

City of Longmont, Colorado

2013

COMPREHENSIVE ANNUAL FINANCIAL REPORT



City of Longmont, Colorado

The seal of the City of Longmont, Colorado, is a circular emblem. It features a central landscape with a green evergreen tree on the left, a snow-capped mountain range in the background, and a blue sky. The words "CITY OF LONGMONT" are written in a light blue arc across the top, and "COLORADO" is written in a light blue arc across the bottom.

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

Year Ended December 31, 2013

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

COMPREHENSIVE ANNUAL FINANCIAL REPORT

YEAR ENDED DECEMBER 31, 2013

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June 10, 2014

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

The Comprehensive Annual Financial Report (CAFR) of the City of Longmont for fiscal year ended December 31, 2013, is hereby submitted in accordance with Colorado statutes and City charter provisions.

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

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

Profile of the City and Services

Longmont is thirty-five miles north of Denver, comprised of 27 plus square miles in the highly desirable northern front-range area. Incorporated in 1873 and chartered as a home rule city in 1961, Longmont is a full service, Council-Manager-governed municipality providing the following services to its 90,219 residents: public safety, highways and streets, culture and recreation, public improvements, planning and zoning, general administrative services; as well as sanitation, electric, storm drainage, water and sewer utilities and enterprises of telecommunications, golf and airport. The City is also financially accountable for the Downtown Development Authority which is reported separately within these financial statements, further explained in Note 1 of the financial statements section.

Factors Affecting Financial Condition

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

Local Economy. The City's economic picture was improved in 2013 with an increase in sales and use tax, an increase in building permits, and an increase in primary jobs from the slowdown that began in 2008 with the national recession. Sales and use tax revenues increased in 2013 over 2012 and were greater than the total high sales and use tax revenue mark in 2013 by 6.1%. Residential building permit activity increased from 2012; the City issued 5 new commercial permits, 8 fewer than the prior year. Primary jobs increased by 5.5%. The area unemployment rate was reported at 4.4% in December 2013, which was a 20% reduction from 2012.

During 2013, sales and use tax activity increased 6.1% from 2012. Additionally, 127 building permits were issued for single family residences, 66 permits for condominiums/townhouse units, and 5 permits for commercial/industrial. The total value for permitted construction was \$116 million, an increase of 9% from 2012, and the total number of new construction permits increased by 3.6%. In 2014, 31 single family, 17 condo/townhouse units and no commercial/industrial permits for new construction have been issued through March. The combination of sales and use tax for first quarter 2014 has increased by 3.5% from first quarter 2013.

The Longmont Area Economic Council's (LAEC) 2013 Annual Report reveals a net increase of 5.5%, or 615 primary jobs gained during 2013. Seventy-one (71) of the 211 existing primary employers (34%) expanded in 2013 while 9 new primary employers became established in the Longmont area. The Longmont area experienced 17 closures/relocations and cutbacks by 40 companies. Longmont's primary employers represent a mixture of industries. Data from the LAEC report indicates that computer-related industries are the largest primary employers in the Longmont area. Other significant industries include software, semiconductors, aerospace, biotech, energy, communications, and medical instruments.

The City's economic environment has not been impacted as badly by the recession as other areas of the nation due to its desirable location and a well-balanced, diversified economic base. Growth related goals set forth in the City's Comprehensive Plan support growth and development that allows Longmont to become a sustainable community over the long-term—one that balances economic, environmental and community needs. With a population of 90,219, the City has reached approximately 80% of residential build out, and 45% of its job capacity build out in commercial and industrial development.

Major City Initiatives. The City continues its efforts to improve quality of life and long-term financial interests of the community. Significant accomplishments during 2013 included:

Flood-related/Flood Recovery Efforts

- Managed a 500-year flood event that resulted in no deaths of City employees or residents
- Emergency Citizen Call Center handled over 12,000 calls in seven days
- Removed 6,047 tons of household debris
- Restored 2 of the 6 destroyed raw water sources to the City
- Installed bypass pumping solutions for two destroyed sewer interceptors
- Restored electrical service to the 6,000 customers who lost power
- Purchased a replacement for the fire engine destroyed in the flood
- Relocated City staff from the destroyed Parks building
-

Other 2013 Accomplishments

- Conducted human services needs assessment and revised human service funding approach based on priority community needs
- Facilitated redevelopment of Twin Peaks Mall
- Received voter approval for bonds to fund the citywide broadband build-out
- Coordinated the Longmont Community Health Network
- Received voter approval for \$28 million in additional sewer revenue bonds
- Began Phase 1 of ERP implementation

The City Council's focus for 2014 is varied. A major initiative for the City for 2014 is recovery from the September 2013 flood. This includes continuing flood assistance to citizens and businesses with the Longmont Cares! initiative. Additionally, the City is focused on rebuilding damaged or destroyed infrastructure with the Longmont Works! initiative. Finally, the City's Longmont Prepares! initiative is focused on post-flood awareness and 2014 spring runoff planning.

The City is focused on developing plans for service options and build-out of broadband service. The City also is focused on the strategic initiative of redeveloping the Twin Peaks Mall, which will benefit the City economically. Additionally, the City is to begin the steps of priority based budgeting. The City will use the strategic direction identified by the City Council to reset the budget. The priority based budget process includes the following steps:

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

The City provides funding to LAEC for the purpose of economic development and business retention, particularly in terms of primary employers. Additional partnerships exist with Visit Longmont, Longmont Downtown Development Authority (LDDA), and Boulder Small Business Development Center (SBDC). The City enhanced the coordination of economic development activities within the city organization in 2009 by transforming the Community Development Department into the Department of Economic Development and devoting greater resources to economic development activities. The City is continuing to enhance the one stop Development Services Center which is designed to streamline the delivery of services. Elements of sound economic expansion such as transportation, utility infrastructure, recreation and cultural facilities, planning considerations, and managed growth continue to be high priorities. A 2006 City-wide Strategic Plan, entitled Focus on Longmont, developed community-supported strategic policies intended to attain a balance of resources and expenditures that sustain Longmont's capacity to provide desired services as build out of the planning area is approached. The City continued to build on this effort during 2013. The City is confident that the effects of these efforts will enhance the quality of life within Longmont and protect long-term financial stability.

Capital Improvement Program.

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

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

Most of the projects are funded from business-type activities. Other major projects are in the Streets Fund, Transportation Community Investment Fee Fund, Public Building Community Investment Fee Fund, Park Improvement Fund and Public Improvement Fund. The five-year CIP includes funded projects, partially-funded and unfunded projects. A summary of the five-year plan for 2014-2018 is shown below. The projects detailed are funded primarily through business-type activity revenues, through sales and use tax revenues of the Street and Public Improvement governmental funds, and through growth-related community investment fees. Additionally, there are approximately ninety (90) projects identified as unfunded with an estimated cost of \$182 million, some of which may never be realized as they are new services or enhanced services dependent upon new sources of revenue.

Category	Number of Projects	Amount Funded
Downtown Redevelopment	4	\$ 733,600
Drainage	7	11,770,102
Electric	8	6,590,000
Parks and Recreation	32	26,569,297
Public Buildings/Facilities	24	12,908,777
Transportation	14	34,656,500
Wastewater	5	42,855,000
Water	18	37,208,070
Telecommunication	2	1,250,000

Financial Policies.

For the past thirty years, the City has maintained comprehensive financial policies developed to provide the City with continuity of financial management through changes in financial staff and/or City Council. The policies are reviewed and updated annually by City Council. There are currently ninety-four (94) policies organized within the following eight categories:

1. Revenue (11)
2. Operating (22)
3. Fees for Service (5)
4. Investment and Debt (11)
5. Reserves (10)
6. Administrative and Franchise Fees (7)
7. Enterprise Funds (15)
8. Capital improvement (13)

Financial Management and Internal Controls

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

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

Cash management met full compliance with Colorado statutes and the City's investment policy, which was last updated by the City Council in 2012. All funds are invested using a "pooled assets" investment fund, focusing on the investment objectives of safety, liquidity, and yield. The majority of temporary investments made by the City in 2013 were in government agencies and securities. The fair value return on the investment portfolio during the year was -.11%, which resulted in an unrealized net loss for 2013.

Colorado law grants governmental immunity to all governments, limiting the loss on any one general or automobile claim for negligence to \$150,000 per person, \$600,000 per occurrence. These limits are changing in 2013 to \$350,000 per person, and \$999,000 per occurrence. Longmont retains risk of \$300,000 per claim and purchases excess insurance with limits of \$2,000,000 for general and auto liability claims not covered by governmental immunity. The City retains risk for workers' compensation up to a limit of \$400,000 per general worker claim, \$500,000 per firefighter claim, and \$500,000 per electrical worker claim and carries excess insurance beyond those limits. The City retains risk of \$25,000 for property losses and carries insurance up to \$75,000,000 for any one property loss occurrence except for \$100,000 retention for general flood and earthquake and \$500,000 retention for zone A flood losses. The City's risk management staff (4¾ full-time positions) includes a Safety Officer for the purpose of loss control and prevention.

All benefitted City employees are covered by one or more of six pension plans. Most uniformed employees are covered by the Fire and Police Money Purchase Plans, two separate defined contribution plans. One active participant remains in the Fire Pension Plan and none in the Police Pension Plan at December 31, 2013. All other eligible City employees are covered by both a defined contribution plan and a defined benefit plan. Actuarial studies on the Fire Pension Plan and the Police Pension Plan are performed annually with the last study for each plan performed as of January 1, 2013. An actuarial study on the Employee Pension Plan is performed annually with the last study performed as of January 1, 2013. Actuarial information regarding the plans is included in the notes to the financial statements.

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

Awards and Acknowledgements

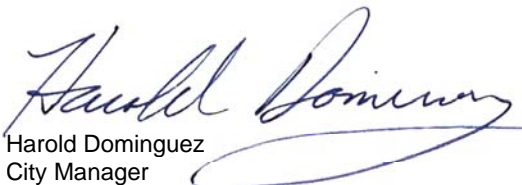
The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Longmont, Colorado for its comprehensive annual financial report (CAFR) for the fiscal year ended December 31, 2012. The City has been awarded a Certificate of Achievement for thirty-three (33) consecutive CAFRs. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR conforming to program standards. Such reports must satisfy both generally accepted accounting principles (GAAP) and applicable legal requirements.


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

In addition, the City also received the GFOA's Distinguished Budget Presentation Award for its annual budget document for the fiscal year beginning January 1, 2013. To qualify for the Distinguished Budget Presentation Award, the City's budget document had to be judged proficient as a policy document, a financial plan, an operations guide, and a communications device.

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

Respectfully submitted,


Harold Dominguez
City Manager


James M. Golden
Director of Finance



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Longmont
Colorado**

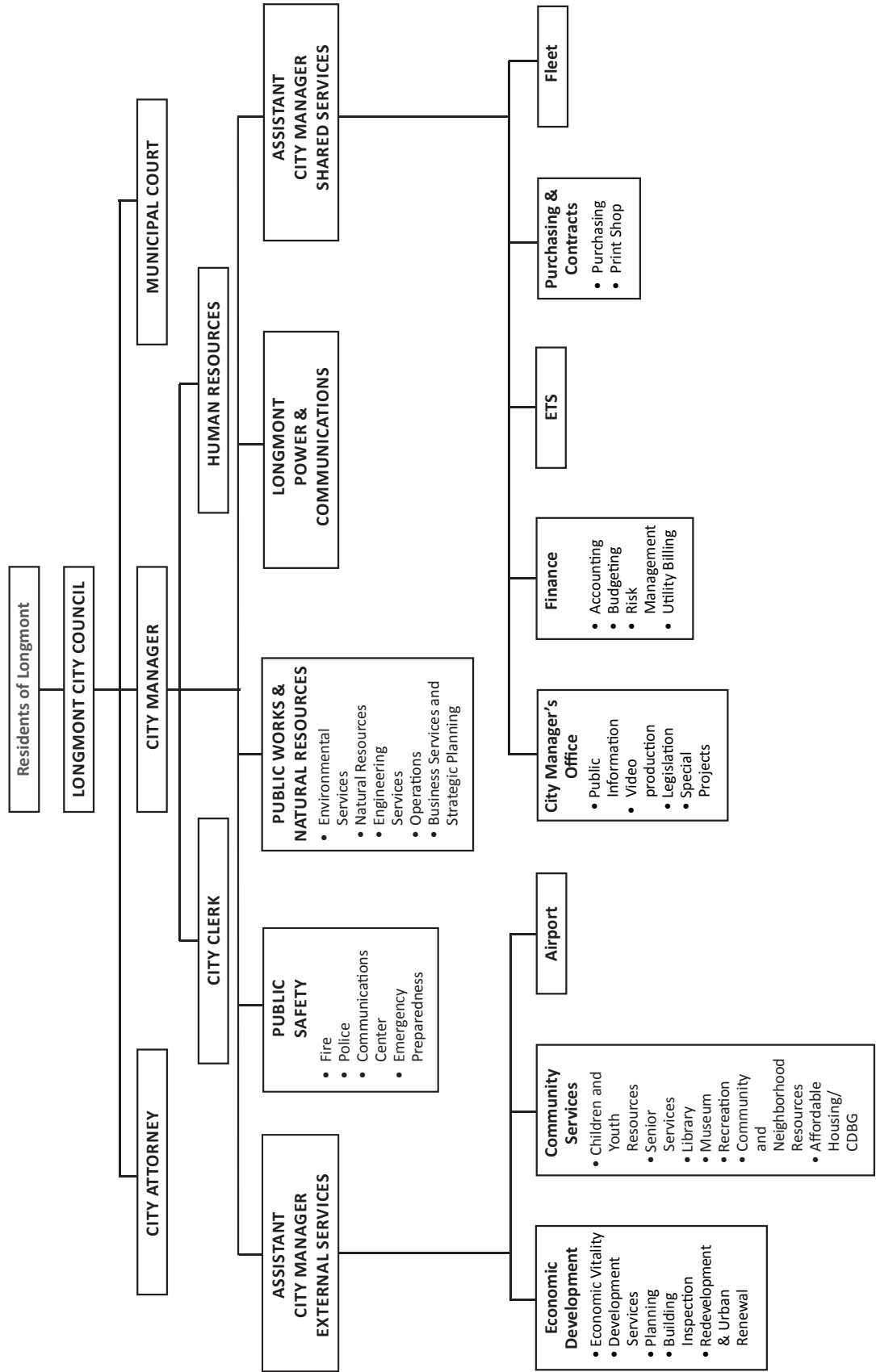
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2012

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

Executive Director/CEO

CITY OF LONGMONT



OFFICIALS

City of Longmont, Colorado

CITY COUNCIL

Dennis Coombs
Mayor

Brian Bagley

Gabe Santos

Jeff Moore

Sarah Levison

Bonnie Finley

Polly Christensen

CITY MANAGER

Harold Dominguez

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



Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Longmont, Colorado (the City) as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Longmont, Colorado, as of December 31, 2013, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund and Streets System Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 19 through 28, the Pension Plans Schedules of Funding Progress and Employer Contributions on pages 95 and 96, and the Retiree Health Insurance Plan Schedule of Funding Progress on page 97 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Longmont, Colorado's basic financial statements. The combining and individual nonmajor fund financial statements and other schedules, listed in the table of contents as supplementary information, the schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and the other information, including the introductory and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

McGladrey LLP

Denver, Colorado
June 5, 2014

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of the City of Longmont's (the City) financial statements as of and for the year ended December 31, 2013, provides a narrative overview of its financial activities. Please consider the information presented here in conjunction with additional information we have furnished in our letter of transmittal, which starts on page 9 of this report.

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

Financial Highlights

- The City's net position of \$962 million are divided between Governmental Activities (\$392 million) and Business-type Activities (\$570 million). Governmental activities had an increase in net position in 2013 by \$11 million while the business-type activities had a decrease in net position of \$5 million.
- At December 31, 2013, the City of Longmont's governmental funds balance sheet reported combined ending fund balances of over \$90 million, a \$9 million increase from the prior year. This statement combines 34 funds, including the City's General Fund and the Streets Systems Fund. The General Fund and Streets Systems, showed the most significant increases in fund balance, \$2.2 million and \$2.1 million, respectively.
- The fund balance, within the governmental funds, is \$90 million. Most of that fund balance, \$73 million or 81%, is restricted for use for specific purposes as required by external parties. \$58 million of this \$73 million balance represents reserves built up for capital acquisitions or construction as follows: Water System Projects, \$21 million; Transportation Projects, \$10.3 million; Open Space acquisitions, \$7.1 million; Public Improvement Fund capital projects, \$4.5 million; Conservation Trust capital projects, \$6.2 million; Parks capital projects, \$4.1 million; and various other. Additionally, \$3.3 million has been identified for emergencies.
- The unassigned fund balance for the General Fund, at the end of the current fiscal year was \$6.8 million, which was 11% of total General Fund expenditures.
- The City of Longmont's total debt increased by \$2.1 million during 2013. This increase was the result an issuance of sewer revenue bonds of \$7.7 million and \$5.6 million principal payments on existing debt.

Overview of the Financial Statements

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

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

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

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

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

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

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

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

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

The City maintains 34 individual governmental funds. Information is presented separately in the governmental balance sheet and in the governmental statement of revenues, expenditures, and changes in fund balances for the General Fund, and the Streets Systems Fund, both of which meet the criteria to be considered major funds of the City under generally accepted accounting principles (GAAP). Financial information from the other 32 funds is combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* and individual fund statements elsewhere in this report.

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

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

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

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties external to the City. Fiduciary funds are **not** reflected in the Citywide financial statement because the resources of those funds are **not** available to support the City of Longmont's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The basic fiduciary funds financial statements can be found on pages 50 and 51 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the Citywide and fund financial statements. The notes to the financial statements can be found beginning on page 52 of this report.

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

The combining and individual fund statements earlier referenced in connection with non-major funds and internal service funds are presented immediately following the required supplementary information on pensions. Combining and individual fund statements and schedules can be found on pages 106-191 of this report.

REPORTING THE CITY AS A WHOLE
Citywide Financial Analysis
Citywide Statement of Net Position

As highlighted earlier, net position may serve over time as a useful indicator of a government's financial position. The City's combined net position exceeds \$961 million at December 31, 2013. Governmental activities make up \$392 million of the net position, with business-type activities comprising \$570 million. Total net position increased by \$5 million in 2013. The change is comprised of the following:

- Governmental net position increased by \$11 million primarily due to an increase in capital grants and contributions of \$1.8 million as well as an increase of \$3.1 million in sales and use taxes. Additionally, governmental activities expenses increased by \$1.5 million.
- Business-type net position decreased by \$5 million. This change is primarily due to capital asset impairment loss related to the September 2013 flood event.

The largest portion (83%) of the City's net position reflects its investments in capital assets (e.g., land, utility systems, buildings, machinery, and equipment), less any outstanding debt used to acquire those assets. These assets are used to provide services to citizens and thus are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it is important to note that the resources needed for debt repayment must be provided from other sources, since the capital assets themselves cannot be used to liquidate liabilities.

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

The Citywide Statement of Activities

	Net Position as of December 31					
	Governmental activities		Business-type activities		Total	
	2013	2012	2013	2012	2013	2012
Current and other assets	\$ 147,266,819	\$ 135,632,568	\$ 69,709,675	\$ 72,921,853	\$ 216,976,494	\$ 208,554,421
Capital assets	321,304,874	325,097,904	554,802,654	549,764,499	876,107,528	874,862,403
Total assets	<u>468,571,693</u>	<u>460,730,472</u>	<u>624,512,329</u>	<u>622,686,352</u>	<u>1,093,084,022</u>	<u>1,083,416,824</u>
Deferred Outflow of Resources	1,005,969	-	-	-	1,005,969	-
Long-term liabilities	49,976,793	52,431,054	42,977,332	37,301,544	92,954,125	89,732,598
Other liabilities	13,820,810	27,225,473	12,007,438	10,264,475	25,828,248	37,489,948
Total liabilities	<u>63,797,603</u>	<u>79,656,527</u>	<u>54,984,770</u>	<u>47,566,019</u>	<u>118,782,373</u>	<u>127,222,546</u>
Deferred Inflow of Resources	13,770,125	-	-	-	13,770,125	-
Net Position	<u>\$ 392,009,934</u>	<u>\$ 381,073,945</u>	<u>\$ 569,527,559</u>	<u>\$ 575,120,333</u>	<u>\$ 961,537,493</u>	<u>\$ 956,194,278</u>
Net investment in capital assets	\$ 280,876,469	\$ 281,989,606	\$ 520,033,029	\$ 524,809,966	\$ 800,909,498	\$ 806,799,572
Restricted	75,323,083	67,157,981	9,662,221	14,472,701	84,985,304	81,630,682
Unrestricted	<u>35,810,382</u>	<u>31,926,358</u>	<u>39,832,309</u>	<u>35,837,666</u>	<u>75,642,691</u>	<u>67,764,024</u>
Total net position	<u>\$ 392,009,934</u>	<u>\$ 381,073,945</u>	<u>\$ 569,527,559</u>	<u>\$ 575,120,333</u>	<u>\$ 961,537,493</u>	<u>\$ 956,194,278</u>

Governmental Activities. Governmental activities increased the City's net position by \$11 million. Most of this increase in governmental net position was the result of an increase in general revenues including sales and use taxes of \$3.1 million. This increase can be attributed to an increase in sales volume and not the result of a tax rate increase.

As detailed in Note 2A, program revenues are directly associated with a specific activity and account for \$31.5 million or 29% of total revenues related to governmental activities. General revenues, consisting primarily of taxes, are not generally associated directly with any operational governmental function. However, the City has sales and use taxes that are specifically earmarked for open space, streets, public safety and public improvement expenses, and thus are not available for any other governmental activities. The relationships between program revenues and expenses for governmental activities are displayed on the following page.

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

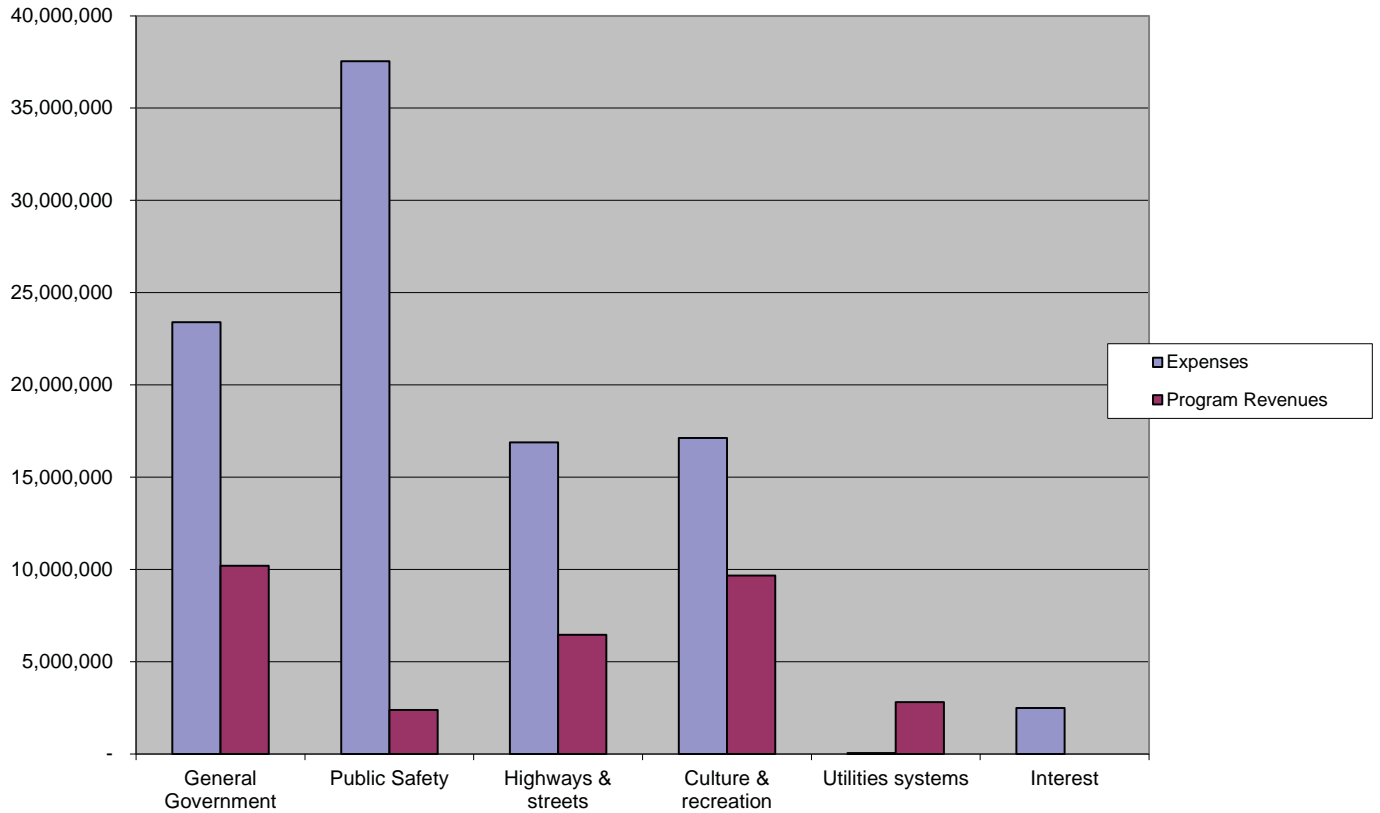
In order to understand the Governmental Funds in detail, the Statement of Revenues, Expenditures and Changes in Fund Balances, Exhibit 4 is useful. Major governmental funds are later analyzed in this discussion.

Changes in Net Position

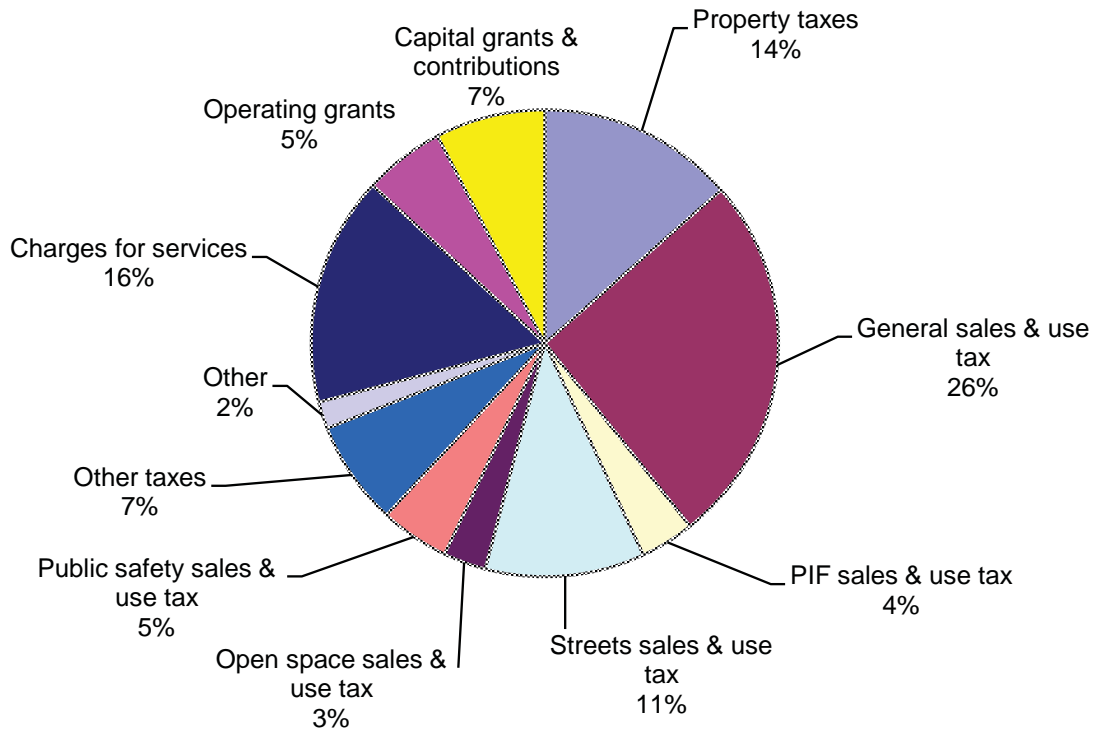
(in thousands)

	Governmental activities		Business-type activities		Total	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Revenues:						
Program revenues:						
Charges for services	\$ 17,212	\$ 16,867	\$ 96,089	\$ 93,084	\$ 113,301	\$ 109,951
Operating grants & contributions	6,021	6,241	562	3,342	6,583	9,583
Capital grants & contributions	8,248	6,480	4,322	3,448	12,570	9,928
General revenues:						
Property taxes	14,767	14,761	-	-	14,767	14,761
Sales & use taxes	52,320	49,298	-	-	52,320	49,298
Other taxes	7,837	7,330	-	-	7,837	7,330
Other	740	793	(7,684)	658	(6,944)	1,451
Total revenues	<u>107,145</u>	<u>101,770</u>	<u>93,289</u>	<u>100,532</u>	<u>200,434</u>	<u>202,302</u>
Expenses:						
General government	23,403	24,309	-	-	23,403	24,309
Public Safety	37,546	36,269	-	-	37,546	36,269
Highways & streets	16,881	15,852	-	-	16,881	15,852
Culture & recreation	17,128	17,285	-	-	17,128	17,285
Municipal utilities systems	48	55	-	-	48	55
Interest on long-term debt	2,488	2,187	-	-	2,488	2,187
Sanitation	-	-	5,717	5,732	5,717	5,732
Golf	-	-	2,076	2,041	2,076	2,041
Electric	-	-	60,238	57,649	60,238	57,649
Telecommunications	-	-	801	394	801	394
Water	-	-	14,227	13,815	14,227	13,815
Sewer	-	-	10,267	8,882	10,267	8,882
Storm drainage	-	-	3,755	3,405	3,755	3,405
Airport	-	-	516	437	516	437
Total expenses	<u>97,494</u>	<u>95,957</u>	<u>97,597</u>	<u>92,355</u>	<u>195,091</u>	<u>188,312</u>
Excess before special items and transfers	9,651	5,813	(4,308)	8,177	5,343	13,990
Transfers	1,285	(616)	(1,285)	616	-	-
Increase in net position	<u>\$ 10,936</u>	<u>\$ 5,197</u>	<u>\$ (5,593)</u>	<u>\$ 8,793</u>	<u>\$ 5,343</u>	<u>\$ 13,990</u>
Net position - January 1	381,074	375,877	575,120	566,327	956,194	942,204
Net position - December 31	392,010	381,074	569,527	575,120	961,537	956,194

Expenses and Program Revenues - Governmental Activities

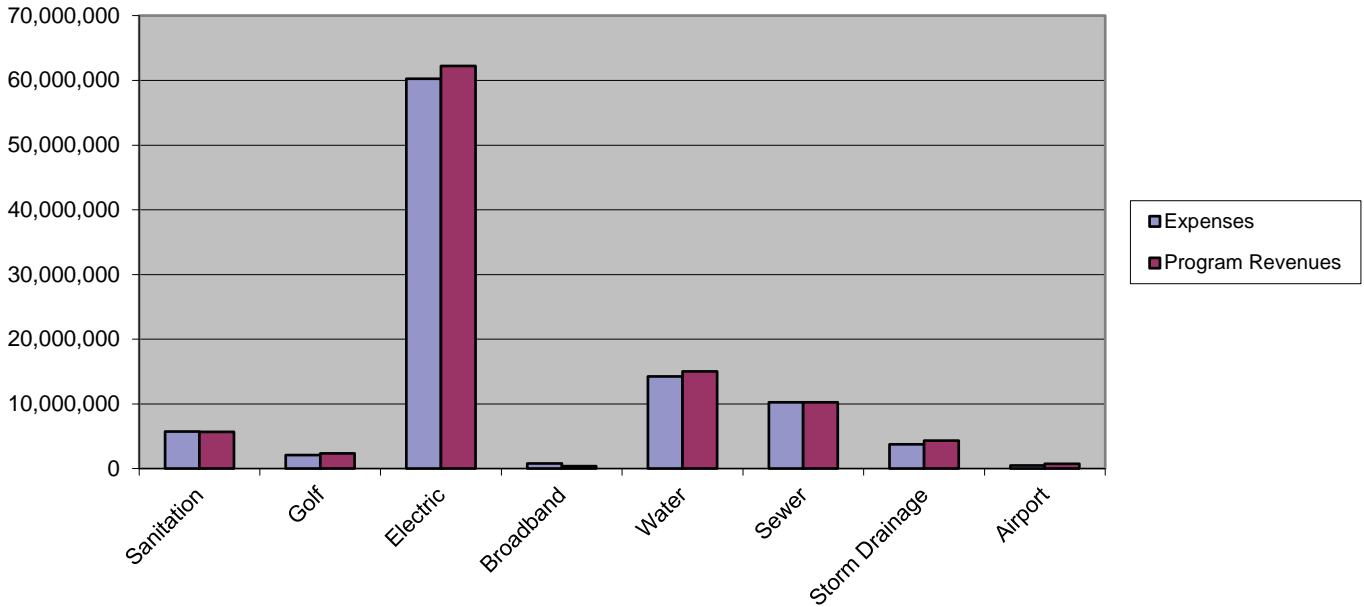


Revenues by Source - Governmental Activities



Business-type Activities. Net position decreased by \$5 million from business-type activities. This decrease can be attributed to impairment loss related to the September 2013 flood in the Electric/Broadband, Water, Storm Drainage, and Sewer Funds as well as increase in charges for services in Electric/Broadband Fund by \$3 million and the Sewer Fund by \$1.4 million.

Expenses and Program Revenues - Governmental Activities



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

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

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

GENERAL FUND

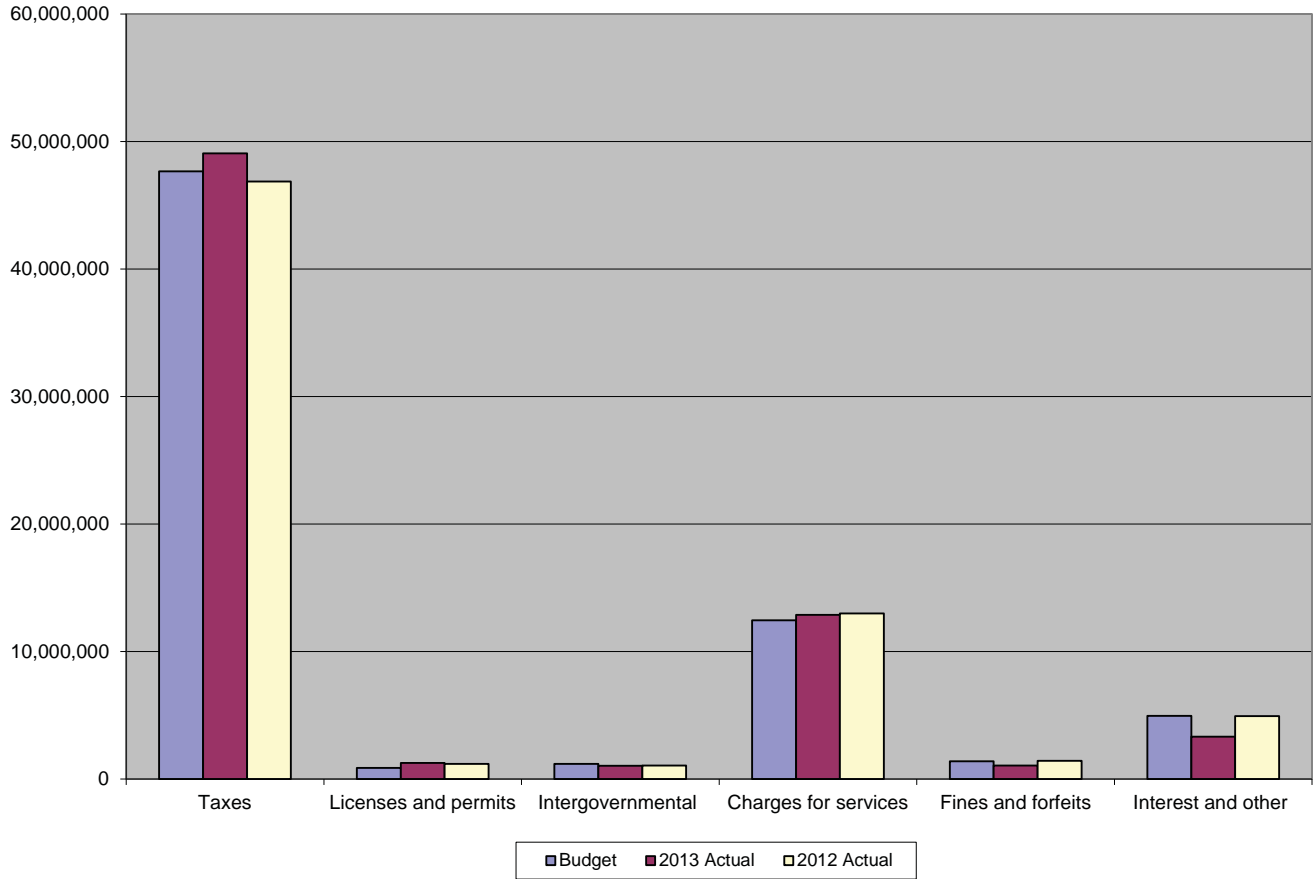
The general fund unassigned fund balance of \$6,846,316 increased by more than \$693,000 from the prior year.

The 2013 General Fund budget was adopted without the use of fund balance to fund ongoing operating expenditures. Fund balance of \$3.5 million was budgeted for the purpose of one-time expenditures or capital acquisitions. This practice was formally adopted by the City Council in 1989, and has been continued with the 2013 Budget which also uses fund balance only for the purpose of one-time expenditures or capital purchases. It includes \$2,204,134 for this purpose, reflected as *committed for subsequent year's expenditures* on the December 31, 2013 balance sheet of the general fund and in Note 24.

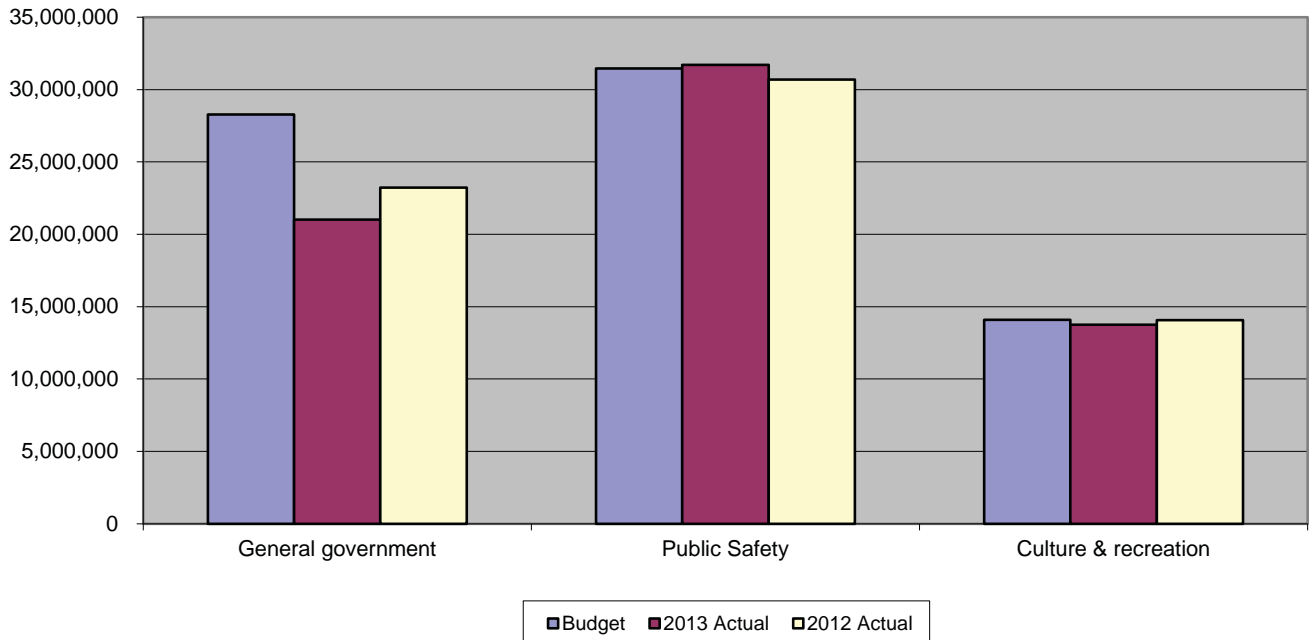
The original budget in the general fund was \$67,271,661. Supplemental appropriations were primarily comprised of encumbrances and carryover of uncompleted capital projects for a final budget of \$73,814,017. Actual general fund expenditures totaled \$66,498,191, and there were no significant budget to actual variations.

Revenues and other financing sources in the general fund totaled \$68,605,695 in 2013, an increase of 1%, or \$200,000, over 2012. This increase is primarily due to an increase in sales and use tax of \$1.8 million, or 7%, and transfers in from other funds with an increase of \$1.7 million. Lesser impacts were made by other revenue sources: building permit fees increased by \$65,000. Investment earnings decreased in 2013 by \$110,000 from 2012 and interest rates continue to be low. Information on the major governmental funds of the City follows the government wide financial statements. These funds are

Budget and Actual Revenue by Source - General Fund



Budget and Actual Expenditures by Function - General Fund



accounted for using the modified accrual basis of accounting. At the end of 2013, the City reported a combined fund balance of \$90 million, of which \$17 million was unassigned, assigned or committed and available for spending at the City's discretion within the respective funds for all governmental funds. The remainder of the fund balance is restricted or unspendable and only available for spending for the purpose specifically identified by the restriction.

STREETS SYSTEM MAINTENANCE AND IMPROVEMENTS FUND

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

The Streets System Fund collected \$12 million of sales and use tax revenues in 2013, an increase of \$700,000 from 2012. At December 31, 2013, the fund balance of the fund was \$14.4 million. Of this amount \$37,737 is nonspendable. The remaining is restricted specifically for the purpose of streets and highways expenditures. The total fund balance increased by \$2.1 million from 2012 in this fund. The increase in fund balance is due to the increase in equity in pooled cash and cash equivalents of \$2.1 million.

PUBLIC IMPROVEMENT CAPITAL PROJECTS FUND

The Public Improvement Capital Projects Fund is used to account for financial resources used for the acquisition and construction of major capital facilities and improvements of the primary government except those financed by the Enterprise Funds. At December 31, 2013, the fund has a fund balance of \$4.5 million all of which is restricted for the construction of public projects and the payment of debt service.

The primary revenue for the Public Improvement Capital Projects Fund (use tax) increased approximately \$69,000 in 2013. The City's policy is to allocate a portion of the 2.0 cents of **use** tax to the Public Improvement Fund and none of the 2.0 cents of **sales** tax. This use tax-only allocation for the Public Improvement Fund was 95.75% in 2009, reduced to 92.93% in 2010, increased to 98.43% in 2011, decreased to 82.7% in 2012, and stayed the same at 82.7% in 2013. This allocation is described further in Note 4. A large portion of the fund's revenue (\$2.7 million) paid the annual debt service on the Civic Center expansion and the Recreation Center and Museum Bonds, and many of the capital projects were deferred. This fund is not reported as a major fund in 2013, but is included in this narrative discussion through management choice.

ELECTRIC/BROADBAND UTILITY FUND

The City's electric utility increased operating revenues by 6.1% over 2012. The operating income in 2013 is \$626,000 compared to an operating loss of \$500,000 in 2012. Operating revenue went up by \$3.7 million during 2013, resulting from a rate increase of 7.5% and an increase in power consumption. Operating expenses rose 4.5% overall with an 5.5% increase in purchased power. Purchased power costs increased by 8.9% in 2005, 2.4% in 2006, 3.6% in 2007, 1.3% in 2008, 0.4% in 2009, 8% in 2010, and 9% in 2011. The fund remains in good financial condition with current assets exceeding current liabilities by \$9 million.

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

The Electric/Broadband Fund has no outstanding long-term debt other than accrued sick and vacation leave and other postemployment benefit obligation. This fund is planning to issue debt for the build-out of the broadband utility during 2014. The project is estimated to cost \$40 million, and construction is expected to be complete in 2017.

During 2013, the City combined the electric utility operations with the broadband operations (formally telecommunications) into one operating fund.

Operating data for the electric/broadband utility are contained in Exhibit 8 of the Financial Section.

Electric Utility Fund

	2013	2012	2011	2010	2009
Operating revenues	\$ 60,870,571	\$ 57,182,388	\$ 53,838,044	\$ 49,440,782	\$ 44,507,482
Operating income (loss)	625,790	(478,168)	(2,103,559)	(2,105,159)	(3,272,634)
Change in net position	3,195,654	536,792	2,057,646	(210,595)	880,521

WATER UTILITY FUND

Operating revenues decreased by 14% from 2012 as a result of decreased water consumption during 2013. Operating loss for 2013 was \$967,000, which represented a decrease of over \$2 million from 2012. This decrease was substantially the net result of decreased water sales and revenues as well as an increase in operating expenses of 3%. Unrestricted working capital in excess of \$25 million reflects the strong financial condition of the fund.

