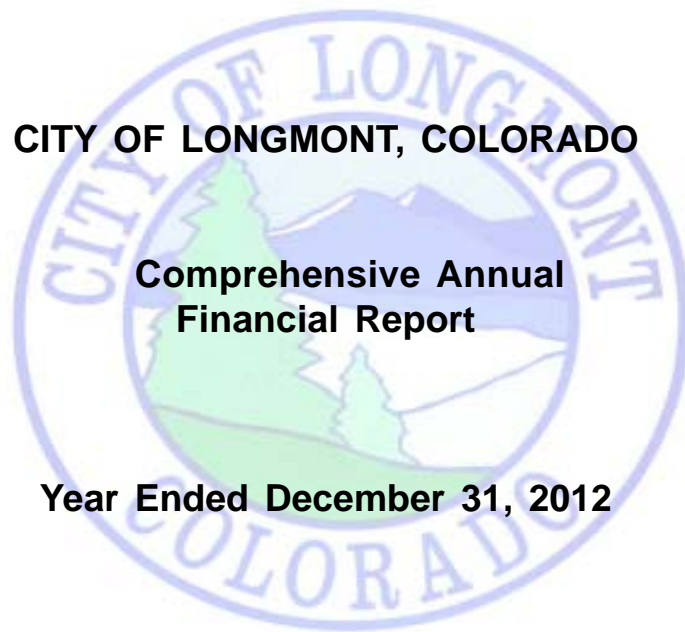




City of Longmont, Colorado  
**2012 Comprehensive  
Annual Financial  
Report**





**CITY OF LONGMONT, COLORADO**

**Comprehensive Annual  
Financial Report**

**Year Ended December 31, 2012**

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



**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
YEAR ENDED DECEMBER 31, 2012**

**TABLE OF CONTENTS**

	<b>Exhibit/ Schedule</b>	<b>Page</b>
<b>INTRODUCTORY SECTION</b>		
Title page		
Table of Contents.....		3
Chief Executive Officer's Letter of Transmittal.....		9
Certificate of Achievement for Excellence in Financial Reporting.....		14
Organizational Chart.....		15
List of Principal Officials .....		16
<b>FINANCIAL SECTION</b>		
Independent Auditor's Report .....		17
Management's Discussion and Analysis.....		19
Basic Financial Statements:		
Government-wide Financial Statements:		
Statement of Net Position .....	1	31
Statement of Activities .....	2	32
Fund Financial Statements:		
Balance Sheet-Governmental Funds .....	3	34
Reconciliation of the Balance Sheet to the Statement of Net Position .....	3	36
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds .....	4	38
Reconciliation of the Statement of Revenues, Expenditures and Changes in the Fund Balances of Governmental Funds to the Statement of Activities ....	4	39
Statement of Revenues, Expenditures and Changes in Fund Balance Budget and Actual General (Legal Basis) Fund .....	5	40
Statement of Revenues, Expenditures and Changes in Fund Balance Budget and Actual Street Systems Fund .....	6	41
Statement of Net Position – Proprietary Funds .....	7	42
Statement of Revenues, Expenses, and Changes in Fund Net Position Proprietary Funds .....	8	46
Statement of Cash Flows – Proprietary Funds .....	9	48
Statement of Fiduciary Net Position – Fiduciary Funds .....	10	52
Statement of Changes in Fiduciary Position – Fiduciary Funds.....	11	53
Notes to Financial Statements .....		54
Required Supplemental Information .....		97
Schedules of Funding Progress – Employee, Fire and Police Pension Plans .....		98
Schedules of Contributions from Employer – Employee, Fire and Police Pension Plans .....		99
Schedule of Funding Progress – Retiree Health Insurance Plan .....		100
Combining and Individual Fund Statements and Schedules:		
General Fund Schedule of Revenues and Other Financing Sources Compared to Budget (Legal Basis) .....	A-1	102
General Fund Schedule of Expenditures and Other Financing Uses Compared to Budget (Legal Basis) .....	A-2	105

**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
YEAR ENDED DECEMBER 31, 2012**

**TABLE OF CONTENTS**

	<b>Statement/ Schedule</b>	<b>Page</b>
Nonmajor Governmental Funds .....		108
Combining Balance Sheet—Nonmajor Governmental Funds .....	B-1	110
Combining Statement of Revenues, Expenditures and Changes in Fund Balance—Nonmajor Governmental Funds .....	B-2	116
Conservation Special Revenue Fund, Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget (GAAP Basis) and Actual .....	B-3	122
Park Improvement Special Revenue Fund, Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget (GAAP Basis) and Actual - .....	B-4	123
General Improvement District #1 Special Revenue Fund Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget (GAAP Basis) and Actual - .....	B-5	124
Community Development Block Grant Special Revenue Fund Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget (GAAP Basis) and Actual - .....	B-6	125
Downtown Parking Special Revenue Fund Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget (GAAP Basis) and Actual - .....	B-7	126
Judicial Wedding Fee Special Revenue Fund Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget (GAAP Basis) and Actual - .....	B-8	127
Police Seizures Special Revenue Fund Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget (GAAP Basis) and Actual - .....	B-9	128
Prevention/Education Special Revenue Fund Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget (GAAP Basis) and Actual - .....	B-10	129
Youth Services Special Revenue Fund Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget (GAAP Basis) and Actual - .....	B-11	130
Transportation Community Investment Fee Special Revenue Fund Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget (GAAP Basis) and Actual - .....	B-12	131

**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
YEAR ENDED DECEMBER 31, 2012**

**TABLE OF CONTENTS**

	<b>Statement/ Schedule</b>	<b>Page</b>
Public Buildings Community Investment Fee Special Revenue Fund		
Schedule of Revenues,		
Expenditures and Changes in Fund Balance -		
Budget (GAAP Basis) and Actual - .....	B-13	132
Electric Community Investment Fee Special Revenue Fund		
Schedule of Revenues,		
Expenditures and Changes in Fund Balance -		
Budget (GAAP Basis) and Actual - .....	B-14	133
Water System Construction Reserve Fund		
Schedule of Revenues,		
Expenditures and Changes in Fund Balance -		
Budget (GAAP Basis) and Actual - .....	B-15	134
Water Acquisition Special Revenue Fund		
Schedule of Revenues,		
Expenditures and Changes in Fund Balance -		
Budget (GAAP Basis) and Actual - .....	B-16	135
Raw Water Storage Reserve Special Revenue Fund		
Schedule of Revenues,		
Expenditures and Changes in Fund Balance -		
Budget (GAAP Basis) and Actual - .....	B-17	136
Sewer Construction Special Revenue Fund		
Schedule of Revenues,		
Expenditures and Changes in Fund Balance -		
Budget (GAAP Basis) and Actual - .....	B-18	137
Library Services Special Revenue Fund		
Schedule of Revenues,		
Expenditures and Changes in Fund Balance -		
Budget (GAAP Basis) and Actual - .....	B-19	138
Museum Services Special Revenue Fund		
Schedule of Revenues,		
Expenditures and Changes in Fund Balance -		
Budget (GAAP Basis) and Actual - .....	B-20	139
Callahan House Special Revenue Fund		
Schedule of Revenues,		
Expenditures and Changes in Fund Balance -		
Budget (GAAP Basis) and Actual - .....	B-21	140
Senior Services Special Revenue Fund		
Schedule of Revenues,		
Expenditures and Changes in Fund Balance -		
Budget (GAAP Basis) and Actual - .....	B-22	141
Parks Grants and Donations Special Revenue Fund		
Schedule of Revenues,		
Expenditures and Changes in Fund Balance -		
Budget (GAAP Basis) and Actual - .....	B-23	142
Affordable Housing Special Revenue Fund		
Schedule of Revenues,		
Expenditures and Changes in Fund Balance -		
Budget (GAAP Basis) and Actual - .....	B-24	143
Open Space Special Revenue Fund		
Schedule of Revenues,		
Expenditures and Changes in Fund Balance -		
Budget (GAAP Basis) and Actual - .....	B-25	144

**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
YEAR ENDED DECEMBER 31, 2012**

**TABLE OF CONTENTS**

	<b>Statement/ Schedule</b>	<b>Page</b>
Public Safety Special Revenue Fund		
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget (GAAP Basis) and Actual - .....	B-26	145
Lodgers Tax Special Revenue Fund		
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget (GAAP Basis) and Actual - .....	B-27	146
Probation Services Special Revenue Fund		
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget (GAAP Basis) and Actual - .....	B-28	147
Museum Trust Special Revenue Fund		
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget (GAAP Basis) and Actual - .....	B-29	148
Longmont Urban Renewal Authority Fund		
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget (GAAP Basis) and Actual - .....	B-30	149
Lodgers Tax Special Revenue Fund		
Statement of Revenues, Expenditures and Changes in Fund Balance		
Budget and Actual Art in Public Places Subfund of the General Fund.....	B-31	150
Capital Projects Fund		
Project—Length Schedule of Construction Projects—Public Improvement .....	C-1	151
Nonmajor Enterprise Funds		
Combining Statement of Net Position .....	D-1	155
Combining Statement of Revenues, Expenses and Changes in Net Position .....	D-2	157
Combining Statement of Cash Flows .....	D-3	158
Sanitation Enterprise Fund		
Schedule of Revenues and Expenses—Budget (Legal Basis) and Actual .....	D-4	160
Golf Enterprise Fund		
Schedule of Revenues and Expenses—Budget (Legal Basis) and Actual .....	D-5	161
Telecommunications Enterprise Fund		
Schedule of Revenues and Expenses—Budget (Legal Basis) and Actual .....	D-6	162
Airport Enterprise Fund		
Schedule of Revenues and Expenses—Budget (Legal Basis) and Actual .....	D-7	163
Major Enterprise Funds		
Electric Enterprise Fund		
Schedule of Revenues and Expenses—Budget (Legal Basis) and Actual .....	D-8	165
Water Enterprise Fund		
Schedule of Revenues and Expenses—Budget (Legal Basis) and Actual .....	D-9	166
Sewer Enterprise Fund		
Schedule of Revenues and Expenses—Budget (Legal Basis) and Actual .....	D-10	167
Storm Drainage Enterprise Fund		
Schedule of Revenues and Expenses—Budget (Legal Basis) and Actual .....	D-11	168
Internal Service Funds		
Combining Statement of Net Position .....	E-1	170
Combining Statement of Revenues, Expenses and Changes in Net Position .....	E-2	172
Combining Statement of Cash Flows .....	E-3	174
Fleet Internal Service Fund		
Schedule of Revenues and Expenses—Budget (Legal Basis) and Actual .....	E-4	178

**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
YEAR ENDED DECEMBER 31, 2012  
TABLE OF CONTENTS**

	<b>Statement/ Schedule</b>	<b>Page</b>
<b>Fiduciary Funds</b>		
Combining Statement of Net Position .....	F-1	180
Combining Statement of Changes in Net Position .....	F-2	181
<b>Component Unit</b>		
Downtown Development Authority Component Unit Combining Balance Sheet .....	G-1	184
Downtown Development Authority Component Unit Combining Statement of Revenues, Expenditures and Changes in Fund Balance .....	G-2	185
Downtown Development Authority Component Unit Combining Balance Sheet Special Revenue Funds .....	G-3	186
Downtown Development Authority Component Unit Combining Statement of Revenues, Expenditures and Changes in Fund Balance Special Revenue Funds .....	G-4	187
Downtown Development Authority Component Unit Downtown Development Authority General Fund Schedule of Revenues, Expenditures and Changes in Fund Balance Budget (GAAP Basis) and Actual .....	G-5	188
Downtown Development Authority Component Unit Building Permit Special Revenue Fund Schedule of Revenues, Expenditures and Changes in Fund Balance Budget (GAAP Basis) and Actual .....	G-6	189
Downtown Development Authority Component Unit CDBG Grant Special Revenue Fund Schedule of Revenues, Expenditures and Changes in Fund Balance Budget (GAAP Basis) and Actual .....	G-7	190
Downtown Development Authority Component Unit Marketing Special Revenue Fund Schedule of Revenues, Expenditures and Changes in Fund Balance Budget (GAAP Basis) and Actual .....	G-8	191
Downtown Development Authority Component Unit Debt Service Fund Schedule of Revenues, Expenditures and Changes in Fund Balance Budget (GAAP Basis) and Actual .....	G-9	192
Downtown Development Authority Component Unit Construction Capital Projects Fund Schedule of Revenues, Expenditures and Changes in Fund Balance Budget (GAAP Basis) and Actual .....	G-10	193
Downtown Development Authority Component Unit Façade Improvement Program Schedule of Revenues, Expenditures and Changes in Fund Balance Budget (GAAP Basis) and Actual .....	G-11	194
Downtown Development Authority Component Unit Arts and Entertainment Fund Schedule of Revenues, Expenditures and Changes in Fund Balance Budget (GAAP Basis) and Actual .....	G-12	195
<b>STATISTICAL SCHEDULES</b>		
<b>Financial Trends</b>		
Net Position by Component .....	1	198
Changes in Net Position .....	2	199
Fund Balances, Governmental Funds .....	3	200
Changes in Fund Balances, Governmental Funds .....	4	201
<b>Revenue Capacity / Property Tax</b>		
Assessed and Estimated Actual Value of Taxable Property .....	5	202
Property Tax Rates and Levies - Direct & Overlapping Govts .....	6	203
Principal Taxpayers - Property Tax .....	7	204



**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
YEAR ENDED DECEMBER 31, 2012**

**TABLE OF CONTENTS**

<b>STATISTICAL SCHEDULES .....</b>	<b>Schedule</b>	<b>Page</b>
<b>(continued)</b>		
Property Tax Levies & Collections - City and DDA .....	8	205
Revenue Capacity / Sales/Use Tax		
Sales & Use Tax Revenue by Industry Type .....	9	206
Sales & Use Tax Rates - Direct and Overlapping .....	10	207
Principal Taxpayers - Sales and Use Tax .....	11	208
Debt Capacity		
Ratios of Outstanding Debt by Type .....	12	209
Ratios of GO Debt .....	13	210
Direct and Overlapping Debt .....	14	211
Legal Debt Margin .....	15	212
Revenue Bond/Loan Coverage .....	16	213
Demographic & Economic Information		
Demographic & Economic Statistics .....	17	214
Principal Employers .....	18	215
Full-time Equivalent Employees by Function/Program .....	19	216
Operating Indicators by Function/Program .....	20	217
Capital Asset Statistics by Function .....	21	218
 <b>COMPLIANCE SECTION</b>		
Schedule of Expenditures and Federal Awards .....		219
Notes to Schedule of Expenditures of Federal Awards .....		220
Summary Schedule of Prior Audit Findings .....		221
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> .....		222
Independent Auditor's Report on Compliance with Requirements Applicable to each Major Program and Internal Control Over Compliance in Accordance with OMB Circular A-133 .....		224
Schedule of Findings and Questioned Costs .....		226
Corrective Action Plan .....		228
Local Highway Finance Report .....		229



May 20, 2013

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, 2012, 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 87,854 residents: public safety, highways and streets, culture and recreation, public improvements, planning and zoning, general administrative services; as well as sanitation, electric, storm drainage, water and sewer utilities and enterprises of telecommunications, golf and airport. The City is also financially accountable for the Downtown Development Authority which is reported separately within these financial statements, further explained in Note 1 of the financial statements section.

#### Factors Affecting Financial Condition

**Local Economy.** The City's economic picture was improved in 2012 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 2012 over 2011 and was greater than the total high sales and use tax revenue mark in 2011 by 4.5%. Residential building permit activity increased from 2011; the City issued 13 new commercial permits, 7 more than the prior year. Primary jobs increased by 1.5%. The area unemployment rate was reported at 5.5% in December 2012, which was a slight reduction from 2011.

During 2012, sales and use tax activity increased 4.5% from 2011. Additionally, 105 building permits were issued for single family residences, 55 permits for condominiums/townhouse units, and 13 permits for commercial/industrial. The total value for permitted construction was \$107 million, an increase of 32% from 2011, and the total number of new construction permits increased by 9%. In 2013, 19 single family, 12 condo/townhouse units and 1 commercial/industrial permits for new construction have been issued through March. The combination of sales and use tax for first quarter 2013 has increased by 3.6% from first quarter 2012.

The Longmont Area Economic Council's (LAEC) 2012 Annual Report reveals a net increase of 1.5%, or 164 primary jobs gained during 2012. Sixty-three (63) of the 218 existing primary employers (29%) expanded in 2012 while 18 new primary employers became established in the Longmont area. The Longmont area experienced 12 closures/relocations and cutbacks by 59 companies. Longmont's primary employers represent a mixture of industries. Data from the LAEC report indicates that computer-related industries are the largest employers comprising (16%) of the primary employees of the Longmont area. Other significant industries include software (11%); semi-conductors (10%); aerospace (7%); biotech (7%); energy (2%); communications (1%); and medical instruments (1%).

