requirements (5)	3,648,375	3,648,375	3,648,375	3,648,375	3,648,375
Pro-Forma Coverage (6)	0.91x	1.32x	1.88x	2.30x	2.60x

(1) Derived from the City's audited financial statements for 2013 through 2017, with the exception that investment gains and losses are excluded.

(2) The 2010 B Bonds were issued as BABS; the City expects to receive an interest subsidy on the 2010B Bonds in each year. The original amount of the subsidy was 35% of the interest due on the 2010B Bonds. However, the BAB subsidy is subject to federal budget "sequestration" provisions and has been reduced in each year beginning with federal fiscal year 2013. Absent future federal legislation, sequestration is expected to continue through federal fiscal year 2024.

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

(4) Includes debt service paid on prior bonds beginning in 2010.

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

(6) In 2013, the City implemented rate increases in anticipation of the issuance of the 2015 Bonds.

Comparative Disclosure Adjustments and Analysis

Related to Table 8.1

Pro-Forma Debt Service Coverage

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

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

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

History of Wastewater System Development Fees

<u>Year</u>	<u>Total Number of Connections</u>	<u>Total System Development Fees</u>
2010	26,013	\$277,085
2011	25,875	\$380,154
2012	25,965	\$783,174
2013	26,091	\$765,285
2014	26,276	\$1,077,096
2015	26,477	\$1,504,040
2016	26,919	\$2,459,528
2017	27,284	\$2,234,310
2018 (1)	27,481	\$1,716,510

(1) Taps and fees collected through June 30, 2018

History of User Connections by Customer Type

<u>Year</u>	<u>Residential Connections</u>	<u>Commercial/ Industrial Connections</u>	<u>Contract Connection</u>	<u>Other/Out of City Users</u>	<u>Total Connections</u>	<u>% Change in Connections</u>
2010	24,537	1,410	1	66	26,014	--
2011	24,515	1,311	1	48	25,875	-0.5%
2012	24,562	1,309	0	94	25,965	0.3%
2013	24,679	1,330	0	82	26,091	0.5%
2014	24,825	1,367	0	84	26,276	0.7%
2015	25,011	1,376	0	90	26,477	0.8%
2016	25,318	1,488	0	113	26,919	1.7%
2017	25,620	1,543	0	121	27,284	1.4%
2018 (1)	25,681	1,675	0	125	27,481	--

(1) As of June 30, 2018

History of Charges for Service by Category

Year	Residential Service Charges	Commercial/ Industrial Service Charges	Other Industrial Charges (1)	Special Tap/ Contract Revenues	Miscellaneous Revenues (2)	Total Revenues	Percent Change in Revenues
2010	\$ 6,216,671	\$ 1,275,971	\$ 244,465	\$ 68,749	\$ 30,617	\$ 7,836,473	--
2011	6,459,187	1,384,300	260,554	62,618	74,330	8,240,989	5.2%
2012 (3)	6,846,158	1,490,467	286,632	10,609	766	8,634,632	4.8%
2013	7,935,973	1,697,791	19,269	3,121	83,951	9,740,105	12.8%
2014	9,374,332	2,073,369	31,567	2,907	204,811	11,686,986	20.0%
2015	10,615,333	2,343,578	116,557	4,096	5,569	13,085,134	12.0%
2016	10,752,333	2,419,355	173,170	3,265	84,496	13,432,618	2.7%
2017	11,512,472	2,791,456	139,688	3,684	38,762	14,486,062	7.8%
2018 (4)	5,859,046	1,291,229	34,649	2,138	18,314	7,205,376	--

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

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

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

(4) Through June 30, 2018

Budget Summary and Comparison - Sewer Fund

	2017 Final Budget	2017 YTD (through 6/30/17) (1)	2018 Revised Budget	2018 YTD (through 6/30/18) (1)
REVENUE				
Operating Revenue				
Charges for services (2)	\$ 14,251,100	\$ 7,138,381	\$ 14,572,000	\$ 7,205,376
Non-Operating Revenue				
Interest income	30,600	157,261	36,480	188,326
Intergovernmental	162,076	(411,851) (3)	155,034	101,650
Bond Proceeds	-	-	-	-
Grant Awards	-	-	-	-
Miscellaneous	3,000	37,253	3,000	50,611
Operating transfers in	527,276	-	524,922	-
Total non-operating revenue	<u>722,952</u>	<u>(217,337)</u>	<u>719,436</u>	<u>340,587</u>
Total revenue	<u><u>\$ 14,974,052</u></u>	<u><u>\$ 6,921,044</u></u>	<u><u>\$ 15,291,436</u></u>	<u><u>\$ 7,545,963</u></u>
APPLICATION OF REVENUE				
Operating Expense				
Director administration	225,156	94,963	458,576	74,695
Administration	1,360,548	542,233	1,421,124	647,277
Industrial pretreatment	154,410	54,289	156,189	52,117
Collection system	1,475,938	521,425	1,506,761	532,286
Treatment plant	3,730,919	1,468,036	3,453,574	1,426,543
Water quality lab	596,584	269,912	675,837	251,015
Administrative services	879,370	439,684	909,683	454,841
Franchise equivalency	570,164	285,080	583,000	291,502
Bad debt expense	2,000	390	2,000	125
Total operating expenses	<u>8,995,089</u>	<u>3,676,012</u>	<u>9,166,744</u>	<u>3,730,401</u>
Capital Expense	<u>22,119,538</u>	<u>3,517,008</u>	<u>2,849,422</u>	<u>1,773,974</u>
Non-Operating Expenses				
Transfers to other funds	211,707	1,677	41,901	2,088
Debt Requirements	<u>3,625,293</u>	<u>630,098</u>	<u>3,607,520</u>	<u>609,173</u>
Total expenses	<u><u>\$ 34,951,627</u></u>	<u><u>\$ 7,824,795</u></u>	<u><u>\$ 15,665,587</u></u>	<u><u>\$ 6,115,636</u></u>
Additions To (Deductions From) Operating Reserves	<u>(19,977,575)</u>	<u>(903,751)</u>	<u>(374,151)</u>	<u>1,430,327</u>
Total Application of Revenue	<u><u>\$ 14,974,052</u></u>	<u><u>\$ 6,921,044</u></u>	<u><u>\$ 15,291,436</u></u>	<u><u>\$ 7,545,963</u></u>