Operating data for the water utility are contained in Exhibit 8 of the Financial Section. Comparative data for the last five fiscal years are presented in the following tabulation. The volatile changes in net position over the past five years were caused by capital contributions from special revenue funds established to collect developer water-related developer fees. The decrease in net position in 2013 resulted primarily from over \$600,000 in impairment loss and increase in operating expenses of \$412,000.

Water Utility Fund

	2013	2012	2011	2010	2009
Operating revenues	\$ 12,735,470	\$ 14,513,221	\$ 13,247,962	\$ 12,756,467	\$ 11,901,142
Operating income (loss)	(966,622)	1,124,210	338,466	681,030	(554,229)
Change in net position	(227,790)	3,085,042	8,407,398	11,549,238	2,966,466

SEWER UTILITY FUND

The sewer fund operating revenues increased 12.8% over 2013. Sewer rates are based upon winter water usage. The operating loss increased slightly in 2013, primarily due to increased expenses. The fund increased its unrestricted working capital by \$3.3 million by the end of 2013. The net position decreased by almost \$847,000, primarily due to an increase in operating expenses as well as an impairment loss. 2013 is the first phase of a five-year phased rate increase effective January 1, 2013.

During 2013, the City issued \$7.744 million in long-term debt to provide for sewer system capital improvements projects.

Sewer Utility Fund

	2013	2012	2011	2010	2009
Operating revenues	\$ 9,740,105	\$ 8,634,634	\$ 8,240,989	\$ 7,836,470	\$ 7,416,039
Operating (loss)	(333,745)	(185,576)	(293,187)	(734,300)	(884,810)
Change in net position	(846,978)	298,445	800,397	74,666	(454,664)

STORM DRAINAGE UTILITY FUND

The City created the storm drainage utility in 1984 to identify and control the revenues and expenses attributable to municipal storm drainage services. Revenues are derived from storm drainage user fees and a storm drainage plant investment fee. Operating revenues increased by \$191,000 or 5% in 2013. This is primarily due to a rate increase of 68% in 2013. Operating income was just under \$375,000, a decrease from 2012, as operating expenses increased. There was \$6.3 million in impairment loss in 2013. Operating data for the storm drainage utility is contained in Exhibit 8. Comparative data for the last five fiscal years is tabulated in the box on this page.

Storm Drainage Utility Fund

	2013	2012	2011	2010	2009
Operating revenues	\$ 4,027,152	\$ 3,835,700	\$ 3,395,622	\$ 3,420,656	\$ 3,428,994
Operating income	374,699	422,865	59,275	300,354	400,900
Change in net position	(5,784,819)	3,080,445	3,376,915	468,867	531,057

Capital Assets and Debt Administration

Capital Assets. The City of Longmont's investment in capital assets for its governmental and business type activities as of December 31, 2013, net of depreciation, equals \$876 million. This investment in capital assets includes land, buildings, utility systems, improvements to land, machinery and equipment, park facilities, and infrastructure. Additional information on the City's capital assets can be found in Note 11 on pages 72-73 of this report, as well as in the transmittal letter.

Long-term Debt. As of December 31, 2013, the City of Longmont had total bonded debt outstanding of \$72,350,000. As of December 31, 2013, there is no debt backed by the full faith and credit of the City, or general obligation debt. An additional amount of \$40,525,000 of the City of Longmont's debt represents revenue bonds secured solely by sales and use taxes. The final \$31,825,000 of debt represents revenue bonds backed by storm drainage and sewer revenues.

The legal debt margin as prescribed by City Charter is limited to 3% of the actual value of the taxable property. In 2013, this debt limit amounted to \$254,406,723. The total amount of debt applicable to the debt limit is \$0 leaving a legal debt margin of \$254,406,723. Additional information on the City's long-term debt can be found in Note 9 on pages 66-69.

The 2000 Sales and Use Tax revenue bonds were upgraded to AA+ by Standard and Poor's in 2007. The 2006 Sales and Use tax refunding revenue bonds carry the AA+ rating as well. All outstanding General Obligation Bonds of the City are now rated Aa2 by Moody's Investor Service on the new Global Scale, and AA rating from Standard and Poor's. The 2008 Storm Drainage Revenue Bonds were rated AA by Standard and Poor's. The 2010 Sewer Revenue Bonds received a rating of AA from Standard and Poor's. The 2010 Open Space Sales and Use Tax revenues bonds received a rating of A2 from Moody's and a rating of A from Standard & Poor's. The 2013 Sewer Bonds were rated AA by Standard & Poor's.

Impacts on Future Years

Budget amendments are made by ordinance on a routine, periodic basis and are in compliance with Colorado statutes and the City charter. Note 2-D-7 illustrates the comparison of original and final budgets for all funds requiring a budget. Reported budget amendments were primarily for encumbrances and uncompleted capital projects. The 2014 budget amendments will have no significant impact on future services.

The 2014 balanced budget was approved by City Council as required by Colorado law and was filed with the State by January 30.

Contacting the City's Financial Management

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

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

STATEMENT OF NET POSITION

December 31, 2013

	Primary Government		Total	Component Unit
	Governmental Activities	Business-Type Activities		
ASSETS				
Current assets:				
Equity in pooled cash & cash equivalents	\$ 99,270,759	\$ 47,830,422	\$ 147,101,181	\$ 5,655,958
Cash and cash equivalents	208,689	-	208,689	3,362,760
Receivables (net of allowance for uncollectibles):	26,295,055	12,813,249	39,108,304	673,461
Internal balances	3,006,414	(3,006,414)	-	-
Inventory of materials and supplies	2,923,720	-	2,923,720	-
Prepaid expenses	559,806	1,400	561,206	-
Total current assets	132,264,443	57,638,657	189,903,100	9,692,179
Noncurrent assets:				
Loan receivable-component unit	146,000	-	146,000	-
Net pension asset	2,832,673	1,040,833	3,873,506	-
Capital Assets				
Land and water rights	98,632,348	196,107,531	294,739,879	445,668
Construction in progress	13,242,849	2,144,809	15,387,656	536,881
Depreciable buildings, property, and equipment, net	209,429,677	356,550,314	565,979,993	1,473,553
Restricted equity in pooled cash & cash equivalents	4,801,379	2,036,738	6,838,117	-
Restricted cash & cash equivalents	7,222,324	8,993,447	16,215,771	-
Total noncurrent assets	336,307,250	566,873,672	903,180,922	2,456,102
Total assets	\$ 468,571,693	\$ 624,512,329	\$ 1,093,084,022	\$ 12,148,281
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charge on refunding	1,005,969	-	1,005,969	-
LIABILITIES				
Current liabilities:				
Accounts payable and accrued expenses	\$ 4,798,704	\$ 7,763,075	\$ 12,561,779	\$ 41,989
Accrued interest	870,718	337,321	1,208,039	-
Unearned revenues	301,140	304,793	605,933	-
Deposits	3,135,445	951,965	4,087,410	-
Current portion of long-term obligations	4,714,803	2,650,284	7,365,087	4,163
Total current liabilities	13,820,810	12,007,438	25,828,248	46,152
Noncurrent liabilities:				
Loan payable-primary government	-	-	-	146,000
Noncurrent portion of long-term obligations	49,976,793	42,977,332	92,954,125	15,909
Total noncurrent liabilities	49,976,793	42,977,332	92,954,125	161,909
Total liabilities	63,797,603	54,984,770	118,782,373	208,061
DEFERRED INFLOWS OF RESOURCES				
Property taxes	13,770,125	-	13,770,125	658,133
NET POSITION				
Net Investment in capital assets	280,876,469	520,033,029	800,909,498	2,456,102
Restricted for:				
Construction/acquisition/debt service	49,452,775	9,662,221	59,114,996	6,118,602
Community development projects	1,275,189	-	1,275,189	-
Transportation improvements	15,452,449	-	15,452,449	-
Public safety	2,065,165	-	2,065,165	-
Permanent fund	-	-	-	-
Expendable	507,791	-	507,791	-
Nonexpendable	644,576	-	644,576	-
Statutory emergency requirement	3,348,000	-	3,348,000	39,459
Workers' Compensation	2,577,190	-	2,577,190	-
Unrestricted	35,810,330	39,832,309	75,642,639	2,667,924
Total net position	392,009,934	569,527,559	961,537,493	11,282,087

CITY OF LONGMONT, COLORADO

STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2013

Functions/Programs	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
PRIMARY GOVERNMENT				
Governmental activities:				
General Government	\$ 23,402,845	\$ 8,745,048	\$ 1,181,898	\$ 267,038
Public Safety	37,546,039	1,636,769	722,727	-
Highways & Streets	16,881,092	787,118	3,813,200	1,861,977
Culture & Recreation	17,127,905	6,043,561	303,350	3,313,971
Municipal utilities systems	48,260	-	-	2,804,625
Interest and Fiscal charges on long-term debt	2,488,204	-	-	-
Total governmental activities	97,494,345	17,212,496	6,021,175	8,247,611
Business-type Activities				
Sanitation	5,716,575	5,676,697	-	-
Golf	2,076,148	2,357,757	-	-
Electric	60,237,764	60,957,632	3,702	1,245,960
Broadband	801,013	316,941	-	49,019
Water	14,226,561	12,735,470	329,662	1,953,239
Sewer	10,267,292	9,740,105	194,686	294,909
Storm Drainage	3,755,498	4,027,152	33,992	284,619
Airport	515,668	277,449	-	493,870
Total business-type activities	97,596,519	96,089,203	562,042	4,321,616
Total Primary Government	\$ 195,090,864	\$ 113,301,699	\$ 6,583,217	\$ 12,569,227
Component unit:				
Downtown Development Authority	\$ 886,968	\$ 163,653	\$ 600	-

General Revenues:
 Property Taxes
 General Sales and Use Taxes:
 General government
 Public improvement
 Streets
 Open space
 Public safety
 Lodgers Taxes
 Cigarette Taxes
 Franchise Taxes
 Investment income (loss)
 Miscellaneous
 Special item - gain (loss) from Impairment
 Transfers

Total General Revenues & Transfers

Change in Net Position

Net Position - Beginning January 1

Net Position - Ending December 31

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

		Primary Government		
Governmental	Business-type			Component
Activities	Activities	Total		Unit
\$ (13,208,861)	\$ -	(13,208,861)	\$ -	-
(35,186,543)	-	(35,186,543)	-	-
(10,418,797)	-	(10,418,797)	-	-
(7,467,023)	-	(7,467,023)	-	-
2,756,365	-	2,756,365	-	-
(2,488,204)	-	(2,488,204)	-	-
(66,013,063)	-	(66,013,063)	-	-
-	(39,878)	(39,878)	-	-
-	281,609	281,609	-	-
-	1,969,530	1,969,530	-	-
-	(435,053)	(435,053)	-	-
-	791,810	791,810	-	-
-	(37,592)	(37,592)	-	-
-	590,265	590,265	-	-
-	255,651	255,651	-	-
-	3,376,342	3,376,342	-	-
(66,013,063)	3,376,342	(62,636,721)	-	-
-	-	-	(722,715)	-
14,766,570	-	14,766,570	1,153,968	-
27,883,056	-	27,883,056	-	-
4,068,199	-	4,068,199	-	-
11,981,718	-	11,981,718	-	-
3,195,124	-	3,195,124	-	-
5,192,082	-	5,192,082	-	-
346,352	-	346,352	-	-
147,338	-	147,338	-	-
7,342,848	-	7,342,848	-	-
16,428	(63,402)	(46,974)	(2,993)	-
9,633	389,865	399,498	-	-
714,300	(8,010,175)	(7,295,875)	-	-
1,285,404	(1,285,404)	-	-	-
76,949,052	(8,969,116)	67,979,936	1,150,975	-
10,935,989	(5,592,774)	5,343,215	428,260	-
381,073,945	575,120,333	956,194,278	10,853,827	-
\$ 392,009,934	\$ 569,527,559	\$ 961,537,493	\$ 11,282,087	-

CITY OF LONGMONT, COLORADO

BALANCE SHEET
GOVERNMENTAL FUNDS
 December 31, 2013

	General	Streets Systems	Other Governmental Funds	TOTAL Governmental Funds
ASSETS				
Equity in pooled cash & cash equivalents	\$ 16,019,612	\$ 13,981,954	\$ 48,165,307	\$ 78,166,873
Cash and cash equivalents	145,743	-	62,946	208,689
Receivables (net of allowance for uncollectibles):				
Accounts	-	-	102,618	102,618
Taxes	16,889,244	1,391,969	1,586,814	19,868,027
Miscellaneous	1,112,038	78,086	196,608	1,386,732
Loans	12,783	-	1,226	14,009
Fees	332,747	-	2,645	335,392
Accrued interest	49,869	35,256	135,460	220,585
Due from other funds	2,441,198	-	-	2,441,198
Due from other governments	17,740	299,845	475	318,060
Prepaid items	191,707	37,737	-	229,444
Restricted assets:				
Equity in pooled cash and cash equivalents	-	-	2,224,189	2,224,189
Cash and cash equivalents	-	-	7,222,324	7,222,324
Total assets	\$ 37,212,681	\$ 15,824,847	\$ 59,700,612	\$ 112,738,140

BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2013

Exhibit 3

	General	Streets Systems	Other Governmental Funds	TOTAL Governmental Funds
LIABILITIES				
Accounts payable	\$ 1,162,983	\$ 394,370	\$ 791,748	\$ 2,349,101
Construction contracts payable	-	226,210	99,350	325,560
Accrued liabilities	1,604,412	82,158	113,580	1,800,150
Advances from other funds	-	-	312,000	312,000
Unearned revenue	-	279,240	21,900	301,140
Deposits	3,129,701	2,000	3,744	3,135,445
Total liabilities	5,897,096	983,978	1,342,322	8,223,396
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue-property taxes	13,666,708	-	103,417	13,770,125
Unavailable revenue-grants	92,434	487,328	163,429	743,191
Total deferred inflows of resources	13,759,142	487,328	266,846	14,513,316
FUND BALANCES				
Nonspendable	204,490	37,737	1,226	243,453
Restricted	3,345,167	14,315,804	55,253,722	72,914,693
Committed	6,232,102	-	3,144,472	9,376,574
Assigned	928,368	-	-	928,368
Unassigned	6,846,316	-	(307,976)	6,538,340
Total fund balances	17,556,443	14,353,541	58,091,444	90,001,428
Total liabilities, deferred inflows of resources and fund balances (deficits)	\$ 37,212,681	\$ 15,824,847	\$ 59,700,612	\$ 112,738,140

(continued)

**Reconciliation of the Balance Sheet
to the Statement of Net Position
December 31, 2013**

Total Governmental Fund Balances	\$	90,001,428
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		308,088,758
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.		
Adjustment of deferred inflows of resources	743,191	
Net pension asset	<u>2,763,250</u>	3,506,441
Internal service funds are used by management to charge the costs of certain activities, such as fleet, warehouse and insurance to individual funds. The assets and liabilities of certain internal service funds are included in governmental activities in the statement of net position.		43,564,981
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.		(52,321,586)
Internal service fund allocated to business type activities		<u>(830,088)</u>
Net position of governmental activities	\$	<u><u>392,009,934</u></u>



**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES-
GOVERNMENTAL FUNDS**
Year Ended December 31, 2013

	General	Streets Systems	Other Governmental Funds	TOTAL Governmental Funds
REVENUES				
Taxes	\$ 49,064,566	\$ 12,970,892	\$ 12,887,829	\$ 74,923,287
Licenses and permits	1,262,587	51,071	3,266,849	4,580,507
Developer/owner participation	-	215,639	1,045,365	1,261,004
Intergovernmental	1,043,373	3,325,688	2,389,957	6,759,018
Charges for services	12,872,106	-	445,013	13,317,119
Fines and forfeits	1,048,076	-	68,524	1,116,600
Investment income (loss)	1,960	(12,086)	18,382	8,256
Miscellaneous	299,480	122,203	2,366,219	2,787,902
Total revenues	65,592,148	16,673,407	22,488,138	104,753,693
EXPENDITURES				
Current:				
General government	20,555,032	-	1,535,926	22,090,958
Public safety	31,466,991	-	5,843,105	37,310,096
Highways and streets	-	13,699,379	-	13,699,379
Culture and recreation	13,840,357	-	3,282,056	17,122,413
Municipal utility systems	-	-	379,386	379,386
Capital projects	-	-	2,382,196	2,382,196
Debt service:				
Principal retired	-	-	3,130,000	3,130,000
Interest and fiscal charges	-	-	1,807,239	1,807,239
Total expenditures	65,862,380	13,699,379	18,359,908	97,921,667
Excess of revenues over (under) expenditures	(270,232)	2,974,028	4,128,230	6,832,026
OTHER FINANCING SOURCES (USES)				
Transfers in	3,155,937	71,106	647,874	3,874,917
Transfers out	(709,622)	(910,431)	(535,651)	(2,155,704)
Total other financing sources (uses)	2,446,315	(839,325)	112,223	1,719,213
Net change in fund balances	2,176,083	2,134,703	4,240,453	8,551,239
FUND BALANCES, January 1	15,380,360	12,218,838	53,850,991	81,450,189
FUND BALANCES, December 31	\$ 17,556,443	\$ 14,353,541	\$ 58,091,444	\$ 90,001,428

CITY OF LONGMONT, COLORADO
**Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balances
of Governmental Funds
to the Statement of Activities
For the Year Ended December 31, 2013**

Exhibit 4
(continued)

Net change in fund balances - total governmental funds	\$	8,551,239
<p>Amounts reported for governmental activities in the statement of activities (Exhibit 2) are different because:</p>		
Contributions of capital assets increase net position in the statement of activities but do not appear in the governmental funds because they are not financial resources.		1,420,839
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which the capital outlays exceeded depreciation in the current period.		(5,951,093)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		283,293
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.		3,540,114
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		(773,744)
Internal service funds are used by management to charge the costs of certain activities, such as warehouse, fleet and insurance, to individual funds. The net revenue (expense) of the internal service funds is reported with governmental activities.		3,954,362
Change in internal service funds allocated to business-type activities		(44,021)
Change in net position of governmental activities	\$	<u>10,935,989</u>

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL
GENERAL (LEGAL BASIS) FUND
 Year Ended December 31, 2013

	Budget		Actual	
	Original	Final	(Legal Basis)	Variance From Final Budget
REVENUES				
Taxes	\$ 47,663,104	\$ 47,663,104	\$ 49,064,566	\$ 1,401,462
Licenses and permits	843,619	863,619	1,262,587	398,968
Intergovernmental	257,644	1,181,794	1,043,373	(138,421)
Charges for services	12,368,938	12,449,825	12,869,133	419,308
Fines and forfeits	1,387,300	1,387,300	1,048,076	(339,224)
Investment income	130,000	130,000	8,213	(121,787)
Miscellaneous	158,087	2,135,784	299,480	(1,836,304)
Total revenues	62,808,692	65,811,426	65,595,428	(215,998)
EXPENDITURES				
Current:				
General government	23,124,653	28,269,783	21,012,852	7,256,931
Public safety	30,189,558	31,455,340	31,701,124	(245,784)
Culture & recreation	13,957,450	14,088,894	13,754,215	334,679
Total expenditures	67,271,661	73,814,017	66,468,191	7,345,826
Excess of revenues over (under) expenditures	(4,462,969)	(8,002,591)	(872,763)	7,129,828
OTHER FINANCING SOURCES				
Transfers in	2,679,149	2,689,837	3,010,267	320,430
Total other financing sources	2,679,149	2,689,837	3,010,267	320,430
Net changes in fund balances	(1,783,820)	(5,312,754)	2,137,504	7,450,258
FUND BALANCE, January 1	6,629,909	5,316,596	15,486,280	10,169,684
FUND BALANCE, December 31	\$ 4,846,089	\$ 3,842	17,623,784	\$ 17,619,942
RECONCILIATION TO GAAP BASIS				
Activites reported within the General Fund				
Beginning Fund Balance of Subfunds			(105,920)	
Total revenues			(3,280)	
Total expenditures			(103,951)	
Total other financing sources and uses			145,810	
Revenues and other financing sources (under) expenditures			(67,341)	
FUND BALANCE, December 31 (GAAP BASIS)			\$ 17,556,443	

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL
STREETS SYTEMS FUND
 Year Ended December 31, 2013

	Budgeted Amounts		Actual	Variance From Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 12,357,289	\$ 12,357,289	\$ 12,970,892	\$ 613,603
Licenses and permits	15,000	15,000	51,071	36,071
Developer/owner participation	-	126,906	215,639	88,733
Intergovernmental	5,975,547	6,213,554	3,325,688	(2,887,866)
Investment income (loss)	49,624	49,624	(12,086)	(61,710)
Private grants/donations	-	-	184	184
Miscellaneous	95,750	95,750	122,019	26,269
Total revenues	18,493,210	18,858,123	16,673,407	(2,184,716)
EXPENDITURES				
Highways and streets	19,676,751	24,871,070	13,699,379	11,171,691
Excess of revenues over (under) expenditures	(1,183,541)	(6,012,947)	2,974,028	8,986,975
OTHER FINANCING SOURCES (USES)				
Transfers in				
Fleet	-	-	71,106	71,106
Transfers out				
Electric fund	-	(1,442)	(1,442)	-
Open space fund	-	(148,500)	(148,500)	-
Fleet fund	-	-	(25,091)	(25,091)
General fund	-	(735,398)	(735,398)	-
Total other financing sources (uses)	-	(1,620,738)	(839,325)	781,413
Net changes in fund balance	(1,183,541)	(7,633,685)	2,134,703	9,768,388
FUND BALANCE, January 1	12,218,838	12,218,838	12,218,838	-
FUND BALANCE, December 31	\$ 11,035,297	\$ 4,585,153	\$ 14,353,541	\$ 9,768,388

CITY OF LONGMONT, COLORADO

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
 December 31, 2013

	Electric	Water	Sewer
ASSETS			
Current assets:			
Equity in pooled cash & cash equivalents	\$ 7,345,908	\$ 25,718,759	\$ 9,025,224
Accounts receivable (net of allowance for uncollectibles)	7,806,344	816,265	2,201,214
Intergovernmental receivable	-	43,848	26,439
Loans receivable	12,564	22,170	-
Interest receivable	13,170	66,914	23,872
Inventory of materials and supplies	-	-	-
Advance to other funds, current portion	-	-	-
Prepaid expenses	1,400	-	-
Total unrestricted current assets	15,179,386	26,667,956	11,276,749
Restricted assets:			
Bond debt service:			
Equity in pooled cash & cash equivalents	-	-	1,889,503
Interest receivable	-	-	3,297
Workers' Compensation			
Equity in pooled cash & cash equivalents	-	-	-
Storm drainage/Sewer construction:			
Equity in pooled cash & cash equivalents	-	-	78,245
Cash and cash equivalents	-	-	7,840,963
Interest receivable	-	-	-
Total restricted current assets	-	-	9,812,008
Total current assets	15,179,386	26,667,956	21,088,757
Noncurrent assets:			
Net pension asset	345,307	353,219	127,743
Loan receivable-component unit	-	-	-
Capital assets:			
Land and water rights	894,144	174,102,069	3,150,243
Buildings	8,931,554	70,046,011	72,930,886
Improvements (other than buildings)	85,370,832	164,179,243	65,637,560
Equipment	2,753,919	2,181,095	2,335,411
Construction in progress	101,936	1,274,604	191,694
Total capital assets	98,052,385	411,783,022	144,245,794
Less - accumulated depreciation	51,086,000	70,410,782	47,098,919
Net capital assets	46,966,385	341,372,240	97,146,875
Total noncurrent assets	47,311,692	341,725,459	97,274,618
Total assets	\$ 62,491,078	\$ 368,393,415	\$ 118,363,375

Storm Drainage	Other Enterprise Funds	TOTALS	Governmental Activities- Internal Service Funds
1,960,581 \$	3,779,950 \$	47,830,422 \$	21,103,886
632,611	697,180	12,153,614	3,989,000
242,515	181,605	494,407	-
-	-	34,734	-
11,961	11,158	127,075	60,632
-	-	-	2,923,720
-	-	-	4,148,502
-	-	1,400	330,362
<hr/> 2,847,668	<hr/> 4,669,893	<hr/> 60,641,652	<hr/> 32,556,102
43,854	-	1,933,357	-
1	-	3,298	-
-	-	-	2,577,190
25,136	-	103,381	-
1,152,484	-	8,993,447	-
121	-	121	-
<hr/> 1,221,596	<hr/> -	<hr/> 11,033,604	<hr/> 2,577,190
<hr/> 4,069,264	<hr/> 4,669,893	<hr/> 71,675,256	<hr/> 35,133,292
62,219	152,345	1,040,833	69,423
-	-	-	146,000
9,639,322	8,321,753	196,107,531	47,767
618,772	3,337,069	155,864,292	1,993,395
62,513,342	6,179,354	383,880,331	153,524
318,214	3,146,098	10,734,737	38,777,716
576,575	-	2,144,809	-
<hr/> 73,666,225	<hr/> 20,984,274	<hr/> 748,731,700	<hr/> 40,972,402
<hr/> 19,565,377	<hr/> 5,767,968	<hr/> 193,929,046	<hr/> 27,756,286
<hr/> 54,100,848	<hr/> 15,216,306	<hr/> 554,802,654	<hr/> 13,216,116
<hr/> 54,163,067	<hr/> 15,368,651	<hr/> 555,843,487	<hr/> 13,431,539
<hr/> 58,232,331 \$	<hr/> 20,038,544 \$	<hr/> 627,518,743 \$	<hr/> 48,564,831

(continued)

CITY OF LONGMONT, COLORADO

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
December 31, 2013

	Electric	Water	Sewer
LIABILITIES AND NET POSITION			
Current liabilities:			
Payable from current assets:			
Accounts payable	\$ 3,890,302	\$ 789,622	\$ 592,902
Construction contracts payable	1,383	57,910	23,206
Accrued liabilities	383,031	109,739	61,008
Due to other funds	-	-	-
Accrued sick and vacation - current portion	57,272	73,565	31,691
Unearned revenue	304,793	-	-
Advances from other funds - current portion	-	-	-
Loans payable - current portion	-	1,006,135	-
Claims payable - current portion	-	-	-
Accrued interest	-	165,990	-
Customer deposits	925,210	15,200	-
Total current liabilities (payable from current assets)	5,561,991	2,218,161	708,807
Payable from restricted assets:			
Accounts payable	-	-	711,026
Construction contracts payable	-	-	454,204
Accrued interest	-	-	129,768
Bonds payable - current portion	-	-	870,000
Total current liabilities (payable from restricted assets)	-	-	2,164,998
Total current liabilities	5,561,991	2,218,161	2,873,805
Long-term liabilities:			
Loan payable	-	10,138,218	-
Long-term construction liability	-	335,190	-
Claims payable	-	-	-
Accrued sick and vacation	483,926	509,227	222,081
Net other post employment benefit obligation	38,720	24,575	16,948
Advances from other funds	-	-	-
Bonds payable	-	-	19,605,243
Net long-term liabilities	522,646	11,007,210	19,844,272
Total liabilities	6,084,637	13,225,371	22,718,077
Net position:			
Net Investment in capital assets	46,966,385	329,892,697	84,590,840
Restricted for construction	-	-	6,753,978
Restricted for debt service	-	-	1,763,032
Restricted for workers' compensation	-	-	-
Restricted for long-term disability	-	-	-
Unrestricted	9,440,056	25,275,347	2,537,448
Total net position	56,406,441	355,168,044	95,645,298
Total liabilities and net position	\$ 62,491,078	\$ 368,393,415	\$ 118,363,375

Storm Drainage	Other Enterprise Funds	TOTALS	Governmental Activities- Internal Service Funds
\$ 100,331	\$ 308,236	\$ 5,681,393	\$ 294,507
5,863	146,571	234,933	-
31,643	61,276	646,697	32,728
-	-	-	2,441,198
6,329	20,292	189,149	18,909
-	-	304,793	-
2,600,000	163,343	2,763,343	-
-	-	1,006,135	-
-	-	-	462,352
-	-	165,990	-
11,555	-	951,965	-
<u>2,755,721</u>	<u>699,718</u>	<u>11,944,398</u>	<u>3,249,694</u>
29,237	-	740,263	-
5,585	-	459,789	-
41,563	-	171,331	-
585,000	-	1,455,000	-
<u>661,385</u>	<u>-</u>	<u>2,826,383</u>	<u>-</u>
<u>3,417,106</u>	<u>699,718</u>	<u>14,770,781</u>	<u>3,249,694</u>
-	-	10,138,218	-
-	-	335,190	-
-	-	-	1,633,803
46,149	208,891	1,470,274	109,267
6,461	15,036	101,740	7,086
-	1,073,159	1,073,159	-
11,326,667	-	30,931,910	-
<u>11,379,277</u>	<u>1,297,086</u>	<u>44,050,491</u>	<u>1,750,156</u>
<u>14,796,383</u>	<u>1,996,804</u>	<u>58,821,272</u>	<u>4,999,850</u>
43,366,801	15,216,306	520,033,029	13,216,116
1,142,919	-	7,896,897	-
2,292	-	1,765,324	-
-	-	-	2,577,190
-	-	-	325,000
(1,076,064)	2,825,434	39,002,221	27,446,675
<u>43,435,948</u>	<u>18,041,740</u>	<u>568,697,471</u>	<u>43,564,981</u>
<u>\$ 58,232,331</u>	<u>\$ 20,038,544</u>	<u>627,518,743</u>	<u>\$ 48,564,831</u>

\$ 830,088

\$ 569,527,559

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

Net position business-type activities

CITY OF LONGMONT, COLORADO
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
For the Year Ended December 31, 2013

	Electric	Water	Sewer
OPERATING REVENUES			
Charges for services	\$ 60,870,571	\$ 12,735,470	\$ 9,740,105
Warehouse sales	-	-	-
Contributions	-	-	-
Total operating revenues	60,870,571	12,735,470	9,740,105
OPERATING EXPENSES			
Administration	2,435,494	3,948,898	968,953
Purchased power/cost of sales/premiums	43,744,408	-	-
Transmission/distribution	5,334,125	1,840,363	1,684,493
Maintenance/development	-	-	-
Trash collection	-	-	-
Landfill	-	-	-
Treatment/disposal	-	2,510,719	3,695,667
Fleet services	-	-	-
Emergency event	-	-	-
Depreciation	2,312,146	3,949,070	2,575,516
Administrative fees	1,585,420	1,192,258	768,009
Franchise fee	4,833,188	260,784	381,212
Benefit payments	-	-	-
Claims	-	-	-
Total operating expenses	60,244,781	13,702,092	10,073,850
Operating income (loss)	625,790	(966,622)	(333,745)
NON-OPERATING REVENUES (EXPENSES)			
Investment income (loss)	(8,729)	(29,799)	(7,727)
Miscellaneous	52,038	168,737	65,861
Intergovernmental	3,702	329,662	194,686
Other sales	87,061	-	-
Gain on disposal of assets	-	-	-
Interest expense	-	(409,629)	(1,354)
Amortization of bond/note issuance expense	-	(115,561)	(189,734)
Net non-operating revenues (expenses)	134,072	(56,590)	61,732
Change in net position before transfers and capital contributions	759,862	(1,023,212)	(272,013)
CAPITAL CONTRIBUTIONS	1,342,116	2,187,766	295,352
SPECIAL ITEM			
Insurance recoveries	-	-	-
Impairment loss	(118,785)	(622,743)	(925,375)
TRANSFERS			
Transfers in	1,876,673	21,623	382,377
Transfers out	(664,212)	(791,224)	(327,319)
Change in net position	3,195,654	(227,790)	(846,978)
TOTAL NET POSITION-January 1	53,210,787	355,395,834	96,492,276
TOTAL NET POSITION-December 31	\$ 56,406,441	\$ 355,168,044	\$ 95,645,298

	Storm Drainage	Other Enterprise Funds	Totals	Governmental Activities- Internal Service Funds
\$	4,027,152	\$ 8,628,844	\$ 96,002,142	\$ 16,908,906
	-	-	-	1,311,259
	-	-	-	2,469,738
	4,027,152	8,628,844	96,002,142	20,689,903
	1,184,587	926,466	9,464,398	331,130
	-	-	43,744,408	11,967,271
	-	140,861	8,999,842	-
	674,955	1,766,795	2,441,750	-
	-	4,837,357	4,837,357	-
	-	7,537	7,537	-
	-	-	6,206,386	-
	-	-	-	3,347,998
	-	-	-	-
	1,340,628	536,353	10,713,713	2,979,716
	452,283	894,340	4,892,310	565,705
	-	14,858	5,490,042	-
	-	-	-	445,389
	-	-	-	1,224,769
	3,652,453	9,124,567	96,797,743	20,861,978
	374,699	(495,723)	(795,601)	(172,075)
	(13,883)	(3,264)	(63,402)	8,172
	44,432	58,797	389,865	19,906
	33,992	-	562,042	-
	-	-	87,061	-
	-	-	-	212,042
	(2,581)	(18,039)	(431,603)	-
	(105,899)	-	(411,194)	-
	(43,939)	37,494	132,769	240,120
	330,760	(458,229)	(662,832)	68,045
	284,619	542,889	4,652,742	-
	-	-	-	3,989,000
	(6,343,272)	-	(8,010,175)	-
	-	211	2,280,884	409,468
	(56,926)	(2,057,733)	(3,897,414)	(512,151)
	(5,784,819)	(1,972,862)	(5,636,795)	3,954,362
	49,220,767	20,014,602	623,737,926	39,610,619
\$	43,435,948	\$ 18,041,740	618,101,131	\$ 43,564,981

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

44,021

\$ (5,592,774)

Change in net position of business-type activities

CITY OF LONGMONT, COLORADO

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended December 31, 2013

	Electric	Water	Sewer
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers	\$ 60,472,484	\$ 13,023,915	\$ 9,820,747
Cash paid to suppliers	(52,279,671)	(5,381,810)	(4,664,483)
Cash paid to employees	(5,087,959)	(3,781,756)	(2,720,768)
Claims/Benefits paid	-	-	-
Net cash provided (used) by operating activities	3,104,854	3,860,349	2,435,496
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES			
Transfers in	297,269	21,623	382,377
Transfers out	(652,389)	(791,224)	(327,319)
Loan to discrete component unit	-	-	-
Loan repayments from discrete component unit	-	-	-
Advances to other funds	-	-	-
Repayment of advances	-	-	-
Advances from other funds	-	-	-
Net cash provided (used) by non-capital financing activities	(355,120)	(769,601)	55,058
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Proceeds from issuance of bonds	-	-	-
Acquisition and construction of capital assets	(1,524,008)	(4,968,075)	(9,646,240)
Bond/loan/lease principal paid	-	(989,551)	(550,000)
Bond/loan/lease interest paid	-	(221,679)	(640,917)
Bond issuance expenses	-	-	186,884
Proceeds from issuance of debt	-	-	8,257,903
Contributed capital received	1,245,959	993,024	-
Net cash provided (used) by capital and related financing activities	(278,049)	(5,186,281)	(2,392,370)
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment income received (paid)	(13,535)	(36,066)	(14,832)
Net cash provided (used) by investing activities	(13,535)	(36,066)	(14,832)
Net increase (decrease) in cash and cash equivalents	2,458,150	(2,131,599)	83,352
CASH AND CASH EQUIVALENTS, January 1	4,887,758	27,850,358	18,750,583
CASH AND CASH EQUIVALENTS, December 31	\$ 7,345,908	\$ 25,718,759	\$ 18,833,935

Storm Drainage	Other Enterprise Funds	TOTALS	Governmental Activities- Internal Service Funds
\$ 3,926,675	\$ 8,377,970	\$ 95,621,791	\$ 20,709,809
(1,153,833)	(5,330,141)	(68,809,938)	(14,986,581)
(1,060,683)	(3,119,250)	(15,770,416)	(1,169,976)
	-	-	(1,513,632)
1,712,159	(71,421)	11,041,437	3,039,620
-	211	701,480	50,000
(56,926)	(477,366)	(2,305,224)	(512,151)
-	-	-	502,814
-	-	-	(502,814)
-	-	-	(2,802,000)
-	(601,139)	(601,139)	161,843
2,600,000	-	2,600,000	-
2,543,074	(1,078,294)	395,117	(3,102,308)
-	-	-	-
(5,099,722)	(827,464)	(22,065,509)	(2,912,855)
(565,000)	-	(2,104,551)	-
(518,531)	(18,039)	(1,399,166)	-
-	-	186,884	-
-	-	8,257,903	243,111
146,340	1,135,388	3,520,711	-
(6,036,913)	289,885	(13,603,728)	(2,669,744)
(22,568)	(3,334)	(90,335)	2,465
(22,568)	(3,334)	(90,335)	2,465
(1,804,248)	(863,164)	(2,257,509)	(2,729,967)
4,986,303	4,643,114	61,118,116	26,411,043
\$ 3,182,055	3,779,950	\$ 58,860,607	\$ 23,681,076

(continued)

CITY OF LONGMONT, COLORADO

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
 For the Year Ended December 31, 2013

	Electric	Water	Sewer
RECONCILIATION OF NET OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Net operating income (loss)	\$ 625,790	\$ (966,622)	\$ (333,745)
Adjustments to reconcile net operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	2,312,146	3,949,070	2,575,516
Miscellaneous income	139,099	168,737	65,861
Intergovernmental operating income	3,702	123,880	194,686
Issuance expenses-non-operating	-	-	(186,884)
Change in assets and liabilities:			
(Increase) decrease in accounts receivable	(777,978)	31,076	(153,466)
(Increase) decrease in loans receivable	8,262	(3,207)	287
(Increase) decrease in intergovernmental receivable	52,641	(43,848)	(26,439)
(Increase) decrease in inventory of materials	-	-	-
(Increase) decrease in prepaid expenses	(369)	-	-
(Increase) decrease in net pension asset	45,474	40,188	8,171
Increase (decrease) in accounts payable	500,616	479,192	273,969
Increase (decrease) in accrued liabilities	42,544	6,877	10,681
Increase (decrease) in deferred revenue	304,793	-	-
Increase (decrease) in accrued sick and vacation - current portion	(10,723)	16,212	5,986
Increase (decrease) in claims payable - current portion	-	-	-
Increase (decrease) in net other post employment benefit obligation	1,807	525	334
Increase (decrease) in accrued sick and vacation - long-term portion	(22,606)	49,669	539
Increase (decrease) in deposits/unearned revenue	(120,344)	8,600	-
Total adjustments	2,479,064	4,826,971	2,769,241
Net cash provided (used) by operating activities	\$ 3,104,854	\$ 3,860,349	\$ 2,435,496

RECONCILIATION OF CASH AND CASH EQUIVALENTS PER STATEMENT OF CASH FLOWS TO THE BALANCE SHEET

Per balance sheet:			
Equity in pooled cash and cash equivalents	\$ 7,345,908	\$ 25,718,759	\$ 9,025,224
Restricted equity in pooled cash and cash equivalents	-	-	1,967,748
Restricted cash and cash equivalents	-	-	7,840,963
Cash and Cash Equivalents per statement of cash flows	\$ 7,345,908	\$ 25,718,759	\$ 18,833,935

NON-CASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES

The following non-cash transactions occurred during 2013

Contributed capital from developers	\$ -	\$ 960,215	\$ 294,909
Contributed capital from other funds	1,675,561	234,527	443
Capitalized interest	-	-	656,218
Transfers of assets to other funds	(11,823)	-	-
Transfers of assets from other funds	-	-	-
Change in contracts payable for purchase of capital assets	-	(29,829)	(333,109)
Change in accounts receivable for insurance recoveries	-	-	-
Amortization of bond premium/discount	-	5,713	24,404
Bond premium/discount	-	(5,713)	(24,404)
Impairment loss	(118,785)	(622,743)	(925,375)
Loss on asset disposal	-	-	-
Intergovernmental revenue	-	205,782	-
Debt service expense	-	(205,782)	-
Amortization of bond issue expense	-	(115,561)	(189,734)
Bond issuance expense	-	115,561	189,734

CITY OF LONGMONT, COLORADO

Exhibit 9
(continued)

Storm Drainage	Other Enterprise Funds	Totals	Governmental Activities- Internal Service Funds
\$ 374,699	\$ (495,723)	\$ (795,601)	\$ (172,075)
1,340,628	536,353	10,713,713	2,979,716
44,432	58,797	476,926	19,906
33,992	-	356,260	-
-	-	(186,884)	-
(156,464)	4,051	(1,052,781)	-
430	291	6,063	2,300
(33,992)	10,000	(41,638)	-
-	-	-	(314,213)
-	-	(369)	18,523
5,599	23,362	122,794	8,004
76,276	125,264	1,455,317	39,379
7,223	4,936	72,261	6,113
11,555	-	316,348	264,639
2,709	(6,611)	7,573	8,196
-	-	-	179,442
162	(564)	2,264	157
4,910	(7,855)	24,657	(467)
-	(323,722)	(435,466)	-
1,337,460	424,302	11,837,038	3,211,695
\$ 1,712,159	\$ (71,421)	\$ 11,041,437	\$ 3,039,620
\$ 1,960,581	\$ 3,779,950	\$ 47,830,422	\$ 21,103,886
68,990	-	2,036,738	2,577,190
1,152,484	-	8,993,447	-
\$ 3,182,055	\$ 3,779,950	\$ 58,860,607	\$ 23,681,076
\$ 138,279	\$ -	\$ 1,393,403	\$ -
-	-	1,910,531	-
511,174	-	1,167,392	-
-	963	(10,860)	-
-	-	-	359,468
284,513	26,556	(51,869)	-
-	-	-	3,989,000
3,128	-	33,245	-
(3,128)	1,579,404	1,546,159	-
(6,343,272)	-	(8,010,175)	-
-	-	-	(31,069)
-	-	205,782	-
-	-	(205,782)	-
(105,899)	-	(411,194)	-
105,899	-	411,194	-

CITY OF LONGMONT, COLORADO
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
Year Ended December 31, 2013

Exhibit 10

		Employee Retirement Plans
<hr/>		
ASSETS		
Equity in pooled cash & cash equivalents	\$	281,646
Cash and cash equivalents		2,729,188
Investments		
Common Stock		52,775,817
Corporate bonds		79,004,968
<hr/>		
Total Assets	\$	134,791,619
<hr/> <hr/>		
LIABILITIES		
Accounts payable	\$	67,508
<hr/>		
Total Liabilities		67,508
<hr/> <hr/>		
NET POSITION		
Held in trust for pension & OPEB benefits	\$	134,724,111
<hr/> <hr/>		

CITY OF LONGMONT, COLORADO
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
Year Ended December 31, 2013

Exhibit 11

	Employee Retirement Plans
<hr/>	
ADDITIONS	
Contributions	
Employer	\$ 2,646,233
Plan members	1,752,912
<hr/>	
Total Contributions	4,399,145
<hr/>	
Investment income	
Net appreciation in fair value of investments	16,498,402
Interest	1,739,254
Dividends	644,041
Less investment expense	(384,146)
<hr/>	
Net investment gain	18,497,551
<hr/>	
Total additions	22,896,696
<hr/>	
DEDUCTIONS	
Benefits	5,102,975
Refunds of contributions	554,090
Administrative expense	31,272
<hr/>	
Total deductions	5,688,337
<hr/>	
Net increase	17,208,359
<hr/>	
NET POSITION HELD IN TRUST FOR PENSION AND OPEB BENEFITS, January 1	117,515,752
<hr/>	
December 31	\$ 134,724,111
<hr/>	

NOTES TO FINANCIAL STATEMENTS

December 31, 2013

NOTE 1 – REPORTING ENTITY

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

Blended Component Units

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

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

Discretely Presented Component Units

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

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

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

NOTES TO FINANCIAL STATEMENTS
December 31, 2013

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

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

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

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

The City adopted GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, in the current year. This Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities.

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

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

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

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

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

The City reports the following major governmental funds:

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

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

NOTES TO FINANCIAL STATEMENTS
December 31, 2013

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

The City reports the following major proprietary funds:

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

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

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

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

Additionally, the City reports the following fund types:

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

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

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

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

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

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

2. Receivables and payables

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

All trade and property tax receivables, including those for DDA, are shown net of an allowance for uncollectibles. The allowance for uncollectible utility accounts receivable is based on a three year average and approximates 2%. The property tax receivable allowance is 2% of outstanding property taxes at December 31, 2013.

In the City's Affordable Housing and Community Development Block Grant Funds, the allowance for uncollectible housing assistance loans is estimated to be the full value of the loans.