The City's economic environment has not been impacted as badly by the recession as other areas of the nation due to its desirable location and a well-balanced, diversified economic base. Growth related goals set forth in the City's Comprehensive Plan support growth and development that allows Longmont to become a sustainable community over the long-term—one that balances economic, environmental and community needs. With a population of 87,854, 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 2012 included:

- Completed a citywide records inventory and records management assessment
- Completed *Focus on Longmont* strategic plan update
- Commissioned five artists for Shock Art to paint switchgear boxes in collaboration with Longmont Power and Communications
- Initiated "Reading League" through Bright EYES Coalition
- Completed 42 housing rehabilitation projects
- Initiated the first two of the now on-going quarterly Law Clinics
- Hosted first annual Library Festival
- Launched the quiet phase of the capital campaign to raise funds for an auditorium addition to the museum
- Completed construction of the Senior Services Center commercial kitchen expansion
- Facilitated planning for the redevelopment of Twin Peaks Mall
- Acquired and constructed additional parking in the downtown at 204 South Main Street
- Offered three sales tax seminars to local businesses
- Received GFOA Distinguished Budget Presentation Award for 2012 Operating Budget
- Completed initial broadband implementation steps for a business plan to utilize telecommunications infrastructure for the community
- Upgraded the City's Outdoor Emergency Warning System
- Completed, staffed, and opened state-of-the-art firing range for the Longmont Police Department
- Installed new Civic Center elevator
- Replaced roof at Safety & Justice Center and completed repairs at five additional City locations
- Completed upgrade of the traffic signal communication system
- The Collins, Fowler and Rider properties were purchased increasing the open space area in 2012 by approximately 90 acres
- Completed Dry Creek Community Park
- Managed and hosted telephone town hall as a part of the *Focus on Longmont* strategic plan update
- City Council declared 2012 as the Year of Art in Longmont
- Initiated Broadband implementation steps for development of a business plan
- Received fourth RP3 Award for electric reliability, safety, workforce development, and system improvements
- Developed workflow for new Automated Call Distribution System
- Successfully completed an EPA audit of the Industrial Pretreatment Program

The City Council's focus for 2013 is varied. 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 re-develop of 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 2012. 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 2013–2017 is shown below. The projects detailed are funded primarily through business-type activity revenues, through sales and use tax revenues of the Street and Public Improvement governmental activities, and through growth-related community investment fees. Additionally, there are approximately one hundred (100) projects identified as unfunded with an estimated cost of \$200 million, some of which may never be realized as they are new services or enhanced services dependent upon new sources of revenue.

Category	Number of Projects	Amount Funded
Downtown Redevelopment	2	\$ 414,049
Drainage	2	5,373,305
Electric	6	5,651,500
Parks and Recreation	14	10,768,396
Public Buildings/Facilities	18	11,829,787
Transportation	9	40,295,500
Wastewater	2	15,916,568
Water	10	26,088,810
Telecommunication	2	1,857,500

**Financial Policies.**

For the past thirty-one 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-five (95) policies organized within the following eight categories:

1. Revenue (11)
2. Operating (23)
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 2012 were in government agencies and securities. The fair value return on the investment portfolio during the year was .80% and the amount of income was \$1,538,815. This was \$73,585 less than during 2011, with the fair value rate of return dropping by 17%.

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, \$500,000 per electrical worker claim and carries excess insurance beyond those limits. The City retains risk of \$25,000 for property losses and carries insurance up to \$75,000,000 for any one property loss occurrence except for \$100,000 retention for general flood and earth quake and \$500,000 retention for A zone flood losses. The City's risk management staff (4 ¾ full time positions) includes a Safety Officer for the purpose of loss control and prevention.

All benefitted City employees are covered by one or more of six pension plans. Most uniformed employees are covered by the Fire and Police Money Purchase Plans, two separate defined contribution plans. One active participant remains in the Fire Pension Plan and none in the Police Pension Plan at December 31, 2012. 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, 2012. An actuarial study on the Employee Pension Plan is performed annually with the last study performed as of January 1, 2012. Actuarial information regarding the plans is included in the notes to the financial statements.

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

## **Awards and Acknowledgements**


The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Longmont, Colorado for its comprehensive annual financial report (CAFR) for the fiscal year ended December 31, 2011. The City has been awarded a Certificate of Achievement for thirty-two (32) 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.

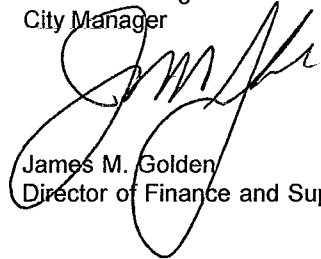
In addition, the City also received the GFOA's Distinguished Budget Presentation Award for its annual budget document for the fiscal year beginning January 1, 2012. To qualify for the Distinguished Budget Presentation Award, the City's budget document had to be judged proficient as a policy document, 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, Accountant Nancy Johnsen, Executive Assistant Tammy Bality and the entire staff of the Finance Department. Credit is also due the Mayor and the

Respectfully submitted,



Harold Domínguez  
City Manager



James M. Golden  
Director of Finance and Support Services

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

## City of Longmont Colorado

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
December 31, 2011

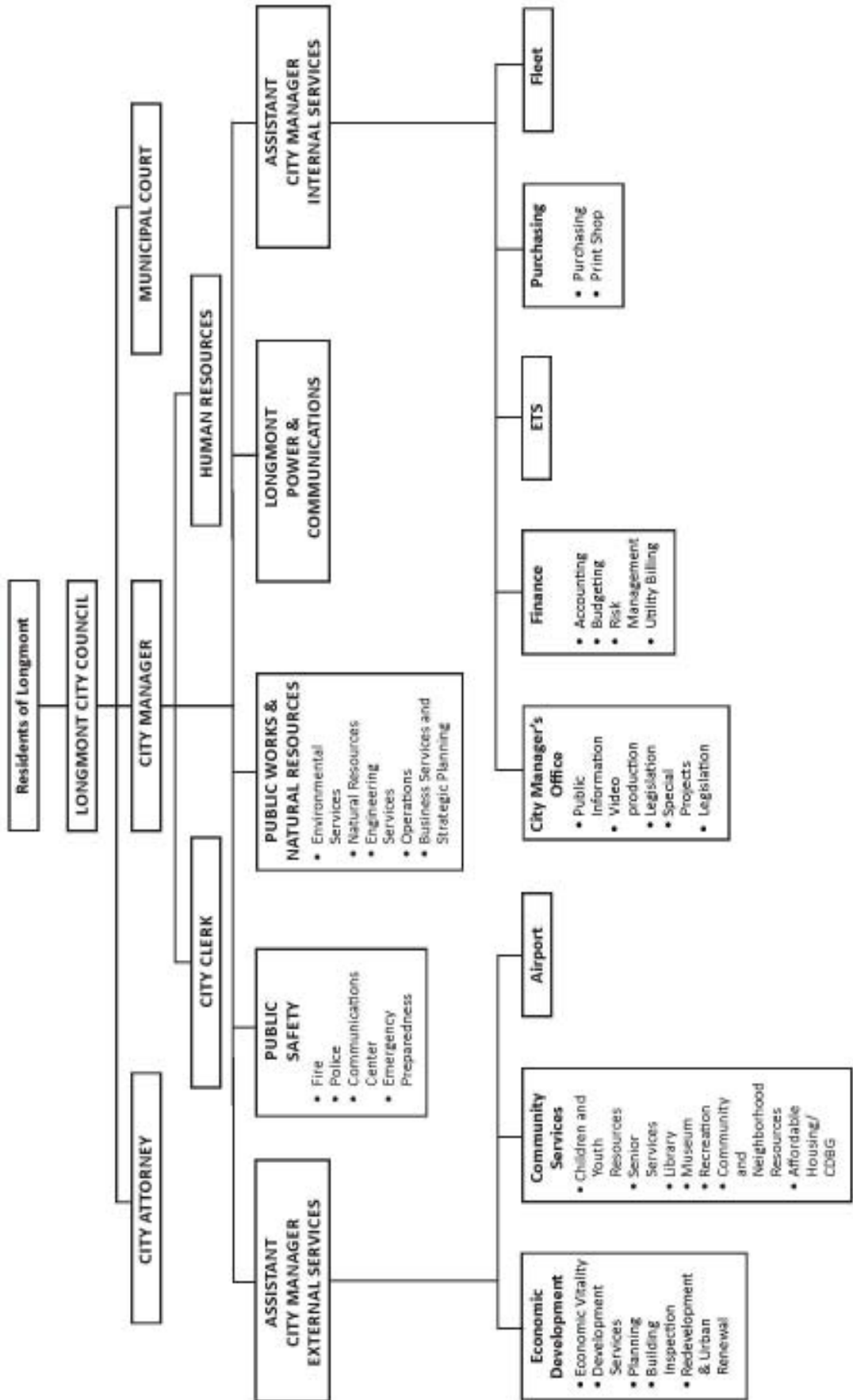
A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



*Christopher P. Morinell*  
President

*Jeffrey R. Emer*  
Executive Director

CITY OF LONGMONT





**OFFICIALS**

**City of Longmont, Colorado**

**CITY COUNCIL**

Dennis Coombs  
Mayor

Alex Sammoury

Gabe Santos

Brian Bagley

Katie Witt

Bonnie Finley

Sarah Levison

**CITY MANAGER**

Harold Dominguez

Sandra Seader..... Assistant City Manager

Sean Lewis ..... Assistant City Manager

Brad Powers ..... Director of Economic Development

Tom Roiniotis ..... Director of Power and Communications

Michael Butler..... Chief of Public Safety

Dale Rademacher ..... Director of Public Works and Natural Resources

Eugene T. Mei ..... City Attorney

James M. Golden ..... Director of Finance

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, 2012, 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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, 2012, 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.

As explained in Note 25 to the basic financial statements, the City adopted GASB Statement No. 61, *The Financial Reporting Entity: Omnibus, an amendment of GASB Statements No. 14 and 34*, which changed its presentation of an existing joint venture and restated beginning net position of the business-type activities and Electric Enterprise Fund.

## **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 29, the Pension Plans Schedules of Funding Progress and Employer Contributions on pages 98 and 99, and the Retiree Health Insurance Plan Schedule of Funding Progress on page 100 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, such as 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.

## **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated May 16, 2013 on our consideration of the City of Longmont, Colorado's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Longmont, Colorado's internal control over financial reporting and compliance.

*McGladrey LLP*

Denver, Colorado  
May 16, 2013

## 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, 2012, provides a narrative overview of its financial activities. Please consider the information presented here in conjunction with additional information we have furnished in our letter of transmittal, which starts on page 9 of this report.

### Financial Highlights

- The City's net position of \$956 million are divided between Governmental Activities (\$381 million) and Business-type Activities (\$575 million). Governmental activities had an increase in net position in 2012 by \$5 million while the business-type activities had an increase in net position of \$8.8 million.
- At December 31, 2012, the City of Longmont's governmental funds balance sheet reported combined ending fund balances of over \$81 million, a \$2.2 million decrease from the prior year. This statement combines 34 funds, including the City's General Fund and the Streets Systems Fund. The Streets Systems, Open Space, and Capital Project Funds showed the most significant decreases in fund balance, \$1.8 million, \$1.4 million, \$1.5 million, respectively.
- The fund balance, within the governmental funds, is \$81.5 million. Most of that fund balance, \$67 million or 83%, is restricted for use for specific purposes as required by external parties. \$59.7 million of this \$67 million balance represents reserves built up for capital acquisitions or construction as follows: Water System Projects, \$19.5 million; Transportation Projects, \$10.5 million; Open Space acquisitions, \$7.5 million; Public Improvement Fund capital projects, \$4.2 million; Conservation Trust capital projects, \$5.5 million; and Parks capital projects, \$3.4 million and various others. Additionally, \$3 million has been identified for emergencies.
- The unassigned fund balance for the General Fund, at the end of the current fiscal year was \$6.1 million, which was 10% of total General Fund expenditures.
- The City of Longmont's total debt decreased by \$5 million during 2012. This decrease was the result of \$5 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) city-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

**City-wide Financial Statements.** The city-wide financial statements are intended to provide readers with a broad overview of the City of Longmont's financial position, in a manner similar to private-sector business. The *statement of net 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 city-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all costs or a significant portion thereof through user fees and charges (*business-type activities*). The governmental activities of the City include general government, public safety, highways and streets, and culture and recreation. The business-type activities of the City include sanitation, golf, electric, telecommunications, water, sewer, storm drainage, and airport operations.

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

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

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

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

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

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

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

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

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

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

CITY OF LONGMONT, COLORADO

The combining and individual fund statements earlier referenced in connection with non-major funds and internal service funds are presented immediately following the required supplementary information on pensions. Combining and individual fund statements and schedules can be found on pages 108-195 of this report.

**REPORTING THE CITY AS A WHOLE**  
**City-wide Financial Analysis**  
**City-wide 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 \$956 million at December 31, 2012. Governmental activities make up \$381 million of the net position, with business-type activities comprising \$575 million. Total net position increased by \$14.0 million in 2012. The change is comprised of the following:

- Governmental net position increased by \$5 million primarily due to an increase in capital grants and contributions of \$1.5 million as well as an increase of \$2.2 million in sales and use taxes. Additionally, governmental activities expenses increased by \$4.4 million, primarily due to activities related to a new capital lease for energy equipment.
- Business-type net position increased by \$8.8 million. This change is primarily due to an increase in charges for services of \$6 million.

The largest portion (84%) 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 City-wide Statement of Activities**

**Net Position**  
**as of December 31**

	Governmental activities		Business-type activities		Total	
	2012	2011	2012	2011	2012	2011
Current and other assets	\$ 135,632,568	\$ 139,543,078	\$ 72,921,853	\$ 72,995,817	\$ 208,554,421	\$ 212,538,895
Capital assets	325,097,904	317,378,305	549,764,499	542,170,938	874,862,403	859,549,243
Total assets	<u>460,730,472</u>	<u>456,921,383</u>	<u>622,686,352</u>	<u>615,166,755</u>	<u>1,083,416,824</u>	<u>1,072,088,138</u>
Long-term liabilities	52,431,054	53,956,132	37,301,544	39,554,590	89,732,598	93,510,722
Other liabilities	27,225,473	27,087,917	10,264,475	9,284,927	37,489,948	36,372,844
Total liabilities	<u>79,656,527</u>	<u>81,044,049</u>	<u>47,566,019</u>	<u>48,839,517</u>	<u>127,222,546</u>	<u>129,883,566</u>
Net Position	<u>\$ 381,073,945</u>	<u>\$ 375,877,334</u>	<u>\$ 575,120,333</u>	<u>\$ 566,327,238</u>	<u>\$ 956,194,278</u>	<u>\$ 942,204,572</u>
Net investment in capital assets	\$ 281,989,606	\$ 275,902,207	\$ 524,809,966	\$ 521,558,060	\$ 806,799,572	\$ 797,460,267
Restricted	67,157,981	69,059,013	14,472,701	19,421,825	81,630,682	88,480,838
Unrestricted	31,926,358	30,916,114	35,837,666	25,347,353	67,764,024	56,263,467
Total net position	<u>\$ 381,073,945</u>	<u>\$ 375,877,334</u>	<u>\$ 575,120,333</u>	<u>\$ 566,327,238</u>	<u>\$ 956,194,278</u>	<u>\$ 942,204,572</u>

**Governmental Activities.** Governmental activities increased the City's net position by \$5 million. Most of this increase in governmental net position was the result of an increase in general revenues including sales and use taxes of \$2.2 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 \$29.4 million or 29% of total revenues related to governmental activities. General revenues, consisting primarily of taxes, are not

CITY OF LONGMONT, COLORADO

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.