(1) Unaudited, interim information only.

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

(3) Negative revenue is due to 2016 FEMA reimbursements that was reclassified to proper ledger accounts in June. There is an offsetting FEMA revenue for \$595,050 that was credited in September 2017.

Budget Summary and Comparison - Sewer Construction Fund

	2017 Final Budget	2017 YTD (through 6/30/17) (1)	2018 Revised Budget	2018 YTD (through 6/30/18) (1)
Sources of Funds				
Beginning Working Capital (fund balance) (2)	\$ 6,142,809	\$ 6,142,809	\$ 5,520,273	\$ 5,520,273
Connection fee	-	-	-	-
System development fee	1,529,900	1,335,060	1,633,800	1,716,510
Developer participation	-	-	-	27,692
Interest Income	10,200	21,137	21,400	46,914
Total Sources of Funds	<u>7,682,909</u>	<u>7,499,006</u>	<u>7,175,473</u>	<u>7,311,389</u>
Expenses				
Capital Expense	3,142,102	1,288,998	398,218	-
Non-capital expense (3)	2,600	-	6,000	-
Transfers out	559,009	-	526,404	-
Total Expenses	<u>3,703,711</u>	<u>1,288,998</u>	<u>930,622</u>	<u>-</u>
Ending Working Capital	<u>\$ 3,979,198</u>	<u>\$ 6,210,008</u>	<u>\$ 6,244,851</u>	<u>\$ 7,311,389</u>

(1) Unaudited, interim information only.

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

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

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

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Operating Revenues					
Charges for services	\$ 9,740,105	\$ 11,686,986	\$ 13,085,133	\$ 13,432,618	\$ 14,486,062
Operating Expenses					
Administration	968,953	1,054,139	1,103,308	1,290,974	1,205,666
Transmission/distribution	1,684,493	2,255,778	1,966,981	1,397,097	1,170,209
Treatment/disposal	3,695,667	3,651,191	3,704,305	4,045,224	3,899,651
Depreciation	2,575,516	2,676,453	2,904,957	3,010,430	3,136,126
Administrative fees (1)	768,009	753,720	797,640	740,067	879,370
Franchise fee (2)	381,212	463,352	528,480	551,772	570,164
Total operating expenses	<u>10,073,850</u>	<u>10,854,633</u>	<u>11,005,671</u>	<u>11,035,564</u>	<u>10,861,186</u>
Operating Income (Loss)	(333,745)	832,353	2,079,462	2,397,054	3,624,876
Non-Operating Revenues (Expenses)					
Investment income (loss)	(7,727)	138,732	37,336	192,270	218,714
Miscellaneous	65,861	(23,205)	444,522	55,283	63,214
Intergovernmental	194,686	1,111,741	278,857	1,641,549	662,443
Interest expense	(1,354)	(31,909)	-	(134,787)	(156,178)
Gain (Loss) on disposal of assets	-	(2,294,421)	(10,767)	-	-
Bond/loan issuance expenses (4)	(189,734)	-	-	-	-
Total non-operating revenues	<u>61,732</u>	<u>(1,099,062)</u>	<u>749,948</u>	<u>1,754,315</u>	<u>788,193</u>
Change in net assets before transfers and capital contributions	(272,013)	(266,709)	2,829,410	4,151,369	4,413,069
Capital Contributions	295,352	654,766	554,288	608,787	3,536,162
Special Item					
Impairment loss	(925,375)	-	-	-	-
Transfers					
Transfers in	382,377	368,071	367,591	552,119	527,276
Transfers out	<u>(327,319)</u>	<u>(89,642)</u>	<u>(107,543)</u>	<u>(349,915)</u>	<u>(115,022)</u>
Change in net position	(846,978)	666,486	3,643,746	4,962,360	8,361,485
Total Net Position - January 1 (3)	<u>96,492,276</u>	<u>95,645,298</u>	<u>96,311,784</u>	<u>98,515,831</u>	<u>103,478,191</u>
Cumulative effect of correction to prior period (5)			(1,439,699)	-	-
Restated Total Net Position - January			<u>94,872,085</u>		
Total Net Position - December 31 (3)	<u>\$ 95,645,298</u>	<u>\$ 96,311,784</u>	<u>\$ 98,515,831</u>	<u>\$ 103,478,191</u>	<u>\$ 111,839,676</u>

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

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

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

(4) In 2013 the City wrote off all the remaining unamortized issuance expense in accordance with GASB 65.