NOTES TO FINANCIAL STATEMENTS
December 31, 2013

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

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

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

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

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

4. Restricted Assets

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

5. Capital Assets

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

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included in the capitalized value of assets constructed. In 2013, there was \$511,174 of interest incurred and included in the capital costs of the Storm Drainage Fund and \$656,218 of interest incurred and included in the capital costs of the Sewer Fund.

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

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

6. Deferred inflows/outflows of resources and unearned revenues

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

NOTES TO FINANCIAL STATEMENTS
December 31, 2013

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

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

7. Compensated absences

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

8. Long-term obligations

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

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

9. Fund Balance

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

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

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

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

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

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

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

NOTES TO FINANCIAL STATEMENTS
December 31, 2013

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

10. Net Position

Net position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net investment in capital assets for governmental and business-type activities, excludes unspent debt proceeds of \$4,922,034 and \$9,096,828, respectively. Net position are reported as restricted when there are limitations imposed on their use through enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulation of other governments. Net position restricted by enabling legislation include \$1,275,189 for community development projects, \$15,452,449 for transportation improvements, \$2,065,165 for public safety projects, \$2,577,190 for workers' compensation, and \$3,348,000 for statutory emergency requirement.

11. Capital Contributions

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

12. Joint Venture

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

13. Use of Estimates

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

D. Budgetary Information

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

1. By September 1, the City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and related financing sources.
2. Public hearings are conducted during City Council meetings to obtain citizen comments.
3. By December 15, the budget is legally enacted through passage of an ordinance.
4. The City Manager is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the City Council.

NOTES TO FINANCIAL STATEMENTS
December 31, 2013

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

5. Budgets are legally adopted as a management control device during the year for the General Fund, Special Revenue Funds, (except for the Library Trust Subfund of the General Fund, Historical Preservation Fund, Air Quality Control Subfund of the General Fund, Jones Trust Fund and Subdividers Escrow Subfund of the General Fund), Capital Projects Funds, and the Enterprise Funds. A budget is legally adopted for only one of the Internal Service Funds, the Fleet Fund.
6. The budgets for the General Fund and Street System Fund are adopted on a basis consistent with generally accepted accounting principles (GAAP) with one exception. The exception is operating transfers from the General Fund to other funds, which are budgeted as expenditures rather than as other financing uses of the General Fund. Budgetary comparisons presented for the General Fund in this report are on this non-GAAP budgetary basis (Legal Basis).

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

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

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

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

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

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

NOTES TO FINANCIAL STATEMENTS
December 31, 2013

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fund	Original Appropriation	Supplemental Appropriations	Amended Appropriations
General Fund	\$ 67,271,661	\$ 6,542,356	\$ 73,814,017
Art in Public Places Subfund	126,060	20,000	146,060
Special Revenue Funds:			
Streets System Fund	19,676,751	6,079,659	25,756,410
Conservation Fund	1,656,500	2,930,526	4,587,026
Park Improvement Fund	482,200	1,116,892	1,599,092
General Improvement District #1 Fund	106,004	6,140	112,144
Community Development Fund	671,612	1,507,804	2,179,416
Downtown Parking Fund	56,942	-	56,942
Judicial Wedding Fee Fund	2,824	-	2,824
Police Seizures Fund	-	24,814	24,814
Police Prevention/Education Fund	-	131,219	131,219
Youth Services Fund	6,000	71,589	77,589
Transportation Community Investment Fee Fund	900,000	-	900,000
Public Buildings Community Investment Fee Fund	-	566,547	566,547
Electric Community Investment Fee Fund	990,000	-	990,000
Water System Construction Reserve Fund	901,650	203,791	1,105,441
Water Acquisition Fund	200,000	17,291	217,291
Raw Water Fund	10,000	-	10,000
Sewer Construction Fund	350,652	47,793	398,445
Library Services Fund	69,000	20,388	89,388
Museum Services Fund	92,846	17,437	110,283
Callahan House Fund	88,212	-	88,212
Senior Services Fund	171,670	36,941	208,611
Parks Grants & Donations Fund	-	69,677	69,677
Affordable Housing Fund	284,080	123,676	407,756
Open Space Sales Tax Fund	5,158,488	4,547,489	9,705,977
Public Safety	5,784,278	410,671	6,194,949
Lodgers Tax Fund	288,473	72,429	360,902
Probation Services Fund	83,709	530	84,239
Museum Trust Fund	19,000	23,823	42,823
Longmont Urban Renewal Authority Fund	-	228,195	228,195
Capital Projects Funds:			
Public Improvement Fund	4,649,181	5,260,026	9,909,207
Enterprise Funds:			
Sanitation Fund	5,482,171	1,024,900	6,507,071
Golf Fund	2,368,335	838	2,369,173
Electric/Broadband Fund	63,813,867	1,504,692	65,318,559
Water Fund	19,334,935	3,766,773	23,101,708
Sewer Fund	16,216,843	16,156,142	32,372,985
Storm Drainage Fund	4,348,159	7,190,753	11,538,912
Airport Fund	330,974	550,648	881,622
Fleet Internal Service Fund	5,431,835	2,935,554	8,367,389
Component Unit-DDA			
Development Authority			
Operations	179,178	380	179,558
Debt Service	167,414	379,000	546,414
Capital Construction	-	4,238,380	4,238,380
Building permit	409,949	100,000	509,949
Marketing	156,614	249,079	405,693
Façade Improvement	-	1,452,007	1,452,007
Arts and Entertainment	220,554	564,412	784,966
	\$ 228,558,621	\$ 70,191,261	\$ 298,749,882

NOTES TO FINANCIAL STATEMENTS
December 31, 2013

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

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

The governmental fund balance sheet includes a reconciliation between *fund balance-total governmental funds and net position-governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains that “long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.” The details of the \$52,321,586 difference are as follows:

Bonds Payable	\$40,525,000
Less: Deferred charge on refunding (to be amortized as interest expense)	(1,005,969)
Issuance premium (to be amortized against interest expense)	803,020
Accrued interest payable	870,718
Capital leases payable	5,028,388
Net other post employment benefit obligation	313,060
Compensated absences	5,787,369
	<hr/>
Net adjustment to reduce <i>fund balance-total governmental funds to arrive at net position-governmental activities</i>	<u>\$52,321,586</u>

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

The governmental fund statement of revenues, expenditures, and changes in fund balances includes reconciliation between *net changes in fund balances-total governmental funds and changes in net position of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that “Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.” The details of the \$5,951,093 difference are as follows:

Capital outlay	\$11,500,759
Depreciation expense	(14,177,151)
Impairment loss	<u>(3,274,701)</u>
Net adjustment to decrease <i>net changes in fund balances-total governmental funds to arrive at changes in net position of governmental activities</i>	<u>\$(5,951,093)</u>

Another element of that reconciliation states that “the issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.” The details of this \$3,540,114 difference are as follows:

NOTES TO FINANCIAL STATEMENTS
December 31, 2013

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

Principal repayments:

General obligation debt	\$ 3,130,000
Payments of capital leases	<u>410,114</u>
Net adjustments to decrease net changes in fund balances-total governmental funds to arrive at changes in net position of governmental activities	\$ <u>3,540,114</u>

Another element of that reconciliation states that "Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds." The details of this \$773,744 difference are as follows:

Compensated absences	\$ (95,708)
Accrued interest	(40,659)
Net pension asset decrease	(122,736)
Other post employment benefits obligation increase	(6,954)
Amortization of deferred charge on refunding	(165,336)
Write off of debt issuance costs	(466,011)
Amortization of bond premium	<u>123,660</u>
Net adjustment to increase net changes in fund balances-total governmental funds to arrive at changes in net position of governmental activities	\$ <u>(773,744)</u>

NOTE 4 – PROPERTY TAX AND SALES AND USE TAX**Property Taxes:**

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

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

Sales and Use Tax:

A 3.275% tax is imposed on the sale or use of all tangible personal property in the City except for certain specified exemptions. The City administers the collection of such taxes from licensed businesses. 2% of the sales and use is for general purposes. The sales tax is allocated to the general fund in its entirety. The use tax is allocated between the general fund and the public improvement fund annually during the budget process. The remaining 1.275% is earmarked for specific purposes as indicated below.

The 3.275% is allocated as follows in 2013:

Earmarked Sales and Use Tax

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

General Sales Tax

General Fund	2.000%
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General Use Tax

General Fund	0.405%
Public Improvements Capital Projects Fund	1.595%

NOTES TO FINANCIAL STATEMENTS
December 31, 2013

NOTE 5 – DEPOSITS AND INVESTMENTS

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

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

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

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

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

	Total
Statement of Net Position:	
Equity in pooled cash and cash equivalents-primary government	\$ 147,101,181
Equity in pooled cash and cash equivalents-restricted	6,838,117
Cash and cash equivalents-primary government	208,689
Cash and cash equivalents-restricted	16,215,771
	\$ 170,363,758

DEPOSITS - Custodial Credit Risk. Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. Deposits are carried at cost. Accrued interest is recorded as a receivable. Deposits include certificates of deposit and bank balances representing equity in pooled cash and investments and savings accounts of certain individual funds. Colorado statutes require that all eligible public depositories pledge collateral having a fair value equal to at least 102% of the aggregate of all public deposits. The City's investment policy parallels the State collateralization requirements. All institutions holding City of Longmont deposits are currently certified as eligible public depositories in accordance with the statutes. As of December 31, 2013, the City's deposits had a bank balance of \$24,567,824 with a corresponding book balance of \$24,835,623.

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

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

NOTES TO FINANCIAL STATEMENTS
December 31, 2013

NOTE 5 – DEPOSITS AND INVESTMENTS (continued)

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

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

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

Interest Rate Risk – The City minimizes the risk that fair value of securities in the portfolio will fall due to changes in general interest rates, by: Structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities prior to maturity. This is accomplished by investing operating funds and non-operating funds in shorter term securities (with a maximum of no more than five years), mutual funds and local investment pools. Weighted average market duration as of December 31, 2013 was 1.33 years. The City's investment policy does not otherwise limit interest rate risk.

As of December 31, 2013, the City had the following investments:

Investment Type	Fair Value	Weighted Average Market Duration (in years)	S & P Rating	% of Portfolio
U.S. Treasuries	\$ 54,555,089	1.76	n/a	35.73
U.S. Instrumentality-FNMA	21,968,481	0.71	AA+	14.39
U.S. Instrumentality-FHLMC	25,302,397	1.16	AA+	16.57
U.S. Instrumentality-FHLB	32,899,036	1.70	AA+	21.55
Money Market Funds	7,840,963	n/a	AAA	5.96
Local Investment Pools	<u>8,854,168</u>	n/a	AAA	5.80
Total fair value	\$ <u>151,520,134</u>			
Portfolio duration		1.33		
Percentage of Portfolio				100.00

The value of the pooled investments includes \$281,646 and \$5,655,958 of pooled cash and cash equivalents of the Fiduciary Funds and the discretely presented component unit, respectively.

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

NOTES TO FINANCIAL STATEMENTS
December 31, 2013

NOTE 5 – DEPOSITS AND INVESTMENTS (continued)

The Pension Master Trust investment policy statement objectives are to be viewed over the long term with investments in both equity and fixed income instruments to provide a rate of return which exceeds the inflation rate, as measured by the Consumer Price Index, by 3.75% to 4.75% per year. The plan's investment guidelines are based upon an investment horizon of greater than 5 years and a targeted risk tolerance of -13.7% to -16.7% in any one year to be reviewed each year. In accordance with its investment policy, permissible investments for the plan include publicly-traded stocks and fixed income securities, whether interest-bearing or discount instruments, including money market instruments, subject to any restrictions specified by the plan

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

Concentration of Credit Risk - Concentration of credit risk is the risk loss attributed to the concentration of the pension's investment in a single issuer. The policy states that the plans assets should be diversified with a strategic asset allocation of 34% in both Domestic Large Cap Value and Domestic Large Cap Growth, 8% in Domestic Small and Mid Cap, 17% in International Equity, 23% in Domestic Fixed Income and 4% in High Yield Credit, 2% in Commodities, 4% in Global REITs and 8% in Corporate Loans. As of December 31, 2013 these strategic targets have been met. None of the Plan's debt securities represent more than 5% of total investments in any one issuer.

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

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

Interest Rate Risk- This is the risk that changes in interest rates will adversely affect the portfolio's fair value. The pensions fund's investment policy specifies a targeted rate of return of 3.75% to 4.75% over the Consumer Price Index. The Policy also states that the investment guidelines are based upon an investment horizon of greater than five years, so that interim fluctuations should be viewed with appropriate perspective. For 2013, the actual return for the plan was a gain of 16.33% while the targeted rate of return was 15.33%.

As of December 31, 2013, the Fiduciary Funds had the following investments:

Employee, Police and Fire Pension Plans:

Employee, Police and Fire Pension Plans:

Investment Type	Fair Value	% of Portfolio	Rating
Domestic Equities	\$ 57,041,415	42.81%	Not available
International Equities	22,678,557	17.02%	Not available
Domestic Fixed Income	30,359,390	22.78%	Not available
Corporate Loans	10,204,134	7.66%	Not available
High Yield Credit	4,981,495	3.74%	Not available
Commodities	2,318,443	1.74%	Not available
Global REITs	5,351,967	4.02%	Not available
Cash & Cash Equivalents	319,790	0.24%	Not available
Total	\$ 133,255,191	100.00%	

OPEB Trust Fund:

Investment Type	Fair Value	% of Portfolio	Rating
Cash & Cash Equivalents	1,254,782	100.00%	Not available
Total	\$ 1,254,782	100.00%	

NOTES TO FINANCIAL STATEMENTS
December 31, 2013

NOTE 6 – DONOR-RESTRICTED ENDOWMENTS

The City is the recipient of two nonexpendable trusts for which the corpora are as follows: \$629,576 Mosher Trust for library purposes and \$15,000 Kanemoto Trust for Kanemoto Park purposes. Net appreciation on these investments are available for expenditure upon appropriation by City Council in the amounts of \$503,044 and \$4,747, respectively. City Financial Policy requires that the interest earnings on these endowments be expended on the recommendation of the related advisory board.

NOTE 7 – LEASED PROPERTY UNDER CAPITAL LEASES

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

The following is an analysis of the equipment and facilities under capital leases by activity and fund, and by type as of December 31, 2013:

Governmental Activities

Terry St. Fire Station	3,180,836
Energy Equipment Lease, Phase 1	2,266,602
Energy Equipment Lease, Phase 2	995,321
Cannon Copier	74,088
	<hr/>
Total Governmental Activities	\$ 6,516,847

The following is a schedule by years of future lease payments under capital leases together with the present value of the net lease payments by activity type as of December 31, 2013:

Year	Governmental Activities		
	Principal	Interest	Total
2014	\$ 441,056	\$ 173,016	\$ 614,072
2015	461,391	154,417	615,808
2016	476,374	136,333	612,707
2017	510,771	117,502	628,273
2018	547,292	97,457	644,749
2019-2023	2,213,525	205,367	2,418,892
2024-2028	377,979	6,196	384,175
Total	<hr/> 5,028,388	<hr/> 890,288	<hr/> 5,918,676

NOTE 8 – CONTINGENCIES

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

NOTES TO FINANCIAL STATEMENTS
December 31, 2013

NOTE 9 – LONG-TERM DEBT

Long-term liability activity for the year end December 31, 2013, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Bonds Payable:					
Revenue Bond	\$ 43,655,000	\$ -	\$ (3,130,000)	\$ 40,525,000	\$ 3,225,000
Amortization of discount/premium	926,680	-	(123,660)	803,020	-
Total bonds payable	<u>44,581,680</u>	-	<u>(3,253,660)</u>	41,328,020	3,225,000
Capital Leases	5,438,502	-	(410,114)	5,028,388	441,056
Claims (see Note 14)	1,916,713	1,149,412	(969,970)	2,096,155	462,352
Net OPEB Obligation	313,035	320,146	(313,035)	320,146	-
Compensated Absences	5,824,546	5,270,974	(5,176,633)	5,918,887	586,395
Governmental activity long-term liabilities	<u>\$ 58,074,476</u>	<u>\$ 6,740,532</u>	<u>\$ (10,123,412)</u>	<u>\$ 54,691,596</u>	<u>\$ 4,714,803</u>
Business-type Activities:					
Revenue Bonds Payable	\$ 25,200,000	\$ 7,740,000	\$ (1,115,000)	\$ 31,825,000	\$ 1,455,000
Amortization of bond premium	71,539	517,903	(27,532)	561,910	-
Compensated Absences	1,627,193	1,189,255	(1,157,025)	1,659,423	189,149
Loans payable	12,079,147	-	(989,550)	11,089,597	1,006,135
Amortization of loan discount/premium	60,470	-	(5,714)	54,756	-
Net OPEB Obligation	99,476	101,740	(99,476)	101,740	-
Construction contracts	449,845	-	(114,655)	335,190	-
	<u>\$ 39,587,670</u>	<u>\$ 9,548,898</u>	<u>\$ (3,508,952)</u>	<u>\$ 45,627,616</u>	<u>\$ 2,650,284</u>
Component Unit :					
Loans payable - primary government	\$ 146,000	\$ 502,814	\$ (502,814)	\$ 146,000	\$ -
Compensated Absences	18,280	10,240	(8,448)	20,072	4,163
	<u>\$ 164,280</u>	<u>\$ 513,054</u>	<u>\$ (511,262)</u>	<u>\$ 166,072</u>	<u>\$ 4,163</u>

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

NOTES TO FINANCIAL STATEMENTS
December 31, 2013

NOTE 9 – LONG-TERM DEBT (continued)

A. Governmental Activities:

Revenue Bonds:

\$17,375,000 2006 Sales and Use Tax Revenue Refunding Bonds due in annual installments of \$645,000 to \$2,705,000 through May 15, 2019; interest rates range from 4.0 to 6.0 percent (unamortized premium of \$661,382). Total principal and interest remaining to be paid is \$16,525,438 and is expected to require less than 10% of pledged revenue. Total payment in 2013 was \$2,718,925 and pledged revenue was \$31,951,254. \$ 14,110,000

\$19,330,000 2010 Open Space Sales and Use Tax Revenue Refunding Bonds due in annual installments of \$1,060,000 to \$1,270,000 through November 15, 2026; interest rates range 2 to 3.75 percent (plus amortized premium of \$141,638). Total principal and interest remaining to be paid is \$19,820,579 and is expected to require less than 65% of pledged revenue. Total payment in 2013 was \$1,661,416 and pledged revenue was \$3,195,124. 15,975,000

\$10,440,000 2010 Open Space Sales and Use Tax Revenue Bonds due in annual installments of \$85,000 to \$1,570,000 through November 15, 2033; interest rates range from 5.0 to 5.45 percent with a 35% interest rate subsidy under the Build America Bonds program. Total principal and interest remaining to be paid is \$19,959,635 and is expected to require less than 65% of pledged revenue. Total payment in 2013 was \$556,898 and pledged revenue was \$3,195,124. 10,440,000

\$ 40,525,000

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

Year Ending December 31	Revenue Bonds			City Total
	Principal	Interest	Interest Subsidy	
2014	\$ 3,225	\$ 1,703	\$ (195)	\$ 4,733
2015	3,320	1,596	(195)	4,721
2016	3,425	1,484	(195)	4,714
2017	3,540	1,354	(195)	4,699
2018	3,745	1,179	(195)	4,729
2019-2023	8,925	4,223	(975)	12,173
2024-2028	6,800	2,996	(947)	8,849
2029-2033	7,545	1,246	(435)	8,356
	<u>\$ 40,525</u>	<u>\$ 15,781</u>	<u>\$ (3,332)</u>	<u>\$ 52,974</u>

NOTES TO FINANCIAL STATEMENTS
December 31, 2013

NOTE 9 – LONG-TERM DEBT (continued)

The following is a summary of governmental activity long-term debt (other than bonded debt) for the City of Longmont for the year ended December 31, 2013.

Capital Lease

Lease obligations per Note 7. Payable from

General Fund and Public Safety Fund	\$ 5,028,388
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Net Other Post Employment Benefit Obligation

Implicit Subsidy for blended rate retiree healthcare	\$ 320,146
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Accrued Sick and Vacation

Accrual of compensated absences per Note 2-C7.

Payable from revenues of the General Fund, Streets Fund, Community Development Fund, Public Safety Fund and Fleet Fund

	\$ 5,918,887
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B. Business-type Activities

The following is a summary of proprietary long-term debt (other than bonded debt) for the City of Longmont for the year ended December 31, 2013:

Revenue Bonds:

\$14,540,000 2008 Storm Drainage Revenue Bonds for the purpose of storm drainage system replacements and improvements including Lykins Gulch Drainageway, State Highway 66 Regional drainage improvements, Spring Gulch #2 Drainage, and Left Hand Creek bridge replacement at South Pratt Parkway. Future customer fees net of certain operating expenses, are expected to exceed the annual payments by 33%. Total principal and interest paid in 2013 was \$1,083,531 compared to net pledged fees of \$1,745,876. Due in installments of \$520,000 to \$1,065,000 through December 1, 2028; interest rates range from 3.0 to 4.5 percent (unamortized premium of \$46,667).	\$ 11,865,000
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\$2,300,000 2010A Sewer Revenue Bonds for the purpose of wastewater system improvements. Future customer fees net of certain operating expenses, are expected to exceed the annual payments by 38%. Total principal and interest paid in 2013 was \$583,600 compared to pledged fees of \$2,299,905. Due in installments of \$275,000 to \$570,000 through November 1, 2015 with an interest rate of 2 percent (unamortized premium of \$12,899).	1,130,000
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\$11,090,000 2010B Sewer Revenue Bonds for the purpose of wastewater system improvements. Future customer fees net of certain operating expenses, are expected to exceed the annual payments by 38%. Total principal and interest paid in 2013 was \$498,658 compared to net pledged fees of \$2,299,905. Due in installments of \$590,000 to \$935,000 through November 1, 2030; interest rates range from 3.1 to 5.2 percent with a 35% interest rate subsidy under the Build America Bonds program.	11,090,000
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\$7,740,000 2013 Sewer Revenue Bonds for the purpose of wastewater system improvements. Future customer fees net of certain operating expenses, are expected to exceed the annual payments by 38%. Total principal and interest paid in 2013 was \$108,659 compared to pledged fees of \$2,299,905. Due in installments of \$310,000 to \$550,000 through November 1, 2032; interest rates range from 2 to 4 percent (unamortized premium of \$502,344).	7,740,000
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	<u>\$ 31,825,000</u>
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NOTES TO FINANCIAL STATEMENTS
December 31, 2013

NOTE 9 – LONG-TERM DEBT (continued)

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

Year Ending December 31	Revenue Bonds			City Total
	Principal	Interest	Interest Subsidy	
2014	\$ 1,455	\$ 1,277	\$ (175)	\$ 2,557
2015	1,490	1,239	(175)	2,554
2016	1,540	1,194	(175)	2,559
2017	1,590	1,143	(168)	2,565
2018	1,640	1,086	(161)	2,565
2019-2023	9,130	4,400	(667)	12,863
2024-2028	11,065	2,286	(380)	12,971
2029-2032	3,915	309	(50)	4,174
	<u>\$ 31,825</u>	<u>\$ 12,934</u>	<u>\$ (1,951)</u>	<u>\$ 42,808</u>

Accrued Sick and Vacation

Accrual of compensated absences per Note 2-C7.

Payable from the Enterprise Funds \$ 1,659,423

Loans Payable

\$14,998,044 from the Colorado Water Resources and Power Authority for the construction of a water treatment plant to be repaid from the revenues of the Water Fund. Annual installments vary from \$1,354,967 to \$1,356,206 through August 1, 2023, at 3.11% (plus unamortized premium of \$54,756).

\$ 11,089,597

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

Year Ending December 31	Principal	Interest	Total
2014	\$ 1,006	\$ 304	\$ 1,310
2015	1,017	289	1,306
2016	1,039	267	1,306
2017	1,061	244	1,305
2018	1,084	224	1,308
2019-2023	5,883	624	6,507
Total	<u>\$ 11,090</u>	<u>\$ 1,952</u>	<u>\$ 13,042</u>

Net Other Post Employment Benefit Obligation

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

Construction Contracts

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

\$ 335,190

C. Component Unit**Loans Payable:**

\$146,000 from City of Longmont Fleet Fund for Marketing Fund expenses to be repaid from tax increment property taxes, due 12/31/14. Interest rate equal to City's annual rate of return, 0.73% in 2013; \$2,132 interest accrued at 12/31/13

\$ 146,000

Accrual of compensated absences per Note 2-C7.

\$ 20,072

NOTES TO FINANCIAL STATEMENTS
December 31, 2013

NOTE 10 – ADJUSTMENTS TO CONVERT LEGAL BASIS TO GAAP BASIS

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

	General Fund	Longmont Urban Renewal Special Revenue Fund	Sanitation Enterprise Fund	Golf Enterprise Fund
Excess of revenues over (under) expenditures - Legal basis	\$ (872,763)	\$ (21,584)	\$ (101,731)	\$ 110,129
Add:				
Transfers out not included as an increase of legal basis expenditures	709,762	-	-	-
Additions to plant and equipment included as legal basis expenditures	-	-	474	65,743
Principal retired included as legal basis expenditures	-	-	-	161,843
Capitalized salaries/expenses included in legal basis expenditures	-	-	-	-
Capitalized interest included in legal basis expenditures	-	-	-	-
Capital contributions not included as legal revenues	-	-	-	-
Proceeds from advance included as legal basis revenues	-	(202,000)	-	-
Property and equipment transferred from other funds	-	-	-	-
Gain on disposal of assets	-	-	-	-
Revenues from funds Consolidated with the General Fund	(3,280)	-	-	-
Less:				
Depreciation	-	-	(181,464)	(66,696)
Property and equipment transferred to other funds	-	-	-	-
Transfers not included as legal basis expenditures	-	-	-	-
Impairment loss	-	-	-	-
Expenditures from funds consolidated with the General Fund	(103,951)	-	-	-
Excess of revenues over (under) expenditures - GAAP basis	\$ (270,232)	\$ (223,584)		
Change in net position - GAAP basis			\$ (282,721)	\$ 271,019

NOTES TO FINANCIAL STATEMENTS
December 31, 2013

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

Electric Enterprise Fund	Broadband Enterprise Fund	Water Enterprise Fund	Sewer Enterprise Fund	Storm Drainage Enterprise Fund	Airport Enterprise Fund	Fleet Internal Service Fund
\$ 2,172,517	\$ (562,194)	\$ (2,723,518)	\$ (8,827,006)	\$ (4,130,581)	\$ 110,042	\$ (647,842)
-	-	-	-	-	-	-
819,033	142,376	4,614,139	9,886,272	4,771,090	433,240	3,388,541
-	-	989,550	550,000	565,000	-	-
704,975	50,258	269,110	93,077	44,119	-	-
-	-	-	656,218	511,174	-	-
96,157	-	1,194,742	295,352	138,279	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	359,468
1,845,726	-	-	-	-	-	-
-	-	-	-	-	-	-
(2,312,146)	(65,376)	(3,949,070)	(2,575,516)	(1,340,628)	(222,817)	(2,979,716)
(11,823)	(963)	-	-	-	-	-
-	(1,845,726)	-	-	-	-	-
(118,785)	-	(622,743)	(925,375)	(6,343,272)	-	-
-	-	-	-	-	-	-
\$ 3,195,654	\$ (2,281,625)	\$ (227,790)	\$ (846,978)	\$ (5,784,819)	\$ 320,465	\$ 120,451

NOTES TO FINANCIAL STATEMENTS
December 31, 2013

NOTE 11 – CHANGES IN CAPITAL ASSETS

	Beginning Balance	Additions	Deletions	Impairments/ Transfers	Ending Balance
Governmental activities:					
Capital assets, not being depreciated:					
Land and water rights	\$ 98,607,827	\$ 24,521	\$ -	\$ -	\$ 98,632,348
Construction in progress	9,126,598	9,078,149	-	(4,961,898)	13,242,849
Total capital assets, not being depreciated	<u>107,734,425</u>	<u>9,102,670</u>	<u>-</u>	<u>(4,961,898)</u>	<u>111,875,197</u>
Capital assets, being depreciated:					
Buildings	88,699,392	751,138	-	545,880	89,996,410
Improvements other than buildings	323,775,475	2,271,502	-	3,880,338	329,927,315
Equipment	46,680,731	4,401,869	(1,192,498)	535,680	50,425,782
Equipment under capital leases	3,177,583	158,428	-	-	3,336,011
Total capital assets, being depreciated	<u>462,333,181</u>	<u>7,582,937</u>	<u>(1,192,498)</u>	<u>4,961,898</u>	<u>473,685,518</u>
Less accumulated depreciation for:					
Buildings	(26,969,965)	(2,046,008)	-	(369,268)	(29,385,241)
Improvements other than buildings	(179,715,743)	(10,937,370)	-	(2,905,433)	(193,558,546)
Equipment	(36,470,237)	(3,858,190)	1,145,429	-	(39,182,998)
Equipment under capital leases	(1,813,757)	(315,299)	-	-	(2,129,056)
Total accumulated depreciation	<u>(244,969,702)</u>	<u>(17,156,867)</u>	<u>1,145,429</u>	<u>(3,274,701)</u>	<u>(264,255,841)</u>
Total capital assets, being depreciated, net	217,363,479	(9,573,930)	(47,069)	1,687,197	209,429,677
Governmental activities capital assets, net	\$ 325,097,904	\$ (471,260)	\$ (47,069)	\$ (3,274,701)	\$321,304,874
	Beginning Balance	Additions	Deletions	Impairments/ Transfers	Ending Balance
Business-type activities:					
Capital assets, not being depreciated:					
Land and water rights	\$ 191,818,820	\$ 4,288,711	\$ -	\$ -	\$196,107,531
Construction in progress	5,850,937	1,561,112	-	(5,267,240)	2,144,809
Total capital assets, not being depreciated	<u>197,669,757</u>	<u>5,849,823</u>	<u>-</u>	<u>(5,267,240)</u>	<u>198,252,340</u>
Capital assets, being depreciated:					
Buildings	146,026,972	8,390,430	-	1,446,890	155,864,292
Improvements other than buildings	369,967,085	10,093,856	-	3,819,390	383,880,331
Equipment	10,294,843	438,934	-	960	10,734,737
Total capital assets, being depreciated	<u>526,288,900</u>	<u>18,923,220</u>	<u>-</u>	<u>5,267,240</u>	<u>550,479,360</u>
Less accumulated depreciation for:					
Buildings	(46,196,816)	(2,982,093)	-	-	(49,178,909)
Improvements other than buildings	(119,196,605)	(7,202,323)	-	(9,021,175)	(135,420,103)
Equipment	(8,800,737)	(529,297)	-	-	(9,330,034)
Total accumulated depreciation	<u>(174,194,158)</u>	<u>(10,713,713)</u>	<u>-</u>	<u>(9,021,175)</u>	<u>(193,929,046)</u>
Total capital assets, being depreciated, net	352,094,742	8,209,507	-	(3,753,935)	356,550,314
Business-type activities capital assets, net	\$ 549,764,499	\$ 14,059,330	\$ -	\$ (9,021,175)	\$554,802,654

NOTES TO FINANCIAL STATEMENTS
December 31, 2013

NOTE 11 – CHANGES IN CAPITAL ASSETS (continued)

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

Governmental activities:	
General government	\$ 5,145,370
Public safety	747,819
Highway and streets	9,539,183
Culture and recreation	<u>1,724,495</u>
Total depreciation expense - governmental activities	<u>\$ 17,156,867</u>
Business-type activities:	
Sanitation	\$ 181,464
Golf	66,696
Electric	2,312,146
Broadband	65,376
Water	3,949,070
Sewer	2,575,516
Storm drainage	1,340,628
Airport	<u>222,817</u>
Total depreciation expense - business-type activities	<u>\$ 10,713,713</u>

Discretely presented component unit

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfers</u>	<u>Ending Balance</u>
Downtown development authority:					
Capital assets, not being depreciated:					
Land and water rights	\$ 445,668	\$ -	\$ -	\$ -	\$ 445,668
Construction in progress	910,137	179,938	-	(553,194)	536,881
Total capital assets, not being depreciated	<u>1,355,805</u>	<u>179,938</u>	<u>-</u>	<u>(553,194)</u>	<u>982,549</u>
Capital assets, being depreciated:					
Buildings	82,455	-	-	-	82,455
Improvements other than buildings	3,646,336	30,605	-	553,194	4,230,135
Equipment	2,542	-	-	-	2,542
Total capital assets, being depreciated	<u>3,731,333</u>	<u>30,605</u>	<u>-</u>	<u>553,194</u>	<u>4,315,132</u>
Less accumulated depreciation for:					
Buildings	(35,823)	(1,757)	-	-	(37,580)
Improvements other than buildings	(2,525,202)	(278,334)	-	-	(2,803,536)
Equipment	(463)	-	-	-	(463)
Total accumulated depreciation	<u>(2,561,488)</u>	<u>(280,091)</u>	<u>-</u>	<u>-</u>	<u>(2,841,579)</u>
Total capital assets, being depreciated, net	<u>1,169,845</u>	<u>(249,486)</u>	<u>-</u>	<u>553,194</u>	<u>1,473,553</u>
Downtown development authority capital assets, net	<u>\$ 2,525,650</u>	<u>\$ (69,548)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,456,102</u>

NOTES TO FINANCIAL STATEMENTS
December 31, 2013

NOTE 12 – OPERATING LEASE

In 2003, the City leased exclusive surface rights to McIntosh Reservoir with the intention of creating a district park linking Dawson Park, Flanders Park and Boulder County's Lohr Open Space. The cancelable operating lease was extended through 2012, with an additional five-year extension period, which, if exercised, would terminate on December 31, 2017. The City recognized \$57,000 of expenditures for this recreational purpose lease during 2013. The future minimum lease payments as of December 31, 2013 are as follows:

<u>Year Ending December 31</u>	<u>Amount</u>
2014	57,000
2015	57,000
2016	57,000
2017	57,000

NOTE 13 – RISK MANAGEMENT

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

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

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

All funds of the City participate in these programs and make payments to the appropriate risk retention internal service fund based on actuarial estimates of the amounts needed to pay prior- and current-year claims and to establish a reserve for catastrophic losses. The claims liability of \$2,096,155 reported in these funds at December 31, 2013 is based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

Changes in the funds' claims liabilities amounts in fiscal 2012 and 2013 were:

<u>Fund</u>	<u>Beginning Claims Liability</u>	<u>Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>Year end Claims Liability</u>
2012				
Self Insurance	\$ 208,986	\$ 508,584	\$ 177,433	\$ 540,137
Workers Compensation	1,094,906	1,115,416	846,752	1,363,570
Dental Trust	101,484	539,399	627,877	13,006
	<u>\$ 1,405,376</u>	<u>\$ 2,163,399</u>	<u>\$ 1,652,062</u>	<u>\$ 1,916,713</u>
2013				
Self Insurance	\$ 540,137	\$ 378,705	\$ 357,658	\$ 561,184
Workers Compensation	1,363,570	770,707	599,306	1,534,971
Dental Trust	13,006	-	13,006	-
	<u>\$ 1,916,713</u>	<u>\$ 1,149,412</u>	<u>\$ 969,970</u>	<u>\$ 2,096,155</u>

NOTES TO FINANCIAL STATEMENTS
December 31, 2013

NOTE 14 – OTHER REQUIRED INDIVIDUAL FUND DISCLOSURES

Interfund receivable and payable balances at December 31, 2013 were:

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Governmental:		
General	\$ 2,441,198	\$ -
Major Enterprise		
Storm Drainage (Advances)		2,600,000
Nonmajor Governmental		
Longmont Urban Renewal		
Special revenue Fund (Advance)	-	312,000
Nonmajor Enterprise		
Golf (Advances)	-	1,236,502
Airport	-	-
Internal Service:		
Fleet (Advances)	4,148,502	-
Warehouse	-	2,441,198
	<u>\$ 6,589,700</u>	<u>\$ 6,589,700</u>

NOTE 15 – INTERFUND TRANSACTIONS

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

A. Administrative Fee - The Enterprise Funds, the Street System, Open Space and General Improvement District #1 Special Revenue Funds, the Self Insurance, Workers Compensation Insurance, and Fleet Internal Service Funds make monthly payments to the General Fund for administrative expenses. The charge is approved by the City Council as part of the appropriation process, and is calculated to cover ETS, accounting, billing, purchasing and other administrative functions performed and/or paid by the General Fund on behalf of the above mentioned funds. The total administrative fees paid by Enterprise Funds to the General Fund were \$548,262 by the Sanitation Fund, \$147,053 by the Golf Fund, \$1,585,420 by the Electric Fund, \$79,161 by the Broadband Fund, \$1,192,258 by the Water Fund, \$768,009 by the Sewer Fund, \$452,283 by the Storm Drainage Fund and \$119,864 by the Airport Fund. Total administrative fees paid by Special Revenue Funds in 2013 were \$892,421 by the Street System Fund, \$149,690 by the Open Space Fund and \$2,731 by the General Improvement District #1 Fund. Total 2013 administrative fees paid to the General Fund by Internal Service funds were \$123,809 by the Self Insurance Fund, \$191,812 by the Workers' Compensation Insurance Fund, and \$250,084 by the Fleet Fund.

B. Franchise Fee - The Electric Fund, Telecommunications Fund, Water Fund and the Sewer Fund pay an annual franchise fee to the General Fund for the exclusive right to provide electric, telecommunications, water and sewer service (respectively) within the City of Longmont. The Electric Fund fee is 8% of the current year revenues of the Electric Fund, or \$4,833,188 in 2013. The Telecommunications fee is 5% of the current year revenues, or \$14,858 in 2013. The Water Fund franchise fee approximates 2% of the Fund's current year budgeted revenues, or \$260,784 in 2013. The Sewer Fund franchise fee approximates 4% of the Fund's current year budgeted revenues, or \$381,212 in 2013.

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

D. Fleet Lease Charges - The Fleet Internal Service Fund charges all operating departments a fleet lease charge for vehicle operating, maintenance, and replacement costs. The charge is approved by the City Council as part of the appropriation process and is based on each department's actual vehicle usage and needs. The total payments included in the accompanying financial statements in 2013 were \$2,305,345 by the General Fund, \$981,202 by the Street System Fund, \$1,333,353 by the Sanitation Fund, \$253,530 by the Golf Fund, \$521,053 by the Electric Fund, \$338,401 by the Water Fund, \$279,686 by the Sewer Fund, \$165,522 by the Storm Drainage Fund, \$2,818 by the Airport Fund, \$346,125 by the Public Safety Sales Tax Special Revenue Fund, and \$33,329 by the Open Space Special Revenue Fund.

E. Vehicle Transfers - Any new vehicle additions representing increased service levels are purchased through the appropriate fund and ownership of the vehicles is subsequently transferred to the Fleet Internal Service Fund. Such transfers are considered routine transfers. The amounts of vehicle transfers in 2013 were \$184,133 from the General Fund, \$11,823 from the Electric Enterprise Fund, \$963 from the Broadband Enterprise Fund, \$25,091 from the Streets Special Revenue Fund and \$137,458 from the Public Safety Sales Tax Special Revenue Fund.

NOTES TO FINANCIAL STATEMENTS
December 31, 2013

NOTE 15 – INTERFUND TRANSACTIONS (continued)

F. Art Transfers- The Art in Public Places Fund is funded through transfers from the operating funds of the City. Any construction project costing \$50,000 or more must transfer 1% of the construction cost to the Art fund. Certain funds with legal limitations on their monies are exempt from this requirement. The amounts of such operating transfers in 2013 were \$7 from the Sanitation Fund, \$6,319 from the Electric Fund, \$8,969 from the Water Fund, \$80,702 from the Sewer Fund, \$22,937 from the Storm Drainage Fund, \$12,653 from the Public Improvement Fund, \$2,241 from the Water Construction Fund, \$685 from the Airport Fund, \$2,802 from the Park Improvement Fund, \$761 from the Public Buildings Community Investment Fee Fund, \$7,218 from the Open Space Fund, \$2,973 from the Downtown Development Component Unit and \$526 from the Public Safety Sales Tax Fund. This fund is consolidated with the General Fund for reporting purposes.

G. DDA Building Permits - An amount equal to the revenues from building permits issued in the DDA area is transferred to the Component Unit DDA Building Permit Special Revenue fund by the primary government funds receiving the revenues. The amounts of such transfers during 2013 were \$37,941 from the General Fund, \$60 from the Electric Fund, \$597 from the Water Fund, \$120 from the Sewer Fund, and \$26,910 from the Public Improvement Fund.