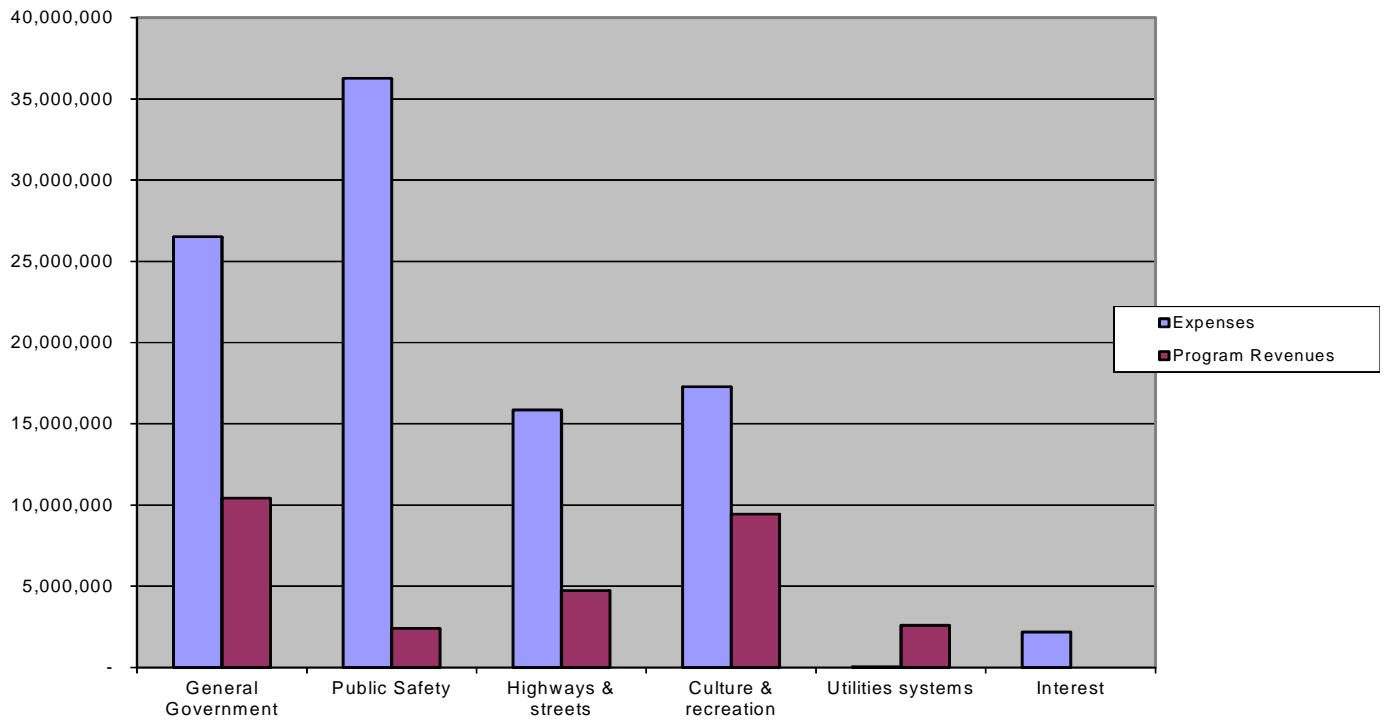
In order to understand the Governmental Funds in detail, the Statement of Revenues, Expenditures and Changes in Fund Balances, Exhibit 4 is useful. Major governmental funds are later analyzed in this discussion.

Change in Net Position  
(in thousands)

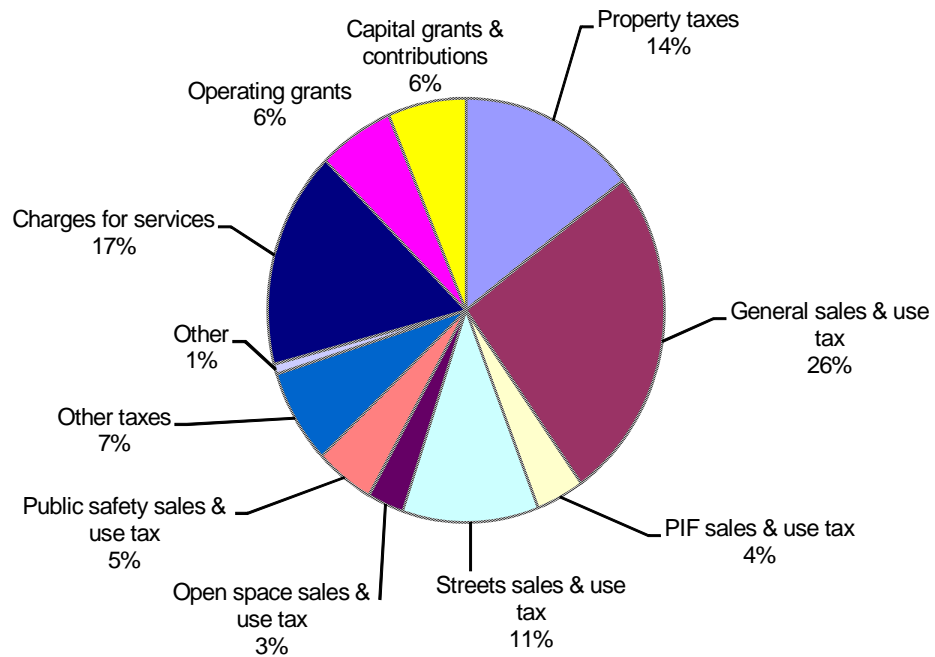
	Governmental activities		Business-type activities		Total	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Revenues:						
Program revenues:						
Charges for services	\$ 16,867	\$ 16,427	\$ 93,084	\$ 86,818	\$ 109,951	\$ 103,245
Operating grants & contributions	6,241	6,846	3,342	1,407	9,583	8,253
Capital grants & contributions	6,480	4,793	3,448	14,474	9,928	19,267
General revenues:						
Property taxes	14,761	15,281	-	-	14,761	15,281
Sales & use taxes	49,298	47,199	-	-	49,298	47,199
Other taxes	7,330	7,115	-	-	7,330	7,115
Other	793	1,172	658	794	1,451	1,966
Total revenues	<u>101,770</u>	<u>98,833</u>	<u>100,532</u>	<u>103,493</u>	<u>202,302</u>	<u>202,326</u>
Expenses:						
General government	24,309	24,378	-	-	24,309	24,378
Public Safety	36,269	35,174	-	-	36,269	35,174
Highways & streets	15,852	14,170	-	-	15,852	14,170
Culture & recreation	17,285	15,485	-	-	17,285	15,485
Municipal utilities systems	55	106	-	-	55	106
Interest on long-term debt	2,187	2,154	-	-	2,187	2,154
Sanitation	-	-	5,732	5,683	5,732	5,683
Golf	-	-	2,041	2,189	2,041	2,189
Electric	-	-	57,649	55,928	57,649	55,928
Telecommunications	-	-	394	219	394	219
Water	-	-	13,815	13,417	13,815	13,417
Sewer	-	-	8,882	8,625	8,882	8,625
Storm drainage	-	-	3,405	3,335	3,405	3,335
Airport	-	-	437	405	437	405
Total expenses	<u>95,957</u>	<u>91,467</u>	<u>92,355</u>	<u>89,801</u>	<u>188,312</u>	<u>181,268</u>
Excess before special items and transfers	5,813	7,366	8,177	13,692	13,990	21,058
Transfers	(616)	(760)	616	760	-	-
Increase in net position	<u>\$ 5,197</u>	<u>\$ 6,606</u>	<u>\$ 8,793</u>	<u>\$ 14,452</u>	<u>\$ 13,990</u>	<u>\$ 21,058</u>
Net position, as restated - January 1	375,877	369,271	566,327	672,416	942,204	1,041,687
Net position - December 31	381,074	375,877	575,120	686,868	956,194	1,062,745

CITY OF LONGMONT, COLORADO

Expenses and Program Revenues - Governmental Activities



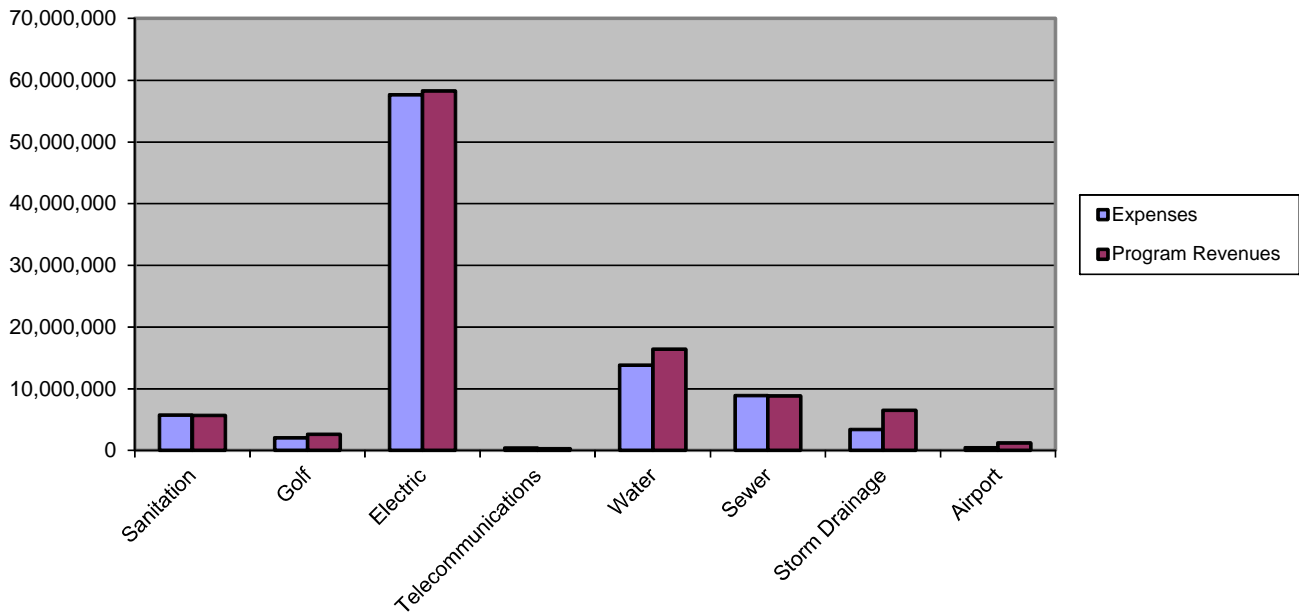
Revenues by Source - Governmental Activities





**Business-type Activities.** Net position increased by \$8.8 million from business-type activities. This increase can be attributed to increases in charges for services in the Electric, Water, Sanitation, Golf, and Wastewater Funds as well as increase in operating grants and contributions in the Storm Drainage Fund.

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



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

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

**Governmental funds.** The focus of the City of Longmont’s *governmental funds* is to provide information on short-term inflows, outflows, and balances of *spendable* resources. This information is necessary to assess the City’s financing requirements. At December 31, 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 \$6,153,177 increased by more than \$268,000 from the prior year.

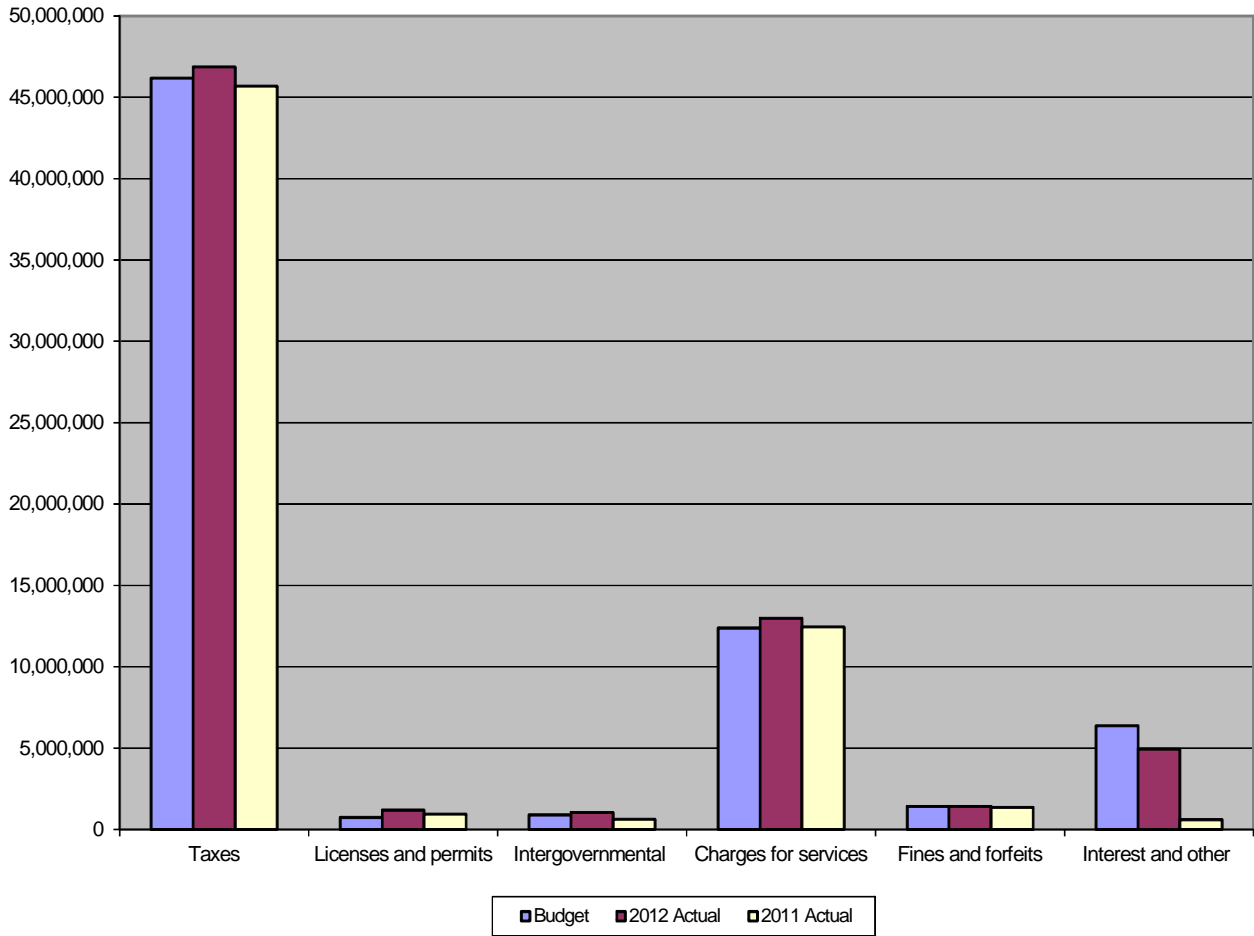
The 2012 General Fund budget was adopted without the use of fund balance to fund ongoing operating expenditures. Fund balance of \$3.5 million was budgeted for the purpose of one-time expenditures or capital acquisitions. This practice was formally adopted by the City Council in 1989, and has been continued with the 2013 Budget which also uses fund balance only for the purpose of one-time expenditures or capital purchases. It includes \$1,783,820 for this purpose, reflected as *committed for subsequent year’s expenditures* on the December 31, 2012 balance sheet of the general fund and in Note 24.

The original budget in the general fund was \$65,982,716. Supplemental appropriations were primarily comprised of encumbrances and carryover of uncompleted capital projects for a final budget of \$73,536,512. Actual general fund expenditures totaled \$67,990,548, and there were no significant budget to actual variations.

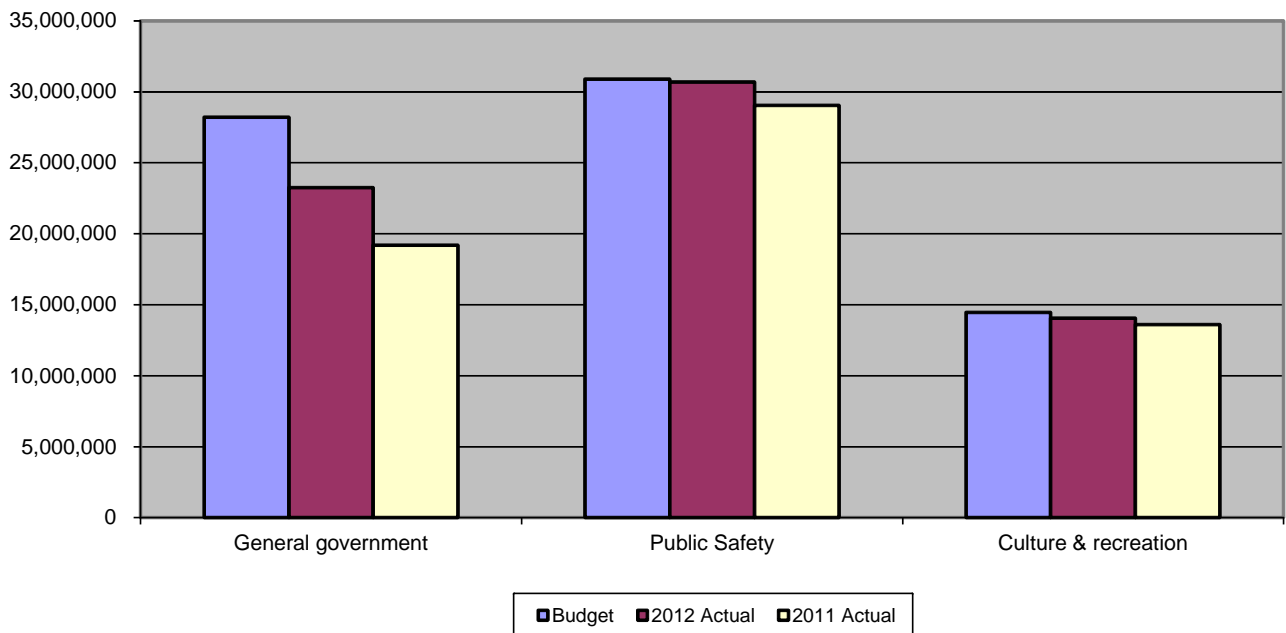
Revenues and other financing sources in the general fund totaled \$68,431,635 in 2012, an increase of 11%, or \$6.7 million, over 2011. This increase appears to be significant compared to changes in recent years and is primarily driven by an increase in lease proceeds of \$ 3.2 million. Additionally, there was an increase in sales and use tax of \$1.5 million, or 6%. Lesser impacts were made by other revenue sources: federal revenues increased by \$450,000, building permit fees increased by \$350,000, and transfers in from other funds increased by \$1.3 million. Investment earnings decreased in 2012 by \$50,000 from 2011 and interest rates continue to be very low.