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

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

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Revenues					
Licenses and permits (1)	\$ 765,285	\$ 1,077,096	\$ 1,504,040	\$ 2,459,528	\$ 2,234,310
Developer/owner participation	60	-	14,760	67,226	14,690
Investment income (loss)	(3,092)	19,156	17,300	27,595	35,565
Miscellaneous	45	120	-	-	-
Total revenues	<u>762,298</u>	<u>1,096,372</u>	<u>1,536,100</u>	<u>2,554,349</u>	<u>2,284,565</u>
Expenditures					
Current:					
Municipal utility system	442	-	-	-	1,454
Capital Outlay	-	-	-	-	2,359,368
Total expenditures	<u>442</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,360,822</u>
Excess of Revenues Over (Under) Expenditures	<u>762,298</u>	<u>1,096,372</u>	<u>1,536,100</u>	<u>2,554,349</u>	<u>(76,257)</u>
Other Financing Sources (Uses)					
Transfers out (2)	<u>(328,152)</u>	<u>(368,071)</u>	<u>(367,591)</u>	<u>(552,119)</u>	<u>(546,279)</u>
Net change in fund balance	434,146	728,301	1,168,509	2,002,230	(622,536)
Fund Balance - January 1	<u>1,810,065</u>	<u>2,243,769</u>	<u>2,972,070</u>	<u>4,140,579</u>	<u>6,142,809</u>
Fund Balance - December 31	<u>\$ 2,244,211</u>	<u>\$ 2,972,070</u>	<u>\$ 4,140,579</u>	<u>\$ 6,142,809</u>	<u>\$ 5,520,273</u>

(1) Consists primarily of System Development Fees.

Storm Drainage

Revenue Bonds

Series 2016

(CUSIP #54310P)

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

<u>Fiscal Year</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Pledged Revenues					
User charges (2)	\$ 4,027,152	\$ 6,579,550	\$ 6,644,935	\$ 6,730,428	\$ 6,858,415
Plant investment fees	146,340	235,532	302,142	527,748	568,223
Total	\$ 4,173,492	\$ 6,815,082	\$ 6,947,077	\$ 7,258,176	\$ 7,426,638
Actual Debt Service Paid on 2008/2014 Bonds	\$ 1,083,531	\$ 2,383,756	\$ 2,534,803	\$ 2,419,351	\$ 2,441,688
Coverage	3.85x	2.86x	2.74x	3.00x	3.04x
Combined Maximum Annual Debt Service (3)	\$ 2,465,238	\$ 2,465,238	\$ 2,465,238	\$ 2,465,238	\$ 2,465,238
Pro-Forma Coverage	1.69x	2.76x	2.81x	2.94x	3.01x

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

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

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

Source: Derived from the City's Comprehensive Annual Financial Reports for 2013-2017; and the debt service schedules (as to the combined maximum annual debt service).

History of Storm Drainage Revenues

<u>Year</u>	<u>User Charge Revenues</u>	<u>Percentage Change</u>	<u>Plant Investment Fees</u>	<u>Percentage Change</u>	<u>Total</u>	<u>Percentage Change</u>
2009	\$ 3,428,994	-	\$ 30,774	-	\$ 3,459,768	-
2010	3,420,656	-0.24%	120,618	291.95%	3,541,274	2.36%
2011	3,395,622	-0.73%	93,331	-22.62%	3,488,953	-1.48%
2012	3,835,699	12.96%	163,868	75.58%	3,999,567	14.64%
2013	4,027,152	4.99%	146,340	-10.70%	4,173,492	4.35%
2014	6,579,550	63.38%	235,532	60.95%	6,815,082	63.29%
2015	6,644,935	0.99%	302,142	28.28%	6,947,077	1.94%
2016	6,730,428	1.29%	527,748	74.67%	7,258,176	4.48%
2017	6,858,415	1.90%	568,223	7.67%	7,426,638	2.32%
2018 (1)	3,513,585	-	419,576	-	3,933,161	-

(1) Represents collections through June 2018

Source: Derived from the City's Comprehensive Annual Financial Reports for the years ended 2009-2017 and from 2018 interim information provided by the City.

Storm Drainage Enterprise Fund - Budget Summary and Comparison

	2017 Final Budget	2017 YTD through (06/30/17) (1)	2018 Amended Budget	2018 YTD through (06/30/18) (1)
REVENUES				
Charges for services	\$ 6,729,251	\$ 3,431,169	\$ 6,969,300	\$ 3,513,585
Plant investment fee	230,408	264,653	246,900	419,576
Intergovernmental	13,570,246	962,396	8,786,900	613,152
Investment income	15,526	80,363	30,600	125,809
Miscellaneous	33,800	15,232	33,700	129,000
Proceeds from long-term loan	-	-	-	-
Total Revenues	<u>20,579,231</u>	<u>4,753,813</u>	<u>16,067,400</u>	<u>4,801,122</u>
EXPENDITURES				
Administration	1,528,781	536,000	1,529,904	971,195
Maintenance/Development	2,011,353	957,718	1,732,776	1,687,619
Administrative Fees (2)	455,968	227,986	538,495	269,245
Total Operations	<u>3,996,102</u>	<u>1,721,704</u>	<u>3,801,175</u>	<u>2,928,059</u>
Debt service	2,535,845	431,953	2,437,988	411,661
Capital outlay	28,366,904	4,120,405	10,154,493	1,725,322
Transfers to other funds	-	-	-	-
Total Expenses	<u>34,898,851</u>	<u>6,274,062</u>	<u>16,393,656</u>	<u>5,065,042</u>
Excess of Revenues over (under) Expenditures	<u>\$ (14,319,620)</u>	<u>\$ (1,520,249)</u>	<u>\$ (326,256)</u>	<u>\$ (263,920)</u>

(1) Unaudited, interim information only.