H. Insurance Charges for Services - The Self Insurance Internal Service Fund, the Employee Benefit Internal Service Fund and the Workers' Compensation Insurance Internal Service Fund each charge all of the operating funds an amount for the insurance coverage accounted for in each of the respective funds. The Self Insurance charge is based on the potential for liability claims in each of the departments. The Employee Benefit charge is a percentage of payroll. The Workers Compensation

	Self- Insurance	Employee Benefit	Workers' Compensation Insurance	Unemployment Insurance	Dental Trust
General Fund	\$ 483,294	\$ 5,005,731	\$ 596,930	\$ 100,155	\$ 233,608
Component Unit					
Downtown Development Authority Special Revenue Fund	-	10,343	-	207	483
Downtown Development Authority Marketing Special Revenue Fund	-	7,266	-	146	339
Downtown Development Authority Arts & Entertainment Special Revenue Fund	-	6,641	-	133	310
Probation Services Special Revenue Fund	198	8,535	30	171	398
Community Development Special Revenue Fund	348	13,294	53	265	620
Affordable Housing Special Revenue Fund	362	16,950	3,685	339	791
Downtown Parking Special Revenue Fund	-	926	-	19	43
Streets System Special Revenue Fund	84,754	335,251	38,725	6,707	15,645
Museum Services Special Revenue Fund	104	-	116	-	-
Callahan House Special Revenue Fund	166	6,780	416	136	316
Senior Services Special Revenue Fund	58	-	9	-	-
Art in Public Places Special Revenue Fund	773	4,163	14	83	194
Open Space Special Revenue Fund	3,364	27,061	1,460	541	1,262
Public Safety Sales Tax Special Revenue Fund	23,494	429,388	50,120	8,596	20,039
General Improvement District Special Revenue Fund	-	1,388	-	28	65
Sanitation Enterprise Fund	68,698	183,522	45,365	3,673	8,565
Golf Enterprise Fund	17,506	89,753	6,694	1,796	4,187
Electric Enterprise Fund	148,892	742,180	36,275	14,840	34,643
Telecommunications Fund	5,341	22,689	150	455	1,060
Water Enterprise Fund	51,973	443,939	58,057	8,878	20,717
Sewer Enterprise Fund	88,287	281,964	35,919	5,643	13,163
Storm Drainage Enterprise Fund	17,236	136,674	1,056	2,731	6,377
Airport Enterprise Fund	663	13,015	46	260	607
Fleet Internal Service Fund	4,489	132,988	24,880	2,659	6,208
TOTAL	\$ 1,000,000	\$ 7,920,441	\$ 900,000	\$ 158,461	\$ 369,640

NOTES TO FINANCIAL STATEMENTS
December 31, 2013

NOTE 15 – INTERFUND TRANSACTIONS (continued)

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

- The General Fund paid \$5,000 to the Component Unit DDA Special Revenue Fund to fund specific projects.
- The General Fund transferred \$60,204 to the Callahan House Special Revenue Fund to fund operations.
- The General Fund transferred \$12,970 to the Downtown Parking Special Revenue Fund to provide a secondary funding source for operations.
- The Electric Enterprise Fund transferred \$23,000 to the General Fund to fund a tree planting project, \$2,500 to the General Fund to assist in the funding of the ice rink, \$3,000 to assist in the funding of the Mayor's Book Club and \$500 to assist in the funding of the Cinco De Mayo celebration.
- The Water Enterprise Fund transferred \$253,364 and the Sewer Enterprise Fund transferred \$84,454 to the Electric Enterprise Fund to fund their shares of meter reading expenses. These transfers were reclassified as a reduction of expenses to the receiving fund and an increase in expenses to the funds paying for the services.
- The Sewer Construction Special Revenue Fund transferred \$328,152 to the Sewer Fund to pay current debt service on the sewer loan.
- The Library Special Revenue Fund transferred \$31,188 to the General Fund to fund book purchases.
- The Water Enterprise Fund transferred \$8,170, the Sewer Enterprise Fund transferred \$4,806, the Sanitation Enterprise Fund transferred \$1,442, the Golf Enterprise Fund transferred \$1,201, the Broadband Enterprise Fund transferred \$1,201, the Storm Drainage Enterprise Fund transferred \$481, the Fleet Internal Service Fund transferred \$481, and the Streets Special Revenue Fund transferred \$1,442 to the Electric Enterprise Fund to fund their shares of warehouse administrative costs.
- The General Fund transferred \$250,000 to the Public Improvement fund to assist in funding the new auditorium at the Museum.
- The General Fund transferred \$152,315 to the Affordable Housing Fund to fund operating expenses.
- The General Fund transferred \$77,509, the Sewer Enterprise Fund transferred \$77,145, the Storm Drainage Enterprise Fund transferred \$231,439, and the Streets Special Revenue Fund transferred \$241,082 to the Water Enterprise Fund to fund their shares of technical services and surveying costs. These transfers were reclassified as a reduction of expenses to the receiving fund and an increase in expenses to the funds paying for the services.
- The Water Enterprise Fund transferred \$101,997, the Sewer Enterprise Fund transferred \$63,751, and the Storm Drainage Enterprise Fund transferred \$108,369 to the Streets Special Revenue Fund to fund their shares of construction inspection costs. These transfers were reclassified as a reduction of expenses to the receiving fund and an increase in expenses to the funds paying for the services.
- The Water Enterprise Fund transferred \$180,275, the Sewer Enterprise Fund transferred \$126,598, and the Sanitation Enterprise Fund transferred \$8,737 to the Storm Drainage Enterprise Fund to fund their shares of regulatory compliance costs. These transfers were reclassified as a reduction of expenses to the receiving fund and an increase in expenses to the funds paying for the services.
- The Fleet Internal Service Fund transferred \$324,930 to the General Fund, \$211 to the Sanitation Enterprise Fund, \$11,723 to the Electric Fund, \$21,623 to the Water Fund, \$54,225 to the Sewer Fund, \$71,106 to the Streets Fund, \$13,684 to the Open Space Fund and \$10,201 to the Public Safety Sales tax Fund to reimburse the funds for the sales of vehicles used in their fund.
- The Employee Benefit Trust Internal Service Fund transferred \$412,511 to the OPEP Trust Fund to assist in the funding of the OPEB liability.
- The Judicial Wedding Special Revenue fund transferred \$1,324 to the General fund to assist in offsetting costs.
- The Component Unit DDA Debt Service Fund transferred \$38,600 to the Component Unit DDA General Fund for operations.
- The Component Unit DDA Building Permits Special Revenue Fund transferred \$2,500 to the Component Unit DDA General Fund for administrative services.
- The Enterprise Funds, the Street System, Open Space, Probation Services, Affordable Housing, Public Safety Sales and Use Tax and Art in Public Places Special Revenue Funds, and Fleet Internal Service Funds made payments to the General Fund for capital equipment expenses and to assist in funding of a new Enterprise Resource Planning Software System. The charge is approved by the City Council as part of the appropriation process, and is calculated to cover capital equipment expenses paid by the General Fund on behalf of the above mentioned funds. The total expenses paid by Enterprise Funds to the General Fund were \$202,571 by the Sanitation Fund, \$2,850 by the Golf Fund, \$617,070 by the Electric Fund, \$615 by the Broadband Fund, \$774,095 by the Water Fund, \$241,811 by the Sewer Fund, \$33,508 by the Storm Drainage Fund and \$472 by the Airport Fund. Total expenditures paid by Special Revenue Funds in 2013 were \$735,398 by the Street System Fund, \$251 by the Open Space Fund, \$415 by the Probation Services Fund, \$580 by the Affordable Housing Fund, 140 by the Art in Public Places Fund and \$10,082 by the Public Safety Sales Tax Fund. Total 2013 expenses paid to the General Fund by Internal Service funds were \$3,967 by the Fleet Fund.
- The Streets Fund transferred \$148,500 to the Open Space Fund to assist in a land purchase.
- The General Fund transferred \$50,000 to the Fleet Fund to assist in the funding of the Mobile Command Center.
- The Component Unit DDA Construction Capital Projects Fund transferred \$100,000 to the DDA Component Unit Building Permits Special Revenue Fund to fund storefront projects in his fund.
- The Component Unit DDA Construction Capital Projects Fund transferred \$197,757 to the DDA Component Unit Façade Improvement Special Revenue Fund to fund storefront projects in his fund.
- The Component Unit DDA Construction Capital Projects Fund transferred \$23,416 to the DDA Component Unit Arts & Entertainment Special Revenue Fund to fund art projects in his fund.

NOTES TO FINANCIAL STATEMENTS
December 31, 2013

NOTE 15 – INTERFUND TRANSACTIONS (continued)

- The Fleet Internal Service Fund advanced the Longmont Urban Renewal Special Revenue Fund \$202,000 to fund costs prior to their issuance of bonds.
- The Fleet Internal Service Fund loaned the Downtown Development Authority Capital Projects Fund \$379,000 and the Downtown Development Authority Marketing Special Revenue Fund \$123,814 to be used to assist in their operations and construction. The advance was repaid by the DDA Debt Service Fund in 2013.

Primary Government

Transfers from:	Transfers to:								Total
	General Fund	Streets Fund	Nonmajor Governmental Funds	Electric Fund	Water Fund	Sewer Fund	Nonmajor Enterprise Funds	Internal Service Funds	
General Fund	\$ -	\$ -	\$ 475,489	\$ -	\$ -	\$ -	\$ -	\$ 234,133	\$ 709,622
Streets Systems Fund	735,398	-	148,500	1,442	-	-	-	25,091	910,431
Nonmajor Governmental Funds	70,041	-	-	-	-	328,152	-	137,458	535,651
Electric Fund	652,389	-	-	-	-	-	-	11,823	664,212
Water Fund	783,054	-	-	8,170	-	-	-	-	791,224
Sewer Fund	322,513	-	-	4,806	-	-	-	-	327,319
Storm Drainage Fund	56,445	-	-	481	-	-	-	-	56,926
Nonmajor Enterprise Funds	207,200	-	-	1,849,570	-	-	-	963	2,057,733
Internal Service Funds	328,897	71,106	23,885	12,204	21,623	54,225	211	-	512,151
	\$ 3,155,937	\$ 71,106	\$ 647,874	\$ 1,876,673	\$ 21,623	\$ 382,377	\$ 211	\$ 409,468	\$ 6,565,269

NOTE 16 – OTHER POSTEMPLOYMENT BENEFITS

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

Contributions. The contribution requirements of plan members and the City are established and may be amended by the City Manager. Plan members receiving benefits contributed 100% of their total premiums through their required contribution of \$333 per month for HMO retiree-only coverage, \$682 per month for HMO retiree plus one coverage, or \$1,339 for HMO retiree plus family coverage. Those respective monthly rates for the POS option were: \$427, \$873, and \$1,714, respectively. The required contribution is based on projected pay-as-you-go financing. The City contributes \$0 toward the premium payments. The implicit subsidy for the blended rates requires the City to make contributions adequate to finance that implicit subsidy on a sound actuarial basis. An actuarial study is performed biennially using the entry age actuarial cost method. The most recent actuarial study for the Retiree Health Insurance Plan was performed as of January 1, 2012.

Annual OPEB Cost and Net OPEB Obligation. The City's annual other postemployment benefit (OPEB) cost is calculated based on the annual required contribution of the City (ARC) and amount actuarially determined in accordance with GASB 45. The ARC represents a funding level that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liability over a period not to exceed 30 years. The following table shows the components of the City's annual OPEB cost for the year ended December 31, 2013, the amount actually contributed to the plan, and changes in the City's OPEB obligation.

Normal Cost with Interest	\$ 249,328
Amortization of Unfunded AAL Over 30 years	<u>169,067</u>
Annual Required Contribution (ARC)	418,395
Interest on NOPEBO	16,500
ARC Adjustment	<u>(13,009)</u>
Annual OPEB Cost	421,886
Contributions Made	<u>(412,511)</u>
Net OPEB Obligation Change	<u>9,375</u>
Net OPEB 12/31/12	<u>412,511</u>
Net OPEB 12/31/13	<u>\$ 421,886</u>

NOTES TO FINANCIAL STATEMENTS
December 31, 2013

NOTE 16 – OTHER POSTEMPLOYMENT BENEFITS (continued)

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

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

Funded Status. As of the most recent actuarial valuation date, January 1, 2012, the funded ratio was 16.7%. The actuarial accrued liability for these implicit benefits was \$3,649,254 and the actuarial value of assets was \$608,806, leaving the unfunded actuarial accrued liability (UAAL) at \$3,040,448. The covered payroll (annual payroll of active employees covered by the plan) was \$55 million, and the ratio of the UAAL to the covered payroll was 5.53 percent.

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

In the most current actuarial valuation, January 1, 2012, the entry age actuarial cost method was used. The actuarial assumptions included a 4.0% investment rate of return, and an annual health care cost trend rate of 8.7% for 2012, decreasing approximately 0.4% each year until 5.0% in year 2021 and after. Both rates include a 3.5% inflation factor. The UAAL is being amortized as a level dollar amount of projected payroll on an open basis. The remaining amortization period at December 31, 2012, was 30 years.

Membership in the plan consists of the following as of January 1, 2012:

Active Members:	801
Inactive Members	
Retired:	30
Covered:	11

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

NOTES TO FINANCIAL STATEMENTS
December 31, 2013

NOTE 16 – OTHER POSTEMPLOYMENT BENEFITS (continued)

		OPEB
ASSETS		
Cash and cash equivalents	\$	1,254,782
Total Assets		\$ 1,254,782
NET POSITION		
Held in trust for OPEB benefits	\$	1,254,782
		OPEB
ADDITIONS		
Contributions		
Employer	\$	412,511
Investment income		
Interest		86
Total additions		412,597
DEDUCTIONS		
Administrative expense		1,652
Net increase		410,945
NET POSITION HELD IN TRUST FOR OPEB BENEFITS, January 1		843,837
December 31		\$ 1,254,782

NOTE 17 – SECTION 20 TO ARTICLE X OF THE COLORADO CONSTITUTION (TABOR)

In November, 1992, an amendment to the Colorado Constitution was passed by the voters imposing various revenue and expenditure limits on the City. Prior voter approval is necessary to increase the City’s real property tax revenues or spending from one year to the next in excess of the rate of inflation plus a “growth factor”, based on the net percentage change in the actual value of all real property within the City. Any new tax, tax rate increase, mill levy increase, or extension of an expiring tax which causes a net tax revenue gain requires voter approval. The Colorado Constitution also requires that any revenue collected, kept or spent in excess of these limitations must be refunded, with interest. In November 1996, City of Longmont voters approved a “Voter Approved Revenue Change” that allows the City to keep any revenue collected in excess of the 1992 amendment limits. To the best of the City’s knowledge, the City is in compliance with all requirements of this amendment, and no refunds are due at December 31, 2013.

The amendment requires local governments to establish Emergency Reserves equal to at least 3% of Fiscal Year Spending as defined in the amendment. These emergency reserves cannot be used to compensate for economic conditions, revenue shortfalls, or salary and benefit increases. At December 31, 2013, the amount required as an Emergency Reserve in compliance with the Amendment is \$3,345,167 for the City; \$2,644 for the GID component unit and \$39,459 for the DDA component unit. These are shown as restricted fund balance in the General Fund and in the GID and DDA funds, respectively.

NOTES TO FINANCIAL STATEMENTS
December 31, 2013

NOTE 18 – RETIREMENT COMMITMENTS

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

A. Plan Provisions

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

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

NOTES TO FINANCIAL STATEMENTS
December 31, 2013

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

Membership in each plan consisted of the following at January 1, 2013:

	Employee	Fire Pension	Police
Retirees & beneficiaries currently receiving benefits	250	11	12
Terminated employees entitled to benefits but not yet receiving them	115	0	0
Current employees:			
Fully vested	424	1	0
Partially vested	0	0	0
Non-vested	157	0	0

Employee Retirement Plan

Plan Description. The Employee Retirement plan is a single-employer defined benefit pension plan established through the authority of the City Charter and City ordinances. The plan covers all non-uniformed regular employees and provides retirement and death benefits to plan members and their beneficiaries. Cost-of-living adjustments are provided at the discretion of City Council within the restrictions of Article X Section 20 of the Colorado Constitution. Administrative changes to conform to federal legislation were adopted effective January 1, 2013. New hire contribution rates and retirement age eligibility requirements were adopted effective January 1, 2013.

Contributions. Plan members are required to contribute 5.3% for members joining prior to December 31, 2011, and 4.3% for members joining the Plan after December 31, 2011, of their covered salary. The City is required to contribute at a rate that is determined actuarially. The plan requires that the City make contributions adequate to finance the benefits provided by the plan on a sound actuarial basis. An actuarial study is performed annually using the entry age actuarial cost method. The last annual study for the Employees' Retirement plan was performed as of January 1, 2013. The City currently contributes 6.3% of member's monthly compensation.

Fire Pension Plan

Plan Description. The Fire Pension plan is a single-employer defined benefit pension plan established under Colorado statutes and governed by City ordinance. Plan amendments that increase or decrease benefits require consent of 65% of active participants. Firefighters hired before April 8, 1978, are covered either by this plan or have transferred to a defined contribution plan, as detailed in a later section entitled "Participant Changes." Membership in the Fire Pension plan is limited to employees whose covered employment began prior to April 8, 1978. Administrative changes to conform to federal legislation were adopted effective January 1, 2013.

Contributions. Plan members are required to contribute 10% of their covered salary. The City is required to contribute at a rate that is determined actuarially. The plan requires that the City make contributions adequate to finance the benefits provided by the plan on a sound actuarial basis. An actuarial study is performed biennially using the entry age actuarial cost method. The last annual study for the Fire Pension plan was performed as of January 1, 2013. In 2013, the City contributed \$82,256.

Police Pension Plan

Plan Description. The Police Pension plan is a single-employer defined benefit pension plan established under Colorado statutes and governed by City ordinance. Plan amendments that increase or decrease benefits require consent of 65% of plan members. Police officers hired before April 8, 1978, are covered either by this plan or have transferred to a defined contribution plan, as detailed in a later section entitled "Participant Changes." Membership in the Police Pension plan is limited to employees whose covered employment began prior to April 8, 1978. Administrative changes to conform to federal legislation were adopted effective January 1, 2012.

NOTES TO FINANCIAL STATEMENTS
December 31, 2013

NOTE 18 – RETIREMENT COMMITMENTS (continued)

Contributions. There are no current employee plan members. The City is required to contribute at a rate that is determined actuarially. The plan requires that the City make contributions adequate to finance the benefits provided by the plan on a sound actuarial basis. An actuarial study is performed biennially using the entry age actuarial cost method. The last annual study for the Police Pension plan was performed as of January 1, 2013. In 2013, the City contributed \$27,418.

C. Contributions and Reserves

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

Actuarially determined contribution requirements for 2013 were as follows:

	Employee Retirement	Fire Pension	Police Pension
Contributions to:			
Normal cost as % of covered payroll	\$4,150,380 12.50%	\$ - 0.00%	\$ - 0.00%
Amortization of the unfunded Actuarial accrued liability as % of covered payroll	\$872,390 2.60%	\$ - 0.00%	\$ - 0.00%
Total contributions required as % of covered payroll	12.50%	0.00%	0.00%
Employee Portion (member prior to 12/31/2011)	5.30%	10.00%	N/A
Employee Portion (member after 12/31/2011)	4.30%		
City Portion	6.30%	10.00%	N/A

NOTES TO FINANCIAL STATEMENTS
December 31, 2013

NOTE 18 – RETIREMENT COMMITMENTS (continued)

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

	<u>Employee Retirement</u>	<u>Fire Pension</u>	<u>Police Pension</u>
<u>Contribution rates:</u>			
City	6.3%	21.0%	N/A
Plan members (member prior to 12/31/2011)	5.3%	10.0%	N/A
Plan members (member after 12/31/2011)	4.3%		
Annual pension cost	\$2,452,175	\$19,670	\$15,411
<u>Contributions made:</u>			
City	\$2,124,048	\$82,256	\$27,418
Plan members	\$1,752,912	\$0	\$0
Actuarial valuation date	January 1, 2013	January 1, 2013	January 1, 2013
Actuarial cost method	Entry Age Normal, Level Percentage of Pay	Entry Age Normal	Entry Age Normal
Amortization method	Level dollar, open	Level dollar, open	Level dollar, open
Remaining amortization period	N/A	12	10
Asset valuation method	5-year smoothed market	market value	market value
<u>Actuarial assumptions:</u>			
Investment rate of return*	7.5% per annum, compounded annually, net of investment expenses	7.5% per annum, compounded annually	7.5% per annum, compounded annually
Projected salary increases*	4.3-13.5%	0%	0%
*Includes inflation at	3.5% per year, rounded down to nearest \$10,000	0%	0%
Cost-of-living adjustments	None	None	None
<u>Annual Pension Cost and Net Pension Obligation:</u>			
Annual required contribution	\$2,417,672	\$0	\$0
Interest on net pension obligation	(267,574)	(27,178)	(16,352)
Adjustment to annual required contribution	<u>302,077</u>	<u>46,848</u>	<u>31,763</u>
Annual pension cost	2,452,175	19,670	15,411
Contributions made	<u>(2,124,048)</u>	<u>(82,256)</u>	<u>(27,418)</u>
Increase(decrease) in net pension obligation(asset)	328,127	(62,586)	(12,007)
Net pension obligation(asset) beginning of year	<u>(3,546,640)</u>	<u>(362,379)</u>	<u>(218,021)</u>
Net pension obligation(asset) end of year	<u>(\$3,218,513)</u>	<u>(\$424,965)</u>	<u>(\$230,028)</u>
<u>Funding Progress:</u>			
Actuarial valuation of assets	\$108,725,228	\$3,150,581	\$1,837,854
Actuarial accrued liability	119,801,229	2,762,601	1,474,766
Unfunded actuarial liability (UAL)	11,076,001	(387,980)	(363,088)
Funded ratio	90.8%	114.0%	124.6%
Covered payroll	33,077,871	72,949	-
UAL as percentage of covered payroll	33.5%	-531.9%	-

NOTES TO FINANCIAL STATEMENTS
December 31, 2013

NOTE 18 – RETIREMENT COMMITMENTS (continued)**Three Year Trend Information**

	Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation (Asset)
Employees Retirement Plan	12/31/2011	1,986,108	97%	(3,618,354)
	12/31/2012	2,200,293	97%	(3,546,640)
	12/31/2013	2,452,175	87%	(3,218,513)

	Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation (Asset)
Fire Retirement Plan	12/31/2011	8,077	1302%	(265,124)
	12/31/2012	12,743	645%	(362,379)
	12/31/2013	19,670	418%	(424,965)

	Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation (Asset)
Police Retirement Plan	12/31/2011	16,648	145%	(211,042)
	12/31/2012	13,021	154%	(218,021)
	12/31/2013	15,411	178%	(230,028)

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

	Employee Pension	Fire Pension	Police Pension	Total
ASSETS				
Equity in pooled cash & cash equivalents	\$ 245,181	\$ 18,692	\$ 17,773	\$ 281,646
Cash and cash equivalents	1,414,678	38,371	21,357	1,474,406
Investments				
Common Stock	50,637,880	1,373,474	764,463	52,775,817
Mutual funds	75,804,494	2,056,080	1,144,394	79,004,968
Total Assets	\$ 128,102,233	\$ 3,486,617	\$ 1,947,987	\$ 133,536,837
LIABILITIES				
Accounts payable	\$ 64,381	\$ 1,915	\$ 1,212	\$ 67,508
Total Liabilities	64,381	1,915	1,212	67,508
NET POSITION				
Held in trust for pension benefits	\$ 128,037,852	\$ 3,484,702	\$ 1,946,775	\$ 133,469,329

NOTES TO FINANCIAL STATEMENTS
December 31, 2013

NOTE 18 – RETIREMENT COMMITMENTS (continued)

	Employee Pension	Fire Pension	Police Pension	Total
ADDITIONS				
Contributions				
Employer	\$ 2,124,048	\$ 82,256	\$ 27,418	\$ 2,233,722
Plan members	1,752,912	-	-	1,752,912
Total Contributions	3,876,960	82,256	27,418	3,986,634
Investment income				
Net appreciation in fair value of investments	15,812,405	437,047	248,950	16,498,402
Interest	1,666,954	46,019	26,195	1,739,168
Dividends	617,325	17,031	9,685	644,041
Less investment expense	(355,419)	(16,060)	(12,667)	(384,146)
Net investment gain	17,741,265	484,037	272,163	18,497,465
Total additions	21,618,225	566,293	299,581	22,484,099
DEDUCTIONS				
Benefits	4,681,535	231,320	190,120	5,102,975
Refunds of contributions	554,090	-	-	554,090
Administrative expense	28,228	852	540	29,620
Total deductions	5,263,853	232,172	190,660	5,686,685
Net increase	16,354,372	334,121	108,921	16,797,414
NET POSITION HELD IN TRUST FOR PENSION BENEFITS, January 1	111,683,480	3,150,581	1,837,854	116,671,915
December 31	\$ 128,037,852	\$ 3,484,702	\$ 1,946,775	\$ 133,469,329

E. Summary of Significant Accounting Policies

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

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

F. Investment Concentrations

At December 31, 2013, the market value of pooled plan investments total \$133,255,191. These investments included shares in the Pimco Total Return Fund Institutional Class #35 with a market value of \$79,004,969, representing 59.29% of total plan assets; Davis Advisors with a market value of \$14,612,807, representing 10.97% of total plan assets; Cambiar with a market value of \$8,535,451, representing 6.41% of total plan assets; and shares in an LKCM Small Cap Core separate account with a market value of \$7,440,322, representing 5.58% of total plan assets. There are no investments in, loans to, or leases with any City official or other related party in any of the plans.

NOTES TO FINANCIAL STATEMENTS
December 31, 2013

NOTE 18 – RETIREMENT COMMITMENTS (continued)**G. Participant Changes**

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

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

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

The Plan was amended and restated effective January 1, 2013, to include new retirement age and contribution rate requirements for members who join the Plan after December 31, 2011. New Plan members who joined after December 31, 2011, must contribute 4.3% of compensation to the Plan and the early retirement age requirement has risen to 60. The Plan contribution rate for members of the Plan prior to December 31, 2011, has been increased to 5.3%.

H. Defined Contribution Plans

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

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

Covered payroll for the plan during 2013 was \$17,099,384. Both the City and the participants contributed the required 10% to this money purchase plan in 2013 amounting to \$1,709,938 each from the City and from employees for a total of \$3,419,877 of contributions. The vesting schedule for the plan is as follows:

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

NOTES TO FINANCIAL STATEMENTS
December 31, 2013

NOTE 18 – RETIREMENT COMMITMENTS (continued)

Money Accumulation Pension Plan. The City provides the Money Accumulation Pension Plan for all regular City employees other than firefighters and police officers. This plan, a defined contribution plan, was adopted on January 1, 1980, in lieu of participation in Social Security. The City has no future liability to this Plan. Administrative changes to conform to federal legislation were adopted effective January 1, 2013. Contributions of 5% of base pay (6% for new members of the Plan after December 31, 2011) are required from all participants, and a matching contribution of 5% is made by the City to the Plan. Covered payroll for the plan during 2013 was \$33,728,088. The City contributed the required 5% of base compensation to the plan in 2013 amounting to \$1,686,404, and participants contributed the required 5% (6% for new members of the Plan after December 31, 2011) from employees amounting to \$1,720,404 for a total of \$3,406,808 of contributions. The vesting schedule for the plans is as follows:

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

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

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

NOTE 19 – DEFERRED COMPENSATION PLAN

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

NOTES TO FINANCIAL STATEMENTS
December 31, 2013

NOTE 20 – WINDY GAP WATER PROJECT

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

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

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

The total of annual assessed contributions paid by the City to the Subdistrict through December 31, 2013, is \$50,477,013 of which \$1,653,835 was paid in 2013. The assessed contribution to be paid in 2014 is \$1,653,250.

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

2014	\$	1,675,825	2016	\$	1,678,408
2015		1,676,992	2017		1,700,408

NOTE 21 – JOINT VENTURE PLATTE RIVER POWER AUTHORITY

The City purchased \$43,732,428 of electric power during 2013 from Platte River Power Authority of which \$3,518,541 is outstanding as an account payable of the Electric Enterprise Fund at December 31, 2013.

NOTES TO FINANCIAL STATEMENTS

December 31, 2013

NOTE 22 – COMMITMENTS

A. At December 31, 2013, there were the following outstanding encumbrances in governmental funds:

	Total
Governmental Funds	
General	\$ 2,225,403
Electric Community Investment Fee Fund	14,083
Water System Construction Reserve	83,304
Water Acquisition	1,208
Public Improvement Fund	400,854
Community Development Block Grant	102,904
Affordable Housing	7,949
Streets Systems	2,841,630
Youth Services Fund	1,663
Senior Services Fund	521
Park Improvement	155,117
Parks Grants and Donations	45,156
Open Space	2,100,299
Public Safety	18,908
Conservation Trust	490,195
Downtown General Improvement District #1	1,378
	<u>8,400,572</u>
Component Unit	
Downtown Development Capital Projects	24,405
Downtown Development Building Permits Fund	21,272
Downtown Development Arts & Entertainment Fund	1,178
	<u>46,855</u>
TOTAL COMMITTED ENCUMBRANCES	\$ 8,447,427

NOTES TO FINANCIAL STATEMENTS
December 31, 2013

NOTE 22 – COMMITMENTS (continued)

B. At December 31, 2013, there were the following uncompleted construction contracts:

Fund	Project Title	Remaining Committed Construction
Enterprise Funds:		
Water Fund	2013 Flood – Emergency Longmont Dam Road Reconstruction	\$ 392,295
	Engineering Services for Water Utility Pipelines & Pump Stations	79,765
	Longmont Dam Road	65,641
	Nelson-Flanders WTP Forebay Bypass	56,518
	Operations & Maintenance Building Site Improvements	42,794
	Engineering Services for MUW-177	11,924
Sewer Fund	Headworks Project	4,104,847
	Wastewater Treatment Plant Buiding Flood Repairs	56,233
	Operations & Maintenance Building Site Improvements	52,093
	2012 CIPP Sanitary Sewer Rehabilitation, Amendmend 1	33,258
Storm Drainage Fund	On Call Transportation Engineering Services	411,675
	Kanemoto Park Pool Demolition and Temporary Rip Rap	8,015
	2012 CIPP Sanitary Sewer Rehabilitation, Amendmend 1	15,013
		<u>5,340,071</u>
Capital Project Funds:		
Public Improvement Fund	Parks Master Plan	81,789
	Kanemoto Park Pool Demolition and Temporary Rip Rap	35,505
General Fund:		
	Software & Implementation Services f/ Enterprise Resource Planning System	961,590
	Network Infrastructure Consultant	28,640
	Conversion from Lotus Notes to Microsoft Exchange	34,156
		<u>1,024,386</u>
Special Revenue Funds:		
Water Construction Fund	Engineering Services for Water Utility Pipelines & Pump Stations	79,765
Street Improvement Fund	SH 66 & East County Line Road Improvements	851,379
	Spring Gulch #2 Drainage & Greenway Improvements-Phase 1	440,000
	On Call Transportation Engineering Services-Design Services	
	Primary Secondary Greenway	298,509
	Main Street Pavement Reconstruction	243,184
	Design Services for Main and Ken Pratt	151,198
	9th Avenue Sidewalk Extension	121,343
	Hover Road and Dry Creek Crossing	111,324
	Design Services for SH 119 Pedestrian Underpass	75,568
	9th Avenue Sidewalk Extension	72,715
	Miscellaneous Roadway & Trail Repair Projects	63,710
	Operations & Maintenance Building Site Improvements	32,838
	2013 Concrete Rehab	18,000
	Geotech Testing	13,210
	Conceptual Design of Downtown Alley Improvements	12,144
Park Improvement Fund	Dry Creek Community Park	78,597
	Design of Quail Campus, PH 1	40240
	Design of Quail Campus, PH 2	14,350
Parks, Grants and Donations Fund	Kensington Park South Playground Replacement	45,156
Parks/Greenway Subfund	Design Services for Kanemoto Pump Station Replacement	38,432
Open Space Fund	Spring Gulch #2 Drainage & Greenway Improvements-Phase 1	1,891,975
	SH 119 Underpass Design Services for Spring Gulch #2	208,052
Conservation Trust Fund	Miscellaneous Roadway & Trail Repair Projects	183,176
	St. Vrain Greenway, Phase II at Pavlakis Open Space	166,243
	Golden Ponds Park Trail Restoration	183,176
	Flood Repair Project – Fence, Rails & Gates	30,590
		<u>5,464,874</u>
Component Unit		
Downtown Development Authority Construction Fund	Downtown Alley Improvements	16,010
TOTAL COMMITTED CONSTRUCTION		\$ 11,880,846

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

NOTES TO FINANCIAL STATEMENTS
December 31, 2013

NOTE 23 – FUND BALANCES

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

Fund Balances:	General	Streets Systems	Nonmajor Governmental	Total
Nonspendable:				
Prepays	\$ 191,707	\$ 37,737	\$ -	\$ 229,444
Long-term notes & loan receivables	12,783	-	1,226	14,009
Total Nonspendable	204,490	37,737	1,226	243,453
Restricted:				
Endowments/Donations/Grants	-	-	1,449,973	1,449,973
Conservation Trust	-	-	6,188,841	6,188,841
Capital improvements - Parks	-	-	4,137,486	4,137,486
Capital improvements - Transportation	-	-	1,098,908	1,098,908
Capital improvements - Public Buildings	-	-	750,940	750,940
Capital improvements - Electric	-	-	2,025,969	2,025,969
Capital improvements - Water	-	-	20,993,122	20,993,122
Capital improvements - Sewer	-	-	2,242,543	2,242,543
CDBG/HOME	-	-	192,524	192,524
District Improvements	-	-	95,135	95,135
State imposed Emergencies	3,345,167	-	2,644	3,347,811
Historical Preservation	-	-	9,275	9,275
Open Space Acquisition	-	-	7,084,165	7,084,165
Public Safety	-	-	1,971,357	1,971,357
Tourism Programs	-	-	174,169	174,169
Streets and Highways	-	9,212,899	-	9,212,701
Emergencies	-	491,109	-	491,109
Subsequent years' expenditures	-	4,611,796	-	4,611,796
Capital Project Construction/Acquisition	-	-	4,536,382	4,536,382
Debt Service	-	-	2,300,289	2,300,289
Total Restricted	3,345,167	14,315,804	55,253,722	72,914,693
Committed:				
Downtown Parking	-	-	83,944	83,944
Judicial Programs	-	-	27,467	27,467
Youth Services	-	-	158,459	158,459
Museum Services	-	-	125,728	125,728
Callahan House	-	-	21,856	21,856
Senior Services	-	-	201,619	201,619
Parks	-	-	331,123	331,123
Affordable Housing	-	-	1,589,317	1,589,317
Probation Services	-	-	100,463	100,463
Greenway/Izaak Walton	-	-	60,505	60,505
Public Safety	-	-	37,195	37,195
Water Acquisition	-	-	406,796	406,796
Staff Contract	161,000	-	-	161,000
Future carryover projects	3,866,968	-	-	3,866,968
Subsequent years' expenditures	2,204,134	-	-	2,204,134
Total Committed	6,232,102	-	3,144,472	9,376,574
Assigned:				
Art in Public Places	422,985	-	-	422,985
Air Quality Control	15,902	-	-	15,902
Library Services	5,184	-	-	5,184
Reimbursement to Developers	484,297	-	-	484,297
Total Assigned	928,368	-	-	928,368
Unassigned:	6,846,316	-	(307,976)	6,538,340
Total Fund Balances	\$ 17,556,443	\$ 14,353,541	\$ 58,091,444	\$ 90,001,428

NOTES TO FINANCIAL STATEMENTS
December 31, 2013**NOTE 24 – SUBSEQUENT EVENTS**

In March 2014, the City issued \$38,035,000 of Electric and Broadband Utility Enterprise Revenue Bonds. The interest rate on the bonds will be 3.655% with a final maturity in December 2029. The debt will be used to significantly expand the existing fiber optic backbone system.

In November 2013, voters of the City authorized the issuance of up to \$31,100,000 of wastewater revenue bonds for the purpose of financing wastewater system capital improvements. Debt is planned to be issued in 2014.

In June 2014, the Longmont Urban Renewal District is expected to issue \$30,000,000 in Certificates of Participation to fund public infrastructure improvements in the Twin Peaks Mall Urban Renewal Area. The revenues to repay the COPs include property tax increment, sales tax increment and a Metropolitan District property tax levy.

NOTE 25 – IMPAIRMENT OF CAPITAL ASSETS

The City of Longmont, Colorado, sustained significant damage to public infrastructure and property and impairment of capital assets as a result of the September 2013 flooding of St. Vrain and Left Hand creeks. A net impairment loss associated with the impairment of buildings, equipment, and other improvements has been calculated as required by GASB Statement No. 42, *Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries*.

The gross impairment loss is calculated using the restoration cost approach. As a result, assets fully depreciated prior to the flood would have an impairment loss of zero, regardless of damage. For Governmental Activities, the expected cost to restore the impaired capital assets is \$15,109,000. The carrying value at year end is \$5,287,495, resulting in a gross impairment loss of \$3,274,701. The estimated realizable insurance recovery associated with the impaired governmental activities capital assets is \$3,989,000, resulting in a net impairment gain of \$714,299. For the Sewer Fund, the expected cost to restore the impaired capital assets is \$3,100,000. The carrying value at year end is \$11,944,058, resulting in a gross impairment loss of \$1,936,375. The estimated realizable insurance recovery associated with the impaired Sewer Fund capital assets is \$1,101,000, resulting in a net impairment loss of \$925,375. For the Storm Drainage Fund, the expected cost to restore the impaired capital assets is \$8,000,000. The carrying value at year end is \$8,044,860, resulting in a net impairment loss of \$6,343,272. For the Water Fund, the expected cost to restore the impaired capital assets is \$6,475,000. The carrying value at year end is \$1,825,755, resulting in a net impairment loss of \$622,743. For the Electric Fund, the expected cost to restore the impaired capital assets is \$400,000. The carrying value at year end is \$161,250, resulting in a net impairment loss of \$118,785.

Impaired capital assets that are idle at year-end include the Parks Building, St. Vrain Greenway open space and trail, Kanemoto Pool and Tower of Compassion, and Sunset Street Bridge.

NOTE 26 – SOLID WASTE FINANCIAL ASSURANCE

The City's Water Utility owns and operates a Water Treatment Facility, which through the treatment process produces solids and therefore must provide financial assurance of estimates for post closure costs in accordance with regulations pertaining to solid waste sites and facilities (6 CCR 1007-2, Part 1) as set by Colorado Department of Public Health and Environment. The facility is not expected to be closed in the future; however, in the event of closure, the City estimates and provides assurance of total Closure Costs Requirements of \$1,624,000. This estimate is not reported as a liability by the City because the water treatment facility does not meet the definition of landfill contained in GASB Statement No. 18, as defined by the U.S. Environmental Protection Agency.

REQUIRED SUPPLEMENTAL INFORMATION

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

**EMPLOYEE, FIRE AND POLICE PENSION PLANS
SCHEDULES OF FUNDING PROGRESS
REQUIRED SUPPLEMENTAL INFORMATION
December 31, 2013**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) -- Entry Age (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b - a) / c)
Employee Retirement Plan						
01/01/13	\$ 108,725,228	\$119,801,229	\$11,076,001	90.8%	\$ 33,077,871	33.5%
01/01/12	105,632,205	112,246,514	6,614,309	94.1	33,232,223	19.9
01/01/11	102,816,031	107,160,945	4,344,914	95.9	31,421,570	13.8
01/01/10	97,270,998	100,415,167	3,144,169	96.9	31,249,853	10.1
01/01/09	82,849,523	95,551,661	12,702,138	86.7	31,451,589	40.4
01/01/08	92,633,601	87,468,435	(5,165,166)	105.9	30,225,949	(17.1)
01/01/07	84,088,683	81,047,370	(3,041,313)	103.8	30,165,538	(10.1)
01/01/06	78,196,616	N/A	N/A	N/A	29,300,456	N/A
01/01/05	73,703,433	N/A	N/A	N/A	28,391,301	N/A
01/01/04	69,116,820	N/A	N/A	N/A	27,161,322	N/A
01/01/03	64,884,037	N/A	N/A	N/A	27,254,696	N/A
01/01/02	61,558,269	N/A	N/A	N/A	27,588,554	N/A
01/01/01	55,970,336	N/A	N/A	N/A	25,485,104	N/A
01/01/00	49,746,452	N/A	N/A	N/A	23,268,958	N/A
01/01/99	43,404,020	N/A	N/A	N/A	21,324,942	N/A
01/01/98	37,878,519	N/A	N/A	N/A	20,351,087	N/A
Fire Pension Plan						
01/01/13	\$3,150,581	\$2,762,601	(387,980)	114.0%	\$72,949	(531.9)%
01/01/12	2,915,109	2,824,842	(90,267)	103.2	72,949	(123.7)
01/01/11	3,111,795	2,884,929	(226,866)	107.9	72,331	(313.6)
01/01/10	2,895,737	2,960,014	64,277	97.8	74,586	86.2
01/01/09	2,382,611	3,019,250	636,639	78.9	73,785	862.8
01/01/08	3,498,430	2,990,205	(508,225)	117.0	70,821	(717.6)
01/01/06	3,221,196	3,039,932	(181,264)	106.0	62,738	(288.9)
01/01/04	3,108,539	3,092,786	(15,753)	100.5	60,338	(26.1)
01/01/02	3,298,368	3,167,196	(131,172)	104.1	60,637	(216.3)
01/01/00	3,410,872	3,166,596	(244,276)	107.7	53,173	(459.4)
01/01/98	3,243,432	3,106,103	(137,329)	104.4	150,351	(91.3)
Police Pension Plan						
01/01/13	\$1,837,854	\$1,474,766	(363,088)	124.6%	N/A	N/A
01/01/12	1,786,561	1,518,107	(268,454)	117.7	N/A	N/A
01/01/11	1,989,054	1,557,932	(431,122)	127.7	N/A	N/A
01/01/10	1,918,903	1,601,285	(317,618)	119.8	N/A	N/A
01/01/09	1,531,160	1,644,068	112,908	93.1	N/A	N/A
01/01/08	2,279,368	1,686,238	(593,130)	135.2	N/A	N/A
01/01/06	2,157,079	1,877,805	(279,274)	114.9	N/A	N/A
01/01/04	2,090,886	2,193,800	102,914	95.3	N/A	N/A
01/01/02	2,273,272	2,342,332	69,060	97.1	N/A	N/A
01/01/00	2,295,842	2,434,102	138,260	94.3	N/A	N/A
01/01/98	2,171,618	2,616,424	444,806	83.0	N/A	N/A

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

**EMPLOYEE, FIRE AND POLICE PENSION PLANS
SCHEDULES OF CONTRIBUTIONS FROM EMPLOYER
REQUIRED SUPPLEMENTAL INFORMATION
December 31, 2013**

Year Beginning January 1	Employee Retirement Plan			Employer Contributions Fire Pension Plan			Police Pension Plan		
	Annual Required Contribution	Amount of Contribution	Percentage Contributed	Annual Required Contribution	Amount of Contribution	Percentage Contributed	Annual Required Contribution	Amount of Contribution	Percentage Contributed
2013	\$ 2,417,672	\$ 2,124,048	88%	\$ -	\$ 82,256	N/A	\$ -	\$ 27,418	N/A
2012	2,165,299	2,128,579	98%	-	109,998	N/A	-	20,000	N/A
2011	1,950,565	1,929,254	99	-	105,140	N/A	-	24,080	N/A
2010	1,882,680	2,615,065	139	7,043	94,712	1,345%	-	34,508	N/A
2009	2,785,511	1,637,639	59	59,712	64,837	109	14,357	136,271	949 %
2008	1,135,270	1,520,457	134	-	82,000	N/A	-	64,000	N/A
2007	1,417,948	1,519,724	107	-	84,000	N/A	-	62,000	N/A
2006	1,393,723	1,485,963	107	-	84,000	N/A	-	62,000	N/A
2005	1,242,115	1,455,445	117	-	62,000	N/A	28,583	84,000	294
2004	729,730	1,367,415	187	-	62,000	N/A	28,583	84,000	294
2003	1,136,210	1,344,311	118	-	62,000	N/A	13,686	84,000	614
2002	812,101	1,379,437	170	-	62,000	N/A	13,686	84,000	614
2001	530,795	1,274,258	240	-	74,204	N/A	-	101,664	N/A

Actuarial Assumptions:

	Employee Retirement Plan	Fire Pension Plan	Police Pension Plan
Investment Rate of Return	7.5%	7.5%	7.5%
Projected Salary Increases	4.3 - 13.5%	0.0%	0.0%
Includes inflation at:	3.5%	0.0%	0.0%

**RETIREE HEALTH INSURANCE PLAN
REQUIRED SUPPLEMENTAL INFORMATION
December 31, 2013**

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) -- Entry Age (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b - a) / c)
01/01/12	\$ 608,806	\$ 3,649,254	\$ 3,040,448	16.7%	\$ 55,011,123	5.53%
01/01/10	373,319	2,012,348	1,639,029	18.6%	53,402,002	3.07%
01/01/08	-	1,592,495	1,592,495	0.0%	35,382,364	4.50%

Actuarial Methods and Assumptions

Actuarial valuation date: 1/1/13
Method: Entry age actuarial cost
Investment rate of return: 4%
Healthcare cost trend rate: 8.7% with an ultimate rate of 5.0%
Inflation factor: 3.5%
Amortization Method: level dollar amount, open

Schedule of Employer Contributions

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

GENERAL FUND

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

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

GENERAL FUND
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
COMPARED TO BUDGET (LEGAL BASIS)
Year Ended December 31, 2013

	Budget	Actual	Variance from Final Budget
TAXES			
General property taxes:			
Current	\$ 13,772,490	\$ 13,712,024	\$ (60,466)
Prior years	-	(20,699)	(20,699)
General sales and use tax	26,473,567	27,883,055	1,409,488
Selected sales and use tax -			
Cigarette	180,000	147,338	(32,662)
Franchise taxes:			
Gas	727,260	776,522	49,262
Cable Television	790,000	857,123	67,123
Telephone	262,107	219,161	(42,946)
Electric	4,790,629	4,833,188	42,559
Telecommunications	25,055	14,858	(10,197)
Water	260,784	260,784	-
Wastewater	381,212	381,212	-
	47,663,104	49,064,566	1,401,462
LICENSES AND PERMITS			
Business licenses and permits:			
Liquor	34,000	40,148	6,148
Business	4,500	4,080	(420)
Sales Tax	28,000	25,600	(2,400)
Non-Business licenses and permits:			
Building	675,224	1,072,613	397,389
Wood burning	-	55	55
Contractor	115,295	111,530	(3,765)
Parade / use of public places	6,600	8,561	1,961
	863,619	1,262,587	398,968
INTERGOVERNMENTAL REVENUE			
Federal revenue	765,206	604,304	(160,902)
State shared revenue:			
Severance tax	20,000	120,021	100,021
Grants	101,695	22,449	(79,246)
Non-grant state revenue	13,376	-	(13,376)
Local government shared revenue:			
Shared Fines	80,000	72,741	(7,259)
Grants / School Resource Officer	201,517	223,858	22,341
	1,181,794	1,043,373	(138,421)

(continued)

GENERAL FUND
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
COMPARED TO BUDGET (LEGAL BASIS)
Year Ended December 31, 2013