CITY OF LONGMONT, COLORADO

Budget and Actual Revenue by Source - General Fund



Budget and Actual Expenditures by Function - General Fund



CITY OF LONGMONT, COLORADO

Information on the major governmental funds of the City follows the government wide financial statements. These funds are accounted for using the modified accrual basis of accounting. At the end of 2012, the City reported a combined fund balance of \$81.5 million, of which \$14 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 \$11.3 million of sales and use tax revenues in 2012, an increase of \$500,000 from 2011. At December 31, 2012, the fund balance of the fund was \$12.2 million. Of this amount \$37,935 is nonspendable. The remaining is restricted specifically for the purpose of streets and highways expenditures. The total fund balance decreased by \$1.8 million from 2011 in this fund. The decrease in fund balance is due to the increase in expenditures of \$3.5 million for various capital projects in combination with the increase in sales and use tax of \$500,000 based on an increase in taxable sales.

**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, 2012, the fund has a fund balance of \$4.2 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) decreased approximately \$260,000 in 2012. 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, and decreased to 82.7% in 2012. This allocation is described further in Note 4. A large portion of the fund's revenue (\$2.66 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 2012, but is included in this narrative discussion through management choice.

**ELECTRIC UTILITY FUND**

The City's electric utility increased operating revenues by 5.8% over 2011. The operating loss was reduced in 2012 to \$500,000 as compared to an operating loss of \$2.1 million in 2011. Operating revenue went up by \$3.3 million during 2012, resulting from a rate increase of 7.5% and a slight increase in power consumption. Operating expenses rose 3% overall with an 4% 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 \$7 million.

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

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

Operating data for the electric utility are contained in Exhibit 8 of the Financial Section. The City implemented GASB 61, which caused a change in how the City recorded the interest in the Platte River Power Authority joint venture. More information can be found in note 25 on page 96.

Electric Utility Fund

	2012	2011	2010	2009	2008
Operating revenues	\$ 57,182,388	\$ 53,838,044	\$ 49,440,782	\$ 44,507,482	\$ 44,020,481
Operating (loss)	(478,168)	(2,103,559)	(2,105,159)	(3,272,634)	(2,759,171)
Change in net position	536,792	2,057,646	(210,595)	880,521	1,653,601

**WATER UTILITY FUND**

Operating revenues increased by 10% from 2011 as a result of increased water consumption during 2012 as well as an increase in the monthly service charge of 2%. Operating income for 2012 was \$1.1 million, which represented an increase of over \$800,000 from 2011. This increase was substantially the net result of increased water sales and revenues as well as an increase in operating expenses of 3%. Unrestricted working capital in excess of \$28 million reflects the strong financial condition of the fund.

Operating data for the water utility are contained in Exhibit 8 of the Financial Section. Comparative data for the last five fiscal years are presented in the following tabulation. The volatile changes in net position over the past five years were caused by capital contributions from special revenue funds established to collect developer water-related developer fees. The increase in net position in 2012 resulted primarily from \$2.3 million of capital contributions.

## Water Utility Fund

	2012	2011	2010	2009	2008
Operating revenues	\$ 14,513,221	\$ 13,247,962	\$ 12,756,467	\$ 11,901,142	\$ 13,673,429
Operating income (loss)	1,124,210	338,466	681,030	(554,229)	1,408,176
Change in net position	3,085,042	8,407,398	11,549,238	2,966,466	8,242,641

**SEWER UTILITY FUND**

The sewer fund operating revenues increased 4% over 2011. Sewer rates are based upon winter water usage. The operating loss improved slightly over 2011, primarily due to increased revenues. The fund increased its unrestricted working capital by \$800,000 by the end of 2012. The net position increased by \$300,000, primarily due to an increase in operating revenues. Normally contributions of capital from the sewer construction fund have significant impact on the change of Sewer Fund net position, but that normal impact was minimized by lower development activity in 2012. The second phase of a five-year phased rate increase is effective January 1, 2010.

During 2013, the City is planning to issue \$7.74 million in long-term debt to provide for sewer system capital improvements projects.

## Sewer Utility Fund

	2012	2011	2010	2009	2008
Operating revenues	\$ 8,634,634	\$ 8,240,989	\$ 7,836,470	\$ 7,416,039	\$ 7,117,989
Operating (loss)	(185,576)	(293,187)	(734,300)	(884,810)	(1,084,153)
Change in net position	298,445	800,397	74,666	(454,664)	1,713,656

**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 \$400,000 or 11.7% in 2012. This is primarily due to a rate increase of 9% in 2012. Operating income was just over \$400,000, an increase from 2011, as operating revenues increased. Debt in the amount of \$14.5 million was issued in 2008 for five major storm drainage construction projects, with \$3.6 million remaining to be spent at year end 2012. 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

	2012	2011	2010	2009	2008
Operating revenues	\$ 3,835,700	\$ 3,395,622	\$ 3,420,656	\$ 3,428,994	\$ 3,421,596
Operating income	422,865	59,275	300,354	400,900	966,413
Change in net position	3,080,445	3,376,915	468,867	531,057	1,386,436

### **GOLF/AIRPORT ENTERPRISE FUNDS**

To identify and control the revenues and expenses attributable to golf course services and airport services, the Golf Enterprise Fund was created as of January 1, 1985, and the Airport Enterprise Fund was created as of January 1, 1987. The Golf Fund is funded through revenues derived from greens fees, season pass sales and other related revenues. The Airport Fund is funded through revenues from aircraft fees, airport land rentals and gasoline fees. Results from operations resulted in a net position increase of about \$560,000 for the Golf Fund and an increase of \$810,000 for the Airport Fund. Budgetary comparison data for the Airport Fund can be found in Schedule D-7 and for the Golf Fund in Schedule D-5 in the Financial Section. These funds are not reported as major funds in 2012, but are included in this narrative discussion through management choice.

### **TELECOMMUNICATIONS UTILITY FUND**

The Telecommunications Utility Enterprise Fund was established in 1997 for the purpose of providing municipal telecommunications services through revenues derived from related fees, lease payments and other charges. Construction of the fiber optic backbone was completed in 1998. An agreement with a service provider/partner in 2001 ended with a 2002 bankruptcy filing by that partner and receipt of \$900,000 in performance bond forfeitures in 2002. Revenues from service provider/partners totaled, \$141,149 in 2007, \$216,387 in 2008, \$234,185 in 2009, \$293,519 in 2010, \$282,208 in 2011, and \$290,774 in 2012. The fund experienced operating losses for 2006 and 2007 of \$41,680 and \$10,350 respectively. In 2008, 2009, 2010, and 2011, operations yielded operating income of \$50,168, \$70,056, \$102,846, and \$64,734, respectively. 2012 again resulted in an operating loss of \$100,000, primarily due to the increase in fund activities and expanding operations. This fund is not reported as a major fund in 2012, but is included in this narrative discussion through management choice.

### **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, 2012, net of depreciation, equals \$875 million. This investment in capital assets includes land, buildings, utility systems, improvements to land, machinery and equipment, park facilities, and infrastructure. Additional information on the City's capital assets can be found in note 11 on pages 74-76 of this report, as well as in the transmittal letter.

**Long-term Debt.** As of December 31, 2012, the City of Longmont had total bonded debt outstanding of \$68,855,000. As of December 31, 2012, there is no debt backed by the full faith and credit of the City, or general obligation debt. An additional amount of \$43,655,000 of the City of Longmont's debt represents revenue bonds secured solely by sales and use taxes. The final \$25,200,000 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 2012, this debt limit amounted to \$254,458,859. The total amount of debt applicable to the debt limit is \$0 leaving a legal debt margin of \$254,458,859. Additional information on the City's long-term debt can be found in Note 9 on pages 68-71.

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

### **Impacts on Future Years**

Budget amendments are made by ordinance on a routine, periodic basis and are in compliance with Colorado statutes and the City charter. Note 2-D-7 illustrates the comparison of original and final budgets for all funds requiring a budget. Reported budget amendments were primarily for encumbrances and uncompleted capital projects. The 2013 budget amendments will have no significant impact on future services.

The 2013 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 Director of Finance, as follows:

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



**STATEMENT OF NET POSITION**  
December 31, 2012

	Primary Government		Total	Component Unit
	Governmental Activities	Business-Type Activities		
<b>ASSETS</b>				
Current assets:				
Equity in pooled cash & cash equivalents	\$ 94,519,989	\$ 45,985,601	\$ 140,505,590	\$ 8,587,882
Cash and cash equivalents	101,250	-	101,250	50,146
Receivables (net of allowance for uncollectibles):	22,208,059	11,279,459	33,487,518	1,172,515
Internal balances	1,051,574	(1,051,574)	-	-
Inventory of materials and supplies	2,609,507	-	2,609,507	-
Prepaid expenses	1,169,439	1,031	1,170,470	295
<b>Total current assets</b>	<b>121,659,818</b>	<b>56,214,517</b>	<b>177,874,335</b>	<b>9,810,838</b>
Noncurrent assets:				
Loan receivable-component unit	146,000	-	146,000	-
Net pension asset	2,963,413	1,163,627	4,127,040	-
Unamortized bond/lease issuance costs	466,011	411,194	877,205	-
Capital Assets				
Land and water rights	98,607,827	191,818,820	290,426,647	445,668
Construction in progress	9,126,598	5,850,937	14,977,535	910,137
Depreciable buildings, property, and equipment, net	217,363,479	352,094,742	569,458,221	1,169,845
Restricted equity in pooled cash & cash equivalents	1,814,099	2,521,156	4,335,255	-
Restricted cash & cash equivalents	8,583,227	12,611,359	21,194,586	-
Investment in joint venture	-	-	-	-
<b>Total noncurrent assets</b>	<b>339,070,654</b>	<b>566,471,835</b>	<b>905,542,489</b>	<b>2,525,650</b>
<b>Total assets</b>	<b>\$ 460,730,472</b>	<b>\$ 622,686,352</b>	<b>\$ 1,083,416,824</b>	<b>\$ 12,336,488</b>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable and accrued expenses	\$ 5,803,840	\$ 6,292,444	\$ 12,096,284	\$ 164,841
Accrued interest	830,059	310,029	1,140,088	-
Unearned revenues	13,687,739	323,722	14,011,461	1,153,540
Deposits	2,431,718	1,052,154	3,483,872	-
Current portion of long-term obligations	4,472,117	2,286,126	6,758,243	4,405
<b>Total current liabilities</b>	<b>27,225,473</b>	<b>10,264,475</b>	<b>37,489,948</b>	<b>1,322,786</b>
Noncurrent liabilities:				
Loan payable-primary government	-	-	-	146,000
Noncurrent portion of long-term obligations	52,431,054	37,301,544	89,732,598	13,875
<b>Total noncurrent liabilities</b>	<b>52,431,054</b>	<b>37,301,544</b>	<b>89,732,598</b>	<b>159,875</b>
<b>Total liabilities</b>	<b>79,656,527</b>	<b>47,566,019</b>	<b>127,222,546</b>	<b>1,482,661</b>
<b>NET POSITION</b>				
Net Investment in capital assets	281,989,606	524,809,966	806,799,572	2,525,650
Restricted for:				
Construction/acquisition/debt service	46,315,963	13,911,701	60,227,664	5,837,813
Community development projects	1,104,368	-	1,104,368	-
Transportation improvements	13,093,864	-	13,093,864	-
Public safety	2,266,874	-	2,266,874	-
Permanent fund				
Expendable	508,918	-	508,918	-
Nonexpendable	644,576	-	644,576	-
Statutory emergency requirement	3,223,418	-	3,223,418	48,613
Workers' Compensation	-	561,000	561,000	-
Unrestricted	31,926,358	35,837,666	67,764,024	2,441,751
<b>Total net position</b>	<b>381,073,945</b>	<b>575,120,333</b>	<b>956,194,278</b>	<b>10,853,827</b>
<b>Total liabilities and net position</b>	<b>\$ 460,730,472</b>	<b>\$ 622,686,352</b>	<b>\$ 1,083,416,824</b>	<b>\$ 12,336,488</b>



CITY OF LONGMONT, COLORADO

STATEMENT OF ACTIVITIES  
For The Year Ended December 31, 2012

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>PRIMARY GOVERNMENT</b>				
<b>Governmental activities:</b>				
General Government	\$ 24,309,220	\$ 8,212,442	\$ 1,925,004	\$ 278,468
Public Safety	36,268,842	1,551,831	853,633	-
Highways & Streets	15,852,244	740,477	3,139,624	859,199
Culture & Recreation	17,284,703	6,362,496	323,004	2,751,844
Municipal utilities systems	55,025	-	-	2,590,051
Interest and Fiscal charges on long-term debt	2,186,966	-	-	-
<b>Total governmental activities</b>	<b>95,957,000</b>	<b>16,867,246</b>	<b>6,241,265</b>	<b>6,479,562</b>
<b>Business-type Activities</b>				
Sanitation	5,731,916	5,676,335	8,203	-
Golf	2,041,225	2,640,817	-	-
Electric	57,649,118	57,233,475	358,905	680,804
Telecommunications	393,902	290,774	-	7,578
Water	13,814,391	14,513,221	258,023	1,642,163
Sewer	8,881,680	8,634,634	200,009	-
Storm Drainage	3,405,295	3,835,700	2,516,937	163,868
Airport	437,068	258,643	-	953,192
<b>Total business-type activities</b>	<b>92,354,595</b>	<b>93,083,599</b>	<b>3,342,077</b>	<b>3,447,605</b>
<b>Total Primary Government</b>	<b>\$ 188,311,595</b>	<b>\$ 109,950,845</b>	<b>\$ 9,583,342</b>	<b>\$ 9,927,167</b>
<b>Component unit:</b>				
<b>Downtown Development Authority</b>	<b>\$ 393,727</b>	<b>\$ 353,660</b>	<b>\$ 45,735</b>	<b>\$ -</b>

General Revenues:  
 Property Taxes  
 General Sales and Use Taxes:  
     General government  
     Public improvement  
     Streets  
     Open space  
     Public safety  
 Lodgers Taxes  
 Cigarette Taxes  
 Franchise Taxes  
 Investment income  
 Miscellaneous  
 Transfers  
  
 Total General Revenues & Transfers  
  
 Change in Net Position  
  
 Net Position - Beginning January 1, as restated  
  
 Net Position - Ending December 31

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

<b>Net (Expense) Revenue and Changes in Net Assets</b>				
<b>Primary Government</b>				
<b>Governmental Activities</b>	<b>Business-type Activities</b>		<b>Total</b>	<b>Component Unit</b>
\$ (13,893,306)	\$ -		\$ (13,893,306)	\$ -
(33,863,378)	-		(33,863,378)	-
(11,112,944)	-		(11,112,944)	-
(7,847,359)	-		(7,847,359)	-
2,535,026	-		2,535,026	-
(2,186,966)	-		(2,186,966)	-
(66,368,927)	-		(66,368,927)	-
-	(47,378)		(47,378)	-
-	599,592		599,592	-
-	624,066		624,066	-
-	(95,550)		(95,550)	-
-	2,599,016		2,599,016	-
-	(47,037)		(47,037)	-
-	3,111,210		3,111,210	-
-	774,767		774,767	-
-	7,518,686		7,518,686	-
(66,368,927)	7,518,686		(58,850,241)	-
-	-		-	5,668
14,760,834	-		14,760,834	1,193,598
26,106,434	-		26,106,434	-
3,999,340	-		3,999,340	-
11,289,666	-		11,289,666	-
3,010,577	-		3,010,577	-
4,892,188	-		4,892,188	-
283,947	-		283,947	-
171,029	-		171,029	-
6,874,941	-		6,874,941	-
787,171	286,509		1,073,680	56,060
5,908	371,403		377,311	-
(616,497)	616,497		-	-
71,565,538	1,274,409		72,839,947	1,249,658
5,196,611	8,793,095		13,989,706	1,255,326
375,877,334	566,327,238		942,204,572	9,598,501
\$ 381,073,945	\$ 575,120,333		\$ 956,194,278	\$ 10,853,827