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

Source: The City; derived from the 2018 Budget, the 2017 CAFR and unaudited interim information provided by the City.

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

	Fiscal Year Ended December 31,				
	2013	2014	2015	2016	2017
Operating Revenues					
Charges for services	\$ 4,027,152	\$ 6,579,550	\$ 6,644,935	\$ 6,730,428	\$ 6,858,415
Operating Expenses					
Administration	1,184,587	1,844,970	1,358,521	2,190,103	2,471,680
Maintenance/Development	674,955	737,224	803,687	800,241	810,584
Depreciation	1,340,628	1,395,679	1,523,682	1,601,643	1,677,140
Administrative fees (1)	452,283	420,772	403,149	546,335	455,968
Total operating expenses	<u>3,652,453</u>	<u>4,398,645</u>	<u>4,089,039</u>	<u>5,138,322</u>	<u>5,415,372</u>
Operating Income (Loss)	<u>374,699</u>	<u>2,180,905</u>	<u>2,555,896</u>	<u>1,592,106</u>	<u>1,443,043</u>
Non-Operating Revenues (Expenses)					
Investment income	(13,883)	50,134	134,843	147,345	125,541
Miscellaneous	44,432	79,408	64,178	146,216	247,875
Intergovernmental	33,992	1,436,590	377,247	1,177,585	5,730,043
Interest	(2,581)	(47,301)	(124,437)	(125,423)	(111,684)
Bond/Loan issuance expense (4)	(105,899)	-	-	-	-
Total non-operating revenues	<u>(43,939)</u>	<u>1,518,831</u>	<u>451,831</u>	<u>1,345,723</u>	<u>5,991,775</u>
Change in net position before transfers and capital contributions	<u>330,760</u>	<u>3,699,736</u>	<u>3,007,727</u>	<u>2,937,829</u>	<u>7,434,818</u>
Capital Contributions	284,619	770,802	558,379	815,916	1,736,553
Special Items					
Impairment Loss (2)	(6,343,272)	-	-	-	-
Transfers					
Transfers in	-	-	-	-	-
Transfers out	(56,926)	(7,239)	(56,840)	(16,853)	(23,922)
Change in Net Position	(5,784,819)	4,463,299	3,509,266	3,736,892	9,147,449
Total Net Position - January 1 (3)	<u>\$ 49,220,767</u>	<u>\$ 43,435,948</u>	<u>\$ 47,899,247</u>	<u>\$ 61,495,673</u>	<u>\$ 65,232,565</u>
Cumulative effect of correction to prior period			10,087,160		
Restated Net Position (5)			<u>57,986,407</u>		
Total Net Position - December 31 (3)	<u>\$ 43,435,948</u>	<u>\$ 47,899,247</u>	<u>\$ 61,495,673</u>	<u>\$ 65,232,565</u>	<u>\$ 74,380,014</u>

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

(2) Impairment loss due to flood damage in September 2013.

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

(4) In 2013 the City wrote off all the remaining unamortized issuance expense in accordance with GASB 65.

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

Source: Derived from the City's CAFRs for the years ended December 31, 2013 through 2017

Electric and Broadband Utility

Enterprise Revenue Bonds

Series 2017

(CUSIP #543097)

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

	2013	2014	2015	2016	2017	Budgeted 2018
Gross Pledged Revenues						
<u>Electric System</u>						
Charges for services	\$60,870,571	\$63,158,938	\$63,877,212	\$64,235,076	\$66,071,721	\$70,392,200
Electric Aid to Construction (1)	1,245,959	1,686,685	1,775,200	2,973,582	3,501,670	3,000,000
Other (2)	130,370	332,630	1,384,197	277,123	254,954	370,180
	<u>62,246,900</u>	<u>65,178,253</u>	<u>67,036,609</u>	<u>67,485,781</u>	<u>69,828,345</u>	<u>73,762,380</u>
<u>Broadband System</u>						
Charges for services	316,941	614,926	1,341,199	4,533,251	10,824,169	12,313,643
Broadband Aid to Construction	-	-	-	25,361	7,847	85,000
Other (3)	1,806	48,272	93,182	82,807	41,715	21,680
	<u>318,747</u>	<u>663,198</u>	<u>1,434,381</u>	<u>4,641,419</u>	<u>10,873,731</u>	<u>12,420,323</u>
Total Gross Pledged Revenues	<u>62,565,647</u>	<u>65,841,451</u>	<u>68,470,990</u>	<u>72,127,200</u>	<u>80,702,076</u>	<u>86,182,703</u>
Operation and Maintenance Expenses (4)						
Electric System	53,099,447	52,003,050	55,184,701	58,667,809	59,110,553	64,516,717
Broadband System	720,652	2,936,261	2,633,611	3,747,660	4,711,047	6,187,763
Total O&M Expenses	<u>53,820,099</u>	<u>54,939,311</u>	<u>57,818,312</u>	<u>62,415,469</u>	<u>63,821,600</u>	<u>70,704,480</u>
Net Pledged Revenues	\$8,745,548	\$10,902,140	\$10,652,678	\$9,711,731	16,880,476	15,478,223
Combined Maximum Annual Principal and Interest Requirements (5)	\$3,717,013	\$3,717,013	\$3,717,013	\$3,717,013	\$4,462,500	\$4,462,500
Pro-Forma Coverage	2.35x	2.93x	2.87x	2.61x	3.78x	3.47x

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

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

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

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

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

(5) Represents the Combined Maximum Annual Principal and Interest Requirements payable on the 2014 and 2017 Bonds (\$4,462,500 in 2018) See "DEBT SERVICE REQUIREMENTS."