	Budget	Actual	Variance from Final Budget
CHARGES FOR SERVICE			
General government:			
Zoning and hearing	\$ 38,000	\$ 96,574	\$ 58,574
Disconnect Tag Fees	370,000	402,784	32,784
Maps and publications	1,000	817	(183)
Pcard rebate	62,980	-	(62,980)
Print shop charges	216,439	187,253	(29,186)
Sales tax commission	30,000	44,858	14,858
Public safety:			
Criminal justice records	25,000	20,057	(4,943)
Off duty officer reimbursement	45,387	43,375	(2,012)
Fire inspection & fireworks fees	54,000	63,890	9,890
Offender registration/impound fees	12,500	12,285	(215)
Emergency dispatch reimbursement	109,596	102,788	(6,808)
Elevator inspection	39,900	31,290	(8,610)
Highways and streets:			
Plan check fees	217,680	335,264	117,584
Variance/Appeals board	1,100	2,630	1,530
Right-of-way maintenance	236,896	236,896	-
Downtown maintenance	47,000	39,238	(7,762)
Culture and Recreation:			
Recreation center - all fees	1,673,280	1,716,070	42,790
Pool fees	476,300	540,429	64,129
Reservoir fees	240,000	221,661	(18,339)
Activity fees	1,178,634	1,351,317	172,683
Facility use fees	272,800	332,155	59,355
Concessions	122,618	137,089	14,471
Parks maintenance	455,000	428,115	(26,885)
Senior citizens:			
Activity fees	550	511	(39)
Facility fees	15,000	18,960	3,960
Administrative reimbursements:			
Sanitation	548,262	548,262	-
Golf	147,053	147,053	-
Electric	1,590,728	1,590,728	-
Telecommunications	79,161	73,853	(5,308)
Water	1,192,258	1,192,228	(30)
Sewer	768,009	768,009	-
Storm Drainage	452,283	452,283	-
Airport	119,864	119,864	-
Streets	892,421	892,421	-
Open Space	149,690	149,690	-
Fleet	250,084	250,084	-
Self Insurance	123,809	123,809	-
Workers Compensation	191,812	191,812	-
General Improvement District	2,731	2,731	-
	12,449,825	12,869,133	419,308
FINES AND FORFEITS			
Court:			
Parking	112,000	93,417	(18,583)
Other court fines	800,000	564,896	(235,104)
Court fine surcharge	90,000	64,451	(25,549)
Jury fees	-	(25)	(25)
Bond forfeitures	17,000	13,114	(3,886)
Court education fees	35,000	27,451	(7,549)
Court costs reimbursements	140,000	102,639	(37,361)
Probation & home detention monitoring fees	26,200	27,193	993
Outstanding judgments/warrants	5,600	4,985	(615)
Library fines	93,000	89,162	(3,838)
False alarm fines	45,000	40,775	(4,225)
Weed cutting fines	22,000	18,183	(3,817)
Other fines	1,500	1,835	335
	1,387,300	1,048,076	(339,224)

(continued)

GENERAL FUND
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
COMPARED TO BUDGET (LEGAL BASIS)
Year Ended December 31, 2013

	Budget	Actual	Variance from Final Budget
INVESTMENT INCOME AND MISCELLANEOUS REVENUE			
Investment income	\$ 130,000	\$ 8,213	\$ (121,787)
Miscellaneous	636,311	194,526	(441,785)
Private grants/donations	115,781	82,353	(33,428)
Oil and gas royalties	1,383,692	22,601	(1,361,091)
	2,265,784	307,693	(1,958,091)
OTHER FINANCING SOURCES			
Transfers in:			
Electric Fund	650,570	646,070	(4,500)
Library Services Fund	31,188	31,188	-
Judicial Wedding Fund	1,324	1,324	-
Sanitation Fund	202,571	202,571	-
Golf Fund	2,850	2,850	-
Telecommunications Fund	615	615	-
Water Fund	774,095	774,095	-
Sewer Fund	241,811	241,811	-
Storm Drainage Fund	33,508	33,508	-
Airport Fund	472	472	-
Probation Services Fund	415	415	-
Affordable Housing Fund	580	580	-
Streets Fund	735,398	735,398	-
Art in Public Places Fund	140	140	-
Open Space Fund	251	251	-
Public Safety Fund	10,082	10,082	-
Fleet Fund	3,967	328,897	324,930
Total other financing sources	2,689,837	3,010,267	320,430
Total revenues and other sources (legal basis)	\$ 68,501,263	68,605,695	\$ 104,432
RECONCILIATION TO GAAP BASIS			
Less - other financing sources		(3,010,267)	
Total revenues (GAAP basis)		\$ 65,595,428	

GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
COMPARED TO BUDGET (LEGAL BASIS)
Year Ended December 31, 2013

	Budget	Actual	Variance from Final Budget
DEPARTMENT OF FINANCE AND SUPPORT SERVICES			
GENERAL GOVERNMENT:			
Accounting	\$ 5,101,474	\$ 1,599,113	\$ 3,502,361
Budget and Fiscal Analysis	207,122	172,026	35,096
Finance Director	277,950	274,996	2,954
Enterprise Technology Services	3,406,263	2,939,309	466,954
Mail Delivery	63,363	66,234	(2,871)
Parking Assessment	89,061	90,881	(1,820)
Telephone System	445,974	291,719	154,255
Print Shop	217,339	192,780	24,559
Purchasing	458,098	458,078	20
Risk Management	518,220	465,502	52,718
Treasury / Information Desk	239,196	232,893	6,303
Utility Billing	1,286,978	1,241,309	45,669
Human Resources	977,996	982,948	(4,952)
	13,289,034	9,007,788	4,281,246
DEPARTMENT OF COMMUNITY SERVICES			
GENERAL GOVERNMENT:			
Community Services Director	846,600	753,846	92,754
Neighborhood Resources	400,976	367,065	33,911
Outside Agencies	1,008,826	1,008,826	-
	2,256,402	2,129,737	126,665
PUBLIC SAFETY:			
Code Enforcement	474,944	430,452	44,492
	474,944	430,452	44,492
CULTURE AND RECREATION:			
Recreation	4,613,013	4,528,298	84,715
Library	3,221,718	3,160,340	61,378
Museum	714,423	738,865	(24,442)
Senior Center	650,531	623,543	26,988
Youth Services	782,643	728,756	53,887
	9,982,328	9,779,802	202,526
	12,713,674	12,339,991	373,683
DEPARTMENT OF PUBLIC SAFETY			
Police	14,954,357	14,979,678	(25,321)
Fire	9,032,685	9,342,296	(309,611)
Public Safety Director	519,386	524,269	(4,883)
Communications	1,494,856	1,480,783	14,073
Support Services	4,164,487	4,160,698	3,789
	30,165,771	30,487,724	(321,953)
DEPARTMENT OF ECONOMIC DEVELOPMENT			
GENERAL GOVERNMENT:			
Economic Development Director	333,356	267,192	66,164
Economic Development	751,368	578,876	172,492
Development Review	932,155	659,328	272,827
Planning	673,409	521,214	152,195
	2,690,288	2,026,610	663,678
PUBLIC SAFETY:			
Inspection	814,625	782,948	31,677
	3,504,913	2,809,558	695,355

GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
COMPARED TO BUDGET (LEGAL BASIS)
Year Ended December 31, 2013

	Budget	Actual	Variance from Final Budget
DEPARTMENT OF PUBLIC WORKS AND NATURAL RESOURCES			
CULTURE AND RECREATION:			
Parks	\$ 4,106,566	\$ 3,974,413	\$ 132,153
GENERAL GOVERNMENT:			
Municipal Buildings	3,831,639	3,225,544	606,095
	7,938,205	7,199,957	738,248
NON-DEPARTMENTAL			
GENERAL GOVERNMENT:			
City Attorney	939,712	870,291	69,421
City Manager / non-departmental	3,285,736	1,950,141	1,335,595
City Clerk	565,832	477,115	88,717
Municipal Court	481,839	459,882	21,957
Probation	270,405	268,074	2,331
Mayor and City Council	658,896	597,670	61,226
	6,202,420	4,623,173	1,579,247
Total expenditures (legal basis)	\$ 73,814,017	66,468,191	\$ 7,345,826
RECONCILIATION TO GAAP BASIS			
Transfers out:			
Affordable Housing Fund		(152,315)	
Downtown Parking Fund		(12,970)	
Callahan House Fund		(60,204)	
Public Improvement Fund		(250,000)	
Fleet Fund		(234,133)	
Total expenditures (GAAP Basis)		\$ 65,758,569	

NONMAJOR SPECIAL REVENUE FUNDS

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

Conservation Fund	This fund was established to account for receipts from the State of Colorado Lottery specifically earmarked for environmental enhancements.
Park Improvement Fund	Permit fees received from subdividers are the chief source of financing for the Park Improvement Fund. These funds are earmarked for the development of new parks.
General Improvement District #1 Operating Fund	The ordinary operations of the General Improvement District #1 are accounted for in this fund. The operations are financed by taxes and other general revenues.
Community Development Block Grant Fund	This fund is used to account for funds granted by the Community Development Block Grant program administered by the Department of Housing and Urban Development.
Downtown Parking Fund	The sale of downtown parking permits is the source of revenue for this fund. The revenues generated will be used for improvements to downtown parking.
Judicial Wedding Fee Fund	Fees for wedding services performed by the municipal judge are accumulated in this fund. The revenues are used for defraying the costs of the municipal judicial system.
Police Seizures Fund	Assets seized in drug-related arrests are accounted for in this fund. They are used for Public Safety expenditures.
Prevention/Education Fund	This fund is used to accumulate donations to the Police Department's Drug Prevention and Education program.
Youth Services Fund	Donations specifically earmarked for the use of the Youth Service Division are accounted for in this fund.
Transportation Community Investment Fee Fund	Collection of community investment fees to meet development-created demands for arterial street and intersection improvements are accounted for in this fund.
Public Buildings Community Investment Fee Fund	Collection of community investment fees to meet development-created needs for public facility buildings are accounted for in this fund.
Electric Community Investment Fee Fund	Collection of community investment fees to meet development-created needs for electric system improvements are accounted for in this Fund.
Water System Construction Reserve	The Water System Construction Reserve Fund was created to make system improvements funded with development fees.
Water Acquisition Fund	The Water Acquisition Fund was created for the purpose of acquiring additional water rights for the City as needed to support its water enterprise system. The Fund is funded with the cash payments received in lieu of water rights.
Raw Water Storage Reserve Fund	The Raw Water Storage Reserve Fund was created for the purpose of developing the City's winter water supply as part of the City's water enterprise system. The Fund was initially funded with proceeds from the sale of the High Mountain Dams.
Sewer Construction Fund	The Sewer Construction Fund was created for the purpose of making improvements to the City's sewer enterprise system related to growth of the entire system. The fund is funded with applicable development.
Library Services Fund	Donations and grants specifically earmarked for the use of the Library are accounted for in this Fund.
Museum Services Fund	Donations and grants specifically earmarked for the use of the Museum are accounted for in this Fund.

NONMAJOR SPECIAL REVENUE FUNDS (continued)

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

NONMAJOR CAPITAL PROJECTS FUND

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

Mosher/Kanemoto Trust Fund	This fund was established to account for monies provided by private donors to finance library and park improvements. The principal amounts of the gifts must remain intact while interest earnings can be used for the improvements.
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COMBINING BALANCE SHEET
Nonmajor Governmental Funds
December 31, 2013

	Conservation	Park Improvement	General Improvement District #1 Operating
ASSETS			
Equity in pooled cash & cash equivalents	\$ 6,232,163	\$ 4,200,066	\$ 98,402
Cash and cash equivalents	-	-	-
Receivables (net of allowance for uncollectibles):			
Accounts	-	-	-
Taxes	-	-	103,417
Grants	-	-	-
Loans	-	-	-
Fees	-	-	-
Accrued Interest	16,230	10,569	276
Due from other governments	-	-	475
Restricted assets:			
Equity in pooled cash & cash	-	-	-
Cash and cash equivalents	-	-	-
Total assets	\$ 6,248,393	\$ 4,210,635	\$ 202,570
LIABILITIES			
Accounts payable	\$ 29,333	\$ 8,158	\$ 1,038
Construction contracts payable	30,219	10,897	-
Accrued liabilities	-	-	336
Advances from other funds	-	-	-
Unearned revenue	-	-	-
Deposits	-	-	-
Total liabilities	59,552	19,055	1,374
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue-property taxes	-	-	103,417
Unavailable revenue-grants	-	-	-
Total deferred inflows of resources	-	-	103,417
FUND BALANCES (DEFICITS)			
Nonspendable	-	-	-
Restricted	6,188,841	4,191,580	97,779
Committed	-	-	-
Unassigned	-	-	-
Total fund balances (deficits)	6,188,841	4,191,580	97,779
Total liabilities, deferred inflows of resources and fund balances (deficits)	\$ 6,248,393	\$ 4,210,635	\$ 202,570

Special Revenue Funds							
Community Development Block Grant	Downtown Parking	Judicial Wedding Fee	Police Seizures	Prevention/ Education	Youth Services	Transportation Community Investment Fee	
\$ 196,554	\$ 84,190	\$ 27,394	\$ 60,395	\$ 116,023	\$ 149,376	\$ 1,096,090	
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
97,529	-	-	-	6,489	16,358	-	-
-	-	-	-	2,302	-	-	-
1,127	192	73	157	297	396	2,818	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 295,210</u>	<u>\$ 84,382</u>	<u>\$ 27,467</u>	<u>\$ 60,552</u>	<u>\$ 125,111</u>	<u>\$ 166,130</u>	<u>\$ 1,098,908</u>	
\$ 1,187	\$ 245	\$ -	\$ -	\$ -	\$ -	\$ -	-
-	-	-	-	-	-	-	-
3,970	193	-	-	3,260	934	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>5,157</u>	<u>438</u>	<u>-</u>	<u>-</u>	<u>3,260</u>	<u>934</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-	-	-
97,529	-	-	-	-	-	-	-
<u>97,529</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-	-	-
192,524	-	-	60,552	84,656	6,737	1,098,908	-
-	83,944	27,467	-	37,195	158,459	-	-
-	-	-	-	-	-	-	-
<u>192,524</u>	<u>83,944</u>	<u>27,467</u>	<u>60,552</u>	<u>121,851</u>	<u>165,196</u>	<u>1,098,908</u>	
<u>\$ 295,210</u>	<u>\$ 84,382</u>	<u>\$ 27,467</u>	<u>\$ 60,552</u>	<u>\$ 125,111</u>	<u>\$ 166,130</u>	<u>\$ 1,098,908</u>	

(continued)

COMBINING BALANCE SHEET
Nonmajor Governmental Funds
December 31, 2013

	Public Buildings Community Investment Fee	Electric Community Investment Fee	Water System Construction Reserve	Water Acquisition
ASSETS				
Equity in pooled cash & cash equivalents	749,043	\$ 2,020,757	\$ 16,762,777	\$ 4,176,716
Cash and cash equivalents	-	-	-	-
Receivables (net of allowance for uncollectibles):				
Accounts				
Taxes	-	-	-	-
Grants	-	-	-	-
Loans	-	-	-	-
Fees	-	-	-	-
Accrued Interest	-	-	-	-
Due from other governments	1,897	5,212	43,209	10,831
Restricted assets:				
Equity in pooled cash & cash equivalents	-	-	-	-
Cash and cash equivalents	-	-	-	-
Total assets	750,940	\$ 2,025,969	\$ 16,805,986	\$ 4,187,547
LIABILITIES				
Accounts payable	-	\$ -	\$ -	411
Construction contracts payable	-	-	-	-
Accrued liabilities	-	-	-	-
Advances from other funds	-	-	-	-
Unearned revenue	-	-	-	-
Deposits	-	-	-	-
Total liabilities	-	-	-	411
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue-property taxes	-	-	-	-
Unavailable revenue-grants	-	-	-	-
Total deferred inflows of resources	-	-	-	-
FUND BALANCES (DEFICITS)				
Nonspendable	-	-	-	-
Restricted	750,940	2,025,969	16,805,986	4,187,136
Committed	-	-	-	-
Unassigned	-	-	-	-
Total fund balances (deficits)	750,940	2,025,969	16,805,986	4,187,136
Total liabilities, deferred inflows of resources and fund balances (deficits)	750,940	\$ 2,025,969	\$ 16,805,986	\$ 4,187,547

Special Revenue Funds

Raw Water Storage Reserve	Sewer Construction	Library Services	Museum Services	Historic Preservation	Callahan House	Senior Services	Parks Grants & Donations
\$ 405,711	\$ 2,236,488	\$ 65,578	\$ 45,549	\$ 9,251	\$ 24,118	\$ 202,741	\$ 333,779
-	-	62,946	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	1,500	-	-	-	-	-
-	1,226	-	-	-	-	-	-
-	343	-	-	-	-	-	-
1,085	5,712	136	127	24	64	537	1,067
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 406,796</u>	<u>\$ 2,243,769</u>	<u>\$ 130,160</u>	<u>\$ 45,676</u>	<u>\$ 9,275</u>	<u>\$ 24,182</u>	<u>\$ 203,278</u>	<u>\$ 334,846</u>
\$ -	\$ -	\$ 514	\$ 990	\$ -	\$ 434	\$ 749	\$ -
-	-	-	-	-	-	-	-
-	-	99	63	-	1,892	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	2,834	-	-	910	-
-	-	613	3,887	-	2,326	1,659	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	1,226	-	-	-	-	-	-
-	2,242,543	129,547	12,000	9,275	-	-	3,723
406,796	-	-	29,789	-	21,856	201,619	331,123
-	-	-	-	-	-	-	-
<u>406,796</u>	<u>2,243,769</u>	<u>129,547</u>	<u>41,789</u>	<u>9,275</u>	<u>21,856</u>	<u>201,619</u>	<u>334,846</u>
<u>\$ 406,796</u>	<u>\$ 2,243,769</u>	<u>\$ 130,160</u>	<u>\$ 45,676</u>	<u>\$ 9,275</u>	<u>\$ 24,182</u>	<u>\$ 203,278</u>	<u>\$ 334,846</u>

(continued)

COMBINING BALANCE SHEET
Nonmajor Governmental Funds
December 31, 2013

	Affordable Housing	Open Space	Public Safety	Lodgers Tax	Probation Services
ASSETS					
Equity in pooled cash & cash equivalents	1,590,368 \$	1,964,726 \$	1,477,338 \$	154,129 \$	101,845
Cash and cash equivalents	-	-	-	-	-
Receivables (net of allowance for uncollectibles):					
Accounts	-	-	-	-	-
Taxes	-	371,193	603,181	19,647	-
Grants	-	-	74,732	-	-
Loans	-	-	-	-	-
Fees	-	-	-	-	-
Accrued Interest	4,111	11,034	4,046	393	274
Due from other governments	-	-	-	-	-
Restricted assets:					
Equity in pooled cash & cash	-	-	-	-	-
Cash and cash equivalents	-	7,222,324	-	-	-
Total assets	1,594,479 \$	9,569,277 \$	2,159,297 \$	174,169 \$	102,119
LIABILITIES					
Accounts payable	1,799 \$	150,555 \$	55,438 \$	-	8
Construction contracts payable	-	26,810	8,041	-	-
Accrued liabilities	3,363	7,458	90,364	-	1,648
Advances from other funds	-	-	-	-	-
Unearned revenue	-	-	21,900	-	-
Deposits	-	-	-	-	-
Total liabilities	5,162	184,823	175,743	-	1,656
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue-property taxes	-	-	-	-	-
Unavailable revenue-grants	-	-	65,900	-	-
Total deferred inflows of resources	-	-	65,900	-	-
FUND BALANCES (DEFICITS)					
Nonspendable	-	-	-	-	-
Restricted	-	9,384,454	1,917,654	174,169	-
Committed	1,589,317	-	-	-	100,463
Unassigned	-	-	-	-	-
Total fund balances (deficits)	1,589,317	9,384,454	1,917,654	174,169	100,463
Total liabilities, deferred inflows of resources and fund balances (deficits)	1,594,479 \$	9,569,277 \$	2,159,297 \$	174,169 \$	102,119

Special Revenue Funds				Capital Project Fund	Permanent Fund	Total Nonmajor Governmental Funds
Museum Trust	Jones Foundation Trust	Longmont Urban Renewal Authority	TOTALS	Public Improvement Capital Projects	Mosher/Kanemoto Trust	
\$ 96,095	\$ 60,344	\$ 84,855	\$ 44,822,861	\$ 2,193,155	\$ 1,149,291	\$ 48,165,307
-	-	-	62,946	-	-	62,946
-	-	102,618	102,618	-	-	102,618
-	-	-	1,097,438	489,376	-	1,586,814
-	-	-	196,608	-	-	196,608
-	-	-	1,226	-	-	1,226
-	-	-	2,645	-	-	2,645
249	161	-	122,304	10,080	3,076	135,460
-	-	-	475	-	-	475
-	-	-	-	2,224,189	-	2,224,189
-	-	-	7,222,324	-	-	7,222,324
<u>\$ 96,344</u>	<u>\$ 60,505</u>	<u>\$ 187,473</u>	<u>\$ 53,631,445</u>	<u>\$ 4,916,800</u>	<u>\$ 1,152,367</u>	<u>\$ 59,700,612</u>
\$ 405	\$ -	\$ 183,449	\$ 434,713	\$ 357,035	-	\$ 791,748
-	-	-	75,967	23,383	-	99,350
-	-	-	113,580	-	-	113,580
-	-	312,000	312,000	-	-	312,000
-	-	-	21,900	-	-	21,900
-	-	-	3,744	-	-	3,744
<u>405</u>	<u>-</u>	<u>495,449</u>	<u>961,904</u>	<u>380,418</u>	<u>-</u>	<u>1,342,322</u>
-	-	-	103,417	-	-	103,417
-	-	-	163,429	-	-	163,429
-	-	-	266,846	-	-	266,846
-	-	-	1,226	-	-	1,226
-	-	-	49,564,973	4,536,382	1,152,367	55,253,722
95,939	60,505	-	3,144,472	-	-	3,144,472
-	-	(307,976)	(307,976)	-	-	(307,976)
<u>95,939</u>	<u>60,505</u>	<u>(307,976)</u>	<u>52,402,695</u>	<u>4,536,382</u>	<u>1,152,367</u>	<u>58,091,444</u>
<u>\$ 96,344</u>	<u>\$ 60,505</u>	<u>\$ 187,473</u>	<u>\$ 53,631,445</u>	<u>\$ 4,916,800</u>	<u>\$ 1,152,367</u>	<u>\$ 59,700,612</u>

**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES**
Nonmajor Governmental Funds
For the Year Ended December 31, 2013

	Conservation	Park Improvement	General Improvement District #1	Community Development Block Grant	Downtown Parking	Judicial Wedding Fees
REVENUES						
Taxes	\$ -	\$ -	\$ 86,072	\$ -	\$ -	-
Licenses and permits	-	840,360	-	-	55,238	-
Developer/owner participation	-	118,499	-	-	-	-
Intergovernmental	945,452	-	-	648,518	-	-
Charges for services	-	-	-	-	-	3,000
Fines and forfeits	-	-	-	-	-	-
Investment income (loss)	(7,735)	(4,980)	331	18,335	(113)	(32)
Private grants/donations	-	2,750	-	-	-	-
Miscellaneous	-	-	1,730	121,015	-	-
Total revenues	937,717	956,629	88,133	787,868	55,125	2,968
EXPENDITURES						
Current:						
General governmental	-	-	85,397	889,560	34,082	1,304
Public safety	-	-	-	-	-	-
Culture and recreation	299,288	247,002	-	-	-	-
Municipal utility system	-	-	-	-	-	-
Capital Projects	-	-	-	-	-	-
Debt service:						
Bond principal retired	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
Total expenditures	299,288	247,002	85,397	889,560	34,082	1,304
Excess of revenues over (under) expenditures	638,429	709,627	2,736	(101,692)	21,043	1,664
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	12,970	-
Transfers out	-	(2,802)	-	-	-	(1,324)
Total other financing sources (uses)	-	(2,802)	-	-	12,970	(1,324)
Net change in fund balances	638,429	706,825	2,736	(101,692)	34,013	340
FUND BALANCES (DEFICITS), January 1	5,550,412	3,484,755	95,043	294,216	49,931	27,127
FUND BALANCES (DEFICITS), December 31	\$ 6,188,841	\$ 4,191,580	\$ 97,779	\$ 192,524	\$ 83,944	\$ 27,467

Special Revenue Funds

Police Seizures	Prevention Education	Youth Services	Transportation Community Investment Fee	Public Buildings Community Investment Fee	Electric Community Investment Fee	Water System Construction Reserve	Water Acquisition
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	225,499	-	261,572	1,117,895	-
-	-	-	-	267,038	-	-	659,768
19,150	62,706	16,358	-	-	-	-	-
-	19,037	32,287	-	-	-	-	-
-	-	-	-	-	-	-	-
(44)	(119)	(103)	(1,617)	(1,475)	(2,372)	(17,018)	(6,019)
-	9,236	24,818	-	-	-	-	-
-	4,962	818	-	-	-	-	-
19,106	95,822	74,178	223,882	265,563	259,200	1,100,877	653,749
-	-	-	-	23,835	-	-	-
17,596	97,514	-	-	-	-	-	-
-	-	53,089	-	-	-	-	-
-	-	-	-	-	98,002	234,527	46,415
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
17,596	97,514	53,089	-	23,835	98,002	234,527	46,415
1,510	(1,692)	21,089	223,882	241,728	161,198	866,350	607,334
-	-	-	-	-	-	-	-
-	-	-	-	(761)	-	(2,241)	-
-	-	-	-	(761)	-	(2,241)	-
1,510	(1,692)	21,089	223,882	240,967	161,198	864,109	607,334
59,042	123,543	144,107	875,026	509,973	1,864,771	15,941,877	3,579,802
\$ 60,552	\$ 121,851	\$ 165,196	\$ 1,098,908	\$ 750,940	\$ 2,025,969	\$ 16,805,986	\$ 4,187,136

(continued)

**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES**

**Nonmajor Governmental Funds
For the Year Ended December 31, 2013**

	Raw Water Storage Reserve	Sewer Construction	Library Services	Museum Services	Historic Preservation
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	765,285	-	-	1,000
Developer/owner participation	-	60	-	-	-
Intergovernmental	-	-	21,477	28,000	-
Charges for services	-	-	-	47,779	-
Fines and forfeits	-	-	-	-	-
Investment income (loss)	(397)	(3,092)	75	(12)	(8)
Private grants	-	-	83,922	8,080	-
Miscellaneous	-	45	20,706	2,161	-
Total revenues	(397)	762,298	126,180	86,008	992
EXPENDITURES					
Current:					
General governmental	-	-	-	-	-
Public safety	-	-	-	-	-
Culture and recreation	-	-	92,520	105,840	-
Municipal utility system	-	442	-	-	-
Capital Projects	-	-	-	-	-
Debt service:					
Bond principal retired	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	-	442	92,520	105,840	-
Excess of revenues over (under) expenditures	(397)	761,856	33,660	(19,832)	992
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	-
Transfers out	-	(328,152)	(31,188)	-	-
Total other financing sources (uses)	-	(328,152)	(31,188)	-	-
Net change in fund balances	(397)	433,704	2,472	(19,832)	992
FUND BALANCES (DEFICITS), January 1	407,193	1,810,065	127,075	61,621	8,283
FUND BALANCES (DEFICITS), December 31	\$ 406,796	\$ 2,243,769	\$ 129,547	\$ 41,789	\$ 9,275

Special Revenue Funds

Callahan House	Senior Services	Parks Grants & Donations	Affordable Housing	Open Space	Public Safety	Lodgers Tax
\$ -	\$ -	\$ -	\$ -	\$ 3,195,124	\$ 5,192,082	\$ 346,352
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	286,310	361,986	-
36,192	181,497	-	300	-	82,919	-
-	-	-	-	-	-	-
(32)	(290)	(445)	46,007	5,787	(622)	(366)
163	12,648	-	-	-	-	-
-	6,744	-	861,309	57,483	21,701	-
36,323	200,599	(445)	907,616	3,544,704	5,658,066	345,986
-	-	-	203,950	-	-	-
-	-	-	-	-	5,727,995	-
88,330	162,511	4,844	-	1,872,505	-	315,902
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	1,150,000	-	-
-	-	-	-	1,068,314	-	-
88,330	162,511	4,844	203,950	4,090,819	5,727,995	315,902
(52,007)	38,088	(5,289)	703,666	(546,115)	(69,929)	30,084
60,204	-	-	152,315	162,184	10,201	-
-	-	-	(580)	(7,469)	(148,066)	-
60,204	-	-	151,735	154,715	(137,865)	-
8,197	38,088	(5,289)	855,401	(391,400)	(207,794)	30,084
13,659	163,531	340,135	733,916	9,775,854	2,125,448	144,085
\$ 21,856	\$ 201,619	\$ 334,846	\$ 1,589,317	\$ 9,384,454	\$ 1,917,654	\$ 174,169

(continued)

**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES**
Nonmajor Governmental Funds
For the Year Ended December 31, 2013

	Special Revenue Funds			
	Probation Services	Museum Trust	Jones Foundation Trust	Longmont Urban Renewal Authority
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Developer/owner participation	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	42,002	-	-
Fines and forfeits	68,524	-	-	-
Investment income (loss)	(81)	(108)	(59)	-
Private grants	-	2,075	-	-
Miscellaneous	-	410	-	93
Total revenues	68,443	44,379	(59)	93
EXPENDITURES				
Current:				
General governmental	74,121	-	-	223,677
Public safety	-	-	-	-
Culture and recreation	-	40,225	-	-
Municipal utility system	-	-	-	-
Capital Projects	-	-	-	-
Debt service:				
Bond principal retired	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	74,121	40,225	-	223,677
Excess of revenues over (under) expenditures	(5,678)	4,154	(59)	(223,584)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	(415)	-	-	-
Total other financing sources (uses)	(415)	-	-	-
Net change in fund balances	(6,093)	4,154	(59)	(223,584)
FUND BALANCES (DEFICITS), January 1	106,556	91,785	60,564	(84,392)
FUND BALANCES (DEFICITS), December 31	\$ 100,463	\$ 95,939	\$ 60,505	\$ (307,976)

	Capital Projects Fund	Permanent Fund	
<u>TOTALS</u>	<u>Public Improvement Capital Projects</u>	<u>Mosher/Kanemoto Trust</u>	<u>Total Nonmajor Governmental Funds</u>
\$ 8,819,630	\$ 4,068,199	\$ -	\$ 12,887,829
3,266,849	-	-	3,266,849
1,045,365	-	-	1,045,365
2,389,957	-	-	2,389,957
445,013	-	-	445,013
68,524	-	-	68,524
23,396	(3,887)	(1,127)	18,382
143,692	1,123,350	-	1,267,042
1,099,177	-	-	1,099,177
<u>17,301,603</u>	<u>5,187,662</u>	<u>(1,127)</u>	<u>22,488,138</u>
1,535,926	-	-	1,535,926
5,843,105	-	-	5,843,105
3,282,056	-	-	3,282,056
379,386	-	-	379,386
-	2,382,196	-	2,382,196
1,150,000	1,980,000	-	3,130,000
1,068,314	738,925	-	1,807,239
<u>13,258,787</u>	<u>5,101,121</u>	<u>-</u>	<u>18,359,908</u>
<u>4,042,816</u>	<u>86,541</u>	<u>(1,127)</u>	<u>4,128,230</u>
397,874	250,000	-	647,874
<u>(522,998)</u>	<u>(12,653)</u>	<u>-</u>	<u>(535,651)</u>
<u>(125,124)</u>	<u>237,347</u>	<u>-</u>	<u>112,223</u>
<u>3,917,692</u>	<u>323,888</u>	<u>(1,127)</u>	<u>4,240,453</u>
<u>48,485,003</u>	<u>4,212,494</u>	<u>1,153,494</u>	<u>53,850,991</u>
<u>\$ 52,402,695</u>	<u>\$ 4,536,382</u>	<u>\$ 1,152,367</u>	<u>\$ 58,091,444</u>

CONSERVATION SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL
For the Year Ended December 31, 2013

	Final Budget	Actual	Variance From Final Budget
REVENUES			
Intergovernmental	\$ 725,000	\$ 945,452	\$ 220,452
Investment income (loss)	22,386	(7,735)	(30,121)
Total revenues	747,386	937,717	190,331
EXPENDITURES			
Culture and recreation	4,587,026	299,288	4,287,738
Net change in fund balance	(3,839,640)	638,429	4,478,069
FUND BALANCE, January 1	5,550,412	5,550,412	-
FUND BALANCE, December 31	\$ 1,710,772	\$ 6,188,841	\$ 4,478,069

PARK IMPROVEMENT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP) BASIS AND ACTUAL
For the Year Ended December 31, 2013

	Final Budget	Actual	Variance From Final Budget
REVENUES			
Licenses and permits	\$ 331,825	\$ 840,360	\$ 508,535
Developer participation	-	118,499	
Investment income (loss)	15,406	(4,980)	(20,386)
Private grants/donations	-	2,750	2,750
Total revenues	347,231	956,629	490,899
EXPENDITURES			
Culture and recreation	1,577,580	247,002	1,330,578
Excess of revenues over (under) expenditures	(1,230,349)	709,627	1,821,477
OTHER FINANCING (USES)			
Transfer out			
Art in Public Places fund	(21,512)	(2,802)	18,710
Net change in fund balance	(1,251,861)	706,825	1,840,187
FUND BALANCE, January 1	3,484,755	3,484,755	-
FUND BALANCE, December 31	\$ 2,232,894	\$ 4,191,580	\$ 1,958,686

GENERAL IMPROVEMENT DISTRICT #1 SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP) BASIS AND ACTUAL
For the Year Ended December 31, 2013

	Final Budget	Actual	Variance From Final Budget
REVENUES			
Taxes	\$ 86,009	\$ 86,072	\$ 63
Investment income	1,300	331	(969)
Miscellaneous	195	1,730	1,535
Total revenues	87,504	88,133	629
EXPENDITURES			
General government	112,144	85,397	26,747
Net change in fund balance	(24,640)	2,736	27,376
FUND BALANCE, January 1	95,043	95,043	-
FUND BALANCE, December 31	\$ 70,403	\$ 97,779	\$ 27,376

COMMUNITY DEVELOPMENT BLOCK GRANT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP) BASIS AND ACTUAL
For the Year Ended December 31, 2013

	Final Budget	Actual	Variance From Final Budget
REVENUES			
Intergovernmental	\$ 2,092,865	\$ 648,518	\$ (1,444,347)
Investment income	-	18,335	18,335
Miscellaneous	77,000	121,015	44,015
Total revenues	2,169,865	787,868	(1,381,997)
EXPENDITURES			
General government	2,179,416	889,560	1,289,856
Net change in fund balance	(9,551)	(101,692)	(92,141)
FUND BALANCE, January 1	294,216	294,216	-
FUND BALANCE, December 31	\$ 284,665	\$ 192,524	\$ (92,141)

DOWNTOWN PARKING SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP) BASIS AND ACTUAL
For the Year Ended December 31, 2013

	Final Budget	Actual	Variance From Final Budget
REVENUES			
Licenses and permits	\$ 55,400	\$ 55,238	\$ (162)
Investment income (loss)	200	(113)	(313)
Total revenues	55,600	55,125	(475)
EXPENDITURES			
General government	56,942	34,082	22,860
Excess of revenues over (under) expenditures	(1,342)	21,043	22,385
OTHER FINANCING SOURCES			
Transfer in General Fund	23,190	12,970	(10,220)
Total other financing sources	23,190	12,970	(10,220)
Net change in fund balance	21,848	34,013	12,165
FUND BALANCE, January 1	49,931	49,931	-
FUND BALANCE, December 31	\$ 71,779	\$ 83,944	\$ 12,165

JUDICIAL WEDDING FEE SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP) BASIS AND ACTUAL
For the Year Ended December 31, 2013

	Final Budget	Actual	Variance From Final Budget
REVENUES			
Charges for services	\$ 1,500	\$ 3,000	\$ 1,500
Investment income (loss)	400	(32)	(432)
Total revenues	1,900	2,968	1,068
EXPENDITURES			
General government	1,500	1,304	196
Excess of revenues over expenditures	400	1,664	1,264
OTHER FINANCING (USES)			
Transfer out			
General fund	(1,324)	(1,324)	-
Net change in fund balance	(924)	340	1,264
FUND BALANCE, January 1	27,127	27,127	-
FUND BALANCE, December 31	\$ 26,203	\$ 27,467	\$ 1,264

POLICE SEIZURES SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP) BASIS AND ACTUAL
For the Year Ended December 31, 2013

	Final Budget	Actual	Variance From Final Budget
REVENUES			
Intergovernmental	\$ 11,594	\$ 19,150	\$ 7,556
Investment income (loss)	-	(44)	(44)
Total revenues	11,594	19,106	7,512
EXPENDITURES			
Public safety	24,814	17,596	7,218
Net change in fund balance	(13,220)	1,510	14,730
FUND BALANCE, January 1	59,042	59,042	-
FUND BALANCE, December 31	\$ 45,822	\$ 60,552	\$ 14,730

PREVENTION/EDUCATION SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP) BASIS AND ACTUAL
For the Year Ended December 31, 2013

	Final Budget	Actual	Variance From Final Budget
REVENUES			
Charges for services	\$ 27,000	\$ 19,037	(7,963)
Intergovernmental	99,577	62,706	(36,871)
Investment income (loss)	-	(119)	(119)
Private grants/donations	4,082	9,236	5,154
Miscellaneous	560	4,962	4,402
Total revenues	131,219	95,822	(35,397)
EXPENDITURES			
Public safety	131,219	97,514	33,705
Net change in fund balance	-	(1,692)	(1,692)
FUND BALANCE, January 1	123,543	123,543	-
FUND BALANCE, December 31	\$ 123,543	\$ 121,851	(1,692)

YOUTH SERVICES SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP) BASIS AND ACTUAL
For the Year Ended December 31, 2013

	Final Budget	Actual	Variance From Final Budget
REVENUES			
Charges for services	\$ 21,500	\$ 32,287	\$ 10,787
Intergovernmental	16,552	16,358	(194)
Investment income (loss)	-	(103)	(103)
Private grant	23,029	24,818	1,789
Miscellaneous	-	818	818
<hr/>			
Total revenues	61,081	74,178	13,097
EXPENDITURES			
Culture and recreation	77,589	53,089	24,500
<hr/>			
Net change in fund balance	(16,508)	21,089	37,597
<hr/>			
FUND BALANCE, January 1	144,107	144,107	-
<hr/>			
FUND BALANCE, December 31	\$ 127,599	\$ 165,196	\$ 37,597

TRANSPORTATION COMMUNITY INVESTMENT FEE SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP) BASIS AND ACTUAL
For the Year Ended December 31, 2013

	Final Budget	Actual	Variance From Final Budget
REVENUES			
Licenses and permits	\$ 210,987	\$ 225,499	\$ 14,512
Investment income (loss)	4,731	(1,617)	(6,348)
Total revenues	215,718	223,882	8,164
EXPENDITURES			
Highways and streets	900,000	-	900,000
Net change in fund balance	(684,282)	223,882	908,164
FUND BALANCE, January 1	875,026	875,026	-
FUND BALANCE, December 31	\$ 190,744	\$ 1,098,908	\$ 908,164

PUBLIC BUILDINGS COMMUNITY INVESTMENT FEE SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP) BASIS AND ACTUAL
For the Year Ended December 31, 2013

	Final Budget	Actual	Variance From Final Budget
REVENUES			
Developer participation	\$ 194,478	\$ 267,038	\$ 72,560
Investment income (loss)	4,000	(1,475)	(5,475)
Private grants/donations	450,000	-	(450,000)
Total revenues	648,478	265,563	(382,915)
EXPENDITURES			
General Government	561,447	23,835	537,612
Excess of revenues over expenditures	87,031	241,728	154,697
OTHER FINANCING (USES)			
Transfer out			
Art in Public Places fund	(5,100)	(761)	4,339
Net change in fund balance	81,931	240,967	159,036
FUND BALANCE, January 1	509,973	509,973	-
FUND BALANCE, December 31	\$ 591,904	\$ 750,940	\$ 159,036

ELECTRIC COMMUNITY INVESTMENT FEE SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP) BASIS AND ACTUAL
For the Year Ended December 31, 2013

	Final Budget	Actual	Variance From Final Budget
REVENUES			
Licenses and permits	\$ 1,037,000	\$ 261,572	\$ (775,428)
Investment income (loss)	22,000	(2,372)	(24,372)
Total revenues	1,059,000	259,200	(799,800)
EXPENDITURES			
Municipal utility systems	990,000	98,002	891,998
Net change in fund balance	69,000	161,198	92,198
FUND BALANCE, January 1	1,864,771	1,864,771	-
FUND BALANCE, December 31	\$ 1,933,771	\$ 2,025,969	\$ 92,198

**WATER SYSTEM CONSTRUCTION RESERVE SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP) BASIS AND ACTUAL
For the Year Ended December 31, 2013**

	Final Budget	Actual	Variance From Final Budget
REVENUES			
Licenses and permits	\$ 541,500	\$ 1,117,895	\$ 576,395
Investment income (loss)	301,200	(17,018)	(318,218)
Total revenues	842,700	1,100,877	258,177
EXPENDITURES			
Municipal utility systems	1,101,171	234,527	866,644
Excess of revenues over (under) expenditures	(258,471)	866,350	1,124,821
OTHER FINANCING (USES)			
Transfer out			
Art in public places fund	(4,270)	(2,241)	2,029
Net change in fund balance	(262,741)	864,109	1,126,850
FUND BALANCE, January 1	15,941,877	15,941,877	-
FUND BALANCE, December 31	\$ 15,679,136	\$ 16,805,986	\$ 1,126,850

WATER ACQUISITION SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP) BASIS AND ACTUAL
For the Year Ended December 31, 2013

	Final Budget	Actual	Variance From Final Budget
REVENUES			
Charges for services	\$ 5,000	\$ 659,768	\$ 654,768
Investment income (loss)	68,600	(6,019)	(74,619)
Total revenues	73,600	653,749	580,149
EXPENDITURES			
Municipal utility systems	217,291	46,415	170,876
Net change in fund balance	(143,691)	607,334	751,025
FUND BALANCE, January 1	3,579,802	3,579,802	-
FUND BALANCE, December 31	\$ 3,436,111	\$ 4,187,136	\$ 751,025

RAW WATER STORAGE RESERVE SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP) BASIS AND ACTUAL
For the Year Ended December 31, 2013

	Final Budget	Actual	Variance From Final Budget
REVENUES			
Investment income (loss)	\$ 1,000	\$ (397)	\$ (1,397)
EXPENDITURES			
Municipal utility system	10,000	-	10,000
Net change in fund balance	(9,000)	(397)	8,603
FUND BALANCE, January 1	407,193	407,193	-
FUND BALANCE, December 31	\$ 398,193	\$ 406,796	8,603

SEWER CONSTRUCTION SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP) BASIS AND ACTUAL
For the Year Ended December 31, 2013

	Final Budget	Actual	Variance From Final Budget
REVENUES			
Licenses and permits	\$ 430,900	\$ 765,285	\$ 334,385
Developer participation	-	60	60
Investment income (loss)	17,000	(3,092)	(20,092)
Miscellaneous	-	45	45
Total revenues	447,900	762,298	314,398
EXPENDITURES			
Municipal utility systems	68,016	442	67,574
Excess of revenues over expenditures	379,884	761,856	381,972
OTHER FINANCING (USES)			
Transfer out			
Sewer Fund	(328,152)	(328,152)	-
Art in public places fund	(2,277)	-	2,277
Total other financing (uses)	(330,429)	(328,152)	2,277
Net change in fund balance	49,455	433,704	384,249
FUND BALANCE, January 1	1,810,065	1,810,065	-
FUND BALANCE, December 31	\$ 1,859,520	\$ 2,243,769	\$ 384,249

LIBRARY SERVICES SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP) BASIS AND ACTUAL
For the Year Ended December 31, 2013

	Final Budget	Actual	Variance From Final Budget
REVENUES			
Intergovernmental	\$ 6,000	\$ 21,477	15,477
Investment income (loss)	1,000	75	(925)
Private grants/donations	63,688	83,922	20,234
Miscellaneous	23,000	20,706	(2,294)
Total revenues	93,688	126,180	32,492
EXPENDITURES			
Culture and recreation	58,200	92,520	(34,320)
Excess revenues over expenditures	35,488	33,660	(1,828)
OTHER FINANCING (USES)			
Transfer out General fund	(31,188)	(31,188)	-
Net change in fund balance	4,300	2,472	(1,828)
FUND BALANCE, January 1	127,075	127,075	-
FUND BALANCE, December 31	\$ 131,375	\$ 129,547	(1,828)

MUSEUM SERVICES SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP) BASIS AND ACTUAL
For the Year Ended December 31, 2013

	Final Budget	Actual	Variance From Final Budget
REVENUES			
Intergovernmental	\$ 25,500	\$ 28,000	\$ 2,500
Charges of services	50,400	47,779	(2,621)
Investment income (loss)	500	(12)	(512)
Private grants/donations	24,100	8,080	(16,020)
Miscellaneous	2,000	2,161	161
Total revenues	102,500	86,008	(16,492)
EXPENDITURES			
Culture and recreation	110,283	105,840	4,443
Net change in fund balance	(7,783)	(19,832)	(12,049)
FUND BALANCE, January 1	61,621	61,621	-
FUND BALANCE, December 31	\$ 53,838	\$ 41,789	(12,049)

CALLAHAN HOUSE SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP) BASIS AND ACTUAL
For the Year Ended December 31, 2013