## CITY OF LONGMONT, COLORADO

**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
 December 31, 2012

	General	Streets Systems	Other Governmental Funds	TOTAL Governmental Funds
<b>ASSETS</b>				
Equity in pooled cash & cash equivalents	\$ 12,849,850	\$ 11,839,731	\$ 43,980,365	\$ 68,669,946
Cash and cash equivalents	45,426	-	55,824	101,250
Receivables (net of allowance for uncollectibles):				
Taxes	16,612,990	1,314,839	1,517,819	19,445,648
Miscellaneous	1,749,509	-	-	1,749,509
Grants	13,438	-	132,077	145,515
Loans	20,578	198	7,235	28,011
Fees	302,587	-	642	303,229
Accrued interest	34,735	26,240	105,441	166,416
Due from other funds	2,615,855	-	-	2,615,855
Due from other governments	29,164	282,873	469	312,506
Prepaid items	307,131	37,737	-	344,868
Restricted assets:				
Equity in pooled cash and cash equivalents	-	-	1,253,099	1,253,099
Cash and cash equivalents	539,239	-	8,043,988	8,583,227
<b>Total assets</b>	<b>\$ 35,120,502</b>	<b>\$ 13,501,618</b>	<b>\$ 55,096,959</b>	<b>\$ 103,719,079</b>

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

**BALANCE SHEET  
GOVERNMENTAL FUNDS  
December 31, 2012**

	General	Streets Systems	Other Governmental Funds	TOTAL Governmental Funds
<b>LIABILITIES</b>				
Accounts payable	\$ 1,603,486	\$ 503,444	\$ 502,276	\$ 2,609,206
Construction contracts payable	101,802	699,962	335,839	1,137,603
Accrued liabilities	1,598,473	77,374	111,879	1,787,726
Advances from other funds	-	-	110,000	110,000
Deferred revenue	14,006,663	-	185,974	14,192,637
Deposits	2,429,718	2,000	-	2,431,718
<b>Total liabilities</b>	19,740,142	1,282,780	1,245,968	22,268,890
<b>FUND BALANCES</b>				
Nonspendable	327,709	37,935	1,783	367,427
Restricted	3,224,558	12,180,903	51,713,727	67,119,188
Committed	4,785,126	-	2,219,873	7,004,999
Assigned	889,790	-	-	889,790
Unassigned	6,153,177	-	(84,392)	6,068,785
<b>Total fund balances</b>	15,380,360	12,218,838	53,850,991	81,450,189
<b>Total liabilities and fund balances</b>	\$ 35,120,502	\$ 13,501,618	\$ 55,096,959	\$ 103,719,079

(continued)

CITY OF LONGMONT, COLORADO

Exhibit 3  
(continued)

Reconciliation of the Balance Sheet  
to the Statement of Net Position  
December 31, 2012

Total Governmental Fund Balances	\$	81,450,189
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.		312,619,012
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.		
Adjustment of deferred revenue	504,898	
Unamortized debt issuance expense	466,011	
Net pension asset	<u>2,885,986</u>	
		3,856,895
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.		39,610,619
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.		(55,676,703)
Internal service fund allocated to business type activities		<u>(786,067)</u>
Net position of governmental activities	\$	<u><u>381,073,945</u></u>

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



**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -  
GOVERNMENTAL FUNDS  
Year Ended December 31, 2012**

	General	Streets Systems	Other Governmental Funds	TOTAL Governmental Funds
<b>REVENUES</b>				
Taxes	\$ 46,858,516	\$ 12,256,843	\$ 12,273,597	\$ 71,388,956
Licenses and permits	1,189,318	20,762	3,930,270	5,140,350
Developer/owner participation	-	609,791	623,591	1,233,382
Intergovernmental	1,049,351	3,139,624	2,374,061	6,563,036
Charges for services	12,981,298	-	346,121	13,327,419
Fines and forfeits	1,426,776	-	96,461	1,523,237
Investment income	140,541	90,801	372,116	603,458
Miscellaneous	265,343	124,687	1,005,932	1,395,962
<b>Total revenues</b>	<b>63,911,143</b>	<b>16,242,508</b>	<b>21,022,149</b>	<b>101,175,800</b>
<b>EXPENDITURES</b>				
Current:				
General government	23,201,064	-	2,279,472	25,480,536
Public safety	30,479,357	-	5,617,731	36,097,088
Highways and streets	-	17,659,757	-	17,659,757
Culture and recreation	13,750,099	-	4,822,477	18,572,576
Municipal utility systems	-	-	841,556	841,556
Capital projects	-	-	3,375,563	3,375,563
Debt service:				
Principal retired	-	-	2,975,000	2,975,000
Interest and fiscal charges	-	-	1,927,339	1,927,339
<b>Total expenditures</b>	<b>67,430,520</b>	<b>17,659,757</b>	<b>21,839,138</b>	<b>106,929,415</b>
Excess of revenues (under) expenditures	(3,519,377)	(1,417,249)	(816,989)	(5,753,615)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	1,487,445	-	466,554	1,953,999
Transfers out	(686,158)	(356,528)	(649,536)	(1,692,222)
Lease proceeds	3,195,823	-	-	3,195,823
Total other financing sources (uses)	3,997,110	(356,528)	(182,982)	3,457,600
Net change in fund balances	477,733	(1,773,777)	(999,971)	(2,296,015)
<b>FUND BALANCES, January 1</b>	<b>14,902,627</b>	<b>13,992,615</b>	<b>54,850,962</b>	<b>83,746,204</b>
<b>FUND BALANCES, December 31</b>	<b>\$ 15,380,360</b>	<b>\$ 12,218,838</b>	<b>\$ 53,850,991</b>	<b>\$ 81,450,189</b>

(continued)

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

CITY OF LONGMONT, COLORADO

Exhibit 4  
(continued)

Reconciliation of the Statement of Revenues,  
Expenditures, and Changes in Fund Balances  
of Governmental Funds  
to the Statement of Activities  
For the Year Ended December 31, 2012

Net change in fund balances - total governmental funds	\$ (2,296,015)
Amounts reported for governmental activities in the statement of activities (Exhibit 2) 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 the capital outlays exceeded depreciation in the current period.	5,261,904
In the statement of activities only the losses on the sale or disposal of assets are reported, whereas in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balance by the book value of the assets sold or disposed.	(111)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	410,595
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	2,304,252
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.	(516,718)
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.	449,282
Change in internal service funds allocated to business-type activities	<u>(416,578)</u>
Change in net position of governmental activities	<u>\$ 5,196,611</u>



**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL -  
GENERAL (LEGAL BASIS) FUND  
Year Ended December 31, 2012**

	Budget		Actual (Legal Basis)	Variance From Final Budget
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 46,171,531	\$ 46,171,531	\$ 46,858,516	\$ 686,985
Licenses and permits	744,026	744,026	1,189,318	445,292
Intergovernmental	258,397	899,432	1,049,351	149,919
Charges for services	12,242,895	12,385,999	12,981,298	595,299
Fines and forfeits	1,428,200	1,428,200	1,426,776	(1,424)
Investment income	200,000	200,000	118,732	(81,268)
Miscellaneous	70,508	1,621,559	259,426	(1,362,133)
<b>Total revenues</b>	<b>61,115,557</b>	<b>63,450,747</b>	<b>63,883,417</b>	<b>432,670</b>
<b>EXPENDITURES</b>				
Current:				
General government	22,118,343	28,183,998	23,232,440	4,951,558
Public safety	29,973,518	30,901,802	30,698,961	202,841
Culture & recreation	13,890,855	14,450,712	14,059,147	391,565
<b>Total expenditures</b>	<b>65,982,716</b>	<b>73,536,512</b>	<b>67,990,548</b>	<b>5,545,964</b>
Excess of revenues over (under) expenditures	(4,867,159)	(10,085,765)	(4,107,131)	5,978,634
<b>OTHER FINANCING SOURCES</b>				
Transfers in	1,348,592	1,352,395	1,352,395	-
Lease Proceeds	-	3,195,823	3,195,823	-
Total other financing sources	1,348,592	4,548,218	4,548,218	-
Net changes in fund balances	(3,518,567)	(5,537,547)	441,087	5,978,634
<b>FUND BALANCE, January 1</b>	<b>10,148,476</b>	<b>10,854,143</b>	<b>15,045,193</b>	<b>4,191,050</b>
<b>FUND BALANCE, December 31</b>	<b>\$ 6,629,909</b>	<b>\$ 5,316,596</b>	<b>15,486,280</b>	<b>\$ 10,169,684</b>
<b>RECONCILIATION TO GAAP BASIS</b>				
Activites reported within the General Fund				
Beginning Fund Balance of Subfunds			(142,566)	
Total revenues			27,726	
Total expenditures			(126,130)	
Total other financing sources and uses			135,050	
Revenues and other financing sources (under) expenditures			(105,920)	
<b>FUND BALANCE, December 31 (GAAP BASIS)</b>			<b>\$ 15,380,360</b>	

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**STREETS SYSTEMS FUND**  
**Year Ended December 31, 2012**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance From Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Taxes	\$ 11,879,956	\$ 11,879,956	\$ 12,256,843	\$ 376,887
Licenses and permits	15,000	15,000	20,762	5,762
Developer/owner participation	-	-	609,791	609,791
Intergovernmental	3,099,429	3,254,119	3,139,624	(114,495)
Investment income	59,174	59,174	90,801	31,627
Miscellaneous	86,225	86,225	124,687	38,462
<b>Total revenues</b>	<b>15,139,784</b>	<b>15,294,474</b>	<b>16,242,508</b>	<b>948,034</b>
<b>EXPENDITURES</b>				
Highways and streets	16,053,462	23,778,486	17,659,757	6,118,729
<b>Excess of revenues over (under) expenditures</b>	<b>(913,678)</b>	<b>(8,484,012)</b>	<b>(1,417,249)</b>	<b>7,066,763</b>
<b>OTHER FINANCING (USES)</b>				
Transfers out				
Electric fund	(1,211)	(1,211)	(1,211)	-
General fund	(355,317)	(355,317)	(355,317)	-
<b>Total other financing (uses)</b>	<b>(356,528)</b>	<b>(356,528)</b>	<b>(356,528)</b>	<b>-</b>
<b>Net changes in fund balance</b>	<b>(1,270,206)</b>	<b>(8,840,540)</b>	<b>(1,773,777)</b>	<b>7,066,763</b>
<b>FUND BALANCE, January 1</b>	<b>13,992,615</b>	<b>13,992,615</b>	<b>13,992,615</b>	<b>-</b>
<b>FUND BALANCE, December 31</b>	<b>\$ 12,722,409</b>	<b>\$ 5,152,075</b>	<b>\$ 12,218,838</b>	<b>\$ 7,066,763</b>

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

## CITY OF LONGMONT, COLORADO

**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
December 31, 2012

	Electric	Water	Sewer
<b>ASSETS</b>			
Current assets:			
Equity in pooled cash & cash equivalents	\$ 4,887,758	\$ 27,850,358	\$ 7,874,811
Accounts receivable (net of allowance for uncollectibles)	7,028,366	847,341	1,036,748
Intergovernmental receivable	52,641	-	-
Loans receivable	20,826	18,963	287
Interest receivable	8,364	60,647	19,633
Inventory of materials and supplies	-	-	-
Advance to other funds, current portion	-	-	-
Prepaid expenses	1,031	-	-
<b>Total unrestricted current assets</b>	<b>11,998,986</b>	<b>28,777,309</b>	<b>8,931,479</b>
Restricted assets:			
Bond debt service:			
Equity in pooled cash & cash equivalents	-	-	1,632,465
Interest receivable	-	-	322
Workers' Compensation			
Equity in pooled cash & cash equivalents	-	-	-
Storm drainage/Sewer construction:			
Equity in pooled cash & cash equivalents	-	-	295,109
Cash and cash equivalents	-	-	8,948,198
Interest receivable	-	-	109
<b>Total restricted current assets</b>	<b>-</b>	<b>-</b>	<b>10,876,203</b>
<b>Total current assets</b>	<b>11,998,986</b>	<b>28,777,309</b>	<b>19,807,682</b>
Noncurrent assets:			
Net pension asset	390,781	393,407	135,914
Loan receivable-component unit	-	-	-
Unamortized bond/lease/loan issuance costs	-	115,561	189,734
Capital assets:			
Land and water rights	890,967	172,448,233	3,150,243
Buildings	8,900,829	69,721,016	63,474,280
Improvements (other than buildings)	81,237,883	158,020,461	63,402,960
Equipment	2,583,238	1,983,150	2,220,947
Construction in progress	163,726	3,532,171	1,066,445
<b>Total capital assets</b>	<b>93,776,643</b>	<b>405,705,031</b>	<b>133,314,875</b>
Less - accumulated depreciation	47,567,073	65,838,969	42,587,028
<b>Net capital assets</b>	<b>46,209,570</b>	<b>339,866,062</b>	<b>90,727,847</b>
<b>Total noncurrent assets</b>	<b>46,600,351</b>	<b>340,375,030</b>	<b>91,053,495</b>
<b>Total assets</b>	<b>\$ 58,599,337</b>	<b>\$ 369,152,339</b>	<b>\$ 110,861,177</b>

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

<b>Storm Drainage</b>	<b>Other Enterprise Funds</b>	<b>TOTALS</b>	<b>Governmental Activities- Internal Service Funds</b>
729,560 \$	4,643,114 \$	45,985,601 \$	25,850,043
476,147	701,231	10,089,833	-
208,523	784,104	1,045,268	-
430	291	40,797	2,300
3,398	11,088	103,130	54,925
-	-	-	2,609,507
-	-	-	1,508,345
-	-	1,031	824,571
<b>1,418,058</b>	<b>6,139,828</b>	<b>57,265,660</b>	<b>30,849,691</b>
593,582	-	2,226,047	-
-	-	322	-
-	-	-	561,000
-	-	295,109	-
3,663,161	-	12,611,359	-
-	-	109	-
<b>4,256,743</b>	<b>-</b>	<b>15,132,946</b>	<b>561,000</b>
<b>5,674,801</b>	<b>6,139,828</b>	<b>72,398,606</b>	<b>31,410,691</b>
67,818	175,707	1,163,627	77,427
-	-	-	146,000
105,899	-	411,194	-
7,006,894	8,322,483	191,818,820	47,767
618,772	3,312,075	146,026,972	1,932,112
59,605,844	7,699,937	369,967,085	153,524
314,766	3,192,742	10,294,843	36,267,488
655,287	433,308	5,850,937	-
<b>68,201,563</b>	<b>22,960,545</b>	<b>723,958,657</b>	<b>38,400,891</b>
<b>11,881,477</b>	<b>6,319,611</b>	<b>174,194,158</b>	<b>25,921,999</b>
<b>56,320,086</b>	<b>16,640,934</b>	<b>549,764,499</b>	<b>12,478,892</b>
<b>56,493,803</b>	<b>16,816,641</b>	<b>551,339,320</b>	<b>12,702,319</b>
<b>62,168,604 \$</b>	<b>22,956,469 \$</b>	<b>623,737,926 \$</b>	<b>44,113,010</b>

(continued)