(6) Correction to increase Broadband System O&M Expenses by \$144,192 for a total of \$720,652 in 2013. This was erroneously reported as \$576,460 on the 2014 version of this table.

Source: Derived from the City's audited financial statements for 2013-2017 and the 2018 Budget.

Electric System User Charges - 2017

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

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

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

Source: Longmont Power and Communications, City of Longmont.

History of Electric System Customers

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

Source: Longmont Power and Communications, City of Longmont.

Electric System Customer Information by Customer Type

	2013	2014	2015	2016	2017
Electric Sales in MWH					
Residential	309,764	302,116	303,034	307,300	303,854
Commercial	348,984	354,705	352,810	357,065	356,881
Industrial	118,885	114,369	116,862	117,865	118,393
Total	777,633	771,190	772,706	782,230	779,128
Electric Revenue (in 000s)					
Residential	\$ 27,088	\$ 27,927	\$ 28,480	\$ 28,527	\$ 29,367
Commercial	25,884	27,252	27,397	27,707	28,368
Industrial	7,366	7,543	7,759	7,707	8,053
Total	\$ 60,338	\$ 62,722	\$ 63,636	\$ 63,941	\$ 65,788
Average Customer Accounts					
Residential-inside City limits	33,766	34,024	34,645	34,899	35,564
Residential-outside City limits	827	810	820	822	828
	34,593	34,834	35,465	35,721	36,392
Commercial-inside City limits	2,523	2,564	2,632	2,648	2,684
Commercial-outside City limits	119	118	123	129	130
	2,642	2,682	2,755	2,777	2,814
Industrial-inside City limits	8	6	7	8	8
Industrial-outside City limits	1	1	1	1	1
	9	7	8	9	9
Contract-inside City limits	0	0	0	0	0
Contract-outside City limits	1	1	1	1	1
	1	1	1	1	1
Total Average Accounts	37,245	37,524	38,229	38,508	39,216
Average Use per Customer					
Residential - Annual	8,955	8,673	8,545	8,636	8,432
Residential - Monthly	746	723	712	720	703
Annual Peak Demand (MW)					
Summer Peak	178	169	170	179	183
Winter Peak	129	128	122	124	127

Source: Longmont Power and Communications, City of Longmont.

Largest Electric System Customers - 2017

Customer Number (2)	Total kWh	Total kW	Total 2017 Revenue	Percent of Total 2017 Revenue(1)
126902	34,274,880	59,483	\$ 2,366,970	3.58%
264674	25,190,400	39,922	1,693,433	2.56%
507522	21,583,697	42,686	1,499,074	2.27%
332917	16,322,688	24,773	1,116,122	1.69%
127015	16,111,907	73,193	1,557,359	2.36%
231353	11,576,846	22,872	791,659	1.20%
126234	11,116,486	23,932	780,991	1.18%
125672	8,587,127	15,499	575,402	0.87%
291785	8,376,960	13,962	541,359	0.82%
307785	8,334,720	14,024	553,726	0.84%
Total	161,475,711	330,346	\$ 11,476,096	17.37%

(1) Based on total Electric System charges for service of \$66,071,721 for 2017.

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

Source: Longmont Power and Communications, City of Longmont.

History of Broadband System Customers by Customer Class

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

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

Source: Longmont Power and Communications, City of Longmont.

History of Broadband System Revenues by Customer Class

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

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

Source: Longmont Power and Communications, City of Longmont.

Budget Summary and Comparison - Electric and Broadband Fund

	2017 <u>Budget</u>	2017 <u>Actual</u>	2018 <u>Budget</u>
REVENUES			
Electric charges for services	\$ 68,353,808	\$66,071,721	\$70,392,200
Electric aid to underground construction	4,400,000	3,501,670	3,000,000
Electric intergovernmental revenue	-	101,200	-
Electric interest income	65,000	58,905	144,300
Electric miscellaneous	152,000	196,049	225,880
Electric operating transfers in	19,835	19,835	29,710
Broadband charges for services	12,486,482	10,824,169	12,313,643
Broadband aid to underground construction	-	7,847	85,000
Broadband interest income	-	22,814	5,180
Broadband miscellaneous	22,272	18,900	16,500
Bond proceeds	7,265,000	7,265,000	-
Total Revenue	<u>\$ 92,764,397</u>	<u>\$88,088,110</u>	<u>\$ 86,212,413</u>
EXPENSES			
Electric distribution	\$ 6,014,737	\$ 5,560,118	\$ 5,983,308
Electric engineering	1,381,624	1,309,617	1,518,196
Electric purchased power	49,962,373	48,120,219	51,623,487
Electric administration	3,026,464	3,015,244	3,051,170
Electric franchise fee	5,385,936	5,219,180	5,553,824
Electric meter reading	454,717	378,532	526,100
Electric warehouse	603,815	203,203	573,173
Electric customer services and marketing	219,851	152,507	223,695
Electric energy services	986,360	680,242	1,086,109
Electric debt service	-	-	-
Electric capital outlay	5,392,319	3,671,612	3,090,684
Broadband administration	2,244,628	2,056,733	2,228,742
Broadband franchise fee	7,812	9,632	6,840
Broadband distribution	2,980,750	2,732,754	3,528,375
Broadband engineering	435,916	313,724	435,146
Broadband debt service	3,717,013	3,642,512 (1)	4,462,500
Broadband capital outlay	10,589,723	9,904,185	1,003,906
Total Expenses	<u>\$ 93,404,038</u>	<u>\$ 86,970,014</u>	<u>\$ 84,895,255</u>
Excess of Revenues over (under)			
Expenditures	<u>\$ (639,641)</u>	<u>\$ 1,118,096</u>	<u>\$ 1,317,158</u>

(1) Includes principal and interest.