	Final Budget	Actual	Variance From Final Budget
REVENUES			
Charges for services	\$ 55,430	\$ 36,192	\$ (19,238)
Investment income (loss)	200	(32)	(232)
Private Grants/donations	-	163	163
<hr/>			
Total revenues	55,630	36,323	(19,307)
EXPENDITURES			
Culture and recreation	88,212	88,330	(118)
<hr/>			
Excess of revenues (under) expenditures	(32,582)	(52,007)	(19,425)
<hr/>			
OTHER FINANCING SOURCES			
Transfer in			
General fund	60,204	60,204	-
<hr/>			
Net change in fund balance	27,622	8,197	(19,425)
<hr/>			
FUND BALANCE, January 1	13,659	13,659	-
<hr/>			
FUND BALANCE, December 31	\$ 41,281	\$ 21,856	\$ (19,425)

SENIOR SERVICES SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP) BASIS AND ACTUAL
For the Year Ended December 31, 2013

	Final Budget	Actual	Variance From Final Budget
REVENUES			
Charges for services	\$ 166,200	\$ 181,497	\$ 15,297
Investment income (loss)	-	(290)	(290)
Private Grants/donations	5,000	12,648	7,648
Miscellaneous	6,000	6,744	744
Total revenues	177,200	200,599	23,399
EXPENDITURES			
Culture and recreation	208,611	162,511	46,100
Net change in fund balance	(31,411)	38,088	69,499
FUND BALANCE, January 1	163,531	163,531	-
FUND BALANCE, December 31	\$ 132,120	\$ 201,619	\$ 69,499

PARKS GRANTS AND DONATIONS SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP) BASIS AND ACTUAL
For the Year Ended December 31, 2013

	Final Budget	Actual	Variance From Final Budget
REVENUES			
Investment income (loss)	\$ -	\$ (445)	\$ (445)
EXPENDITURES			
Culture and recreation	69,677	4,844	64,833
Net change in fund balance	(69,677)	(5,289)	64,388
FUND BALANCE, January 1	340,135	340,135	-
FUND BALANCE, December 31	\$ 270,458	\$ 334,846	\$ 64,388

AFFORDABLE HOUSING SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP) BASIS AND ACTUAL
For the Year Ended December 31, 2013

	Final Budget	Actual	Variance From Final Budget
REVENUES			
Investment income	\$ -	\$ 46,007	\$ 46,007
Charges for services	-	300	-
Miscellaneous	106,110	861,309	755,199
Total revenues	106,110	907,616	801,206
EXPENDITURES			
General government	407,176	203,950	203,226
Excess of revenues over (under) expenditures	(301,066)	703,666	1,004,432
OTHER FINANCING SOURCES (USES)			
Transfer in			
General fund	152,315	152,315	-
Transfer out			
General fund	(580)	(580)	-
Total other financing sources (uses)	151,735	151,735	-
Net change in fund balance	(149,331)	855,401	1,004,732
FUND BALANCE, January 1	733,916	733,916	-
FUND BALANCE, December 31	\$ 584,585	\$ 1,589,317	\$ 1,004,732

OPEN SPACE SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP) BASIS AND ACTUAL
For the Year Ended December 31, 2013

	Final Budget	Actual	Variance From Final Budget
REVENUES			
Taxes	\$ 2,998,139	\$ 3,195,124	\$ 196,985
Intergovernmental	238,664	286,310	47,646
Investment income (loss)	62,679	5,787	(56,892)
Miscellaneous	40,000	57,483	17,483
Total revenues	3,339,482	3,544,704	205,222
EXPENDITURES			
Current:			
Culture and Recreation	7,454,996	1,872,505	5,582,491
Debt Service:			
Bond principal retired	1,150,000	1,150,000	-
Interest and fiscal charges	1,068,314	1,068,314	-
Total expenditures	9,673,310	4,090,819	5,582,491
Excess of revenues (under) expenditures	(6,333,828)	(546,115)	5,787,713
OTHER FINANCING SOURCES (USES)			
Transfer in			
Street Fund	-	148,500	148,500
Fleet Fund	-	13,684	13,684
Transfers out			
Art in public places fund	(32,416)	(7,218)	25,198
General Fund	(251)	(251)	-
Total other financing sources (uses)	(32,667)	154,715	187,382
Net changes in fund balance	(6,366,495)	(391,400)	5,975,095
FUND BALANCE, January 1	9,775,854	9,775,854	-
FUND BALANCE, December 31	3,409,359	9,384,454	5,975,095

PUBLIC SAFETY SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP) BASIS AND ACTUAL
For the Year Ended December 31, 2013

	Final Budget	Actual	Variance From Final Budget
REVENUES			
Taxes	\$ 4,871,976	\$ 5,192,082	\$ 320,106
Intergovernmental	826,893	361,986	(464,907)
Charges for service	93,534	82,919	(10,615)
Investment income (loss)	11,500	(622)	(12,122)
Miscellaneous	-	21,701	21,701
Total revenues	5,803,903	5,658,066	(145,837)
EXPENDITURES			
Current:			
Public Safety	6,044,625	5,727,995	316,630
Excess of revenues (under) expenditures	(240,722)	(69,929)	170,793
OTHER FINANCING SOURCES (USES)			
Transfers in			
Fleet Fund	-	10,201	10,201
Transfers out			
Art in Public Places fund	(3,102)	(526)	2,576
General Fund	(10,082)	(10,082)	-
Fleet Fund	(137,140)	(137,458)	(318)
Total other financing sources (uses)	(150,324)	(137,865)	12,459
Net changes in fund balance	(391,046)	(207,794)	183,252
FUND BALANCE, January 1	2,125,448	2,125,448	-
FUND BALANCE, December 31	\$ 1,734,402	\$ 1,917,654	\$ 183,252

LODGERS TAX SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP) BASIS AND ACTUAL
For the Year Ended December 31, 2013

	Final Budget	Actual	Variance From Final Budget
REVENUES			
Taxes	\$ 288,473	\$ 346,352	\$ 57,879
Investment income (loss)	1,000	(366)	(1,366)
<hr/>			
Total revenues	289,473	345,986	56,513
EXPENDITURES			
Culture and recreation	360,902	315,902	45,000
<hr/>			
Net changes in fund balance	(71,429)	30,084	101,513
<hr/>			
FUND BALANCE, January 1	144,085	144,085	-
<hr/>			
FUND BALANCE, December 31	\$ 72,656	\$ 174,169	\$ 101,513

PROBATION SERVICES SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP) BASIS AND ACTUAL
For the Year Ended December 31, 2013

	Final Budget	Actual	Variance From Final Budget
REVENUES			
Fines and forfeits	\$ 98,000	\$ 68,524	\$ (29,476)
Investment income (loss)	800	(81)	(881)
Total revenues	98,800	68,443	(30,357)
EXPENDITURES			
General government	83,824	74,121	9,703
Excess of revenues over (under) expenditures	14,976	(5,678)	(20,654)
OTHER FINANCING (USES)			
Transfers out			
General Fund	(415)	(415)	-
Net changes in fund balance	14,561	(6,093)	(20,654)
FUND BALANCE, January 1	106,556	106,556	-
FUND BALANCE, December 31	\$ 121,117	\$ 100,463	\$ (20,654)

MUSEUM TRUST SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP) BASIS AND ACTUAL
For the Year Ended December 31, 2013

	Final Budget	Actual	Variance From Final Budget
REVENUES			
Charges for services	\$ 39,000	\$ 42,002	\$ 3,002
Investment income (loss)	2,000	(108)	(2,108)
Private Grants / donations	3,000	2,075	(925)
Miscellaneous	5	410	405
Total revenues	44,005	44,379	374
EXPENDITURES			
Culture and recreation	42,823	40,225	2,598
Net change in fund balance	1,182	4,154	2,972
FUND BALANCE, January 1	91,785	91,785	-
FUND BALANCE, December 31	\$ 92,967	\$ 95,939	2,972

LONGMONT URBAN RENEWAL AUTHORITY FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP) BASIS AND ACTUAL
For the Year Ended December 31, 2013

	Final Budget	Actual	Variance From Final Budget
REVENUES			
Investment income	\$ -	\$ 93	\$ 93
Total revenues	-	93	93
EXPENDITURES			
General government	228,195	223,677	4,518
Excess of revenues (under) expenditures	(228,195)	(223,584)	4,611
OTHER FINANCING SOURCES			
Proceeds from advance	201,586	202,000	(414)
Net change in fund balance	(26,609)	21,584	5,025
FUND BALANCE, January 1	(84,392)	(84,392)	-
FUND BALANCE, December 31	\$ (111,001)	4,024 \$	115,025

RECONCILIATION TO GAAP BASIS

Less - proceeds from advance reclassified to short term debt	(202,000)
	<u>\$ (307,976)</u>

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP) BASIS AND ACTUAL
ART IN PUBLIC PLACES SUBFUND OF THE GENERAL FUND
For the Year Ended December 31, 2013**

	Original Budget	Final Budget	Actual	Variance From Final Budget
REVENUES				
Investment income (loss)	\$ -	\$ -	(671)	\$ (671)
EXPENDITURES				
Culture and recreation	125,920	145,920	86,003	59,917
Excess of revenues (under) expenditures	(125,920)	(145,920)	(86,674)	59,246
OTHER FINANCING SOURCES (USES)				
Transfers in				
Sanitation fund	300	300	7	(293)
Golf fund	540	540	-	(540)
Electric fund	4,000	4,000	6,319	2,319
Water fund	33,288	33,288	8,959	(24,329)
Water construction fund	3,150	3,150	2,241	(909)
Sewer fund	20,954	20,954	80,702	59,748
Sewer construction fund	-	-	-	-
Storm drainage fund	1,015	1,015	22,937	21,922
Airport fund	-	-	685	685
Public improvement fund	11,825	11,825	12,653	828
Parks improvement fund	3,000	3,000	2,802	(198)
Public building CIF fund	-	-	761	761
Open space fund	12,702	12,702	7,218	(5,484)
Public safety fund	2,900	2,900	526	(2,374)
Component unit	-	-	2,973	2,973
Transfers out				
General fund	(140)	(140)	(140)	-
Total other financing sources (uses)	93,534	93,534	148,643	55,109
Net change in fund balance	(32,386)	(52,386)	61,969	114,355
FUND BALANCE, January 1	361,016	361,016	361,016	-
FUND BALANCE, December 31	\$ 328,630	\$ 308,630	\$ 422,985	\$ 114,355

CAPITAL PROJECTS FUND

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

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

PUBLIC IMPROVEMENT CAPITAL PROJECTS FUND
PROJECT-LENGTH SCHEDULE OF CONSTRUCTION PROJECTS
For the Year Ended December 31, 2013

Project Account No.	Project	Appropriations	
		Prior	2013
	TRANSFERS		
40101	DDA Building Permits	\$ 9,577	\$ -
-	Art Transfers	48,046	-
		57,623	-
PUBLIC IMPROVEMENTS CAPITAL PROJECTS			
40101	Debt Service - Principal	20,815,230	1,980,000
	Debt Service - Interest	22,726,803	738,925
	Fiscal Charges	42,235	4,550
43002	Museum Cultural Center	6,426,783	-
43005	Roosevelt Memorial Building	1,484,276	-
43006	Roosevelt Park Improvements	3,409,453	-
43010	Museum Auditorium Fundraising	100,000	-
43027	Park Shelter Rehabilitation	1,071,419	-
43037	Neighborhood Improvement Program	830,000	50,000
43082	Outdoor Warning System	405,434	-
43093	Former Museum & City Hall Renovations	1,160,400	-
43111	Arterial Landscape	834,933	-
43112	3rd Avenue Entryway	606,550	-
43133	East Longmont Entryway	267,500	-
43136	Planning and Design	-	10,000
43137	Sunset Campus	1,144,305	-
43138	Union Reservoir Master Plan	45,000	-
43157	Oligarchy Bridge @ Union Reservoir	65,500	-
43162	Garden Acres Lights	50,873	-
43168	Centennial Pool Renovation	28,000	-
43170	Recreation Center Front Desk/Gate	80,000	-
43182	Energy Efficient Equipment	2,291,380	-
44502	Economic Development Incentives	34,248	-
81413	Kanemoto Pump Demolition	-	60,000
81488	Kanemoto Pump Station	-	262,500
81505	Miscellaneous Trails and Golden Pond	-	2,187,500
81515	Greenway: Section 7, 8 and Part 9	-	-
94056	Park Bldg Rehab Replace	49,326	25,000
94083	Greenway Connection	1,012,443	-
94085	Sport Court Reconstruction	2,349,282	(26,760)
94102	Swimming and Wading Pool Improvements	4,720,809	88,728
94113	Park Irrigation Pumps	711,004	10,746
94136	Parks Bridge Replacement	405,077	-
94147	Kensington Park	482,259	-
94162	Sports Field Lighting/Scoreboards	83,200	(89,070)
94165	Neighborhood Parks Master Plan	60,000	-
94174	Playground Rehabilitation	180,000	(199,501)
94182	Skate Park Component Replacement	10,000	(505)
94185	Roosevelt Park Lot Expnsn	-	-
94186	Sport Court Reconstruction	-	440,962
95001	Municipal Building Roof Improvements	2,947,993	440,048
95002	ADA Facility Improvements	958,820	202,000
95037	Fire Stations-Heat & Exhaust	809,689	46,500
95080	Municipal Building Boilers	578,064	55,671
95082	Municipal Buildings HVAC	1,757,881	282,638
95109	Parking Lot Rehabilitation	704,981	116,150
95119	Municipal Buildings Carpet	1,275,790	35,000
95127	Police Firing Range	1,050,000	-
95145	Specialized Equipment Replacement	1,149,659	107,600
95153	Museum Auditorium	1,125,000	2,875,000
95160	Muni Bldgs Auto Door Gate	20,000	10,000
95163	Municipal Buildings Keyless Entry	149,922	-
95165	Muni Bldgs Emergency Genr	108,800	68,800
95181	UPS Repair/Replacement	123,729	60,725
95183	Sr Cntr Kitchen Expansion	312,000	-
95185	Rec Center Facility Imprvmt	136,350	-
95188	SJ Extr Foundation Repair	80,000	-
95189	Muni Building Exterior Maintenance	36,800	40,000
95190	Muni Building Interior Maintenance	31,000	26,000
-	Completed Projects	-	-
		87,340,200	9,909,207
	CAPITAL PROJECTS FUND TOTAL	\$ 87,397,823	\$ 9,909,207

Transfers (to) from		Expenditures		Unexpended
Other	Fund	Prior	2013	Balance
Projects	Balance			
\$ 30,875	\$ 211,328	\$ 224,870	\$ 26,910	\$ -
375,174	6,111	416,678	12,653	-
406,049	217,439	641,548	39,563	-
15,000	-	20,830,230	1,980,000	-
3,160	(915,493)	21,814,470	738,925	-
(2,261)	(14,454)	29,920	150	-
(121,414)	-	6,303,294	-	2,075
(65,650)	-	1,414,516	-	4,110
535,410	-	3,924,309	-	20,554
(92,153)	-	7,847	-	-
(13,631)	(50,774)	1,007,014	-	-
11,347	(50,000)	726,711	33,443	81,193
27,837	(18,892)	414,379	-	-
32,899	(7,369)	1,185,930	-	-
(182,413)	(150,000)	502,520	-	-
(131,328)	(103,909)	371,313	-	-
121,863	(13,664)	375,699	-	-
(10,000)	-	-	-	-
(6,961)	(437,466)	699,878	-	-
-	(26)	44,974	-	-
(65,500)	-	-	-	-
(36,901)	-	13,972	-	-
-	(28,000)	-	-	-
-	-	36,046	-	43,954
11	223	2,291,614	-	-
-	-	2,973	-	31,275
-	(50,032)	-	9,968	-
-	(262,500)	-	-	-
(1,920)	(1,896,130)	-	289,450	-
1,920	-	-	1,920	-
9,475	-	49,250	25,362	9,189
(137,755)	(381,389)	462,286	31,013	-
(165,777)	(337,189)	1,819,556	-	-
(98,369)	(423,505)	4,022,912	104,812	159,939
95,223	(54,850)	634,659	94,025	33,439
(61,263)	(95,021)	205,437	20,539	22,817
(5,426)	-	476,833	-	-
21,901	-	16,031	-	-
167,000	-	164,276	25,206	37,518
119,451	(45,000)	54,950	-	-
-	-	9,495	-	-
59,498	-	50,187	-	9,311
(750)	-	-	206,950	233,262
(41,185)	(470,972)	2,240,348	496,568	138,968
118,147	(25,000)	925,059	83,340	245,568
(10,910)	(71,995)	685,085	42,965	45,234
(3,969)	(195,512)	336,993	61,768	35,493
(15,432)	(258,369)	1,442,174	258,563	65,981
(45,413)	(90,155)	532,452	61,034	92,077
952	(166,743)	1,100,667	34,604	9,728
(9,355)	-	1,040,645	-	-
(1,992)	(90,975)	915,058	130,841	118,393
92,153	(1,307,876)	289,553	198,993	2,295,731
-	-	10,000	-	20,000
(544)	(29,905)	119,473	-	-
-	-	40,180	5,668	131,752
(1,126)	(62,620)	53,053	51,277	16,378
(2,462)	(38,850)	257,497	13,191	-
(1,249)	-	124,936	-	10,165
(16,500)	-	63,500	-	-
-	-	26,651	42,142	8,007
-	-	11,710	31,494	13,796
(489,687)	489,687	-	-	-
(406,049)	(7,654,725)	80,178,515	5,074,211	3,935,907
\$ -	\$ (7,437,286)	\$ 80,820,063	\$ 5,113,774	\$ 3,935,907

NONMAJOR ENTERPRISE FUNDS

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

**COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS
December 31, 2013**

	Sanitation	Golf	Airport	TOTALS
ASSETS				
Current assets:				
Equity in pooled cash & cash equivalents	\$ 2,539,547	\$ 1,096,494	\$ 143,909	\$ 3,779,950
Accounts receivable (net of allowance for doubtful accounts)	697,180	-	-	697,180
Grants receivable	-	-	181,605	181,605
Accrued interest receivable	7,290	3,470	398	11,158
Total current assets	3,244,017	1,099,964	325,912	4,669,893
Net pension asset	91,478	53,581	7,286	152,345
Property, plant and equipment:				
Land and water rights	581,963	6,548,123	1,191,667	8,321,753
Buildings	1,341,856	1,784,975	210,238	3,337,069
Improvements (other than buildings)	235,659	582,631	5,361,064	6,179,354
Equipment	2,923,751	216,201	6,146	3,146,098
Total property and equipment	5,083,229	9,131,930	6,769,115	20,984,274
Less - accumulated depreciation	2,992,307	1,427,040	1,348,621	5,767,968
Net property and equipment	2,090,922	7,704,890	5,420,494	15,216,306
Total assets	\$ 5,426,417	\$ 8,858,435	\$ 5,753,692	\$ 20,038,544

(continued)

COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS
December 31, 2013

	Sanitation	Golf	Airport	TOTALS
LIABILITIES AND NET POSITION				
Current liabilities:				
Payable from current assets:				
Accounts payable	\$ 218,877	\$ 58,906	\$ 30,453	\$ 308,236
Construction contracts payable	-	-	146,571	146,571
Accrued liabilities	39,987	18,704	2,585	61,276
Accrued sick and vacation - current portion	12,683	7,609	-	20,292
Advances from other funds - current portion	-	163,343	-	163,343
Total current liabilities	271,547	248,562	179,609	699,718
Long-term liabilities:				
Net other post employment benefit obligation	9,459	4,901	676	15,036
Accrued sick and vacation	101,691	92,416	14,784	208,891
Advances from other funds	-	1,073,159	-	1,073,159
Net long-term liabilities	111,150	1,170,476	15,460	1,297,086
Total liabilities	382,697	1,419,038	195,069	1,996,804
Net position:				
Net investment in capital assets	2,090,922	7,704,890	5,420,494	15,216,306
Unrestricted	2,952,798	(265,493)	138,129	2,825,434
Total net position	5,043,720	7,439,397	5,558,623	18,041,740
Total liabilities and net position	\$ 5,426,417	\$ 8,858,435	\$ 5,753,692	\$ 20,038,544

**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
NONMAJOR ENTERPRISE FUNDS
Year Ended December 31, 2013**

	Sanitation	Golf	Broadband	Airport	TOTALS
OPERATING REVENUES					
Charges for services	\$ 5,676,697	\$ 2,357,757	\$ 316,941	\$ 277,449	\$ 8,628,844
OPERATING EXPENSES					
Administration	168,987	136,857	500,630	119,992	926,466
Transmission/distribution	-	-	140,861	-	140,861
Maintenance/development	-	1,713,567	-	53,228	1,766,795
Trash collection	4,837,357	-	-	-	4,837,357
Landfill	7,537	-	-	-	7,537
Depreciation	181,464	66,696	65,376	222,817	536,353
Administrative fees	548,262	147,053	79,161	119,864	894,340
Franchise fee	-	-	14,858	-	14,858
Total operating expenses	5,743,607	2,064,173	800,886	515,901	9,124,567
Operating income (loss)	(66,910)	293,584	(483,945)	(238,452)	(495,723)
NON-OPERATING REVENUES (EXPENSES)					
Investment income (loss)	(2,082)	(1,977)	1,499	(704)	(3,264)
Miscellaneous	(9,920)	1,502	307	66,908	58,797
Interest expense	-	(18,039)	-	-	(18,039)
Net non-operating revenues (expenses)	(12,002)	(18,514)	1,806	66,204	37,494
Change in net position before transfers and capital contributions	(78,912)	275,070	(482,139)	(172,248)	(458,229)
CAPITAL CONTRIBUTIONS	-	-	49,019	493,870	542,889
TRANSFERS					
Transfers In	211	-	-	-	211
Transfers out	(204,020)	(4,051)	(1,848,505)	(1,157)	(2,057,733)
Change in net position	(282,721)	271,019	(2,281,625)	320,465	(1,972,862)
TOTAL NET POSITION-January 1	5,326,441	7,168,378	2,281,625	5,238,158	20,014,602
TOTAL NET POSITION-December 31	\$ 5,043,720	\$ 7,439,397	-	\$ 5,558,623	\$ 18,041,740

COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
For the Year Ended December 31, 2013

	Sanitation	Golf	Broadband	Airport	TOTALS
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash received from customers	\$ 5,680,828	\$ 2,359,259	\$ (5,474)	\$ 343,357	\$ 8,377,970
Cash paid to suppliers	(3,758,741)	(1,009,470)	(397,955)	(163,975)	(5,330,141)
Cash paid to employees	(1,714,946)	(950,732)	(341,898)	(111,674)	(3,119,250)
Net cash provided (used) by operating activities	207,141	399,057	(745,327)	67,708	(71,421)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES					
Transfers in	211	-	-	-	211
Transfers out	(204,020)	(4,051)	(268,138)	(1,157)	(477,366)
Repayment of advances	-	(161,843)	-	(439,296)	(601,139)
Net cash (used) by non-capital financing activities	(203,809)	(165,894)	(268,138)	(440,453)	(1,078,294)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition and construction of capital assets	(474)	(65,743)	(192,634)	(568,613)	(827,464)
Bond/lease/loan interest paid	-	(18,039)	-	-	(18,039)
Contributed capital received	-	-	49,019	1,086,369	1,135,388
Net cash provided (used) by capital and related financing activities	(474)	(83,782)	(143,615)	517,756	289,885
CASH FLOWS FROM INVESTING ACTIVITIES					
Investment income received (paid)	(3,259)	(2,824)	3,851	(1,102)	(3,334)
Net cash provided (used) by investing activities	(3,259)	(2,824)	3,851	(1,102)	(3,334)
Net increase (decrease) in cash and cash equivalents	(401)	146,557	(1,153,229)	143,909	(863,164)
CASH AND CASH EQUIVALENTS, January 1	2,539,948	949,937	1,153,229	-	4,643,114
CASH AND CASH EQUIVALENTS, December 31	\$ 2,539,547	\$ 1,096,494	\$ -	\$ 143,909	\$ 3,779,950

(continued)

**COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
For the Year Ended December 31, 2013**

	Sanitation	Golf	Broadband	Airport	TOTALS
RECONCILIATION OF NET OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES					
Net operating income (loss)	\$ (66,910)	\$ 293,584	\$ (483,945)	\$ (238,452)	\$ (495,723)
Adjustments to reconcile net operating income (loss) to net cash provided (used) by operating activities:					
Depreciation	181,464	66,696	65,376	222,817	536,353
Miscellaneous income (expense)	(9,920)	1,502	307	66,908	58,797
Change in assets and liabilities:					
(Increase) decrease in accounts receivable	4,051	-	-	-	4,051
(Increase) decrease in intergovernmental receivable	10,000	-	-	-	10,000
(Increase) decrease in loans receivable	162	129	-	-	291
(Increase) decrease in net pension asset	17,318	5,451	(231)	824	23,362
Increase (decrease) in accounts payable	70,834	32,115	-	22,315	125,264
Increase (decrease) in accrued liabilities	6,289	1,517	(3,210)	340	4,936
Increase (decrease) in accrued sick and vacation - current portion	(4,755)	(164)	-	(1,692)	(6,611)
Increase (decrease) in net other post employment benefit obligation	217	106	(902)	15	(564)
Increase (decrease) in accrued sick and vacation - long-term portion	(1,609)	(1,879)	-	(4,367)	(7,855)
Increase (decrease) in deposits/unearned revenue			(322,722)	(1,000)	(323,722)
Total adjustments	274,051	105,473	(261,382)	306,160	424,302
 Net cash provided (used) by operating activities	 \$ 207,141	 \$ 399,057	 \$ (745,327)	 \$ 67,708	 \$ (71,421)
RECONCILIATION OF CASH AND CASH EQUIVALENTS PER STATEMENT OF CASH FLOWS TO THE STATEMENT OF NET POSITION					
Per Statement of net position:					
Equity in pooled cash and cash equivalents	\$ 2,539,547	\$ 1,096,494	\$ -	\$ 143,909	\$ 3,779,950
Cash and Cash Equivalents per statement of cash flows	\$ 2,539,547	\$ 1,096,494	\$ -	\$ 143,909	\$ 3,779,950
NON-CASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES					
The following non-cash transactions occurred during 2013:					
Capital assets additions	\$ -	\$ -	\$ 963	\$ -	\$ 963
Capital Assets transferred to other funds	-	-	1,579,404	-	1,579,404
Change in contracts payable for purchase of capital assets	\$ 4,247	\$ -	\$ -	\$ 22,309	\$ 26,556
Total non-cash transactions	\$ 4,247	\$ -	\$ 1,580,367	\$ 22,309	\$ 1,606,923

**SANITATION ENTERPRISE FUND
SCHEDULE OF REVENUES AND EXPENSES -
BUDGET (LEGAL BASIS) AND ACTUAL
For the Year Ended December 31, 2013**

	Budget	Actual	Variance From Budget
REVENUES			
Charges for services	\$ 5,682,300	\$ 5,676,697	\$ (5,603)
Intergovernmental	875,000	-	(875,000)
Investment income (loss)	20,648	(2,082)	(22,730)
Miscellaneous	1,000	(9,920)	(10,920)
Transfers in	-	211	211
Total revenues	6,578,948	5,664,906	(914,042)
EXPENSES			
Administration	183,593	168,987	14,606
Landfill operations	8,000	7,537	463
Trash removal	4,839,319	4,241,982	597,337
Special trash pickup	784,477	666,528	117,949
Curbside recycling	618,482	681,129	(62,647)
Total operations	6,433,871	5,766,163	667,708
Capital outlay	73,200	474	72,726
Total expenses	6,507,071	5,766,637	740,434
Excess of revenues over (under) expenses	\$ 71,877	(101,731)	\$ (173,608)
RECONCILIATION TO NET (LOSS) (GAAP BASIS)			
Add: Additions to plant and equipment		474	
Capital outlay		474	
Less: Depreciation		181,464	
Net loss (GAAP basis)		\$ (282,721)	

GOLF ENTERPRISE FUND
SCHEDULE OF REVENUES AND EXPENSES -
BUDGET (LEGAL BASIS) AND ACTUAL
For the Year Ended December 31, 2013

	Budget	Actual	Variance From Budget
REVENUES			
Charges for services	\$ 2,407,419	\$ 2,357,757	\$ (49,662)
Investment income (loss)	5,165	(1,977)	(7,142)
Miscellaneous	7,000	1,502	(5,498)
Total revenues	2,419,584	2,357,282	(62,302)
EXPENSES			
Administration	331,550	287,961	43,589
Course maintenance/development	1,765,884	1,713,567	52,317
Total operations	2,097,434	2,001,528	95,906
Debt service	199,739	179,882	19,857
Capital outlay	72,000	65,743	6,257
Total expenses	2,369,173	2,247,153	122,020
Excess of revenues over expenses	\$ 50,411	110,129	\$ 59,718
RECONCILIATION TO NET INCOME (GAAP BASIS)			
Add: Additions to plant and equipment			
Capital outlay		65,743	
Principal payments capital leases		161,843	
		227,586	
Less: Depreciation		66,696	
Net income (GAAP basis)		\$ 271,019	

**BROADBAND ENTERPRISE FUND
SCHEDULE OF REVENUES AND EXPENSES -
BUDGET (LEGAL BASIS) AND ACTUAL
For the Year Ended December 31, 2013**

	Budget	Actual	Variance From Budget
REVENUES			
Charges for services	\$ 522,100	\$ 316,941	\$ (205,159)
Investment income (loss)	15,000	1,499	(13,501)
Miscellaneous	-	307	307
Aid to underground installation	562,500	49,019	(513,481)
Total revenues	1,099,600	367,766	(731,834)
EXPENSES			
Administration	421,489	596,465	(174,976)
Distribution	206,449	191,119	15,330
Total operations	627,938	787,584	(159,646)
Capital outlay	967,416	142,376	825,040
Total expenses	1,595,354	929,960	665,394
Excess of revenues (under) expenses	\$ (495,754)	(562,194)	\$ (66,440)
RECONCILIATION TO NET (LOSS) (GAAP BASIS)			
Add: Additions to plant and equipment			
Capital outlay		142,376	
Capitalized salaries		50,258	
		192,634	
Less: Depreciation		65,376	
Non-budgeted transfer out		1,845,726	
Vehicle transfers		963	
		1,912,065	
Net (loss) (GAAP basis)		\$ (2,281,625)	

**AIRPORT ENTERPRISE FUND
SCHEDULE OF REVENUES AND EXPENSES -
BUDGET (LEGAL BASIS) AND ACTUAL
For the Year Ended December 31, 2013**

	Budget	Actual	Variance From Budget
REVENUES			
Charges for services	\$ 269,048	\$ 277,449	\$ 8,401
Intergovernmental	502,986	493,870	(9,116)
Investment income (loss)	495	(704)	(1,199)
Miscellaneous	35,000	66,908	31,908
Total revenues	807,529	837,523	29,994
EXPENSES			
Administration	249,766	241,013	8,753
Maintenance	84,674	53,228	31,446
Total operations	334,440	294,241	40,199
Capital outlay	547,182	433,240	113,942
Total expenses	881,622	727,481	154,141
Excess of revenue over (under) expenses	\$ (74,093)	110,042	\$ 184,135
RECONCILIATION TO NET INCOME (GAAP BASIS)			
Add: Capital outlay		433,240	
Less: Depreciation		222,817	
Net income (GAAP basis)		\$ 320,465	

MAJOR ENTERPRISE FUNDS

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

ELECTRIC ENTERPRISE FUND
SCHEDULE OF REVENUES AND EXPENSES -
BUDGET (LEGAL BASIS) AND ACTUAL
For the Year Ended December 31, 2013

	Budget	Actual	Variance From Budget
REVENUES			
Charges for services	\$ 62,606,000	\$ 60,870,571	\$ (1,735,429)
Intergovernmental	-	3,702	3,702
Investment income (loss)	50,000	(8,729)	(58,729)
Miscellaneous	141,000	52,038	(88,962)
Aid to underground installation	1,125,000	1,245,959	120,959
Other sales	70,000	87,061	17,061
Transfers in	19,224	30,947	11,723
Total revenues	64,011,224	62,281,549	(1,729,675)
EXPENSES			
Administration	5,019,736	4,663,870	355,866
Power purchased	44,940,162	43,744,408	1,195,754
Distribution	6,439,022	6,048,533	390,489
Franchise fee	4,965,360	4,833,188	132,172
Total operations	61,364,280	59,289,999	2,074,281
Debt service	-	-	-
Capital outlay	2,358,925	819,033	1,539,892
Total expenses	63,723,205	60,109,032	3,614,173
Excess of revenues over expenses	\$ 288,019	2,172,517	\$ 1,884,498
RECONCILIATION TO NET INCOME (GAAP BASIS)			
Add: Additions to plant and equipment			
Capital outlay		819,033	
Capitalized salaries and expenses		704,975	
Non-budgeted transfers in		1,845,726	
Capital contributions		96,157	
		3,465,891	
Less: Depreciation		2,312,146	
Capital contributions:			
Vehicle transfers		11,823	
Impairment loss		118,785	
		2,442,754	
Net income (GAAP basis)		\$ 3,195,654	

WATER ENTERPRISE FUND
SCHEDULE OF REVENUES AND EXPENSES -
BUDGET (LEGAL BASIS) AND ACTUAL
For the Year Ended December 31, 2013

	Budget	Actual	Variance From Budget
Charges for services	\$ 13,022,696	\$ 12,735,470	\$ (287,226)
System development fees	270,800	558,947	288,147
Development fee surcharge	154,200	434,077	279,877
Intergovernmental	2,601,072	329,662	(2,271,410)
Investment income (loss) - operating	392,100	(29,799)	(421,899)
Miscellaneous	15,000	168,737	153,737
Transfer in	-	21,623	21,623
Total revenues	16,455,868	14,218,717	(2,237,151)
Administration	4,286,368	4,058,393	227,975
Water resources	2,536,990	2,335,987	201,003
Transmission/distribution	3,299,931	1,904,678	1,395,253
Treatment plant	2,819,968	2,514,298	305,670
Total operations	12,943,257	10,813,356	2,129,901
Debt service	1,417,014	1,514,740	(97,726)
Capital outlay	8,741,437	4,614,139	4,127,298
Total expenses	23,101,708	16,942,235	6,159,473
Excess of revenue (under) expenses	\$ (6,645,840)	(2,723,518)	\$ 3,922,322
Add: Additions to plant and equipment			
Capital outlay		4,614,139	
Capitalized salaries		269,110	
Capital contributions		1,194,742	
		6,077,991	
Principal retired		989,550	
		7,067,541	
Less: Depreciation		3,949,070	
Impairment loss		622,743	
		4,571,813	
Net (loss) (GAAP basis)		\$ (227,790)	

SEWER ENTERPRISE FUND
SCHEDULE OF REVENUES AND EXPENSES -
BUDGET (LEGAL BASIS) AND ACTUAL
For the Year Ended December 31, 2013

	Budget	Actual	Variance From Budget
REVENUES			
Charges for services	\$ 9,525,800	\$ 9,740,105	\$ 214,305
Intergovernmental	393,280	194,686	(198,594)
Investment income (loss)	67,500	(7,727)	(75,227)
Miscellaneous	4,500	65,861	61,361
Transfers in	328,152	382,377	54,225
Total revenues	10,319,232	10,375,302	56,070
EXPENSES			
Administration	2,513,023	2,446,180	66,843
Sewer collection system	1,304,224	1,775,494	(471,270)
Sewer disposal plant	3,984,672	3,697,056	287,616
Total operations	7,801,919	7,918,730	(116,811)
Debt service	1,640,758	1,397,306	243,452
Capital outlay	22,930,308	9,886,272	13,044,036
Total expenses	32,372,985	19,202,308	13,170,677
Excess of revenues (under) expenses	\$ (22,053,753)	(8,827,006)	\$ 13,226,747
RECONCILIATION TO NET (LOSS) (GAAP BASIS)			
Add: Additions to plant and equipment			
Capital outlay		9,886,272	
Capitalized salaries		93,077	
Capital contributions		295,352	
Capitalized interest		656,218	
		10,930,919	
Principal retired		550,000	
		11,480,919	
Less: Depreciation		2,575,516	
Impairment loss		925,375	
		3,500,891	
Net (loss) (GAAP basis)		\$ (846,978)	

**STORM DRAINAGE ENTERPRISE FUND
SCHEDULE OF REVENUES AND EXPENSES -
BUDGET (LEGAL BASIS) AND ACTUAL
For the Year Ended December 31, 2013**

	Budget	Actual	Variance From Budget
REVENUES			
Charges for services	\$ 3,739,242	\$ 4,027,152	\$ 287,910
Plant investment fee	25,070	146,340	121,270
Intergovernmental	1,225,000	33,992	(1,191,008)
Investment income (loss)	33,457	(13,883)	(47,340)
Miscellaneous	31,212	44,432	13,220
Proceeds from long-term loan	2,600,000	-	(2,600,000)
Total revenues	7,653,981	4,238,033	(3,415,948)
EXPENSES			
Administration	716,848	620,673	96,175
Engineering	2,019,260	1,117,004	902,256
Maintenance	857,840	675,193	182,647
Total operations	3,593,948	2,412,870	1,181,078
Debt service	1,083,532	1,184,654	(101,122)
Capital outlay	6,861,432	4,771,090	2,090,342
Total expenses	11,538,912	8,368,614	3,170,298
Excess of revenues (under) expenses	\$ (3,884,931)	(4,130,581)	\$ (245,650)
RECONCILIATION TO NET (LOSS) (GAAP BASIS)			
Add: Additions to plant and equipment			
Capital outlay		4,771,090	
Capitalized salaries		44,119	
Capitalized interest		511,174	
Capital contributions		138,279	
		5,464,662	
Principal retired		565,000	
Less: Depreciation		1,340,628	
Impairment loss		6,343,272	
		7,683,900	
Net (loss) (GAAP basis)		\$ (5,784,819)	

INTERNAL SERVICE FUNDS

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

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

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

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

Dental Trust Fund The Dental Trust Fund was established to provide dental insurance coverage for municipal employees on a self-insured basis.

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

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

COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
December 31, 2013

	Warehouse	Fleet	Self-Insurance
ASSETS			
Current assets:			
Equity in pooled cash & cash equivalents	\$ -	\$ 13,779,862	\$ 1,623,430
Accounts receivable	-	-	3,989,000
Accrued interest receivable	-	36,258	4,148
Inventory of materials and supplies	2,498,189	425,531	-
Advance to other funds	-	4,148,502	-
Restricted equity in pooled cash & cash equivalents	-	-	-
Prepaid expenses	-	-	260,014
Total current assets	2,498,189	18,390,153	5,876,592
Net pension asset	-	69,423	-
Loan receivable-component unit	-	146,000	-
Property, plant and equipment:			
Land and water rights	-	47,767	-
Buildings	-	1,993,395	-
Improvements (other than buildings)	-	153,524	-
Equipment	-	38,777,716	-
Total property and equipment	-	40,972,402	-
Less - accumulated depreciation	-	27,756,286	-
Net property, plant and equipment	-	13,216,116	-
Total assets	\$ 2,498,189	\$ 31,821,692	\$ 5,876,592
LIABILITIES AND NET POSITION			
Current liabilities:			
Accounts payable	\$ 56,991	\$ 111,272	\$ 42,086
Accrued liabilities	-	32,724	-
Due to other funds	2,441,198	-	-
Claims payable - current portion	-	-	157,609
Accrued sick and vacation - current portion	-	18,909	-
Total current liabilities	2,498,189	162,905	199,695
Long-term liabilities:			
Net other post employment benefit obligation	-	7,086	-
Claims payable	-	-	403,575
Accrued sick and vacation	-	109,267	-
Net long-term liabilities	-	116,353	403,575
Total liabilities	2,498,189	279,258	603,270
Net position:			
Invested in capital assets	-	13,216,116	-
Restricted for workers' compensation	-	-	-
Restricted for long-term disability	-	-	-
Unrestricted	-	18,326,318	5,273,322
Total net position	-	31,542,434	5,273,322
Total liabilities and net position	\$ 2,498,189	\$ 31,821,692	\$ 5,876,592

Employee Benefit	Dental Trust	Workers' Compensation Insurance	Unemployment Insurance	TOTALS
\$ 4,773,307	\$ 561,873	\$ 200,215	\$ 165,199	\$ 21,103,886
-	-	-	-	3,989,000
11,360	1,330	7,129	407	60,632
-	-	-	-	2,923,720
-	-	-	-	4,148,502
-	-	2,577,190	-	2,577,190
6,000	-	64,348	-	330,362
4,790,667	563,203	2,848,882	165,606	35,133,292
-	-	-	-	69,423
-	-	-	-	146,000
-	-	-	-	47,767
-	-	-	-	1,993,395
-	-	-	-	153,524
-	-	-	-	38,777,716
-	-	-	-	40,972,402
-	-	-	-	27,756,286
-	-	-	-	13,216,116
\$ 4,790,667	\$ 563,203	\$ 2,848,882	\$ 165,606	\$ 48,564,831
\$ 10,125	\$ -	\$ 58,062	\$ 15,971	\$ 294,507
4	-	-	-	32,728
-	-	-	-	2,441,198
-	-	304,743	-	462,352
-	-	-	-	18,909
10,129	-	362,805	15,971	3,249,694
-	-	-	-	7,086
-	-	1,230,228	-	1,633,803
-	-	-	-	109,267
-	-	1,230,228	-	1,750,156
10,129	-	1,593,033	15,971	4,999,850
-	-	-	-	13,216,116
-	-	2,577,190	-	2,577,190
325,000	-	-	-	325,000
4,455,538	563,203	(1,321,341)	149,635	27,446,675
4,780,538	563,203	1,255,849	149,635	43,564,981
\$ 4,790,667	\$ 563,203	\$ 2,848,882	\$ 165,606	\$ 48,564,831

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
December 31, 2013

	Warehouse	Fleet	Self- Insurance
OPERATING REVENUES			
Charges for services	\$ -	\$ 6,560,364	\$ 1,000,000
Warehouse sales	1,311,259	-	-
Contributions	-	-	-
Total operating revenues	1,311,259	6,560,364	1,000,000
OPERATING EXPENSES			
Administration	-	-	216,146
Cost of sales/premiums	1,311,259	-	370,629
Fleet services	-	3,347,998	-
Depreciation	-	2,979,716	-
Administrative fees	-	250,084	123,809
Benefit payments	-	-	-
Claims	-	-	378,705
Total operating expenses	1,311,259	6,577,798	1,089,289
Operating income (loss)	-	(17,434)	(89,289)
NON-OPERATING REVENUES			
Investment income (loss)	-	18,893	(889)
Miscellaneous	-	9,633	-
Gain on disposal of assets	-	212,042	-
Net non-operating revenues	-	240,568	(889)
Income (loss) before transfers	-	223,134	(90,178)
SPECIAL ITEM-insurance recoveries	-	-	3,989,000
TRANSFERS			
Transfers in	-	409,468	-
Transfers out	-	(512,151)	-
Change in net position	-	120,451	3,898,822
TOTAL NET POSITION-January 1	-	31,421,983	1,374,500
TOTAL NET POSITION-December 31	\$ -	\$ 31,542,434	\$ 5,273,322

Employee Benefit	Dental Trust	Workers' Compensation Insurance	Unemployment Insurance	TOTALS
\$ 7,920,441	\$ 369,640	\$ 900,000	\$ 158,461	\$ 16,908,906
-	-	-	-	1,311,259
2,017,709	452,029	-	-	2,469,738
9,938,150	821,669	900,000	158,461	20,689,903
95,118	11	19,855	-	331,130
9,452,669	727,157	105,557	-	11,967,271
-	-	-	-	3,347,998
-	-	-	-	2,979,716
-	-	191,812	-	565,705
445,389	-	-	-	445,389
-	-	770,707	75,357	1,224,769
9,993,176	727,168	1,087,931	75,357	20,861,978
(55,026)	94,501	(187,931)	83,104	(172,075)
(6,163)	(867)	(2,427)	(375)	8,172
-	9,954	319	-	19,906
-	-	-	-	212,042
(6,163)	9,087	(2,108)	(375)	240,120
(61,189)	103,588	(190,039)	82,729	68,045
-	-	-	-	3,989,000
-	-	-	-	409,468
-	-	-	-	(512,151)
(61,189)	103,588	(190,039)	82,729	3,954,362
4,841,727	459,615	1,445,888	66,906	39,610,619
\$ 4,780,538	\$ 563,203	\$ 1,255,849	\$ 149,635	\$ 43,564,981

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
Year Ended December 31, 2013