## CITY OF LONGMONT, COLORADO

**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**December 31, 2012**

	Electric	Water	Sewer
<b>LIABILITIES AND NET POSITION</b>			
<b>Current liabilities:</b>			
Payable from current assets:			
Accounts payable	\$ 3,389,686	\$ 310,430	\$ 219,933
Construction contracts payable	1,383	28,081	8,304
Accrued liabilities	340,487	102,862	50,327
Due to other funds	-	-	-
Accrued sick and vacation - current portion	67,995	57,353	25,705
Unearned revenue	-	-	-
Advances from other funds - current portion	-	-	-
Loans payable - current portion	-	989,550	-
Claims payable - current portion	-	-	-
Accrued interest	-	178,109	-
Customer deposits	1,045,554	6,600	-
<b>Total current liabilities</b> (payable from current assets)	<b>4,845,105</b>	<b>1,672,985</b>	<b>304,269</b>
Payable from restricted assets:			
Accounts payable	-	-	810,026
Construction contracts payable	-	-	135,997
Accrued interest	-	-	88,709
Bonds payable - current portion	-	-	550,000
<b>Total current liabilities</b> (payable from restricted assets)	<b>-</b>	<b>-</b>	<b>1,584,732</b>
<b>Total current liabilities</b>	<b>4,845,105</b>	<b>1,672,985</b>	<b>1,889,001</b>
<b>Long-term liabilities:</b>			
Loan payable	-	11,150,067	-
Long-term construction liability	-	449,845	-
Claims payable	-	-	-
Accrued sick and vacation	506,532	459,558	221,542
Net other post employment benefit obligation	36,913	24,050	16,614
Advances from other funds	-	-	-
Bonds payable	-	-	12,241,744
<b>Net long-term liabilities</b>	<b>543,445</b>	<b>12,083,520</b>	<b>12,479,900</b>
<b>Total liabilities</b>	<b>5,388,550</b>	<b>13,756,505</b>	<b>14,368,901</b>
<b>Net position:</b>			
Net investment in capital assets	46,209,570	327,276,600	87,179,410
Restricted for construction	-	-	8,487,127
Restricted for debt service	-	-	1,544,077
Restricted for workers' compensation	-	-	-
Restricted for long-term disability	-	-	-
Unrestricted	7,001,217	28,119,234	(718,338)
<b>Total net position</b>	<b>53,210,787</b>	<b>355,395,834</b>	<b>96,492,276</b>
<b>Total liabilities and net position</b>	<b>\$ 58,599,337</b>	<b>\$ 369,152,339</b>	<b>\$ 110,861,177</b>

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

CITY OF LONGMONT, COLORADO

Exhibit 7  
(continued)

	Storm Drainage	Other Enterprise Funds	TOTALS	Governmental Activities- Internal Service Funds
\$	37,714	\$ 182,972	\$ 4,140,735	\$ 255,128
	60,611	281,943	380,322	-
	24,420	56,340	574,436	26,615
	-	439,296	439,296	2,176,559
	3,620	26,903	181,576	10,713
	-	323,722	323,722	-
	-	161,843	161,843	-
	-	-	989,550	-
	-	-	-	297,349
	-	-	178,109	-
	-	-	1,052,154	-
	126,365	1,473,019	8,421,743	2,766,364
	15,578	-	825,604	-
	235,350	-	371,347	-
	43,211	-	131,920	-
	565,000	-	1,115,000	-
	859,139	-	2,443,871	-
	985,504	1,473,019	10,865,614	2,766,364
	-	-	11,150,067	-
	-	-	449,845	-
	-	-	-	1,619,364
	41,239	216,746	1,445,617	109,734
	6,299	15,600	99,476	6,929
	-	1,236,502	1,236,502	-
	11,914,795	-	24,156,539	-
	11,962,333	1,468,848	38,538,046	1,736,027
	12,947,837	2,941,867	49,403,660	4,502,391
	47,503,452	16,640,934	524,809,966	12,478,892
	3,330,126	-	11,817,253	-
	550,371	-	2,094,448	-
	-	-	-	561,000
	-	-	-	325,000
	(2,163,182)	3,373,668	35,612,599	26,245,727
	49,220,767	20,014,602	574,334,266	39,610,619
\$	62,168,604	\$ 22,956,469	623,737,926	\$ 44,113,010

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

786,067

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\$ 575,120,333      Net position business-type activities

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION  
PROPRIETARY FUNDS  
For the Year Ended December 31, 2012**

	<b>Electric</b>	<b>Water</b>	<b>Sewer</b>
<b>OPERATING REVENUES</b>			
Charges for services	\$ 57,182,388	\$ 14,513,221	\$ 8,634,634
Warehouse sales	-	-	-
Contributions	-	-	-
Total operating revenues	57,182,388	14,513,221	8,634,634
<b>OPERATING EXPENSES</b>			
Administration	1,849,478	3,460,115	973,097
Purchased power/cost of sales/premiums	41,446,821	-	-
Transmission/distribution	5,878,470	2,037,987	969,029
Maintenance/development	-	-	-
Trash collection	-	-	-
Landfill	-	-	-
Treatment/disposal	-	2,479,791	3,350,871
Fleet services	-	-	-
Depreciation	2,284,234	3,864,084	2,399,391
Administrative fees	1,660,010	1,291,052	778,370
Franchise fee	4,541,543	255,982	349,452
Benefit payments	-	-	-
Claims	-	-	-
Total operating expenses	57,660,556	13,389,011	8,820,210
<b>Operating income (loss)</b>	<b>(478,168)</b>	<b>1,124,210</b>	<b>(185,576)</b>
<b>NON-OPERATING REVENUES (EXPENSES)</b>			
Investment income	15,382	164,648	59,309
Miscellaneous	148,366	120,059	8,588
Intergovernmental	358,905	258,023	200,009
Other sales	51,087	-	-
Interest expense	-	(414,571)	(25,294)
Gain on disposal of assets	-	-	-
Amortization of bond/note issuance expense	-	(10,919)	(18,882)
Net non-operating revenues	573,740	117,240	223,730
<b>Change in net position before transfers and capital contributions</b>	<b>95,572</b>	<b>1,241,450</b>	<b>38,154</b>
<b>CAPITAL CONTRIBUTIONS TRANSFERS</b>	<b>753,386</b>	<b>2,330,752</b>	<b>25,360</b>
Transfers in	41,166	-	361,149
Transfers out	(353,332)	(487,160)	(126,218)
<b>Change in net position</b>	<b>536,792</b>	<b>3,085,042</b>	<b>298,445</b>
<b>TOTAL NET POSITION-January 1, as restated</b>	<b>52,673,995</b>	<b>352,310,792</b>	<b>96,193,831</b>
<b>TOTAL NET POSITION-December 31</b>	<b>\$ 53,210,787</b>	<b>\$ 355,395,834</b>	<b>\$ 96,492,276</b>

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

	Storm Drainage	Other Enterprise Funds	Totals	Governmental Activities- Internal Service Funds
\$	3,835,700	\$ 8,866,569	\$ 93,032,512	\$ 16,813,684
	-	-	-	1,038,935
	-	-	-	2,428,819
	3,835,700	8,866,569	93,032,512	20,281,438
	1,021,242	680,369	7,984,301	686,518
	-	-	41,446,821	10,403,405
	-	33,996	8,919,482	-
	716,653	1,778,827	2,495,480	-
	-	5,219,376	5,219,376	-
	-	5,859	5,859	-
	-	-	5,830,662	-
	-	-	-	3,398,040
	1,253,769	460,034	10,261,512	2,782,270
	421,171	788,349	4,938,952	525,632
	-	16,237	5,163,214	-
	-	-	-	302,953
	-	-	-	2,261,027
	3,412,835	8,983,047	92,265,659	20,359,845
	422,865	(116,478)	766,853	(78,407)
	16,276	30,894	286,509	183,713
	32,116	62,274	371,403	11,313
	2,516,937	8,203	3,342,077	-
	-	-	51,087	-
	(9,094)	(20,100)	(469,059)	-
	-	-	-	424,406
	(6,654)	-	(36,455)	-
	2,549,581	81,271	3,545,562	619,432
	2,972,446	(35,207)	4,312,415	541,025
	163,868	960,770	4,234,136	-
	-	573,454	975,769	487,501
	(55,869)	(123,224)	(1,145,803)	(579,244)
	3,080,445	1,375,793	8,376,517	449,282
	46,140,322	18,638,809	565,957,749	39,161,337
\$	49,220,767	\$ 20,014,602	574,334,266	\$ 39,610,619

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.

416,578  
                      
 \$ 8,793,095  
                    

Change in net position of business-type activities



## CITY OF LONGMONT, COLORADO

**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
For the Year Ended December 31, 2012

	<b>Electric</b>	<b>Water</b>	<b>Sewer</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash received from customers	\$ 58,145,677	\$ 14,698,840	\$ 8,767,485
Cash paid to suppliers	(50,517,370)	(5,606,466)	(3,036,569)
Cash paid to employees	(5,043,258)	(3,829,625)	(2,561,108)
Claims/Benefits paid	-	-	-
Net cash provided (used) by operating activities	2,585,049	5,262,749	3,169,808
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>			
Transfers in	41,166	-	361,149
Transfers out	(353,332)	(398,956)	(126,218)
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	(312,166)	(398,956)	234,931
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Acquisition and construction of capital assets	(2,119,593)	(3,879,618)	(2,769,684)
Bond/loan/lease principal paid	-	(972,965)	(503,838)
Bond/loan/lease interest paid	-	(260,841)	(560,158)
Proceeds from sale of equipment	-	-	-
Contributed capital received	680,804	719,843	-
Net cash (used) by capital and related financing activities	(1,438,789)	(4,393,581)	(3,833,680)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Investment income received	15,474	186,063	65,029
Net cash provided by investing activities	15,474	186,063	65,029
Net increase (decrease) in cash and cash equivalents	849,568	656,275	(363,912)
<b>CASH AND CASH EQUIVALENTS, January 1</b>	4,038,190	27,194,083	19,114,495
<b>CASH AND CASH EQUIVALENTS, December 31</b>	\$ 4,887,758	\$ 27,850,358	\$ 18,750,583

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

	<b>Storm Drainage</b>	<b>Other Enterprise Funds</b>	<b>TOTALS</b>	<b>Governmental Activities- Internal Service Funds</b>
\$	6,611,681	\$ 8,872,038	\$ 97,095,721	\$ 20,292,751
	(1,428,425)	(5,558,894)	(66,147,724)	(13,776,611)
	(1,048,378)	(2,929,002)	(15,411,371)	(1,135,394)
		-	-	(2,146,889)
	4,134,878	384,142	15,536,626	3,233,857
	-	573,454	975,769	187,042
	(55,869)	(123,224)	(1,057,599)	(579,244)
	-	-	-	3,039,596
	-	-	-	(3,039,596)
	-	-	-	(110,000)
	-	-	-	159,782
	-	279,514	279,514	-
	(55,869)	729,744	197,684	(342,420)
	(5,094,670)	(1,101,226)	(14,964,791)	(2,902,922)
	(550,000)	-	(2,026,803)	-
	(536,407)	(20,100)	(1,377,506)	-
	-	-	-	742,874
	163,867	244,241	1,808,755	-
	(6,017,210)	(877,085)	(16,560,345)	(2,160,048)
	17,209	34,635	318,410	202,243
	17,209	34,635	318,410	202,243
	(1,920,992)	271,436	(507,625)	933,632
	6,907,295	4,371,678	61,625,741	25,477,411
\$	4,986,303	4,643,114	\$ 61,118,116	\$ 26,411,043

(continued)

CITY OF LONGMONT, COLORADO

**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
For the Year Ended December 31, 2012

	Electric	Water	Sewer
<b>RECONCILIATION OF NET OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>			
Net operating income (loss)	\$ (478,168)	\$ 1,124,210	\$ (185,576)
Adjustments to reconcile net operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	2,284,234	3,864,084	2,399,391
Miscellaneous income	199,453	120,059	8,588
Intergovernmental operating income	358,905	62,800	195,530
Change in assets and liabilities:			
(Increase) decrease in accounts receivable	(64,919)	360	(50,267)
(Increase) decrease in loans receivable	14,939	1,896	1,593
(Increase) decrease in intergovernmental receivable	241,615	-	-
(Increase) decrease in inventory of materials	-	-	-
(Increase) decrease in prepaid expenses	(1,031)	-	-
(Increase) decrease in net pension asset	9,459	8,904	1,260
Increase (decrease) in accounts payable	(256,878)	57,216	766,836
Increase (decrease) in accrued liabilities	20,487	21,738	8,526
Increase (decrease) in deferred revenue	-	-	-
Increase (decrease) in accrued sick and vacation - current portion	1,190	(1,005)	843
Increase (decrease) in claims payable - current portion	-	-	-
Increase (decrease) in net other post employment benefit obligation	16,868	10,148	6,200
Increase (decrease) in accrued sick and vacation - long-term portion	10,660	(10,061)	16,884
Increase (decrease) in deposits/unearned revenue	228,235	2,400	-
Total adjustments	3,063,217	4,138,539	3,355,384
Net cash provided by operating activities	\$ 2,585,049	\$ 5,262,749	\$ 3,169,808
<b>RECONCILIATION OF CASH AND CASH EQUIVALENTS PER STATEMENT OF CASH FLOWS TO THE BALANCE SHEET</b>			
Per balance sheet:			
Equity in pooled cash and cash equivalents	\$ 4,887,758	\$ 27,850,358	\$ 7,874,811
Restricted equity in pooled cash and cash equivalents	-	-	1,927,574
Restricted cash and cash equivalents	-	-	8,948,198
Cash and Cash Equivalents per statement of cash flows	\$ 4,887,758	\$ 27,850,358	\$ 18,750,583
<b>NON-CASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES</b>			
The following non-cash transactions occurred during 2012:			
Contributed capital from developers	\$ -	\$ 922,320	\$ -
Contributed capital from other funds	72,582	688,589	25,360
Capitalized interest	-	-	527,778
Transfers of assets to other funds	-	(88,204)	-
Transfers of assets from other funds	-	-	-
Change in contracts payable for purchase of capital assets	(223)	(23,104)	(129,654)
Amortization of bond premium/discount	-	29,576	8,845
Bond premium/discount	-	(29,576)	(8,845)
(Gain)/Loss on sale of assets	-	-	-
Intergovernmental revenue	-	195,223	25,479
Debt service expense	-	(195,223)	(25,479)
Amortization of bond issue expense	-	(10,919)	(18,883)
Bond issuance expense	-	10,919	18,883

CITY OF LONGMONT, COLORADO

Exhibit 9  
(continued)

	Storm Drainage	Other Enterprise Funds	Totals	Governmental Activities- Internal Service Funds
	\$ 422,865	\$ (116,478)	\$ 766,853	\$ (78,407)
	1,253,769	460,034	10,261,512	2,782,270
	32,116	62,274	422,490	11,313
	2,516,937	8,203	3,142,375	-
	(47,612)	(59,990)	(222,428)	-
	988	1,046	20,462	3,052
	274,540	11,911	528,066	-
	-	-	-	(55,263)
	200	-	(831)	(8,048)
	1,121	5,563	26,307	1,793
	(325,959)	(6,634)	234,581	1,509
	5,463	7,355	63,569	2,291
	-	-	-	68,905
	(839)	3,485	3,674	2,463
	-	-	-	511,337
	3,166	7,041	43,423	3,014
	(1,877)	17,261	32,867	(12,372)
	-	(16,929)	213,706	-
	3,712,013	500,620	14,769,773	3,312,264
	\$ 4,134,878	\$ 384,142	\$ 15,536,626	\$ 3,233,857
	\$ 729,560	\$ 4,643,114	\$ 45,985,601	\$ 25,850,043
	4,256,743	-	6,184,317	561,000
	-	-	8,948,198	-
	\$ 4,986,303	\$ 4,643,114	\$ 61,118,116	\$ 26,411,043
	\$ -	\$ -	\$ 922,320	\$ -
	-	-	786,531	-
	522,694	-	1,050,472	-
	-	-	(88,204)	-
	-	-	-	300,459
	5,968	26,556	(120,457)	-
	3,129	-	41,550	-
	(3,129)	-	(41,550)	-
	-	-	-	(318,468)
	-	-	220,702	-
	-	-	(220,702)	-
	(6,653)	-	(36,455)	-
	6,653	-	36,455	-

**STATEMENT OF FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**December 31, 2012**

	<b>Employee Retirement Plans</b>
<hr/>	
<b>ASSETS</b>	
Equity in pooled cash & cash equivalents	\$ 46,724
Cash and cash equivalents	2,562,725
Investments	
Common Stock	73,982,626
Corporate bonds	40,993,794
<hr/>	
Total Assets	\$ 117,585,869
<hr/> <hr/>	
<b>LIABILITIES</b>	
Accounts payable	\$ 70,117
<hr/>	
<b>Total Liabilities</b>	<b>70,117</b>
<hr/> <hr/>	
<b>NET POSITION</b>	
Held in trust for pension & OPEB benefits	\$ 117,515,752
<hr/> <hr/>	

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

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**Year Ended December 31, 2012**

	<b>Employee Retirement Plans</b>
<b>ADDITIONS</b>	
Contributions	
Employer	\$ 2,515,767
Plan members	1,563,895
<b>Total Contributions</b>	<b>4,079,662</b>
Investment income	
Net appreciation in fair value of investments	10,844,884
Interest	2,346,502
Dividends	827,977
Less investment expense	(377,095)
Net investment gain	13,642,268
<b>Total additions</b>	<b>17,721,930</b>
<b>DEDUCTIONS</b>	
Benefits	4,595,507
Refunds of contributions	354,584
Administrative expense	37,964
<b>Total deductions</b>	<b>4,988,055</b>
Net increase	12,733,875
NET POSITION HELD IN TRUST FOR PENSION AND OPEB BENEFITS, January 1	104,781,877
<b>December 31</b>	<b>\$ 117,515,752</b>

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

CITY OF LONGMONT, COLORADO

NOTES TO FINANCIAL STATEMENTS  
December 31, 2012

**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 has become financially active in 2012 with the Urban Renewal of 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. A subsequent election held December 8, 1992 to approve funding for the district failed and the district has remained inactive.