Source: Derived from the 2017 and 2018 Budgets and the audited 2017 financial statements provided by the City of Longmont.

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

	<u>2013 (3)</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Operating Revenues					
Charges for services	\$ 61,187,512	\$ 63,773,864	\$ 65,218,411	\$ 68,768,327	\$ 76,895,890
Operating Expenses					
Administration	2,936,124	3,693,506	4,522,592	3,847,192	4,168,223
Purchased power/cost of sales/premiums	43,744,408	43,541,289	44,536,649	47,131,953	48,120,219
Transmission/distribution	5,474,986	6,069,814	7,094,651	9,705,998	9,720,815
Depreciation	2,377,522	2,531,638	2,656,444	3,019,109	3,919,443
Administrative fees (1)	1,664,581	1,634,702	1,664,420	1,730,327	1,812,344
Franchise fee (2)	4,848,046	5,036,670	5,164,731	5,109,626	5,228,811
Total operating expenses	<u>61,045,667</u>	<u>62,507,619</u>	<u>65,639,487</u>	<u>70,544,205</u>	<u>72,969,855</u>
Operating Income (Loss)	141,845	1,266,245	(421,076)	(1,775,878)	3,926,035
Non-Operating Revenues (Expenses)					
Investment income (loss)	(7,230)	91,795	150,731	152,111	81,719
Miscellaneous	52,345	178,050	111,620	128,686	124,219
Intergovernmental	3,702	177,869	84,096	10,203	101,200
Other Sales	87,061	111,057	81,790	82,026	90,730
Gain (Loss) on disposal of assets	-	-	1,133,238	(2,894)	-
Interest Expense	-	(41,601)	(98,057)	(72,848)	(132)
Total non-operating revenues	<u>135,878</u>	<u>517,170</u>	<u>1,463,418</u>	<u>297,284</u>	<u>397,736</u>
Change in net position before transfers and capital contributions	277,723	1,783,415	1,042,342	(1,478,594)	4,323,771
Capital Contributions (4)	1,391,135	1,806,325	1,787,449	3,392,782	3,851,052
Special Item					
Impairment Loss	(118,785)	-			
Transfers					
Transfers in	28,168	40,281	16,361	15,974	19,835
Transfers out	(664,212)	(200,028)	(468,925)	(132,685)	(517,167)
Change in net position	914,029	3,429,993	2,377,227	1,797,477	7,677,491
Total Net Position - January 1 (5)	<u>55,492,412</u>	<u>56,406,441</u>	<u>59,836,434</u>	<u>64,541,501</u>	<u>66,338,979</u>
Cumulative effect of correction to prior period (6)			2,327,840		
Restated Total Net Position - January 1			62,164,274		
Total Net Position - December 31 (5)	<u>\$ 56,406,441</u>	<u>\$ 59,836,434</u>	<u>\$ 64,541,501</u>	<u>\$ 66,338,979</u>	<u>\$ 74,016,470</u>

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

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

(3) Includes the combination of the Electric and Broadband Funds reported separately in the 2013 Combined Annual Financial Report.

(4) A portion of this amount is "aid to underground installation revenue." See "REVENUES AVAILABLE FOR DEBT SERVICE."

A portion of this amount is proceeds of the Electric Community Investment Fee, which is initially recorded in the ECIF Fund but transferred to the Electric Fund as capital contributions upon expenditure.

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

(6) Prior period correction due to fixed assets adjustments and implementation of GASB 68 and 71 related to Pension.

Source: Derived from the City's CAFRs for the years ended December 31, 2013 through 2017

Certificates of
Participation
Series 2014A Tax-Exempt
&
Series 2014B Taxable

(CUSIP #543096)

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

<u>Year</u>	<u>General Sales Tax Collections</u>	<u>Percent Change</u>	<u>General Use Tax Collections</u>	<u>Percent Change</u>	<u>Total General Sales and Use Tax Collections</u>	<u>Percent Change</u>
2009	\$22,603,881	-	\$3,463,298	-	\$26,067,179	-
2010	23,368,226	3.4 %	3,853,556	11.3 %	27,221,782	4.4 %
2011	24,494,510	4.8	4,329,437	12.4	28,823,947	5.9
2012	25,269,228	3.2	4,836,547	11.7	30,105,775	4.5
2013	26,851,343	6.3	5,099,911	5.5	31,951,254	6.1
2014	28,662,723	6.8	5,699,258	11.8	34,361,981	7.6
2015	29,077,883	1.4	6,300,684	10.6	35,378,567	3.0
2016	30,677,787	5.5	6,707,631	6.5	37,385,418	5.7
2017	32,480,757	5.9	7,789,592	16.1	40,270,349	7.7
2018 (2)	13,230,329	-	3,124,370	-	16,354,699	-

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

(2) Includes collections for sales through May 2018

Source: City Finance Department.

History of City's Assessed Valuations (1)

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

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

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

Sources: State of Colorado, Department of Local Affairs, Division of Property Taxation, Annual Reports, 2009-2017; and the Assessors' Offices of Boulder and Weld Counties.

History of City's Mill Levy

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

Sources: State of Colorado, Department of Local Affairs, Division of Property Taxation, Annual Reports, 2009-2017; and the Boulder County Assessor's Office.