	Warehouse	Fleet	Self- Insurance
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers	\$ 1,311,259	\$ 6,569,997	\$ 1,000,000
Cash paid to suppliers	(1,311,259)	(2,419,017)	(666,406)
Cash paid to employees	-	(1,169,976)	-
Claims/Benefits paid	-	-	(357,658)
Net cash provided (used) by operating activities	-	2,981,004	(24,064)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES			
Repayment of advances	-	161,843	-
Advances to other funds	-	(2,802,000)	-
Loan to discretely presented component unit	-	502,814	-
Loan repayments from discretely presented component unit	-	(502,814)	-
Transfers in	-	50,000	-
Transfers out	-	(512,151)	-
Net cash (used) by non-capital financing activities	-	(3,102,308)	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition and construction of capital assets	-	(2,912,855)	-
Proceeds from sale of equipment	-	243,111	-
Net cash (used) by capital and related financing activities	-	(2,669,744)	-
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment income received	-	17,554	(1,560)
Net cash provided (used) by investing activities	-	17,554	(1,560)
Net increase (decrease) in cash and cash equivalents	-	(2,773,494)	(25,624)
CASH AND CASH EQUIVALENTS - January 1	-	16,553,356	1,649,054
CASH AND CASH EQUIVALENTS - December 31	\$ -	\$ 13,779,862	\$ 1,623,430

Employee Benefit	Dental Trust	Workers' Compensation Insurance	Unemployment Insurance	TOTALS
\$ 9,938,150	\$ 831,623	\$ 900,319	\$ 158,461	\$ 20,709,809
(9,553,961)	(727,168)	(308,770)	-	(14,986,581)
-	-	-	-	(1,169,976)
(445,389)	(24,668)	(599,306)	(86,611)	(1,513,632)
(61,200)	79,787	(7,757)	71,850	3,039,620
-	-	-	-	161,843
-	-	-	-	(2,802,000)
-	-	-	-	502,814
-	-	-	-	(502,814)
-	-	-	-	50,000
-	-	-	-	(512,151)
-	-	-	-	(3,102,308)
-	-	-	-	(2,912,855)
-	-	-	-	243,111
-	-	-	-	(2,669,744)
(8,205)	(1,119)	(3,603)	(602)	2,465
(8,205)	(1,119)	(3,603)	(602)	2,465
(69,405)	78,668	(11,360)	71,248	(2,729,967)
4,842,712	483,205	2,788,765	93,951	26,411,043
\$ 4,773,307	\$ 561,873	\$ 2,777,405	\$ 165,199	\$ 23,681,076

(continued)

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
Year Ended December 31, 2013

	Warehouse	Fleet	Self-Insurance
Reconciliation of net operation income			
(loss) to net cash provided (used) by operating activities			
Net operating income (loss)	\$ -	\$ (17,434)	\$ (89,289)
Adjustments to reconcile net operating income (loss) to net cash provided (used) by operating activities			
Depreciation	-	2,979,716	-
Miscellaneous income	-	9,633	-
Change in assets and liabilities:			
(Increase) decrease in inventory of materials and supplies	(288,852)	(25,361)	-
(Increase) decrease in loans receivable	-	2,300	-
(Increase) decrease in prepaid expenses	-	-	22,106
(Increase) decrease in net pension obligation	-	8,004	-
Increase (decrease) in accounts payable	24,213	10,151	22,072
Increase (decrease) in accrued liabilities	-	6,109	-
Increase (decrease) in due to other funds	264,639	-	-
Increase (decrease) in accrued sick and vacation - current portion	-	8,196	-
Increase (decrease) in claims payable - current portion	-	-	21,047
Increase (decrease) in net other post employment benefit obligation	-	157	-
Increase (decrease) in accrued sick and vacation - long-term portion	-	(467)	-
Total adjustments	-	2,998,438	65,225
Net cash provided (used) by operating activities	\$ -	\$ 2,981,004	\$ (24,064)
NON-CASH INVESTING, CAPITAL AND FINANCING ACTIVITIES			
The following non-cash transactions occurred during 2013:			
Transfer of assets from other funds	\$ -	\$ 359,468	\$ -
(Loss) on asset disposal	-	(31,069)	-
Change in accounts payable for insurance recoveries	-	-	3,989,000

Employee Benefit	Dental Trust	Workers' Compensation Insurance	Unemployment Insurance	TOTALS
\$ (55,026)	\$ 94,501	\$ (187,931)	\$ 83,104	\$ (172,075)
-	-	-	-	2,979,716
-	9,954	319	-	19,906
-	-	-	-	(314,213)
-	-	-	-	2,300
-	-	(3,583)	-	18,523
-	-	-	-	8,004
(6,178)	(11,662)	12,037	(11,254)	39,379
4	-	-	-	6,113
-	-	-	-	264,639
-	-	-	-	8,196
-	(13,006)	171,401	-	179,442
-	-	-	-	157
-	-	-	-	(467)
(6,174)	(14,714)	180,174	(11,254)	3,211,695
\$ (61,200)	\$ 79,787	\$ (7,757)	\$ 71,850	\$ 3,039,620

\$ -	\$ -	\$ -	\$ -	359,468
-	-	-	-	(31,069)
-	-	-	-	3,989,000

**FLEET INTERNAL SERVICE FUND
SCHEDULE OF REVENUES AND EXPENSES -
BUDGET (LEGAL) BASIS AND ACTUAL
Year Ended December 31, 2013**

	Budget	Actual	Variance From Final Budget
REVENUES			
Charges for services	\$ 6,563,512	\$ 6,560,364	\$ (3,148)
Investment income (loss)	169,535	18,893	(150,642)
Intergovernmental	132,278	-	(132,278)
Miscellaneous	631,278	221,675	(409,603)
Operating transfers in	50,000	50,000	-
Total revenues	7,546,603	6,850,932	(695,671)
EXPENSES			
Operations:			
Personal services	1,213,337	1,186,114	27,223
Operating & maintenance	2,474,278	2,411,968	62,310
Transfers out	514,849	512,151	2,698
Total operations	4,202,464	4,110,233	92,231
Capital outlay	4,164,925	3,388,541	776,384
Total expenses	8,367,389	7,498,774	868,615
Excess of revenues (under) expenses	\$ (820,786)	(647,842)	\$ 172,944
RECONCILIATION TO NET INCOME (GAAP BASIS)			
Add: Additions to plant and equipment			
Capital outlay		3,388,541	
Property and equipment transferred from other funds		359,468	
		3,748,009	
Less: Depreciation		2,979,716	
Net income (GAAP basis)		\$ 120,451	

FIDUCIARY FUNDS

PENSION TRUST FUNDS

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

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

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

POST-EMPLOYMENT BENEFITS TRUST FUND

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

**COMBINING STATEMENT OF NET POSITION
FIDUCIARY FUNDS
December 31, 2013**

	Employee Retirement Plans				Total Fiduciary Funds
	Employee Pension	Fire Pension	Police Pension	OPEB Trust	
ASSETS					
Equity in pooled cash & cash equivalents	\$ 245,181	\$ 18,692	\$ 17,773	-	\$ 281,646
Cash and cash equivalents	1,414,678	38,371	21,357	1,254,782	2,729,188
Investments					
Common Stock	50,637,880	1,373,474	764,463	-	52,775,817
Mutual funds	75,804,494	2,056,080	1,144,394	-	79,004,968
Total Assets	\$ 128,102,233	\$ 3,486,617	\$ 1,947,987	1,254,782	\$ 134,791,619
LIABILITIES					
Accounts payable	\$ 64,381	\$ 1,915	1,212	-	\$ 67,508
Total Liabilities	64,381	1,915	1,212	-	67,508
NET POSITION					
Held in trust for pension and OPEB benefits	\$ 128,037,852	\$ 3,484,702	\$ 1,946,775	1,254,782	\$ 134,724,111

**COMBINING STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUNDS
For the Year Ended December 31, 2013**

	Employee Retirement Plans				Total Fiduciary Funds
	Employee Pension	Fire Pension	Police Pension	OPEB Trust	
ADDITIONS					
Contributions					
Employer	\$ 2,124,048	\$ 82,256	\$ 27,418	\$ 412,511	\$ 2,646,233
Plan members	1,752,912	-	-	-	1,752,912
Total Contributions	3,876,960	82,256	27,418	412,511	4,399,145
Investment income					
Net appreciation in fair value of investments	15,812,405	437,047	248,950	-	16,498,402
Interest	1,666,954	46,019	26,195	86	1,739,254
Dividends	617,325	17,031	9,685	-	644,041
Less investment expense	(355,419)	(16,060)	(12,667)	-	(384,146)
Net investment gain	17,741,265	484,037	272,163	86	18,497,551
Total additions	21,618,225	566,293	299,581	412,597	22,896,696
DEDUCTIONS					
Benefits	4,681,535	231,320	190,120	-	5,102,975
Refunds of contributions	554,090	-	-	-	554,090
Administrative expense	28,228	852	540	1,652	31,272
Total deductions	5,263,853	232,172	190,660	1,652	5,688,337
Net increase	16,354,372	334,121	108,921	410,945	17,208,359
NET POSITION HELD IN TRUST FOR PENSION AND OPEB BENEFITS, January 1					
	111,683,480	3,150,581	1,837,854	843,837	117,515,752
December 31	\$ 128,037,852	\$ 3,484,702	\$ 1,946,775	\$ 1,254,782	\$ 134,724,111



DOWNTOWN DEVELOPMENT AUTHORITY COMPONENT UNIT

Downtown Development Authority General Fund	The operations of the Downtown Development Authority are accounted for in this fund. A tax levy finances the operations of the fund.
Downtown Development Building Permit Fund	This fund is used to account for the revenues generated from building permits issued for construction in the area of the Downtown Development Authority. The funds are transferred from the individual funds initially receiving the permit revenues.
Downtown Development CDBG Grant Fund	This fund is used to account for the proceeds of CDBG grants to the DDA for improvement loans.
Downtown Development Marketing Fund	This fund is used to account for the proceeds of an advance initiated in 2007 for specific marketing efforts.
Downtown Development Authority Debt Service Fund	Long-term debt of the Downtown Development Authority is paid with monies accumulated in this fund.
Downtown Development Authority Construction Capital Projects Fund	This fund is used to account for the capital improvements to the Downtown area.
Downtown Development Façade Improvement Fund	This fund was established in 2008 for the purpose of expending the proceeds of a \$300,000 loan from the City Fleet Fund for the purpose of downtown façade improvement grants.
Downtown Development Art and Entertainment Fund	This fund was established in 2011 for the purpose of accounting for arts and entertainment activities.

**DOWNTOWN DEVELOPMENT AUTHORITY COMPONENT UNIT
COMBINING BALANCE SHEET
December 31, 2013**

	General	Special Revenue	Debt Service	Capital Projects	Totals
ASSETS					
Equity in pooled cash & cash equivalents	\$ 209,266	\$ 1,306,380	\$ 2,415,433	\$ 1,724,879	\$ 5,655,958
Cash and cash equivalents	-	1,338,219	-	2,024,541	3,362,760
Receivables (net of allowance for uncollectibles):					
Taxes	184,475	-	473,658	-	658,133
Accrued interest	562	2,623	6,712	4,906	14,803
Due from other governments	525	-	-	-	525
Total Assets	\$ 394,828	\$ 2,647,222	\$ 2,895,803	\$ 3,754,326	\$ 9,692,179
LIABILITIES					
Accounts payable	\$ 673	\$ 8,577	-	\$ 27,213	\$ 36,463
Accrued liabilities	2,330	3,196	-	-	5,526
Total liabilities	3,003	11,773	-	27,213	41,989
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue-property taxes	184,475	-	473,658	-	658,133
Total deferred inflows of resources	184,475	-	473,658	-	658,133
FUND BALANCES					
Fund balances:					
Restricted	4,411	4,392	30,653	3	39,459
Committed	-	2,631,057	2,391,492	3,727,110	8,749,659
Unassigned	202,939	-	-	-	202,939
Total fund balance	207,350	2,635,449	2,422,145	3,727,113	8,992,057
Total liabilities, deferred inflows of resources and fund balances	\$ 394,828	\$ 2,647,222	\$ 2,895,803	\$ 3,754,326	\$ 9,692,179

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	2,456,102
Long-term liabilities, including compensated absences, are not due and payable in the current period and therefore are not reported in the funds.	(20,072)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	(146,000)
Net position of component unit	<u>\$ 11,282,087</u>

DOWNTOWN DEVELOPMENT AUTHORITY COMPONENT UNIT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
Year Ended December 31, 2013

	General	Special Revenue	Debt Service	Capital Projects	Totals
REVENUES					
Taxes	\$ 128,647	\$ -	\$ 1,025,321	\$ -	\$ 1,153,968
Intergovernmental	-	500	-	-	500
Investment income (loss)	137	300	(3,542)	112	(2,993)
Charges for service	18,040	95,012	-	-	113,052
Miscellaneous	125	50,576	-	-	50,701
Total revenues	146,949	146,388	1,021,779	112	1,315,228
EXPENDITURES					
Current:					
General government	156,997	398,978	-	257,416	813,391
Debt service:					
Principal retired	-	-	502,814	-	502,814
Interest and fiscal charges	-	-	2,237	-	2,237
Total expenditures	156,997	398,978	505,051	257,416	1,318,442
Excess of revenues over (under) expenditures	(10,048)	(252,590)	516,728	(257,304)	(3,214)
OTHER FINANCING SOURCES (USES)					
Issuance of debt	-	123,814	-	379,000	502,814
Transfers in	41,100	321,173	-	-	362,273
Transfers out	-	(2,500)	(38,600)	(321,173)	(362,273)
Total other financing sources (uses)	41,100	442,487	(38,600)	57,827	502,814
Net changes in fund balances	31,052	189,897	478,128	(199,477)	499,600
FUND BALANCES, January 1	176,298	2,445,552	1,944,017	3,926,590	8,492,457
FUND BALANCE, December 31	\$ 207,350	\$ 2,635,449	\$ 2,422,145	\$ 3,727,113	\$ 8,992,057

Net change in fund balance -component unit \$ 499,600

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

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

This is the amount by which depreciation exceeded capital outlays in the current period. (69,548)

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

Loan proceeds 502,814
Principal repayments on loans (502,814)

Net adjustment to fund balance -

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in component unit funds. Change in net position of component unit activities (1,792)

\$ 428,260

DOWNTOWN DEVELOPMENT AUTHORITY COMPONENT UNIT
COMBINING BALANCE SHEET
SPECIAL REVENUE FUNDS
December 31, 2013

	Downtown Development Bldg Permit	Downtown Development CDBG Grant	Downtown Development Marketing	Downtown Development Façade Improvement	Art and Entertainment	Totals
ASSETS						
Equity in pooled cash & cash equivalents	\$ 145,834	\$ -	218,168	466,944	\$ 475,434	\$ 1,306,380
Cash and cash equivalents	251,342	29,802	26,800	1,030,275	-	1,338,219
Receivables (net of allowance for uncollectibles):						
Accrued interest	110	-	578	720	1,215	2,623
Total assets	\$ 397,286	\$ 29,802	\$ 245,546	\$ 1,497,939	\$ 476,649	\$ 2,647,222
LIABILITIES						
Accounts payable	\$ 4,001	\$ -	18	-	\$ 4,558	\$ 8,577
Accrued Liabilities	-	-	1,602	-	1,594	3,196
Total liabilities	4,001	-	1,620	-	6,152	11,773
FUND BALANCE						
Fund balances:						
Restricted	1,974	-	1,510	16	892	4,392
Committed	391,311	29,802	242,416	1,497,923	469,605	2,631,057
Total fund balance	393,285	29,802	243,926	1,497,939	470,497	2,635,449
Total liabilities and fund balance	\$ 397,286	\$ 29,802	\$ 245,546	\$ 1,497,939	\$ 476,649	\$ 2,647,222

DOWNTOWN DEVELOPMENT AUTHORITY COMPONENT UNIT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
SPECIAL REVENUE FUNDS
Year Ended December 31, 2013

	Downtown Development Bldg Permit	Downtown Development CDBG Grant	Downtown Development Marketing	Downtown Development Façade Improvement	Art and Entertainment	Totals
REVENUES						
Intergovernmental	\$ -	\$ -	\$ -	\$ -	500	\$ 500
Investment income (loss)	162	(4)	(232)	536	(162)	300
Charges for service	65,627	-	-	-	29,385	95,012
Miscellaneous	-	-	50,576	-	-	50,576
Total revenues	65,789	(4)	50,344	536	29,723	146,388
EXPENDITURES						
General Governmental	80,806	-	162,371	-	155,801	398,978
Excess of revenues over (under) expenditures	(15,017)	(4)	(112,027)	536	(126,078)	(252,590)
OTHER FINANCING SOURCES (USES)						
Issuance of debt	-	-	123,814	-	-	123,814
Transfers in	100,000	-	-	197,757	23,416	321,173
Transfers out	(2,500)	-	-	-	-	(2,500)
Total other financing sources (uses)	97,500	-	123,814	197,757	23,416	442,487
Net changes in fund balances	82,483	(4)	11,787	198,293	(102,662)	189,897
FUND BALANCES, January 1	310,802	29,806	232,139	1,299,646	573,159	2,445,552
FUND BALANCES, December 31	\$ 393,285	\$ 29,802	\$ 243,926	\$ 1,497,939	\$ 470,497	\$ 2,635,449

DOWNTOWN DEVELOPMENT AUTHORITY COMPONENT UNIT
DOWNTOWN DEVELOPMENT AUTHORITY GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL
December 31, 2013

	Budget	Actual	Variance From Final Budget
REVENUES			
Taxes	\$ 131,878	\$ 128,647	\$ (3,231)
Investment income	1,200	137	(1,063)
Charges for service	5,000	18,040	13,040
Miscellaneous	100	125	25
Total revenues	138,178	146,949	8,771
EXPENDITURES			
General government	179,558	156,997	22,561
Excess of revenues (under) expenditures	(41,380)	(10,048)	31,332
OTHER FINANCING SOURCES			
Transfers in	41,100	41,100	-
Net changes in fund balances	(280)	31,052	31,332
FUND BALANCE, January 1	176,298	176,298	-
FUND BALANCE, December 31	\$ 176,018	\$ 207,350	\$ 31,332

**DOWNTOWN DEVELOPMENT AUTHORITY COMPONENT UNIT
BUILDING PERMIT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL
Year Ended December 31, 2013**

	Budget	Actual	Variance From Final Budget
REVENUES			
Investment income	\$ -	\$ 162	\$ 162
Charges for service	407,449	65,627	(341,822)
Total revenues	407,449	65,789	(341,660)
EXPENDITURES			
General government	507,449	80,806	426,643
Excess of revenues (under) expenditures	(100,000)	(15,017)	84,983
OTHER FINANCING SOURCES (USES)			
Transfers in	-	100,000	100,000
Transfers out	(2,500)	(2,500)	-
Total other financing sources (uses)	(2,500)	97,500	100,000
Net changes in fund balances	(102,500)	82,483	184,983
FUND BALANCE, January 1	310,802	310,802	-
FUND BALANCE, December 31	\$ 208,302	\$ 393,285	\$ 184,983

DOWNTOWN DEVELOPMENT AUTHORITY COMPONENT UNIT
CDBG GRANT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL
Year Ended December 31, 2013

	Budget	Actual	Variance From Final Budget
REVENUES			
Investment income (loss)	\$ -	\$ (4)	\$ 4)
EXPENDITURES			
General government	-	-	-
Excess of revenues (under) expenditures	-	(4)	(4)
FUND BALANCE, January 1	29,806	29,806	-
FUND BALANCE, December 31	\$ 29,806	\$ 29,802	\$ (4)

**DOWNTOWN DEVELOPMENT AUTHORITY COMPONENT UNIT
MARKETING SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL
Year Ended December 31, 2013**

	Budget	Actual	Variance From Final Budget
REVENUES			
Intergovernmental	\$ 45,000	\$ -	\$ (45,000)
Investment income (loss)	-	(232)	(232)
Miscellaneous income	32,800	50,576	17,776
Total revenues	77,800	50,344	(27,456)
EXPENDITURES			
General government	405,693	162,371	243,322
Excess of revenues (under) expenditures	(327,893)	(112,027)	215,866
OTHER FINANCING SOURCES			
Issuance of debt	123,814	123,814	-
Net changes in fund balances	(204,079)	11,787	215,866
FUND BALANCE, January 1	232,139	232,139	-
FUND BALANCE, December 31	\$ 28,060	\$ 243,926	\$ 215,866

**DOWNTOWN DEVELOPMENT AUTHORITY COMPONENT UNIT
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL
Year Ended December 31, 2013**

	Budget	Actual	Variance From Final Budget
REVENUES			
Taxes	\$ 1,050,000	\$ 1,025,321	\$ (24,679)
Investment income (loss)	-	(3,542)	(3,542)
Total revenues	1,050,000	1,021,779	(28,221)
EXPENDITURES			
Principal retired	502,814	502,814	-
Interest and fiscal charges	5,000	2,237	2,763
Total expenditures	507,814	505,051	2,763
Excess of revenues over expenditures	542,186	516,728	(25,458)
OTHER FINANCING (USES)			
Transfers out	(38,600)	(38,600)	-
Net changes in fund balances	503,586	478,128	(25,458)
FUND BALANCE, January 1	1,944,017	1,944,017	-
FUND BALANCE, December 31	\$ 2,447,603	\$ 2,422,145	\$ (25,458)

**DOWNTOWN DEVELOPMENT AUTHORITY COMPONENT UNIT
CONSTRUCTION CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL
Year Ended December 31, 2013**

	Budget	Actual	Variance From Final Budget
REVENUES			
Investment income (loss)	\$ -	\$ 112	\$ 112
Total revenues	-	112	112
EXPENDITURES			
General government	3,917,207	257,416	3,659,791
Excess of revenues (under) expenditures	(3,917,207)	(257,304)	3,659,903
OTHER FINANCING SOURCES (USES)			
Transfers out	(321,173)	(321,173)	-
Issuance of debt	379,000	379,000	-
Total other financing sources (uses)	57,827	57,827	-
Net changes in fund balances	(3,859,380)	(199,477)	3,659,903
FUND BALANCE, January 1	3,926,590	3,926,590	-
FUND BALANCE, December 31	\$ 67,210	\$ 3,727,113	\$ 3,659,903

**DOWNTOWN DEVELOPMENT AUTHORITY COMPONENT UNIT
 FAÇADE IMPROVEMENT PROGRAM
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
 BUDGET (GAAP BASIS) AND ACTUAL
 Year Ended December 31, 2013**

	Budget	Actual	Variance From Final Budget
REVENUES			
Investment income (loss)	\$ -	\$ 536	\$ 536
Miscellaneous Income	-	-	-
Total revenues	-	536	536
EXPENDITURES			
General government	1,452,007	-	1,452,007
Excess of revenues over (under) expenditures	(1,452,007)	536	1,452,543
OTHER FINANCING SOURCES			
Transfers in	-	197,757	197,757
Net changes in fund balances	(1,452,007)	198,293	1,650,300
FUND BALANCE, January 1	1,299,646	1,299,646	-
FUND BALANCE, December 31	\$ (152,361)	\$ 1,497,939	\$ 1,650,300

**DOWNTOWN DEVELOPMENT AUTHORITY COMPONENT UNIT
ARTS AND ENTERTAINMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL
Year Ended December 31, 2013**

	Budget	Actual	Variance From Final Budget
REVENUES			
Intergovernmental revenue	\$ -	500	\$ 500
Charges for Service	27,625	29,385	1,760
Investment income (loss)	-	(162)	(162)
Total revenues	27,625	29,723	2,098
EXPENDITURES			
General government	784,966	155,801	629,165
Excess of revenues (under) expenditures	(757,341)	(126,078)	631,263
OTHER FINANCING SOURCES			
Transfers in	-	23,416	23,416
Net changes in fund balances	(757,341)	(102,662)	654,679
FUND BALANCE, January 1	573,159	573,159	-
FUND BALANCE, December 31	\$ (184,182)	\$ 470,497	\$ 654,679



STATISTICAL SECTION

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December 31, 2013

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

	2004	2005	2006	2007
Governmental activities				
Net investment in capital assets	\$ 123,623,956	\$ 148,413,953	\$ 247,224,992	\$ 255,023,291
Restricted	67,882,305	63,777,532	58,618,824	63,286,907
Unrestricted	42,029,436	37,239,083	40,803,801	41,253,598
Total governmental activities net position	\$ 233,535,697	\$ 249,430,568	\$ 346,647,617	\$ 359,563,796
Business-type activities				
Net investment in capital assets	\$ 418,102,319	\$ 443,854,331	\$ 457,130,355	\$ 481,563,714
Restricted	-	-	-	-
Unrestricted	134,599,512	138,212,150	148,894,983	161,368,686
Total business-type activities net position	\$ 552,701,831	\$ 582,066,481	\$ 606,025,338	\$ 642,932,400
Primary government				
Net investment in capital assets	\$ 541,726,275	\$ 592,268,284	\$ 704,355,347	\$ 736,587,005
Restricted	67,882,305	63,777,532	58,618,824	63,286,907
Unrestricted	176,628,948	175,451,233	189,698,784	202,622,284
Total primary government net position	\$ 786,237,528	\$ 831,497,049	\$ 952,672,955	\$ 1,002,496,196

2008	2009	2010	2011	2012	2013
\$ 258,841,455	\$ 268,747,804	\$ 270,382,692	\$ 275,902,207	\$ 281,989,606	\$ 280,876,469
67,045,402	56,858,647	66,741,761	69,059,013	67,157,981	75,323,135
36,524,738	40,365,372	32,146,885	30,916,114	31,926,358	35,810,330
<u>\$ 362,411,595</u>	<u>\$ 365,971,823</u>	<u>\$ 369,271,338</u>	<u>\$ 375,877,334</u>	<u>\$ 381,073,945</u>	<u>\$ 392,009,934</u>
\$ 489,038,783	\$ 493,511,315	\$ 507,056,869	\$ 521,558,060	\$ 524,809,966	\$ 520,033,029
-	9,167,995	18,817,163	19,421,825	14,472,701	9,662,221
167,593,678	157,873,139	146,541,477	145,887,387	35,837,666	39,832,309
<u>\$ 656,632,461</u>	<u>\$ 660,552,449</u>	<u>\$ 672,415,509</u>	<u>\$ 686,867,272</u>	<u>\$ 575,120,333</u>	<u>\$ 569,527,559</u>
\$ 747,880,238	\$ 762,259,119	\$ 777,439,561	\$ 797,460,267	\$ 806,799,572	\$ 800,909,498
67,045,402	66,026,642	85,558,924	88,480,838	81,630,682	84,985,356
204,118,416	198,238,511	178,688,362	176,803,501	67,764,024	75,642,639
<u>\$ 1,019,044,056</u>	<u>\$ 1,026,524,272</u>	<u>\$ 1,041,686,847</u>	<u>\$ 1,062,744,606</u>	<u>\$ 956,194,278</u>	<u>\$ 961,537,493</u>

CHANGES IN NET POSITION LAST TEN FISCAL YEARS

	2004	2005	2006	2007
Expenses				
Governmental activities:				
General Government	\$ 15,989,850	\$ 20,131,649	\$ 20,551,339	\$ 20,762,868
Public Safety	25,588,323	26,222,421	26,798,046	29,163,736
Highways & Streets	8,011,189	8,783,006	14,130,933	15,006,093
Culture & Recreation	13,935,439	13,240,484	14,838,299	15,884,722
Municipal utilities systems	82,017	48,463	37,904	117,429
Interest and Fiscal charges on long-term debt	2,401,411	2,305,764	1,794,986	2,001,277
Total governmental activities expenses	<u>\$ 66,008,229</u>	<u>\$ 70,731,787</u>	<u>\$ 78,151,507</u>	<u>\$ 82,936,125</u>
Business-type activities:				
Sanitation	\$ 4,313,129	\$ 4,473,264	\$ 4,174,022	\$ 4,899,295
Golf	2,249,257	2,309,298	2,319,540	2,255,648
Electric	39,389,771	42,991,724	44,074,244	45,154,130
Telecommunications	124,511	134,042	169,813	151,499
Water	9,598,975	10,626,323	11,137,061	12,149,962
Sewer	7,769,910	8,188,895	8,667,832	8,496,031
Storm Drainage	2,249,522	2,350,367	2,247,699	2,362,745
Airport	164,226	182,631	220,414	242,715
Total business-type activities expenses	<u>\$ 65,859,301</u>	<u>\$ 71,256,544</u>	<u>\$ 73,010,625</u>	<u>\$ 75,712,025</u>
Total primary government expenses	<u>\$ 131,867,530</u>	<u>\$ 141,988,331</u>	<u>\$ 151,162,132</u>	<u>\$ 158,648,150</u>
Program Revenues				
Governmental activities:				
Charges for services				
General Government	\$ 7,164,893	\$ 7,858,329	\$ 7,096,710	\$ 6,700,035
Public Safety	2,280,880	2,081,467	1,629,177	1,448,170
Highways & Streets	1,802,076	2,424,507	1,823,874	771,687
Culture & Recreation	6,416,227	5,501,639	5,162,614	4,097,691
Operating grants and contributions	3,938,769	4,161,124	5,313,124	7,425,910
Capital grants and contributions	14,810,816	12,979,256	7,794,399	7,637,432
Total governmental activities program revenues	<u>\$ 36,413,661</u>	<u>\$ 35,006,322</u>	<u>\$ 28,819,898</u>	<u>\$ 28,080,925</u>
Business-type activities:				
Charges for services				
Sanitation	\$ 4,970,800	\$ 4,948,672	\$ 5,027,391	\$ 5,116,877
Golf	2,506,758	2,575,147	2,543,686	2,581,174
Electric	38,468,690	41,645,194	44,045,475	44,952,976
Telecommunications	91,871	100,026	175,361	144,884
Water	12,758,043	13,353,146	14,539,286	14,185,321
Sewer	7,304,093	7,249,569	7,446,278	7,174,708
Storm Drainage	2,303,680	2,476,672	3,043,207	3,398,017
Airport	200,118	184,217	197,537	238,652
Operating grants and contributions	122,895	138,296	567,576	458,608
Capital grants and contributions	22,888,715	16,990,141	14,147,803	27,666,764
Total business-type activities program revenues	<u>\$ 91,615,663</u>	<u>\$ 89,661,080</u>	<u>\$ 91,733,600</u>	<u>\$ 105,917,981</u>
Total primary government program revenues	<u>\$ 128,029,324</u>	<u>\$ 124,667,402</u>	<u>\$ 120,553,498</u>	<u>\$ 133,998,906</u>
Net (Expenses)/Revenue				
Governmental activities	\$ (29,594,568)	\$ (35,725,465)	\$ (49,331,609)	\$ (54,855,200)
Business-type activities	25,756,362	18,404,536	18,722,975	30,205,956
Total primary government net expense	<u>\$ (3,838,206)</u>	<u>\$ (17,320,929)</u>	<u>\$ (30,608,634)</u>	<u>\$ (24,649,244)</u>
General Revenues and Other Changes in Net Position				
Governmental activities:				
Taxes				
Property taxes	\$ 13,777,149	\$ 14,042,775	\$ 14,139,391	\$ 14,578,798
General government sales and use taxes	22,905,289	23,181,626	23,798,827	24,252,480
Public improvement sales and use taxes	4,022,853	4,090,876	4,199,793	4,279,848
Streets sales and use taxes	10,098,053	10,227,189	10,499,482	10,699,626
Open space sales and use taxes	2,692,816	2,727,251	2,799,862	2,853,231
Public safety sales and use taxes	-	-	-	4,635,144
Lodgers taxes	-	-	-	-
Cigarette taxes	244,940	205,507	218,365	212,223
Franchise taxes	4,193,477	4,563,829	4,731,940	4,831,536
Investment income	1,456,920	2,592,970	5,144,710	6,584,535
Miscellaneous	7,432	2,123	1,928	5,062
Gain(loss) from Impairment	-	-	-	-
Transfers	(19,249,329)	(10,013,810)	(3,560,154)	(4,004,935)
Total governmental activities	<u>\$ 40,149,600</u>	<u>\$ 51,620,336</u>	<u>\$ 61,974,144</u>	<u>\$ 68,927,548</u>
Business-type activities:				
Miscellaneous	\$ -	\$ -	\$ -	\$ -
Investment income	794,749	946,304	1,675,728	2,696,171
Transfers	19,249,329	10,013,810	3,560,154	4,004,935
Gain(loss) from Impairment	-	-	-	-
Total business-type activities	<u>\$ 20,044,078</u>	<u>\$ 10,960,114</u>	<u>\$ 5,235,882</u>	<u>\$ 6,701,106</u>
Total primary government	<u>\$ 60,193,678</u>	<u>\$ 62,580,450</u>	<u>\$ 67,210,026</u>	<u>\$ 75,628,654</u>
Change in Net Position				
Governmental activities	\$ 10,555,032	\$ 15,894,871	\$ 12,642,535	\$ 14,072,348
Business-type activities	45,800,440	29,364,650	23,958,857	36,907,062
Total primary government	<u>\$ 56,355,472</u>	<u>\$ 45,259,521</u>	<u>\$ 36,601,392</u>	<u>\$ 50,979,410</u>

2008	2009	2010	2011	2012	2013
\$ 25,433,222	\$ 18,772,527	\$ 21,237,772	\$ 24,377,612	\$ 24,309,220	\$ 23,402,845
31,049,011	32,842,216	33,562,076	35,173,865	36,268,842	37,546,039
14,947,947	17,180,057	14,191,614	14,171,432	15,852,244	16,881,092
15,665,711	16,073,099	16,138,524	15,484,551	17,284,703	17,127,905
100,345	174,499	82,033	105,992	55,025	48,260
1,949,198	2,302,996	1,542,188	2,153,318	2,186,966	2,488,204
\$ 89,145,434	\$ 87,345,394	\$ 86,754,207	\$ 91,466,770	\$ 95,957,000	\$ 97,494,345
\$ 5,500,624	\$ 5,358,336	\$ 5,713,703	\$ 5,683,344	\$ 5,731,916	\$ 5,716,575
2,286,369	2,185,459	2,084,456	2,188,918	2,041,225	2,076,148
46,779,652	47,780,116	51,614,473	55,928,077	57,649,118	60,237,764
166,219	164,129	194,834	218,722	393,902	801,013
12,799,254	12,975,167	12,648,106	13,417,307	13,814,391	14,226,561
8,277,407	8,368,101	8,690,949	8,625,100	8,881,680	10,267,292
2,533,933	3,085,889	3,134,594	3,334,858	3,405,295	3,755,498
291,899	328,375	400,939	405,307	437,068	515,668
\$ 78,635,357	\$ 80,245,572	\$ 84,482,054	\$ 89,801,633	\$ 92,354,595	\$ 97,596,519
\$ 167,780,791	\$ 167,590,966	\$ 171,236,261	\$ 181,268,403	\$ 188,311,595	\$ 195,090,864
\$ 6,993,588	\$ 6,965,851	\$ 8,324,058	\$ 8,342,658	\$ 8,212,442	\$ 8,745,048
1,297,757	1,039,975	1,223,119	1,266,512	1,551,831	1,636,769
706,732	649,631	620,595	785,188	740,477	787,118
4,681,964	5,171,304	5,947,012	6,032,378	6,362,496	6,043,561
5,147,423	5,770,130	5,051,949	6,845,819	6,241,265	6,021,175
3,495,473	7,124,956	5,177,181	4,793,222	6,479,562	8,247,611
\$ 22,322,937	\$ 26,721,847	\$ 26,343,914	\$ 28,065,777	\$ 29,588,073	\$ 31,481,282
\$ 5,169,059	\$ 5,105,311	\$ 5,265,217	\$ 5,235,308	\$ 5,676,335	\$ 5,676,697
2,597,381	2,460,988	2,220,975	2,262,563	2,640,817	2,357,757
44,201,753	44,547,396	49,487,659	53,924,965	57,233,475	60,957,632
216,387	238,663	293,519	282,208	290,774	316,941
13,748,106	11,936,337	12,757,083	13,247,962	14,513,221	12,735,470
7,121,233	7,352,469	7,846,470	8,249,362	8,634,634	9,740,105
3,434,723	3,469,114	3,420,656	3,395,622	3,835,700	4,027,152
251,284	251,376	239,006	220,441	258,643	277,449
327,993	547,269	513,732	1,406,669	3,342,077	562,042
8,740,582	6,394,173	8,962,852	14,473,936	3,447,605	4,321,616
\$ 85,808,501	\$ 82,303,096	\$ 91,007,169	\$ 102,699,036	\$ 99,873,281	\$ 100,972,861
\$ 108,131,438	\$ 109,024,943	\$ 117,351,083	\$ 130,764,813	\$ 129,461,354	\$ 132,454,143
\$ (66,822,497)	\$ (60,623,547)	\$ (60,410,293)	\$ (63,400,993)	\$ (66,368,927)	\$ (66,013,063)
7,173,144	2,057,524	6,525,115	12,897,403	7,518,686	3,376,342
\$ (59,649,353)	\$ (58,566,023)	\$ (53,885,178)	\$ (50,503,590)	\$ (58,850,241)	\$ (62,636,721)
\$ 15,493,699	\$ 15,539,641	\$ 15,357,141	\$ 15,280,446	\$ 14,760,834	\$ 14,766,570
24,207,871	22,751,072	23,640,672	24,562,915	26,106,434	27,883,056
3,952,522	3,316,107	3,581,110	4,261,032	3,999,340	4,068,199
10,560,147	9,775,192	10,208,168	10,808,980	11,289,666	11,981,718
2,816,040	2,606,718	2,722,178	2,882,395	3,010,577	3,195,124
4,576,063	4,235,917	4,423,539	4,683,891	4,892,188	5,192,082
307,877	244,527	263,041	257,566	283,947	346,352
199,546	185,093	185,916	180,436	171,029	147,338
4,849,024	5,269,452	6,314,911	6,677,207	6,874,941	7,342,848
6,369,843	1,526,527	1,241,858	1,150,812	787,171	16,428
57,837	16,433	19,354	21,280	5,908	9,633
-	-	-	-	-	714,300
(3,720,173)	(1,282,904)	(4,248,080)	(759,971)	(616,497)	1,285,404
\$ 69,670,296	\$ 64,183,775	\$ 63,709,808	\$ 70,006,989	\$ 71,565,538	\$ 76,949,052
\$ -	\$ -	\$ 589,572	\$ 379,225	\$ 371,403	\$ 389,865
2,806,744	579,560	500,293	415,164	286,509	(63,402)
3,720,173	1,282,904	4,248,080	759,971	616,497	(1,285,404)
-	-	-	-	-	(8,010,175)
\$ 6,526,917	\$ 1,862,464	\$ 5,337,945	\$ 1,554,360	\$ 1,274,409	\$ (8,969,116)
\$ 76,197,213	\$ 66,046,239	\$ 69,047,753	\$ 71,561,349	\$ 72,839,947	\$ 67,979,936
\$ 2,847,799	\$ 3,560,228	\$ 3,299,515	\$ 6,605,996	\$ 5,196,611	\$ 10,935,989
13,700,061	3,919,988	11,863,060	14,451,763	8,793,095	(5,592,774)
\$ 16,547,860	\$ 7,480,216	\$ 15,162,575	\$ 21,057,759	\$ 13,989,706	\$ 5,343,215

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

	2004	2005	2006	2007
General Fund				
Nonspendable	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-
Committed				
Assigned	-	-	-	-
Unassigned	-	-	-	-
Reserved	4,928,473	4,807,671	4,337,821	4,506,632
Unreserved	9,574,336	9,092,258	7,397,972	7,476,103
Total general fund	<u>\$ 14,502,809</u>	<u>\$ 13,899,929</u>	<u>\$ 11,735,793</u>	<u>\$ 11,982,735</u>
All Other Governmental Funds				
Nonspendable	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-
Committed	-	-	-	-
Unassigned	-	-	-	-
Reserved	27,930,909	35,808,584	37,698,742	32,353,892
Unreserved, reported in:				
Special revenue funds	35,276,952	20,987,322	20,583,382	31,070,480
Capital projects funds	8,095,410	8,222,365	5,957,055	4,889,877
Total all other governmental funds	<u>\$ 71,303,271</u>	<u>\$ 65,018,271</u>	<u>\$ 64,239,179</u>	<u>\$ 68,314,249</u>

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

2008	2009	2010 (a)	2011	2012	2013
\$ -	\$ -	\$ 211,490	\$ 161,082	\$ 327,709	\$ 204,490
-	-	3,436,907	3,025,111	3,224,558	3,345,167
-	-	4,698,499	4,978,762	4,785,126	6,232,102
-	-	995,711	853,145	889,790	928,368
-	-	5,858,268	5,884,527	6,153,177	6,846,316
5,095,369	4,075,650	-	-	-	-
6,568,529	8,065,091	-	-	-	-
<u>\$ 11,663,898</u>	<u>\$ 12,140,741</u>	<u>\$ 15,200,875</u>	<u>\$ 14,902,627</u>	<u>\$ 15,380,360</u>	<u>\$ 17,556,443</u>
\$ -	\$ -	\$ 48,596	\$ 58,461	\$ 39,718	\$ 38,963
-	-	62,458,573	66,036,493	63,894,630	69,569,526
-	-	3,528,546	2,748,623	2,219,873	3,144,472
-	-	-	-	(84,392)	(307,976)
32,476,928	26,385,055	-	-	-	-
30,664,909	27,193,080	-	-	-	-
4,967,815	4,033,587	-	-	-	-
<u>\$ 68,109,652</u>	<u>\$ 57,611,722</u>	<u>\$ 66,035,715</u>	<u>\$ 68,843,577</u>	<u>\$ 66,069,829</u>	<u>\$ 72,444,985</u>

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

	2004	2005	2006	2007
Revenues				
Taxes	\$ 57,934,577	\$ 59,039,053	\$ 60,387,660	\$ 66,342,886
Licenses and permits	12,034,982	11,480,669	6,461,681	6,319,585
Developer/owner participation	3,050,303	1,116,032	1,434,799	2,032,823
Intergovernmental	6,591,580	6,459,758	7,592,786	7,613,336
Charges for services	10,207,341	10,542,033	10,863,269	10,386,406
Fines and forfeits	643,519	721,163	755,870	796,912
Investment income	1,248,166	2,097,944	3,948,365	5,019,535
Other Revenues	2,366,467	666,012	1,133,657	756,318
Total revenues	<u>\$ 94,076,935</u>	<u>\$ 92,122,664</u>	<u>\$ 92,578,087</u>	<u>\$ 99,267,801</u>
Expenditures				
General government	\$ 16,822,872	\$ 20,452,477	\$ 21,645,074	\$ 20,945,076
Public safety	25,005,135	27,732,979	27,970,863	28,989,750
Highways and streets	17,600,477	16,194,259	21,469,617	17,553,984
Culture and recreation	18,194,180	19,395,501	17,721,843	15,055,606
Municipal utility systems	20,000,128	9,537,748	3,267,866	1,855,661
Capital outlay	1,952,544	1,578,830	4,271,369	3,101,154
Debt Service				
Principal retired	2,290,000	2,360,000	2,440,000	2,530,000
Bond Issuance costs	-	-	-	-
Interest and fiscal charges	2,357,977	2,277,184	1,905,092	1,962,756
Total expenditures	<u>\$ 104,223,313</u>	<u>\$ 99,528,978</u>	<u>\$ 100,691,724</u>	<u>\$ 91,993,987</u>
Excess of revenues over (under) expenditures	\$ (10,146,378)	\$ (7,406,314)	\$ (8,113,637)	\$ 7,273,814
Other Financing Sources (Uses)				
Proceeds from leases	\$ -	\$ 101,864	\$ -	\$ -
Transfers in	682,273	1,351,285	472,612	1,349,500
Transfers out	(2,554,597)	(934,715)	(1,112,389)	(3,145,133)
Payment to bond refunding escrow agent	-	-	(19,075,319)	-
Proceeds from issuance of long-term debt	-	-	17,375,000	-
Premium on issuance of long-term debt	-	-	1,519,835	-
Total other financing sources (uses)	<u>\$ (1,872,324)</u>	<u>\$ 518,434</u>	<u>\$ (820,261)</u>	<u>\$ (1,795,633)</u>
Net change in fund balances	<u>\$ (12,018,702)</u>	<u>\$ (6,887,880)</u>	<u>\$ (8,933,898)</u>	<u>\$ 5,478,181</u>
Debt service as a percentage of noncapital expenditures	6%	6%	6%	6%

2008	2009	2010	2011	2012	2013
\$ 66,962,789	\$ 63,923,719	\$ 66,696,676	\$ 69,594,868	\$ 71,388,956	\$ 74,923,287
2,785,437	1,519,378	3,149,131	2,852,843	5,140,350	4,580,507
629,496	2,533,001	1,143,047	634,951	1,233,382	1,261,004
5,649,691	7,530,226	5,354,292	9,658,445	6,563,036	6,759,018
10,572,260	10,914,591	13,070,916	12,749,635	13,327,419	13,317,119
1,140,815	1,479,993	1,551,177	1,461,305	1,523,237	1,116,600
4,899,613	1,148,839	915,661	872,429	603,458	8,256
1,260,921	862,381	756,224	1,432,450	1,395,962	2,787,902
<u>\$ 93,901,022</u>	<u>\$ 89,912,128</u>	<u>\$ 92,637,124</u>	<u>\$ 99,256,926</u>	<u>\$ 101,175,800</u>	<u>\$ 104,753,693</u>
\$ 24,066,704	\$ 19,772,116	\$ 19,157,561	\$ 21,838,334	\$ 25,480,536	\$ 22,090,958
32,278,720	34,855,013	33,073,119	35,454,207	36,097,088	37,310,096
15,407,398	17,685,686	13,345,985	15,201,301	17,659,757	13,699,379
15,526,255	21,097,271	22,624,470	16,166,215	18,572,576	17,122,413
4,231,950	1,689,899	3,707,650	452,416	841,556	379,386
1,524,043	2,733,830	893,318	2,193,219	3,375,563	2,382,196
2,620,000	2,725,000	1,690,000	2,840,000	2,975,000	3,130,000
-	-	408,421	-	-	-
1,919,846	1,761,168	1,362,961	2,112,015	1,927,339	1,807,239
<u>\$ 97,574,916</u>	<u>\$ 102,319,983</u>	<u>\$ 96,263,485</u>	<u>\$ 96,257,707</u>	<u>\$ 106,929,415</u>	<u>\$ 97,921,667</u>
\$ (3,673,894)	\$ (12,407,855)	\$ (3,626,361)	\$ 2,999,219	\$ (5,753,615)	\$ 6,832,026
\$ -	\$ -	\$ 74,088	\$ -	\$ 3,195,823	\$ -
822,968	1,990,519	669,210	1,207,868	1,953,999	3,874,917
(832,508)	(1,885,997)	(847,551)	(1,697,473)	(1,692,222)	(2,155,704)
-	-	(14,732,432)	-	-	-
3,160,000	2,282,246	29,770,000	-	-	-
-	-	177,173	-	-	-
<u>\$ 3,150,460</u>	<u>\$ 2,386,768</u>	<u>\$ 15,110,488</u>	<u>\$ (489,605)</u>	<u>\$ 3,457,600</u>	<u>\$ 1,719,213</u>
<u>\$ (523,434)</u>	<u>\$ (10,021,087)</u>	<u>\$ 11,484,127</u>	<u>\$ 2,509,614</u>	<u>\$ (2,296,015)</u>	<u>\$ 8,551,239</u>
6%	6%	3%	6%	6%	5%

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

FISCAL YEAR (a)	REAL PROPERTY		PERSONAL PROPERTY			TOTAL		RATIO OF TOTAL ASSESSED VALUE/ TOTAL ESTIMATED ACTUAL VALUE	TOTAL DIRECT TAX RATE (MILs)
	ASSESSED VALUE	ESTIMATED ACTUAL VALUE	ASSESSED VALUE	ESTIMATED ACTUAL VALUE	ASSESSED VALUE	ESTIMATED ACTUAL VALUE (a)	ESTIMATED ACTUAL VALUE		
2004	\$ 829,839,702	\$ 7,370,336,619	\$ 110,490,969	\$ 381,000,804	\$ 940,330,671	\$ 7,751,337,423	12.13 (b)	13.42	
2005	849,146,110	7,600,099,603	114,171,000	393,690,722	963,317,110	7,993,790,325	12.05 (b)	13.42	
2006	873,339,140	7,766,743,401	109,129,260	376,303,804	982,468,400	8,143,047,205	12.07 (b)	13.42	
2007	893,196,710	8,038,869,685	108,692,820	374,799,870	1,001,889,530	8,413,669,555	11.91 (b)	13.42	
2008	964,428,140	8,592,074,025	112,164,150	386,769,608	1,076,592,290	8,978,843,633	11.99 (b)	13.42	
2009	977,820,570	8,699,987,296	107,780,920	371,654,356	1,085,601,490	9,071,641,652	11.97 (b)	13.42	
2010	981,685,090	8,428,617,423	113,251,910	390,518,021	1,094,937,000	8,819,135,444	12.42 (b)	13.42	
2011	989,539,009	8,473,196,485	103,235,812	355,979,432	1,092,774,821	8,829,175,917	12.38 (b)	13.42	
2012	940,806,179	8,107,766,991	108,516,810	374,194,971	1,049,322,989	8,481,961,962	12.37 (b)	13.42	
2013	940,906,285	8,124,205,035	103,245,570	356,019,053	1,044,151,855	8,480,224,088	12.31 (b)	13.42	

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

(b) For tax levy years 2004 through 2012, collection years 2005 through 2013, residential property was assessed at 7.96% of actual value while commercial property remained at 29% of actual value.