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

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

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

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

**A. City-wide and Fund Financial Statements**

The City-wide 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 ear-marked sales tax are legally restricted revenues, they are required to be reported as general revenues by GAAP.

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

The City adopted GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, in the current year. The adoption of this Statement changed the presentation of the financial statements to a Statement of Net Position format.

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

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

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

In applying the susceptible-to-accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance. There are, however, essentially two types of these revenues. For derived tax revenues (i.e. sales taxes), revenues are recorded when the underlying exchange has occurred and the resources meet the 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.



CITY OF LONGMONT, COLORADO

NOTES TO FINANCIAL STATEMENTS  
December 31, 2012

**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 "dueto/from other funds". Any residual balances outstanding between the governmental activities and business-type activities are reported in the City-wide financial statements as *internal balances*.

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

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, 2012.

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.

**3. Inventories and prepaid items**

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

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

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

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

**4. Restricted Assets**

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

**5. Capital Assets**

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

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included in the capitalized value of assets constructed. In 2012, there was \$522,694 of interest incurred and included in the capital costs of the Storm Drainage Fund and \$527,778 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

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

**6. Deferred and unearned revenues**

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

In proprietary funds, unearned revenues represent assets received (measurable) but not yet available for spending. In the statement of net position, unearned revenues represent lease payments received for a future period.

**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, as well as issuance costs are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

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

**9. Fund Balance**

In the 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.

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

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

**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 \$5,740,579 and \$12,906,468, 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 \$1,104,368 for community development projects, \$13,093,864 for transportation improvements, \$2,266,874 for public safety projects, \$561,000 for workers' compensation and \$3,223,418 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 assumption that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the basic financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**D. Budgetary Information**

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

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

CITY OF LONGMONT, COLORADO

NOTES TO FINANCIAL STATEMENTS  
December 31, 2012

**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.

CITY OF LONGMONT, COLORADO

NOTES TO FINANCIAL STATEMENTS  
December 31, 2012

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

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

<b>Fund</b>	<b>Original Appropriation</b>	<b>Supplemental Appropriations</b>	<b>Amended Appropriations</b>
<b>General Fund</b>	\$ 65,982,716	\$ 7,553,796	\$ 73,536,512
Art in Public Places Subfund	127,467	27,522	154,989
<b>Special Revenue Funds:</b>			
Streets System Fund	16,409,990	7,725,024	24,135,014
Conservation Fund	2,922,700	236,082	3,158,782
Park Improvement Fund	52,600	2,206,756	2,259,356
General Improvement			
District #1 Fund	104,522	34,287	138,809
Community Development Fund	796,740	1,069,925	1,866,665
Downtown Parking Fund	55,919	412,280	468,199
Judicial Wedding Fee Fund	2,322	170	2,492
Police Seizures Fund	-	32,096	32,096
Police Prevention/Education Fund	-	114,302	114,302
Youth Services Fund	6,000	37,836	43,836
Transportation Community			
Investment Fee Fund	-	-	-
Public Buildings Community			
Investment Fee Fund	550,000	276,344	826,344
Electric Community			
Investment Fee Fund	115,000	-	115,000
Water System Construction			
Reserve Fund	699,000	499,990	1,198,990
Water Acquisition Fund	200,000	19,171	219,171
Raw Water Fund	10,000	-	10,000
Sewer Construction Fund	551,338	70,476	621,814
Library Services Fund	71,000	29,644	100,644
Museum Services Fund	91,077	423	91,500
Callahan House Fund	73,135	-	73,135
Senior Services Fund	170,734	85,000	255,734
Parks Grants & Donations Fund	-	119,250	119,250
Affordable Housing Fund	250,234	396,550	646,784
Open Space Sales Tax Fund	5,635,413	3,652,495	9,287,908
Public Safety	5,690,043	293,101	5,983,144
Lodgers Tax Fund	249,639	3,448	253,087
Probation Services Fund	120,213	-	120,213
Museum Trust Fund	19,000	4,000	23,000
Longmont Urban Renewal			
Authority Fund	-	111,000	111,000
<b>Capital Projects Funds:</b>			
Public Improvement Fund	8,179,841	421,248	8,601,089
<b>Enterprise Funds:</b>			
Sanitation Fund	6,200,108	37,768	6,237,876
Golf Fund	2,284,762	40,000	2,324,762
Electric Fund	61,177,214	1,224,595	62,401,809
Telecommunications Fund	445,989	161,000	606,989
Water Fund	16,304,966	2,753,250	19,058,216
Sewer Fund	11,884,867	13,925,130	25,809,997
Storm Drainage Fund	3,681,954	8,859,563	12,541,517
Airport Fund	311,469	1,685,761	1,997,230
<b>Fleet Internal Service Fund</b>	<b>6,748,726</b>	<b>4,329,624</b>	<b>11,078,350</b>
<b>Component Unit-DDA</b>			
Development Authority			
Operations	189,988	2,965	192,953
Debt Service	837,415	2,224,000	3,061,415
Capital Construction	437,500	4,360,173	4,797,673
Building permit	22,500	-	22,500
CDBG Grant	-	-	-
Marketing	181,383	211,626	393,009
Façade Improvement	-	1,256,750	1,256,750
Arts and Entertainment	258,913	420,330	679,243
	<b>\$ 220,104,397</b>	<b>\$ 66,924,751</b>	<b>\$ 287,029,148</b>

CITY OF LONGMONT, COLORADO

NOTES TO FINANCIAL STATEMENTS  
December 31, 2012

**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 \$55,676,703 difference are as follows:

Bonds Payable	\$43,655,000
Less: Deferred charge on refunding (to be amortized as interest expense)	(1,171,305)
Issuance premium (to be amortized against interest expense)	926,680
Accrued interest payable	830,059
Capital leases payable	5,438,502
Net other post employment benefit obligation	306,106
Compensated absences	<u>5,691,661</u>
 Net adjustment to reduce <i>fund balance-total governmental funds to arrive at net position-governmental activities</i>	 <u><u>\$55,676,703</u></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 \$5,261,904 difference are as follows:

Capital outlay	\$19,023,009
Depreciation expense	<u>(13,761,105)</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><u>\$ 5,261,904</u></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 issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.” The details of this \$2,304,252 difference are as follows:

CITY OF LONGMONT, COLORADO  
 NOTES TO FINANCIAL STATEMENTS  
 December 31, 2012

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

Issuance of debt:		
Lease proceeds	\$	(3,195,823)
Principal repayments:		
Revenue bond debt		1,185,000
General obligation debt		1,790,000
Payments of capital leases		2,525,075
Net adjustments to decrease net changes in fund balances-total governmental funds to arrive at changes in net position of governmental activities	\$	2,304,252

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 \$516,718 difference are as follow s:

Compensated absences	\$	(215,214)
Accrued interest		83,621
Net pension obligation decrease		60,620
Other post employment benefits increase		(132,124)
Amortization of deferred charge on refunding		(171,408)
Amortization of issuance costs		(279,927)
Amortization of bond discount		(13,220)
Amortization of bond premium		150,934
Net adjustment to increase net changes in fund balances-total governmental funds to arrive at changes in net position of governmental activities	\$	(516,718)

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

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 are indicated below.

The 3.275% is allocated as follows in 2012:

**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%

**General Use Tax**

- General Fund 0.346%
- Public Improvements Capital Projects Fund 1.654%



CITY OF LONGMONT, COLORADO

NOTES TO FINANCIAL STATEMENTS  
December 31, 2012

**NOTE 5 - DEPOSITS AND INVESTMENTS**

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

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

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

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

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

	<b>Total</b>
Statement of Net Position:	
Equity in pooled cash and cash equivalents-primary government	\$ 140,505,590
Equity in pooled cash and cash equivalents-restricted	4,335,255
Cash and cash equivalents-primary government	101,250
Cash and cash equivalents-restricted	21,194,586
	\$ 166,136,681

**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, 2012, the City's deposits had a bank balance of \$21,081,578 with a corresponding book balance of \$21,694,636.

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

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

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

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

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

The City invests in Colorado Government Liquid Asset Trust Plus (Colostrust 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, 2012 was 1.34 years. The City's investment policy does not otherwise limit interest rate risk.

As of December 31, 2012, the City had the following investments:

Investment Type	Fair Value	Weighted Average Market Duration (in years)	S & P Rating	% of Portfolio
U.S. Treasuries	\$ 48,692,442	1.76	n/a	31.00
U.S. Instrumentality-FNMA	32,891,104	0.71	AA+	20.94
U.S. Instrumentality-FHLMC	27,298,262	1.16	AA+	17.38
U.S. Instrumentality-FHLB	24,206,971	1.70	AA+	15.41
Money Market Funds	12,819,355	n/a	AAA	8.16
Local Investment Pools	<u>11,163,301</u>	n/a	AAA	7.11
Total fair value	<u>\$ 157,071,435</u>			
Portfolio duration		1.33		
Percentage of Portfolio				100.00

The value of the pooled investments includes \$46,724 and \$8,587,882 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.

CITY OF LONGMONT, COLORADO

NOTES TO FINANCIAL STATEMENTS  
December 31, 2012

**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 31% in both Domestic Large Cap Value and Domestic Large Cap Growth, 7% in Domestic Small and Mid Cap, 17% in International Equity, 26% in Domestic Fixed Income and 6% in High Yield Credit, 3% in Commodities, 4% in Global REITs and 6% in Corporate Loans. As of December 31, 2012 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 2012, the actual return for the plan was a gain of 12.31% while the targeted rate of return was 11.99%.

Employee, Police and Fire Pension Plans:

<b>Investment Type</b>	<b>Fair Value</b>	<b>% of Portfolio</b>	<b>Rating</b>
Domestic Equities	\$ 44,953,950	38.52%	Not available
International Equities	20,309,890	17.40%	Not available
Domestic Fixed Income	29,901,593	25.62%	Not available
Corporate Loans	6,680,312	5.73%	Not available
High Yield Credit	7,080,208	6.07%	Not available
Commodities	2,792,346	2.39%	Not available
Global REIT'S	4,888,160	4.19%	Not available
Cash & Cash Equivalents	88,849	0.08%	Not available
<b>Total</b>	<b>\$ 116,695,308</b>	<b>100.00%</b>	

OPEB Trust Fund:

<b>Investment Type</b>	<b>Fair Value</b>	<b>% of Portfolio</b>	<b>Rating</b>
Cash & Cash Equivalents	\$ 843,837	100.00%	Not available
<b>Total</b>	<b>\$ 843,837</b>	<b>100.00%</b>	

**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 \$496,628 and \$4,636, 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, 2012:

<b>Governmental Activities</b>	
Terry St. Fire Station	3,180,836
Energy Equipment Lease, Phase 1	2,053,227
Energy Equipment Lease, Phase 2	836,893
Cannon Copier	74,088
Total Governmental Activities	\$ 6,145,044

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, 2012:

Governmental Activities			
Year	Principal	Interest	Total
2013	\$ 410,114	\$ 190,598	\$ 600,712
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
2018-2022	2,392,448	286,617	2,679,065
2023-2027	746,348	22,403	768,751
Total	5,438,502	1,080,886	6,519,388

**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.

CITY OF LONGMONT, COLORADO  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2012

**NOTE 9 - LONG-TERM DEBT**

Changes in long-term liabilities

Long-term liability activity for the year end December 31, 2012, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Governmental Activities:</b>					
Bonds Payable:					
General Obligation Bonds	\$ 1,185,000	\$ -	\$ (1,185,000)	\$ -	\$ -
Revenue Bond	45,445,000	-	(1,790,000)	43,655,000	3,130,000
Amortization of refunding loss	(1,342,713)	-	171,408	(1,171,305)	-
Amortization of discount/premium	1,064,394	-	(137,714)	926,680	-
Total bonds payable	46,351,681	-	(2,941,306)	43,410,375	3,130,000
Capital Leases	4,767,754	3,195,823	(2,525,075)	5,438,502	410,114
Claims (see Note 14)	1,405,376	2,163,399	(1,652,062)	1,916,713	297,349
Net OPEB Obligation	177,897	313,035	(177,897)	313,035	-
Compensated Absences	5,613,948	5,117,450	(4,906,852)	5,824,546	634,654
Governmental activity long-term liabilities	\$ 58,316,656	\$ 10,789,707	\$ (12,203,192)	\$ 56,903,171	\$ 4,472,117
<b>Business-type Activities:</b>					
Revenue Bonds Payable	\$ 26,095,000	\$ -	\$ (895,000)	\$ 25,200,000	\$ 1,115,000
Amortization of bond premium	83,513	-	(11,974)	71,539	-
Compensated Absences	1,590,652	1,154,618	(1,118,077)	1,627,193	181,576
Loans payable	13,210,950	-	(1,131,803)	12,079,147	989,550
Amortization of loan discount/premium	85,954	-	(25,484)	60,470	-
Net OPEB Obligation	56,053	99,476	(56,053)	99,476	-
Construction contracts	633,082	-	(183,237)	449,845	-
	\$ 41,755,204	\$ 1,254,094	\$ (3,421,628)	\$ 39,587,670	\$ 2,286,126
<b>Component Unit :</b>					
Loans payable - primary government	\$ 146,000	\$ 3,039,596	\$ (3,039,596)	\$ 146,000	\$ -
Compensated Absences	11,521	9,942	(3,183)	18,280	4,405
	\$ 157,521	\$ 3,049,538	\$ (3,042,779)	\$ 164,280	\$ 4,405

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

CITY OF LONGMONT, COLORADO  
 NOTES TO FINANCIAL STATEMENTS  
 December 31, 2012

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

**A. Governmental Activities:**

**Revenue Bonds:**

<p>\$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 \$773,966). Total principal and interest remaining to be paid is \$19,244,363 and is expected to require less than 10% of pledged revenue. Total payment in 2012 was \$1,439,650 and pledged revenue was \$30,105,775.</p>	\$	16,090,000
<p>\$19,330,000 2010 Open Space Sales and Use Tax Revenue Refunding Bonds due in annual installments of \$1,060,000 to \$1,330,000 through November 15, 2026; interest rates range 2 to 3.75 percent (plus amortized premium of \$152,714). Total principal and interest remaining to be paid is \$21,481,995 and is expected to require less than 65% of pledged revenue. Total payment in 2012 was \$1,679,316 and pledged revenue was \$3,010,577.</p>		17,125,000
<p>\$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 \$20,516,533 and is expected to require less than 10% of pledged revenue. Total payment in 2012 was \$556,898 and pledged revenue was \$3,010,577.</p>		10,440,000
	\$	<u>43,655,000</u>

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	
2013	\$ 3,130	\$ 1,807	\$ (195)	\$ 4,742
2014	3,225	1,703	(195)	4,733
2015	3,320	1,596	(195)	4,721
2016	3,425	1,484	(195)	4,714
2017	3,540	1,354	(195)	4,699
2018-2022	11,390	4,655	(975)	15,070
2023-2027	6,660	3,262	(973)	8,949
2028-2032	7,395	1,642	(575)	8,462
2033	1,570	86	(30)	1,626
	<u>\$ 43,655</u>	<u>\$ 17,589</u>	<u>\$ (3,528)</u>	<u>\$ 57,716</u>

CITY OF LONGMONT, COLORADO  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2012

**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, 2012.

**Capital Lease**

Lease obligations per Note 7. Payable from

General Fund and Public Safety Fund \$ 5,438,502

**Net Other Post Employment Benefit Obligation**

Implicit Subsidy for blended rate retiree healthcare \$ 313,035

**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 \$ 5,824,546

**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, 2012:

**Revenue Bonds:**

\$14,540,000 2008 Storm Drainage Revenue Bonds for the purpose of storm drainage system replacements and improvements including Lykins Gulch Drainage way, State Highway 66 Regional drainage improvements, Spring Gulch #2 Drainage, and Left Hand Creek bridge replacement at South Pratt Parkway. Future customer fees net of certain operating expenses, are expected to exceed the annual payments by 33%. Total principal and interest paid in 2012 was \$1,086,406 compared to net pledged fees of \$1,725,026. 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 \$49,795). \$ 12,430,000

\$2,300,000 2010A Sewer Revenue Bonds for the purpose of wastewater system improvements. Future customer fees net of certain operating expenses, are expected to exceed the annual payments by 38%. Total principal and interest paid in 2011 was \$385,500 compared to pledged fees of \$2,281,712. Due in installments of \$275,000 to \$570,000 through November 1, 2015 with an interest rate of 2 percent (unamortized premium of \$21,744). 1,680,000

\$11,090,000 2010B Sewer Revenue Bonds for the purpose of wastewater system improvements. Future customer fees net of certain operating expenses, are expected to exceed the annual payments by 38%. Total principal and interest paid in 2012 was \$498,658 compared to net pledged fees of \$2,281,712. 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

\$ 25,200,000

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

Year Ending	Revenue Bonds			City Total
	Principal	Interest	Interest Subsidy	
December 31				
2013	\$ 1,115	\$ 1,051	\$ (175)	\$ 1,991
2014	1,145	1,020	(175)	1,990
2015	1,175	988	(175)	1,988
2016	1,220	953	(175)	1,998
2017	1,260	911	(168)	2,003
2018-2022	7,000	3,775	(715)	10,060
2023-2027	8,515	2,140	(444)	10,211
2028-2030	3,770	331	(99)	4,002
	<u>\$ 25,200</u>	<u>\$ 11,169</u>	<u>\$ (2,126)</u>	<u>\$ 34,243</u>

**Accrued Sick and Vacation**

Accrual of compensated absences per Note 2-C7.