Property Tax Collections for the City

Levy/ Collection Year	Total Taxes Levied (1)	Boulder County Collections	Weld County Collections	Total Current Tax Collections (2)	Collection Rate
2008/2009	\$14,738,533	\$14,623,568	\$93,954	\$14,717,522	99.86 %
2009/2010	14,686,238	14,515,863	107,581	14,623,444	99.57
2010/2011	14,609,475	14,459,155	115,479	14,574,634	99.76
2011/2012	14,062,499	13,837,255	170,961	14,008,216	99.61
2012/2013	14,032,776	13,806,957	189,362	13,996,319	99.74
2013/2014	14,089,687	13,887,507	170,117	14,057,624	99.77
2014/2015	14,435,338	14,209,217	163,345	14,372,561	99.57
2015/2016	16,668,485	16,519,429	170,197	16,689,626	100.13
2016/2017	16,860,931	16,654,887	163,258	16,818,145	99.75
2017/2018 (3)	19,496,384	14,227,286	151,564	14,378,850	73.75

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

In previous years, this footnote incorrectly indicated that the amounts levied for tax increment districts were not included.

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

(3) Figures are for January 1 through May 31, 2018 collections

Source: State of Colorado, Department of Local Affairs, Division of Property Taxation, Annual Reports, 2008-2017; and the Treasurer's Offices of Boulder and Weld Counties.

Largest Taxpayers in the City for 2017

<u>Taxpayer Name</u>	<u>Assessed Valuation</u>	<u>Percentage of Total Assessed Valuation</u>
Amgen Inc.	\$19,691,183	1.59%
Longmont Diagonal Investments LP	16,496,453	1.33%
Xilinx Inc.	14,977,575	1.21%
Seagate Technology LLC	14,116,624	1.14%
NMMS Twin Peaks LLC	13,785,174	1.11%
Ramco-Gershenson Properties LP	12,678,508	1.02%
Hub Properties Trust	12,584,957	1.02%
Public Service Company of Colorado	11,083,051	0.89%
Seagate Technology	9,260,661	0.75%
DigitalGlobe, Inc	8,271,012	0.67%
TOTAL	<u>\$132,945,198</u>	<u>10.73%</u>

(1) Based on a 2016 certified assessed valuation of \$1,238,478,971.

(2) The numbers in the 2017 Continuing Disclosure report were incorrectly based off of the 2017 property values.

Sources: Assessors' Offices of Boulder and Weld Counties.

General Fund - Budget Summary and Comparison(1)

	2017 Budget	2017 YTD (6/30/17) ⁽¹⁾	2018 Budget	2018 YTD (6/30/18) ⁽¹⁾
REVENUES				
Sales and use tax (2)	\$32,573,882	\$17,144,645	\$34,662,742	\$13,941,788
All other taxes	24,541,579	15,734,657	26,934,507	17,628,207
Licenses & permits	1,842,351	1,401,199	2,065,686	1,813,350
Intergovernmental revenue	1,203,384	496,373	912,576	244,270
Charges for services	7,060,767	3,854,042	7,134,006	4,020,338
Fines and forfeits	1,094,250	424,986	924,250	369,304
Miscellaneous revenue	131,484	163,665	63,628	113,143
Interest income	125,000	71,361	277,600	132,710
Administrative reimbursements (3)	7,093,519	3,557,480	7,584,459	3,716,419
Total Revenues	75,666,216	42,848,408	80,559,454	41,979,529
EXPENDITURES				
City Manager	4,138,506	1,433,576	4,488,052	1,534,269
City Attorney	1,186,780	485,865	1,185,780	526,017
Mayor & Council	397,991	256,911	440,123	270,803
Municipal Court	838,557	366,609	870,605	376,801
Shared Services	5,996,796	2,453,012	6,202,214	2,663,412
Finance	6,115,735	2,131,514	4,998,180	2,154,738
Community Services	14,933,494	7,036,808	15,727,079	7,108,166
Public Safety	35,990,687	16,667,488	35,665,977	17,048,101
Development Services	4,272,025	1,400,405	4,214,930	1,685,832
Public Works & Natural Resources	8,702,401	3,600,715	9,227,641	4,110,014
Transfer to other funds	25,052	-	-	-
Total Expenditures	82,598,024	35,832,903	83,020,581	37,478,153
Excess of Revenues of over (under) Expenditures	(\$6,931,808)	\$7,015,505	(\$2,461,127)	\$4,501,376

(1) Unaudited, interim information only.

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

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

Source: The City; derived from the adopted 2018 Operating Budget and unaudited interim information provided by the City.

Public Improvement Fund - Budget Summary and Comparison (1)

	<u>2017 Budget</u>	<u>2017 YTD (6/30/17) (1)</u>	<u>2018 Budget</u>	<u>2018 YTD (6/30/18) (1)</u>
REVENUES				
Use Tax (2)	\$5,973,839	\$4,007,781	\$6,099,307	\$2,412,912
Intergovernmental	-	188,889	-	-
Interest income	2,000	21,642	40,000	54,292
Private grants/donations	9,330	-	-	-
Miscellaneous revenue	-	300	-	-
Transfer in	-	-	-	-
Proceeds from Advance	457,054	-	-	-
Total Revenues	<u>6,442,223</u>	<u>4,218,612</u>	<u>6,139,307</u>	<u>2,467,204</u>
EXPENDITURES				
Public improvement capital projects (3)	<u>14,068,163</u>	<u>5,002,050</u>	<u>6,607,828</u>	<u>3,732,763</u>
Excess of Revenues of over (under) Expenditures	<u>(\$7,625,940)</u>	<u>(\$783,438)</u>	<u>(\$468,521)</u>	<u>(\$1,265,559)</u>

(1) Unaudited, interim information only.