Source: Boulder and Weld counties assessors' offices



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

LEVY YEAR	COLLECTION YEAR	GENERAL FUND	COMPONENT UNIT SPECIAL REVENUE FUNDS	COMPONENT UNIT (DEBT SERVICE)
2003	2004	13.420	10.108	81.923
2004	2005	13.420	10.108	82.804
2005	2006	13.420	10.108	83.289
2006	2007	13.420	10.108	81.934
2007	2008	13.420	10.108	81.680
2008	2009	13.420	10.108	90.764
2009	2010	13.420	10.108	91.337
2010	2011	13.420	10.108	92.884
2011	2012	13.420	10.108	93.661
2012	2013	13.420	10.108	100.201
2003	2004	\$ 12,619,238	\$188,451	\$ 748,332
2004	2005	12,927,716	215,110	770,713
2005	2006	13,037,177	151,921	906,912
2006	2007	13,445,358	243,486	830,000
2007	2008	14,461,571	180,854	987,419
2008	2009	14,568,772	183,782	1,138,267
2009	2010	14,512,552	137,562	1,226,379
2010	2011	14,497,504	144,963	1,141,317
2011	2012	13,921,660	134,350	1,274,966
2012	2013	13,864,802	130,809	1,098,513

SCHOOL DISTRICT	BOULDER COUNTY	ST. VRAIN LEFT-HAND WATER	NO. COLO. WATER CONS.	LONGMONT RURAL FIRE
TAX	RATES (a)			
40.374	20.088	0.243	1.000	8.417
40.089	21.267	0.230	1.000	8.397
39.982	21.867	0.222	1.000	8.257
38.035	22.467	0.214	1.000	8.137
37.798	22.467	0.197	1.000	7.937
46.285	23.067	0.194	1.000	11.747
46.268	23.667	0.184	1.000	11.747
46.837	24.645	0.184	1.000	11.747
47.614	24.645	0.184	1.000	11.747
53.500	24.645	0.184	1.000	11.747
TAX	LEVIES			
\$ 68,430,604	\$ 94,356,356	\$ 307,193	\$ 4,035,562	\$ 2,268,931
71,126,342	100,896,978	297,971	4,352,070	2,328,367
75,015,501	108,354,720	290,063	4,538,972	2,422,949
76,054,018	112,630,364	287,231	4,593,229	2,621,708
82,991,157	124,745,065	285,477	5,062,766	2,802,166
103,735,943	129,119,905	283,148	5,146,619	4,265,886
109,750,435	137,564,655	269,174	5,347,290	4,609,169
109,549,655	142,564,068	267,964	5,322,753	4,390,298
111,206,275	138,085,156	254,892	5,164,277	4,216,529
129,967,590	139,022,459	254,801	5,173,950	4,186,954

(a) Figure represents a specific mill levy.

NOTES TO THIS SCHEDULE

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

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

Taxpayer	2013			2004		
	2012 Assessed Value	Rank	Percentage of Total Assessed Value	2003 Assessed Value	Rank	Percentage of Total Assessed Value
AMGEN INC	\$ 27,185,705	1	2.60%	\$ 41,593,310	1	4.42%
SEAGATE TECHNOLOGY LLC	20,828,596	2	1.99	10,219,370	3	1.09
LONGMONT DIAGONAL INVESTMENTS LP	19,208,441	3	1.84			
XILINX INC	15,392,183	4	1.47	9,955,320	4	1.06
HUB PROPERTIES TRUST	11,233,615	5	1.08			
RAMCO-GERSHENSON PROPERTIES LP	9,655,458	6	0.92			
DIGITALGLOBE INC	7,114,790	7	0.68			
BRASS CREEKSIDE LP	5,505,215	8	0.53			
LONGMONT SQUARE PLAZA LLC et al	4,759,219	9	0.46			
UCM CIRCLE LONGMONT LLC	4,394,199	10	0.42			
PRATT LAND LIMITED LIABILITY CO				29,134,360	2	3.10
SEAGATE PERIPHERALS				9,635,250	5	1.02
MAXTOR CORPORATION				9,345,340	6	0.99
TWIN PEAKS MALL				8,229,210	7	0.88
QWEST COMMUNICATIONS				7,641,200	8	0.81
LM VENTURE LLC				5,447,160	9	0.58
K/B FUND IV				4,895,550	10	0.52
Total Taxable Assessed Value of 10 Largest Taxpayers	\$ 125,277,421		12.00	\$ 136,096,070		14.47
Total Taxable Assessed Value of Other Taxpayers	918,874,434		88.00	804,234,601		85.53
Total Taxable Assessed Value All Taxpayers	<u>1,044,151,855</u>		<u>100%</u>	<u>940,330,671</u>		<u>100%</u>

Source: Boulder and Weld counties assessors' offices

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

LEVY YEAR	COLLECTION YEAR	TOTAL TAX LEVY	CURRENT TAX COLLECTIONS	PERCENT OF LEVY COLLECTED	DELINQUENT TAX COLLECTIONS
2003	2004	\$ 12,619,238	\$ 12,459,430	98.7	(6,779) (b)
2004	2005	12,927,716	12,730,641	98.5	3,852
2005	2006	13,037,177	12,849,208	98.6	7,168
2006	2007	13,445,358	13,286,992	98.8	9,040
2007	2008	14,461,571	14,274,137	98.7	(21,130) (b)
2008	2009	14,568,772	14,398,968	98.8	3,587
2009	2010	14,512,552	14,297,043	98.5	(204) (b)
2010	2011	14,497,504	14,263,350	98.4	(7,257) (b)
2011	2012	13,921,660	13,709,639	98.5	(3,527) (b)
2012	2013	13,864,802	13,712,024	98.9	(20,700) (b)

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

LEVY YEAR	COLLECTION YEAR	TOTAL COMPONENT UNITS LEVY	CURRENT COMPONENT UNITS COLLECTIONS	PERCENT OF LEVY COLLECTED	DELINQUENT COMPONENT UNITS COLLECTIONS
2003	2004	\$ 936,783	\$ 921,365	98.4	(4,964) (b)
2004	2005	985,823	917,046	93.0	(5,294) (b)
2005	2006	1,058,833	1,068,347	100.9	157
2006	2007	1,073,486	1,017,953	94.8	390
2007	2008	1,168,273	1,139,951	97.6	(3,538) (b)
2008	2009	1,322,049	1,305,319	98.7	15,317
2009	2010	1,363,941	1,394,925	102.3	1,388
2010	2011	1,286,280	1,323,392	102.9	(8,302) (b)
2011	2012	1,409,316	1,268,133	90.0	856
2012	2013	1,229,322	1,230,435	100.1	(2,539) (b)

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

TOTAL TAX COLLECTIONS	COLLECTIONS AS % OF CURRENT LEVY	OUTSTANDING DELINQUENT TAXES (a)
\$ 12,452,651	98.7	-
12,734,493	98.5	-
12,856,376	98.6	-
13,296,032	98.9	-
14,253,007	98.6	-
14,402,555	98.9	-
14,296,839	98.5	-
14,256,093	98.3	-
13,706,112	98.5	-
13,691,324	98.7	-

TOTAL COMPONENT UNITS COLLECTIONS	COLLECTIONS AS % OF CURRENT LEVY	OUTSTANDING DELINQUENT COMPONENT UNITS (a)
\$ 916,401	97.8	-
911,752	92.5	-
1,068,504	100.9	-
1,018,343	94.9	-
1,136,413	97.3	-
1,320,636	99.9	-
1,396,313	102.4	-
1,315,091	102.2	-
1,268,989	90.0	-
1,227,896	99.9	-

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

Fiscal Year	Apparel	Automotive	Food	Home Furnishings	General	Lodging	Lumber
2004	\$ 420,150	\$ 3,097,411	\$ 9,354,205	\$ 933,287	\$ 6,486,364	\$ 336,099	\$ 5,357,676
2005	432,308	3,036,678	9,638,225	892,846	6,456,076	354,880	5,445,677
2006	609,552	2,840,122	10,252,933	1,027,138	6,980,816	457,225	5,065,157
2007	839,213	3,430,079	11,790,777	1,523,002	8,291,250	596,018	4,604,885
2008	811,706	3,076,830	12,351,545	1,487,700	8,102,502	575,018	4,153,626
2009	769,069	2,807,423	12,088,918	1,437,616	7,720,534	448,409	3,217,098
2010	746,975	2,945,326	12,476,116	1,373,172	7,942,717	473,031	3,761,323
2011	774,340	3,067,736	13,003,218	1,477,811	8,152,274	461,948	3,485,393
2012	815,281	3,303,338	14,000,534	1,461,608	8,232,207	509,432	4,629,605
2013	832,078	3,627,934	15,242,816	1,444,851	8,210,791	608,842	4,916,728

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

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

(2) Corrected totals for 2006 through 2012.

Professional	Public Utility	Unclassified	Home Occupation	Manufacturing	Motor Vehicle Use Tax	Accrual(1)	Total Sales and Use Tax(2)	Total Direct Tax Rate
\$ 1,071,522	\$ 3,290,629	\$ 3,852,203	\$ 108,536	\$ 2,922,377	\$ 2,350,929	\$ 137,623	\$ 39,719,011	2.950
800,456	3,536,095	4,202,317	117,698	2,988,974	2,292,204	32,507	40,226,941	2.950
747,533	3,805,012	4,632,152	149,508	2,514,798	2,196,392	19,624	41,297,962	2.950
990,158	4,156,688	5,023,128	149,529	2,285,236	2,495,494	544,267	46,720,329	3.275
904,306	4,425,770	4,785,132	154,285	2,927,119	2,458,566	(101,463)	46,112,643	3.275
1,155,241	4,327,560	4,253,903	139,145	2,266,143	2,053,947	-	42,685,006	3.275
1,246,112	4,611,287	4,890,472	133,207	1,835,299	2,140,629	-	44,575,666	3.275
1,763,230	4,931,980	5,260,810	153,155	2,280,349	2,386,969	-	47,119,213	3.275
1,152,575	4,878,682	4,889,490	165,709	2,575,958	2,683,787	-	49,298,206	3.275
1,154,604	5,019,774	5,533,752	153,548	2,635,130	2,939,328	-	52,320,176	3.275

**DIRECT AND OVERLAPPING SALES TAX RATES
LAST TEN FISCAL YEARS**

Fiscal Year	City Direct Rate	Overlapping Rates					Total Direct & Overlapping Sales Tax Rate
	City of Longmont	State of Colorado	Boulder County	Regional Transportation District	Scientific and Cultural Facilities District	Metropolitan Sports Stadium District	
2004	2.950	2.900	0.550	0.600	0.100	0.100	7.200
2005	2.950	2.900	0.650	1.000	0.100	0.100	7.700
2006	2.950	2.900	0.650	1.000	0.100	0.100	7.700
2007	3.275	2.900	0.650	1.000	0.100	0.100	8.025
2008	3.275	2.900	0.650	1.000	0.100	0.100	8.025
2009	3.275	2.900	0.650	1.000	0.100	0.100	8.025
2010	3.275	2.900	0.650	1.000	0.100	0.100	8.025
2011	3.275	2.900	0.800	1.000	0.100	0.100	8.175
2012	3.275	2.900	0.800	1.000	0.100	0.000	8.075
2013	3.275	2.900	0.800	1.000	0.100	0.000	8.075

Sources: City of Longmont sales and use tax reports



CITY OF LONGMONT, COLORADO

**PRINCIPAL SALES AND USE TAX PAYERS
LAST TEN FISCAL YEARS**

	Fiscal Year			
	2004	2005	2006	2007
Aggregate top ten filers ⁽¹⁾	\$ 13,113,576	\$ 13,330,649	\$ 12,478,376	\$ 14,231,545
Aggregate all other filers ⁽²⁾	<u>26,605,435</u>	<u>26,896,292</u>	<u>28,819,586</u>	<u>32,488,784</u>
Total sales and use tax ⁽³⁾	<u>\$ 39,719,011</u>	<u>\$ 40,226,941</u>	<u>\$ 41,297,962</u>	<u>\$ 46,720,329</u>
Top ten filers as a percentage of total tax	33.02%	33.14%	30.22%	30.46%

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

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

(3) Corrected totals for 2006 through 2012.

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

Fiscal Year					
2008	2009	2010	2011	2012	2013
\$ 14,314,666	\$ 12,735,201	\$ 13,768,827	\$ 14,396,809	\$ 15,894,438	\$ 17,214,271
<u>31,797,977</u>	<u>29,949,805</u>	<u>30,806,839</u>	<u>32,802,404</u>	<u>33,403,768</u>	<u>35,105,905</u>
<u>\$ 46,112,643</u>	<u>\$ 42,685,006</u>	<u>\$ 44,575,666</u>	<u>\$ 47,199,213</u>	<u>\$ 49,298,206</u>	<u>\$ 52,320,176</u>
31.04%	29.84%	30.89%	30.50%	32.24%	32.90%

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

Fiscal Year	Governmental Activities		Business-Type Activities				Total Primary Government	(1) % of Personal Income	(1) Per Capita
	General Obligation Bonds	Sales & Use Tax Revenue Bonds	Capital Leases	Revenue Bonds	Loans Payable	Capital Leases			
2004	\$ 8,410,000	\$40,080,000	\$ 7,524,146	\$ -	\$ 20,000,405	\$ 3,935,460	\$ 79,950,011	2.3%	\$ 985
2005	7,470,000	38,610,000	7,116,765	-	19,149,228	3,550,168	75,896,161	2.0%	917
2006	6,500,000	37,035,000	6,709,384	-	18,185,868	3,142,458	71,572,710	1.8%	846
2007	5,505,000	35,500,000	6,218,945	-	17,321,395	2,753,556	67,298,896	1.7%	785
2008	4,480,000	33,905,000	8,800,964	14,540,000	16,438,464	2,346,180	80,510,608	1.9%	934
2009	3,425,000	32,235,000	10,277,050	14,030,000	15,536,963	1,919,455	77,423,468	1.9%	897
2010	2,325,000	47,145,000	5,057,886	26,900,000	14,381,439	-	95,809,325	2.1%	1,095
2011	1,185,000	45,445,000	4,767,754	26,095,000	13,210,950	-	90,703,704	2.0%	1,032
2012	-	43,655,000	5,438,502	25,200,000	12,079,147	-	86,372,649	1.9%	983
2013	-	41,328,020	5,028,388	32,386,910	11,144,353	-	89,887,671	1.9%	996

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

**RATIO OF NET GENERAL OBLIGATION (G/O) BONDED DEBT TO ASSESSED VALUE
AND NET BONDED DEBT PER CAPITA
LAST TEN FISCAL YEARS**

FISCAL YEAR	POPULATION (a)	ASSESSED VALUE (b)	GROSS BONDED DEBT (c)	LESS: DEBT PAYABLE FROM ENTERPRISE REVENUES	NET GOVERNMENTAL GENERAL OBLIGATION BONDED DEBT	RATIO OF NET G/O BONDED DEBT TO ASSESSED VALUE	NET G/O BONDED DEBT PER CAPITA
2004	81,169	\$ 940,330,671	\$ 8,410,000	-	\$ 8,410,000	0.0089	\$103.61
2005	82,798	963,317,110	7,470,000	-	7,470,000	0.0078	\$90.22
2006	84,636	971,473,670	6,500,000	-	6,500,000	0.0067	\$76.80
2007	85,762	1,001,889,530	5,505,000	-	5,505,000	0.0055	\$64.19
2008	86,194	1,076,592,290	4,480,000	-	4,480,000	0.0042	\$51.98
2009	86,303	1,085,601,490	3,425,000	-	3,425,000	0.0032	\$39.69
2010	87,461	1,094,937,000	2,325,000	-	2,325,000	0.0021	\$26.58
2011	87,850	1,092,774,821	1,185,000	-	1,185,000	0.0011	\$13.49
2012	87,854	1,049,322,989	-	-	-	-	-
2013	90,219	1,044,151,855	-	-	-	-	-

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

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

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

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

Governmental Unit	Direct Debt Outstanding	Percentage Applicable To City of Longmont (a)	Estimated Share of Overlapping Debt
Overlapping:			
St. Vrain Valley School District ¹	\$ 411,565,000	44.64%	\$ 183,722,616
Northern Colorado Water Conservancy District ²	4,487,643	7.25%	<u>325,354</u>
Subtotal, overlapping debt			184,047,970
City of Longmont	46,356,408	100.00%	<u>46,356,408</u>
Total Direct & Overlapping Debt			<u>\$ 230,404,378</u>

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

Sources:

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

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

Legal Debt Margin Calculation for Fiscal Year 2013

Estimated actual value

Debt limit (3% of actual value)

Debt applicable to limit:

 General Obligation Bonds

Legal Debt Margin

	Fiscal Year				
	2004	2005	2006	2007	2008
Debt Limit	\$ 232,540,123	\$ 239,813,710	\$ 244,291,416	\$ 252,410,087	\$ 269,365,309
Total net debt applicable to limit	<u>8,410,000</u>	<u>7,470,000</u>	<u>6,500,000</u>	<u>5,505,000</u>	<u>4,480,000</u>
Legal debt margin	<u>\$ 224,130,123</u>	<u>\$ 232,343,710</u>	<u>\$ 237,791,416</u>	<u>\$ 246,905,087</u>	<u>\$ 264,885,309</u>
Total net debt applicable to the limit as a percentage of debt limit	3.62%	3.11%	2.66%	2.18%	1.66%

\$8,480,224,088

254,406,723

\$0

254,406,723

		Fiscal Year				
		2009	2010	2011	2012	2013
\$	272,149,250	\$ 264,574,063	264,875,278	254,458,859	254,406,723	
	<u>3,425,000</u>	<u>2,325,000</u>	<u>1,185,000</u>	-	-	
\$	<u><u>268,724,250</u></u>	<u><u>262,249,063</u></u>	<u><u>263,690,278</u></u>	<u><u>254,458,859</u></u>	<u><u>254,406,723</u></u>	
	1.26%	0.88%	0.45%	0.00%	0.00%	

PLEDGED REVENUE BOND/LOAN COVERAGE

Last Ten Fiscal Years

FISCAL YEAR	GROSS RESOURCES (a)	EXPENSES (b)	AVAILABLE FOR DEBT SERVICE (c)		INTEREST	TOTAL	COVERAGE
			PRINCIPAL				
SEWER REVENUE BONDS/LOANS							
2004	\$ 9,567,737	\$ 5,853,779	\$ 3,713,958	\$ 185,060	\$ 114,723	\$ 299,783	12.39
2005	9,112,655	6,083,051	3,029,604	187,696	105,681	293,377	10.33
2006	8,937,184	6,503,859	2,433,325	190,649	96,175	286,824	8.48
2007	8,752,680	6,269,116	2,483,564	193,945	86,212	280,157	8.86
2008	7,850,829	6,287,988	1,562,841	197,401	75,946	273,347	5.72
2009	7,706,486	5,944,889	1,761,597	200,973	65,403	266,376	6.61
2010	7,912,372	6,286,145	1,626,227	204,672	256,277 (e)	460,949	3.53
2011	8,319,686	6,218,570	2,101,116	483,579	587,113 (e)	1,070,692	1.96
2012	8,702,531	6,547,037	2,155,494	503,838	564,636	1,068,474	2.02
2013	9,798,239	7,825,653	1,972,586	550,000	640,917	1,190,917	1.66
WATER BONDS/LOANS							
2004	\$ 20,568,016	\$ 6,741,389	\$ 13,826,627	\$ 630,528	\$ 575,645	\$ 1,206,173	11.46
2005	19,570,632	7,133,157	12,437,475	645,528	562,920	1,208,448	10.29
2006	18,959,711	7,116,212	11,843,499	670,528	549,895	1,220,423	9.70
2007	19,591,353	8,044,452	11,546,901	660,528	536,612	1,197,140	9.65
2008	17,232,818	8,881,027	8,351,791	685,530	523,082	1,208,612	6.91
2009	12,859,723	8,615,808	4,243,915	700,528	508,877	1,209,405	3.51
2010	13,467,464	8,436,911	5,030,553	950,853	489,439	1,440,292	3.49
2011	13,581,304	9,204,273	4,377,031	961,909	463,514	1,425,423	3.07
2012	14,797,928	10,012,087	4,785,841	989,550	456,063	1,445,613	3.31
2013	12,874,408	10,544,246	2,330,162	989,551	221,680	1,211,231	1.92
STORM DRAINAGE BONDS SERIES 2008							
2008	\$ 3,913,485	\$ 1,894,255	\$ 2,019,230	\$ -	\$ 424,710 (e)	\$ 424,710	4.75
2009	3,612,637	2,144,168	1,468,469	510,000	577,519 (e)	1,087,519	1.35
2010	3,646,439	2,201,247	1,445,192	520,000	561,431 (e)	1,081,431	1.34
2011	3,474,370	2,222,591	1,251,779	530,000	545,019 (e)	1,075,019	1.16
2012	3,884,092	2,214,935	1,669,157	565,000	536,406	1,101,406	1.52
2013	4,057,701	2,368,751	1,688,950	565,000	518,531	1,083,531	1.56
SERIES 2010A&B OPEN SPACE SALES AND USE TAX REVENUE BONDS							
		Open Space Sales and Use Tax Revenues		Maximum Annual Debt Service on Bonds			Coverage
2004		2,692,816		1,848,000			1.46
2005		2,727,250		1,848,000			1.48
2006		2,799,862		1,848,000			1.52
2007		2,853,231		1,848,000			1.54
2008		2,816,040		1,848,000			1.52
2009		2,606,718		1,848,000			1.41
2010		2,722,178		2,056,507 (d)			1.32
2011		2,882,395		2,056,507			1.40
2012		3,010,578		2,056,507			1.46
2013		3,195,124		2,056,507			1.55
SERIES 2006 SALES AND USE TAX REFUNDING REVENUE BONDS							
		Pledged Sales and Use Tax Revenues		Maximum Annual Debt Service on Bonds			Coverage
2006	\$	27,998,620	\$	2,786,150			10.05
2007		28,532,328		2,786,150			10.24
2008		27,523,978		2,786,150			9.88
2009		26,067,719		2,786,150			9.36
2010		27,221,782		2,786,150			9.77
2011		28,823,947		2,786,150			10.35
2012		30,105,775		2,786,150			10.81
2013		31,951,254		2,786,150			11.47

(a) Gross resources include operating revenues, sales and use tax, miscellaneous revenue and interest income. Also included are annexation fees, plant investment fees, system development fees, developer participation, cash received in lieu of water which are classified as capital contributions under generally accepted accounting principles, and bond proceeds.

(b) Expenses include all operating expenses except depreciation. Also included are operating transfers to other funds.

(c) Gross resources in column (2) minus expenses in column (3).

(d) Open Space Sales and Use Tax Revenue Bonds were partially refunded in 2010.

(e) Interest restated to eliminate capitalization as previously reported.

DEMOGRAPHIC AND ECONOMIC STATISTICS
Last Ten Fiscal Years

Fiscal Year	(1) Population	Personal Income (thousands of dollars)	(3) Per Capita Income	(1) Median Age	(4) School Enrollment	(2) Unemployment Rate (%)
2004	81,169	\$ 3,542,215	\$ 43,640	34.5	21,467	5.0
2005	82,798	3,804,071	45,944	35.1	23,260	4.5
2006	84,636	3,960,965	46,800	35.4	24,009	4.0
2007	85,762	4,144,363	48,324	34.3	24,582	3.7
2008	86,194	4,165,239	48,324	34.3	25,751	5.0
2009	86,303	4,549,808	52,719	34.3	26,724	6.0
2010	87,461	4,153,435	47,489	34.4	27,379	6.8
2011	87,850	4,453,731	50,697	36.6	28,109	6.1
2012	87,854	4,559,008	51,893	35.9	29,382	5.5
2013	90,219	4,851,256	53,772	35.6	30,195	4.4

Source: (1) Bureau of Census; City of Longmont Department of Economic Development

(2) U.S. Bureau of Labor Statistics

(3) U.S. Bureau of Economic Analysis

(4) St. Vrain Valley School District

PRINCIPAL EMPLOYERS
Current Fiscal Year and Nine Years Ago

Employer	2013			2004		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
St. Vrain Valley Schools	3,538	1	7.0%			
Seagate Technology	1,245	2	2.5%	1,115	1	2.7%
Longmont United Hospital	1,244	3	2.5%			
City of Longmont	835	4	1.7%			
Intrado	793	5	1.6%	754	4	1.8%
Digital Globe	762	6	1.5%	350	8	0.8%
Amgen	707	7	1.4%	573	5	1.4%
Circle Graphics, Inc.	545	8	1.1%			
Federal Aviation Administration	488	9	1.0%	373	7	0.9%
Crocs, Inc.	433	10	0.9%			
McLane Western				545	6	1.3%
Butterball, LLC				950	2	2.3%
Maxtor Colorado				850	3	2.0%
Xilinx				340	9	0.8%
Times-Call				285	10	0.7%
Total	10,590		21.1%	6,135		14.6%

Source: Longmont Area Economic Council

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

<u>Function/Program</u>	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General Government										
City Administration	37	37	37	37	35	36	30	31	31	40
Finance	82	80	82	82	81	80	86	88	88	81
Public Safety										
Police	148	157	157	174	179	185	173	171	171	171
Fire	86	86	86	91	97	96	92	91	91	91
Shared	19	20	20	21	22	23	30	29	31	31
Community Development										
Parks, Open Space and Public Works	161	165	81 *	79	80	78	75	59	59	59
Planning	12	12	12	13	11	11	14	14	14	14
Building Inspection/Code Enforcement	15	15	15	15	13	12	11	13	12	12
Community Services										
Library	41	41	41	41	39	39	39	37	37	37
Museum	8	8	8	8	8	8	7	7	7	7
Recreation	20	22	22	22	21	22	21	21	21	21
Senior Services	7	7	7	7	7	7	7	7	7	7
Children and Youth Services	8	6	6	8	7	6	6	8	8	8
Community Services Administration	10	10	10	10	12	12	11	12	13	13
Public Works and Water Utilities	92	92	175 *	176	169	163	157	169	168	167
Power and Communications	65	68	70	70	71	70	73	73	73	73
Total	811	826	829	854	850	846	832	829	831	832

Source: City of Longmont Budget Office

* Public Works reorganization

OPERATING INDICATORS BY FUNCTION/PROGRAM
Last Ten Fiscal Years

Function/Program	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Police										
DUI Arrests	431	422	310	381	317	270	288	268	329	243
Traffic Violations	7,120	7,288	6,818	9,438	9,261	10,524	11,132	9,163	8,903	6,984
Case Clearance Rate	73%	76%	85%	75%	68%	65%	42%	44%	40%	39%
Fire										
Emergency Responses	3,174	3,318	3,263	3,681	6,638	6,772	7,007	6,788	7,918	8,262
Inspections	n/a	459	860	704	1,206	1,429	1,336	277	2,360	1,538
Fires Extinguished	474	165	216	161	228	72	156	102	190	202
Call Response Time										
< 5 mins	86%	43% (a)	73%	71%	75%	51%	0%	67%	47%	50%
> 5 mins	14%	57%	27%	29%	25%	49%	0%	33%	53%	50%
Public Works										
Streets Resurfaced (Miles)	8.72	8.47	8.43	7.09	8.10	10.54	8.75	8.90	15.90	10.86
Parks and Recreation										
Library										
Total Circulation	1,094,523	1,109,343	1,116,513	998,040	1,041,788	1,081,428	1,125,345	1,086,394	1,195,726	1,262,198
Total Items Added	25,118	26,161	20,446	23,379	24,330	22,170	22,933	19,502	18,084	18,837
Patrons Visits	275,504	229,144	352,286	326,289	458,469	580,767	531,139	584,119	650,526	611,262
Museum										
Total People Served	55,498	61,339	63,216	63,700	71,831	71,443	70,009	71,077	62,024	65,137
Golf										
Rounds of Golf	109,313	104,286	102,478	105,800	100,488	96,108	89,517	88,607	100,958	87,620
Water										
New connections	424	299	2,626	350	116	506	-	62	330	116
Water main breaks	71	36	39	40	23	23	25	26	38	30
Average daily consumption (mgd)	14.07	15.48	16.45	16.33	15.95	13.66	14.51	15.53	15.45	13.49
Wastewater										
Average daily sewage treatment (mgd)	8.22	8.35	7.85	8.21	7.63	7.31	7.22	6.97	6.71	7.21
Power and Communications										
Customers	34,389	35,080	35,561	35,906	36,231	36,383	36,683	36,809	37,107	37,360
Meter Reading Accuracy	99.98%	99.91%	99.92%	99.93%	99.94%	99.94%	99.90%	99.90%	99.90%	99.90%

Source: Various City of Longmont departments

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

CAPITAL ASSETS STATISTICS BY FUNCTION
Last Ten Fiscal Years

<u>Function/Program</u>	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol Vehicles	55	58	64	66	68	70	63	63	62	62
Fire										
Stations	5	5	5	5	5	5	5	5	6	6
Public Works										
Streets (miles)	307	312	315	315	315	319	319	330	330	330
Traffic Signals	6,222	6,658	6,991	7,109	7,204	7,228	7,228	7,355	7,402	7,415
Parks and Recreation										
Parks	44	44	44	44	44	44	44	44	47	47
Park, trail and open space acreage	3,727	3,727	3,727	3,727	3,727	5,213	5,213	5,213	4,676	4,715
Libraries	1	1	1	1	1	1	1	1	1	1
Number of Volumes	283,314	299,519	298,897	300,093	295,723	292,299	283,758	277,279	270,176	267,769
Museum	1	1	1	1	1	1	1	1	1	1
Swimming Pools	5	5	5	5	5	5	5	5	5	4
Golf Courses	3	3	3	3	3	3	3	3	3	3
Water										
Water mains (miles)	424	424	437	439	441	442	441	443	443	443
Water connections	25,063	25,569	26,075	25,919	26,035	26,541	-	26,603	26,933	27,049
Wastewater										
Sanitary sewer (miles)	318	318	323	325	328	328	326	328	328	329
Wastewater connections	24,314	24,842	25,538	25,192	25,795	26,147	-	25,875	26,067	26,132
Power and Communications										
Substations	6	6	6	7	7	7	7	7	7	7

Source: Various City of Longmont departments

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended December 31, 2013

	Federal CFDA Number	Pass-through Grantor's Number	Program or Award Amount	Revenue Recognized	Federal Expenditures
US Department of Housing and Urban Development					
Community Development Block Grants					
2009	14.218	09-MC-08-0011	\$ 542,538	\$ 6,123	\$ 6,123
2010	14.218	10-MC-08-0011	587,398	149,517	184,132
2011	14.218	11-MC-08-0011	493,401	115,462	115,462
2012	14.218	12-MC-08-0011	532,458	132,730	163,385
2013	14.218	13-MC-08-0011	568,555	170,339	254,094
Total Community Development Block Grant				574,171	723,196
HOME Consortium Grant 2010	14.239	M-10-DC-08-0202	307,579	4,614	-
HOME Consortium Grant 2012	14.239	M-12-DC-08-0202	204,558	69,733	-
Total HOME Grants				74,347	-
TOTAL US Department of Housing and Urban Development				648,518	723,196
US Department of Justice					
Cold Case Homicide Investigation Grant	16.307	2010-DN-BX-K234	6,287	6,287	6,287
Edward Byrne Memorial Justice Assistance Grant	16.738	2012-H1105-CO-DJ	30,817	24,240	24,240
JAG - Project Pinwheel	16.738	13-DJ-13-001465-3-1	29,410	1,653	1,653
JAG - Restorative Practices in Schools Training and Technical Assistance	16.738	2013-DJ-BX-0027	64,444	-	12,410
JAG - Restorative Re-entry Project Grant	16.738	13-DJ-13-001492-4-1	71,250	16,145	16,145
School Based Restorative Justice Project	16.738	12-DJ-12-119-03-04	34,560	34,560	27,239
Internet Crimes Against Children	16.543	2012-MC-FX-K009	1,825	1,825	1,825
St. Vrain Family Center - S.A.F.E. Services Program Grant	16.527	2013-FL-AX-K001	382,607	6,790	6,790
Victims of Crime Act - VOCA	16.575	12-VA-20-82	32,577	32,577	32,577
Total US Department of Justice				124,077	129,166
The Institute of Museum and Library Services (IMLS)					
Library Services and Technology Act Grant (LSTA)	45.310	PL 104-208	10,000	1,500	1,500
Total Institute of Museum and Library Services				1,500	1,500
US Department of Transportation					
Passed through the Colorado Department of Transportation					
E-Citation Implementation Grant	20.610	13-04-4-12	40,123	40,123	40,123
Denver Regional Council Trans. Improvement - Ped. Underpass Hwy 119	20.205	12-HA4-45217	965,000	10,000	10,000
Federal Hazard Elimination Program (SH 66 & Cty Line Rd Improvements)	20.205	12-HA4-37748	350,000	-	350,000
Station Area Master Plan (STAMP)-(CMAQ Grant passed through RTD)	20.200	CO-95-X001-01	90,000	3,387	-
Airport Improvement Grant - Taxiway "B" (FAA Grant)	20.106	DOT-FA12MN-1007	600,000	426,428	426,428
Click It or Ticket	20.600	PO211018772	4,500	4,500	4,500
Click It or Ticket	20.600	PO211019367	2,500	2,500	2,500
Total US Department of Transportation				486,938	833,551
US Fish and Wildlife Service					
Subgrant from the State of CO Department of Natural Resources					
Fishing is Fun Grant	15.605	FIF-1738-11	48,413	48,413	48,413
Total US Fish and Wildlife				48,413	48,413
USDA Forest Services					
Passed through Colorado State University					
CO Bear Brush Thinning - State Fire Assistance Grant (Button Rock)	10.664	53-66040-001	35,000	35,000	35,000
CO Fuels Mitigation Grant - Button Rock	10.664	1929100-2BO	20,000	20,000	20,000
Total USDA Forest Services				55,000	55,000
US Department of Homeland Security					
City and County of Denver-Metropolitan Medical Response System	97.067	MOOEM0000000432	137,140	137,140	137,140
Emergency Management Performance Grant (2013)	97.042	13EM-14-128	65,900	-	65,900
FEMA - Federal Emergency Management Award (2013)	97.039	DR-4145-CO 14-D4145-LM	121,409	121,409	121,409
Total US Department of Homeland Security				258,549	324,449
Total Federal Assistance				\$ 1,622,995	\$ 2,115,275

NOTES TO SCHEDULE OF FEDERAL AWARDS
Year Ended December 31, 2013

NOTE 1: BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the City for the year ended December 31, 2013. All federal awards received directly from federal agencies, as well as federal awards passed through other governmental agencies, are included in the schedule. The information in the schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in the financial statements.

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES

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

NOTE 3: SUB-RECIPIENTS

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

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Amount Provided to Sub-recipients</u>
Community Development Block Grant	14.218	\$88,537

NOTE 4: NON-CASH ASSISTANCE

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

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Amount of Non-cash Assistance</u>
City and County of Denver-Metropolitan Medical Response System	97.067	\$137,140

City of Longmont, Colorado
Summary Schedule of Prior Audit Findings

Year Ended December 31, 2013

Number	Comment	Status	Corrective Action or Other Explanation
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None reported



**Report on Internal Control over Financial Reporting and on
Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance With *Government Auditing Standards***

Independent Auditor's Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Longmont, Colorado (the City), as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 5, 2014.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

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

Denver, Colorado
June 5, 2014



Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance

Independent Auditor's Report

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

Report on Compliance for Each Major Federal Program

We have audited the City of Longmont, Colorado's (the City) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended December 31, 2013. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2013.

Report on Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

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

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

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

McGladrey LLP

Denver, Colorado
June 5, 2014

City of Longmont, Colorado

Schedule of Findings and Questioned Costs
Year Ended December 31, 2013

I. Summary of the Independent Auditor's Report

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified?

Yes No

Significant deficiencies identified?

Yes No

Noncompliance material to financial statements noted?

Yes No

Federal Awards

Internal control over major programs:

Material weakness(es) identified?

Yes No

Significant deficiencies identified?

Yes No

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

Any audit findings disclosed that are required to be reported in accordance with
Section 510(a) of Circular A-133?

Yes No

Identification of major programs:

CFDA Number	Name of Federal Program or Cluster
20.106	Airport Improvement Grant
20.205	Federal Hazard Elimination Program

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

Auditee qualified as low-risk auditee?

Yes No

(Continued)

Schedule of Findings and Questioned Costs (Continued)
Year Ended December 31, 2013

I. Findings Related to the Financial Statement Audit Required to be Reported in Accordance with Generally Accepted Government Auditing Standards

A. Internal Control

None reported

B. Compliance findings

None reported

II. Findings and Questioned Costs for Federal Awards

A. Internal Control

None reported

B. Instances of noncompliance

None reported

City of Longmont, Colorado

**Corrective Action Plan
Year Ended December 31, 2013**

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

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

LOCAL HIGHWAY FINANCE REPORT		City or County: City of Longmont
		YEAR ENDING : December 2013
This Information From The Records Of (example - City of _ or County of _): City of Longmont	Prepared By: Phone:	Brian McGill (303) 651-8642

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

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT	ITEM	AMOUNT
A. Receipts from local sources:		A. Local highway disbursements:	
1. Local highway-user taxes		1. Capital outlay (from page 2)	7,611,651
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	5,426,012
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	1,318,439
2. General fund appropriations	2,165,473	b. Snow and ice removal	567,431
3. Other local imposts (from page 2)	12,976,896	c. Other	0
4. Miscellaneous local receipts (from page 2)	103,040	d. Total (a. through c.)	1,885,870
5. Transfers from toll facilities	0	4. General administration & miscellaneous	819,101
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	2,165,473
a. Bonds - Original Issues	0	6. Total (1 through 5)	17,908,107
b. Bonds - Refunding Issues	0	B. Debt service on local obligations:	
c. Notes	0	1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	0
7. Total (1 through 6)	15,245,409	b. Redemption	0
B. Private Contributions	1,636,662	c. Total (a. + b.)	0
C. Receipts from State government (from page 2)	3,121,603	2. Notes:	
D. Receipts from Federal Government (from page 2)	39,136	a. Interest	0
E. Total receipts (A.7 + B + C + D)	20,042,810	b. Redemption	0
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	0
		C. Payments to State for highways	0
		D. Payments to toll facilities	0
		E. Total disbursements (A.6 + B.3 + C + D)	17,908,107

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

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

V. LOCAL ROAD AND STREET FUND BALANCE

	A. Beginning balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	12,218,838	20,042,810	17,908,107	14,353,541	0

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT

STATE:
Colorado
YEAR ENDING (mm/yy):
December 2013

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL

ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assessments	0	a. Interest on investments	(12,086)
b. Other local imposts:		b. Traffic Fines & Penalties	0
1. Sales Taxes	11,981,718	c. Parking Garage Fees	0
2. Infrastructure & Impact Fees	51,072	d. Parking Meter Fees	0
3. Liens	0	e. Sale of Surplus Property	0
4. Licenses	0	f. Charges for Services	0
5. Specific Ownership &/or Other	944,106	g. Other Misc. Receipts	115,126
6. Total (1. through 5.)	12,976,896	h. Other	0
c. Total (a. + b.)	12,976,896	i. Total (a. through h.)	103,040
	(Carry forward to page 1)		(Carry forward to page 1)

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes	2,717,104	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	0
a. State bond proceeds		b. FEMA	29,136
b. Project Match		c. HUD	0
c. Motor Vehicle Registrations	304,304	d. Federal Transit Admin	0
d. Other (Specify) - DOLA Grant		e. U.S. Corps of Engineers	0
e. Other (Specify) - Grants	100,195	f. Other Federal	10,000
f. Total (a. through e.)	404,499	g. Total (a. through f.)	39,136
4. Total (1. + 2. + 3.f)	3,121,603	3. Total (1. + 2.g)	
			(Carry forward to page 1)

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL

	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs	0	36,429	36,429
b. Engineering Costs	0	568,901	568,901
c. Construction:			
(1). New Facilities	0	0	0
(2). Capacity Improvements	0	3,648,057	3,648,057
(3). System Preservation	0	3,358,264	3,358,264
(4). System Enhancement & Operation	0	0	0
(5). Total Construction (1) + (2) + (3) + (4)	0	7,006,321	7,006,321
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	7,611,651	7,611,651
			(Carry forward to page 1)

Notes and Comments:

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