(2) Represents collections of a portion of the General Use Tax imposed at a rate of 2.0%. A portion of the General Use Tax revenues is deposited into the General Fund.

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

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

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

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Revenue					
Taxes					
General Sales and Use (1)	\$27,883,055	\$29,890,913	\$30,834,514	\$31,180,859	\$33,630,501
Property	13,691,325	13,789,477	14,101,150	16,313,622	16,385,827
All other taxes	7,490,186	7,836,256	7,937,011	\$7,858,718	\$7,885,691
License and permits	1,262,587	1,545,246	2,035,149	2,846,924	2,710,611
Intergovernmental	1,043,373	1,565,205	1,880,126	1,499,828	1,621,870
Charges for services	12,872,106	12,704,076	13,549,488	14,296,440	14,541,212
Fines and forfeitures	1,048,076	1,208,723	1,058,103	900,999	1,024,934
Investment income	1,960	165,222	134,327	154,251	189,385
Miscellaneous	299,480	286,468	373,008	310,297	193,430
Total Revenue	<u>65,592,148</u>	<u>68,991,586</u>	<u>71,902,876</u>	<u>75,361,938</u>	<u>78,183,461</u>
Expenditures					
Current:					
General government	20,555,032	21,111,878	30,793,075	31,193,159	24,009,145
Public safety	31,466,991	32,520,433	32,524,707	33,788,667	35,915,239
Cultural and recreation	13,840,357	14,606,326	7,972,089	7,823,809	15,884,542
Total Expenditures	<u>65,862,380</u>	<u>68,238,637</u>	<u>71,289,871</u>	<u>72,805,635</u>	<u>75,808,926</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	<u>(270,232)</u>	<u>752,949</u>	<u>613,005</u>	<u>2,556,303</u>	<u>2,374,535</u>
Other Financing Sources (Uses)					
Lease proceeds	-	-	-	-	-
Transfers in	3,155,937	834,664	564,538	430,615	904,975
Transfers (out)	(709,622)	(825,911)	(869,393)	(1,829,083)	(1,129,371)
Total Other Financing (Uses)	<u>2,446,315</u>	<u>8,753</u>	<u>(304,855)</u>	<u>(1,398,468)</u>	<u>(224,396)</u>
Net change in fund balances	2,176,083	761,702	308,150	1,157,835	2,150,139
Fund Balance - Beginning of Year (2)	<u>\$15,380,360</u>	<u>\$17,556,443</u>	<u>\$18,318,145</u>	<u>\$18,626,295</u>	<u>\$19,784,130</u>
Fund Balance - End of Year (2)	<u><u>\$17,556,443</u></u>	<u><u>\$18,318,145</u></u>	<u><u>\$18,626,295</u></u>	<u><u>\$19,784,130</u></u>	<u><u>\$21,934,269</u></u>

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

Source: Derived from the City's Comprehensive Annual Financial Reports for the years ended December 31, 2013-2017

Table 11.9

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

	2013	2014	2015	2016	2017
Revenues					
General Use Tax (1)	\$4,068,199	\$4,471,068	\$4,544,053	\$6,204,559	\$6,639,848
Developer/owner participation	-	-	-	-	-
Intergovernmental	-	728,889	2,341	2,822	188,889
Investment income	(3,887)	34,973	17,735	21,276	31,786
Private grants/donations	1,123,350	1,059,245	220,283	41,000	9,330
Miscellaneous	-	46	-	929,030	300
Total Revenues	<u>5,187,662</u>	<u>6,294,221</u>	<u>4,784,412</u>	<u>7,198,687</u>	<u>6,870,153</u>
Expenditures					
General Government	-	-	-	-	2,664,021
Capital projects	2,382,196	3,201,073	4,699,351	2,482,886	1,457,025
Debt service	2,718,925	2,065,000	2,155,000	2,255,000	2,370,000
Interest and fiscal charges	-	658,025	573,625	485,508	400,993
Total Expenditures	<u>5,101,121</u>	<u>5,924,098</u>	<u>7,427,976</u>	<u>5,223,394</u>	<u>6,892,039</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	<u>86,541</u>	<u>370,123</u>	<u>(2,643,564)</u>	<u>1,975,293</u>	<u>(21,886)</u>
Other Financing Sources (Uses)					
Issuance of debt	-	-	-	-	-
Transfers in	250,000	523,717	545,938	441,989	253,000
Transfers out	(12,653)	(20,795)	(34,225)	(16,094)	(129,344)
Total Other Financing Sources (Uses)	<u>237,347</u>	<u>502,922</u>	<u>511,713</u>	<u>425,895</u>	<u>123,656</u>
Net change in fund balances	<u>323,888</u>	<u>873,045</u>	<u>(2,131,851)</u>	<u>2,401,188</u>	<u>101,770</u>
Fund Balance - Beginning of Year	<u>4,212,494</u>	<u>4,536,382</u>	<u>5,409,427</u>	<u>3,277,576</u>	<u>5,678,764</u>
Fund Balance - End of Year	<u>\$4,536,382</u>	<u>\$5,409,427</u>	<u>\$3,277,576</u>	<u>\$5,678,764</u>	<u>\$5,780,534</u>

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

Source: Derived from the City's Comprehensive Annual Financial Reports for the years ended December 31, 2013-2017