Payable from the Enterprise Funds \$ 1,627,193

CITY OF LONGMONT, COLORADO  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2012

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

**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 \$60,470). \$ 12,079,147

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

Year Ending December 31	Principal	Interest	Total
2013	\$ 990	\$ 427	\$ 1,417
2014	1,006	398	1,404
2015	1,017	369	1,386
2016	1,039	332	1,371
2017	1,061	294	1,355
2018-2022	5,683	875	6,558
2023	1,283	48	1,331
Total	\$ 12,079	\$ 2,743	\$ 14,822

**Net Other Post Employment Benefit Obligation**

Implicit Subsidy for blended rate retiree healthcare \$ 99,476

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**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. \$ 449,845

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**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, .80% in 2012; \$16,961 interest accrued at 12/31/12 \$ 146,000

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Accrual of compensated absences per Note 2-C7. \$ 18,280

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CITY OF LONGMONT, COLORADO  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2012

**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	Urban Renewal Special Revenue Fund	Sanitation Enterprise Fund	Golf Enterprise Fund
Excess of revenues over (under) expenditures - Legal basis	\$ (4,107,131)	\$ 25,608	\$ 249,765	\$ 466,187
Add:				
Transfers out not included as an increase of legal basis expenditures	686,158	-	-	-
Additions to plant and equip- ment included as legal basis expenditures	-	-	27,666	-
Principal retired included as legal basis expenditures	-	-	-	159,782
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	-	(110,000)	-	-
Property and equipment transferred from other funds	-	-	-	-
Revenues from funds Consolidated with the General Fund	27,726	-	-	-
Less:				
Depreciation	-	-	(184,465)	(66,442)
Property and equipment transferred to other funds	-	-	-	-
Expenditures from funds consolidated with the General fund	(126,130)	-	-	-
Excess of revenues over (under) expenditures - GAAP basis	\$ (3,519,377)	\$ (84,392)		
Change in net position - GAAP basis			\$ 92,966	\$ 559,527

CITY OF LONGMONT, COLORADO  
 NOTES TO FINANCIAL STATEMENTS  
 December 31, 2012

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

Electric Enterprise Fund	Telecom- munications Enterprise Fund	Water Enterprise Fund	Sewer Enterprise Fund	Storm Drainage Enterprise Fund	Airport Enterprise Fund	Fleet Internal Service Fund
\$ 628,627	\$ (188,480)	\$ 710,664	\$ (1,251,758)	\$ (1,842,181)	\$ (208,040)	\$ (1,191,973)
-	-	-	-	-	-	-
1,451,986	123,533	3,477,474	2,798,577	5,030,554	1,168,941	5,258,084
-	-	989,550	503,838	565,000	-	-
667,831	36,473	248,733	94,041	58,147	-	-
-	-	-	527,778	522,694	-	-
72,582	-	1,610,909	25,360	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	300,459
-	-	-	-	-	-	-
(2,284,234)	(58,849)	(3,864,084)	(2,399,391)	(1,253,769)	(150,278)	(2,782,270)
-	-	(88,204)	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 536,792</u>	<u>\$ (87,323)</u>	<u>\$ 3,085,042</u>	<u>\$ 298,445</u>	<u>\$ 3,080,445</u>	<u>\$ 810,623</u>	<u>\$ 1,584,300</u>

CITY OF LONGMONT, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2012

**NOTE 11 - CHANGES IN CAPITAL ASSETS**

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Deletions</b>	<b>Transfers</b>	<b>Ending Balance</b>
<b>Governmental activities:</b>					
Capital assets, not being depreciated:					
Land and water rights	\$ 96,719,300	\$ 1,840,362	\$ -	\$ 48,165	\$ 98,607,827
Construction in progress	11,729,001	8,629,774	-	(11,232,177)	9,126,598
Total capital assets, not being depreciated	<u>108,448,301</u>	<u>10,470,136</u>	<u>-</u>	<u>(11,184,012)</u>	<u>107,734,425</u>
Capital assets, being depreciated:					
Buildings	84,112,209	1,152,382	-	3,434,801	88,699,392
Improvements other than buildings	310,160,525	5,949,639	-	7,665,311	323,775,475
Equipment	47,633,324	4,787,498	(4,979,393)	83,900	47,525,329
Equipment under capital leases	74,088	2,258,897	-	-	2,332,985
Total capital assets, being depreciated	<u>441,980,146</u>	<u>14,148,416</u>	<u>(4,979,393)</u>	<u>11,184,012</u>	<u>462,333,181</u>
Less accumulated depreciation for:					
Buildings	(24,975,450)	(1,994,515)	-	-	(26,969,965)
Improvements other than buildings	(169,060,400)	(10,655,343)	-	-	(179,715,743)
Equipment	(39,006,883)	(2,087,168)	4,623,814	-	(36,470,237)
Equipment under capital leases	(7,409)	(1,806,348)	-	-	(1,813,757)
Total accumulated depreciation	<u>(233,050,142)</u>	<u>(16,543,374)</u>	<u>4,623,814</u>	<u>-</u>	<u>(244,969,702)</u>
Total capital assets, being depreciated, net	<u>208,930,004</u>	<u>(2,394,958)</u>	<u>(355,579)</u>	<u>11,184,012</u>	<u>217,363,479</u>
Governmental activities capital assets, net	<u>\$ 317,378,305</u>	<u>\$ 8,075,178</u>	<u>\$ (355,579)</u>	<u>\$ -</u>	<u>\$325,097,904</u>
<b>Business-type activities:</b>					
Capital assets, not being depreciated:					
Land and water rights	\$ 189,710,239	\$ 2,108,581	\$ -	\$ -	\$191,818,820
Construction in progress	7,899,133	1,031,275	-	(3,079,471)	5,850,937
Total capital assets, not being depreciated	<u>197,609,372</u>	<u>3,139,856</u>	<u>-</u>	<u>(3,079,471)</u>	<u>197,669,757</u>
Capital assets, being depreciated:					
Buildings	143,543,677	1,821,276	-	662,019	146,026,972
Improvements other than buildings	355,668,251	12,571,515	-	1,727,319	369,967,085
Equipment	9,282,284	322,426	-	690,133	10,294,843
Total capital assets, being depreciated	<u>508,494,212</u>	<u>14,715,217</u>	<u>-</u>	<u>3,079,471</u>	<u>526,288,900</u>
Less accumulated depreciation for:					
Buildings	(43,360,449)	(2,836,367)	-	-	(46,196,816)
Improvements other than buildings	(112,278,900)	(6,917,705)	-	-	(119,196,605)
Equipment	(8,293,297)	(507,440)	-	-	(8,800,737)
Total accumulated depreciation	<u>(163,932,646)</u>	<u>(10,261,512)</u>	<u>-</u>	<u>-</u>	<u>(174,194,158)</u>
Total capital assets, being depreciated, net	<u>344,561,566</u>	<u>4,453,705</u>	<u>-</u>	<u>3,079,471</u>	<u>352,094,742</u>
Business-type activities capital assets, net	<u>\$ 542,170,938</u>	<u>\$ 7,593,561</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$549,764,499</u>

CITY OF LONGMONT, COLORADO  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2012

**NOTE 11 - CHANGES IN CAPITAL ASSETS**

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

Governmental activities:	
General government	\$ 4,874,490
Public safety	725,761
Highway and streets	9,260,609
Culture and recreation	1,682,514
	<u>                    </u>
Total depreciation expense - governmental activities	<u>\$16,543,374</u>
Business-type activities:	
Sanitation	\$ 184,465
Golf	66,442
Electric	2,284,234
Telecommunications	58,849
Water	3,864,084
Sewer	2,399,391
Storm drainage	1,253,769
Airport	150,278
	<u>                    </u>
Total depreciation expense - business-type activities	<u>\$10,261,512</u>

**Discretely presented component unit**

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfers</u>	<u>Ending Balance</u>
<b>Downtown development authority:</b>					
Capital assets, not being depreciated:					
Land and water rights	\$ 443,018	\$ -	\$ -	\$ 2,650	\$ 445,668
Construction in progress	181,521	732,241	-	(3,625)	910,137
Total capital assets, not being depreciated	<u>624,539</u>	<u>732,241</u>	<u>-</u>	<u>(975)</u>	<u>1,355,805</u>
Capital assets, being depreciated:					
Buildings	82,455	-	-	-	82,455
Improvements other than buildings	3,114,245	531,116	-	975	3,646,336
Equipment	2,542	-	-	-	2,542
Total capital assets, being depreciated	<u>3,199,242</u>	<u>531,116</u>	<u>-</u>	<u>975</u>	<u>3,731,333</u>
Less accumulated depreciation for:					
Buildings	(34,066)	(1,757)	-	-	(35,823)
Improvements other than buildings	(2,298,542)	(226,660)	-	-	(2,525,202)
Equipment	(420)	(43)	-	-	(463)
Total accumulated depreciation	<u>(2,333,028)</u>	<u>(228,460)</u>	<u>-</u>	<u>-</u>	<u>(2,561,488)</u>
Total capital assets, being depreciated, net	<u>866,214</u>	<u>302,656</u>	<u>-</u>	<u>975</u>	<u>1,169,845</u>
Downtown development authority capital assets, net	<u>\$ 1,490,753</u>	<u>\$ 1,034,897</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,525,650</u>

CITY OF LONGMONT, COLORADO

NOTES TO FINANCIAL STATEMENTS  
December 31, 2012

**NOTE 12 - INFORMATION FOR ENTERPRISE FUNDS**

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

Information for the year ended December 31, 2012, is as follows.

	Sanitation	Golf	Electric	Telecom- munications	Water	Sewer	Storm Drainage	Airport	Total
Operating revenue	\$ 5,676,335	\$ 2,640,817	\$ 57,182,388	\$ 290,774	\$ 14,513,221	\$ 8,634,634	\$ 3,835,700	\$ 258,643	\$ 93,032,512
Depreciation expense	184,465	66,442	2,284,234	58,849	3,864,084	2,399,391	1,253,769	150,278	10,261,512
Operating income (loss)	(417,560)	580,352	(478,168)	(100,757)	1,124,210	(185,576)	422,865	(178,513)	766,853
Transfers:									
Transfers In	573,454	-	41,166	-	-	361,149	-	-	975,769
Transfers Out	(112,769)	(6,473)	(353,332)	(2,815)	(487,160)	(126,218)	(55,869)	(1,167)	(1,145,803)
Change in net position	92,966	559,527	536,792	(87,323)	3,085,042	298,445	3,080,445	810,623	8,376,517
Current capital - contributions	-	-	753,386	7,578	2,330,752	25,360	163,868	953,192	4,234,136
Plant, property & equipment:									
Additions	27,666	-	2,119,817	160,006	3,726,207	2,798,577	5,611,395	1,168,941	15,612,609
Net working capital	3,058,275	739,095	7,153,881	829,649	27,104,324	17,918,681	4,689,297	39,790	61,532,992
Total assets	5,638,162	8,717,564	58,599,337	2,608,459	369,152,339	110,861,177	62,168,604	5,992,284	623,737,926
Bonds & other long-term liabilities	112,542	1,335,592	543,445	902	12,083,520	12,479,900	11,962,333	19,812	38,538,046
Total net position	5,326,441	7,168,378	53,210,787	2,281,625	355,395,834	96,492,276	49,220,767	5,238,158	574,334,266

**NOTE 13 - OPERATING LEASE**

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

<u>Year Ending December 31</u>	<u>Amount</u>
2013	\$57,000
2014	57,000
2015	57,000
2016	57,000
2017	57,000

**NOTE 14 - RISK MANAGEMENT**

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

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

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

All funds of the City participate in these programs and make payments to the appropriate risk retention internal service fund based on actuarial estimates of the amounts needed to pay prior- and current-year claims and to establish a reserve for catastrophic losses. The claims liability of \$1,916,713 reported in these funds at December 31, 2012 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 2011 and 2012 were:

<u>Fund</u>	<u>Beginning Claims Liability</u>	<u>Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>Year end Claims Liability</u>
<b>2011</b>				
Self Insurance	\$ 571,676	\$ 198,804	\$ 561,494	\$ 208,986
Workers Compensation	552,232	1,232,391	689,717	1,094,906
Dental Trust	96,316	682,220	677,052	101,484
	<u>\$ 1,220,224</u>	<u>\$ 2,113,415</u>	<u>\$ 1,928,263</u>	<u>\$ 1,405,376</u>
<b>2012</b>				
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>

CITY OF LONGMONT, COLORADO

NOTES TO FINANCIAL STATEMENTS  
December 31, 2012

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

A. Interfund receivable and payable balances at December 31, 2012 were:

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
<b>Governmental:</b>		
General	\$ 2,615,855	\$ -
Nonmajor Governmental		
Longmoont Urban Renewal		
Special revenue Fund (Advance)	-	110,000
Nonmajor Enterprise		
Golf (Advances)	-	1,398,345
Airport	-	439,296
Internal Service:		
Fleet (Advances)	1,508,345	-
Warehouse	-	2,176,559
	<u>\$ 4,124,200</u>	<u>\$ 4,124,200</u>

**NOTE 16 - INTERFUND TRANSACTIONS**

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

**A. Administrative Fee** - The Enterprise Funds, the Street System, Open Space and General Improvement District #1 Special Revenue Funds, the Self Insurance, Workers Compensation Insurance, and Fleet Internal Service Funds make monthly payments to the General Fund for administrative expenses. The charge is approved by the City Council as part of the appropriation process, and is calculated to cover ETS, accounting, billing, purchasing and other administrative functions performed and/or paid by the General Fund on behalf of the above mentioned funds. The total administrative fees paid by Enterprise Funds to the General Fund were \$529,910 by the Sanitation Fund, \$111,598 by the Golf Fund, \$1,660,010 by the Electric Fund, \$37,735 by the Telecommunications Fund, \$1,291,052 by the Water Fund, \$778,370 by the Sewer Fund, \$421,171 by the Storm Drainage Fund and \$109,106 by the Airport Fund. Total administrative fees paid by Special Revenue Funds in 2012 were \$859,808 by the Street System Fund, \$308,343 by the Open Space Fund and \$8,969 by the General Improvement District #1 Fund. Total 2012 administrative fees paid to the General Fund by Internal Service funds were \$121,388 by the Self Insurance Fund, \$174,778 by the Workers' Compensation Insurance Fund, and \$229,466 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 \$4,541,543 in 2012. The Telecommunications fee is 5% of the current year revenues, or \$16,237 in 2012. The Water Fund franchise fee approximates 2% of the Fund's current year budgeted revenues, or \$255,982 in 2012. The Sewer Fund franchise fee approximates 4% of the Fund's current year budgeted revenues, or \$349,452 in 2012.

**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 2012 were \$2,592,900 by the General Fund, \$995,902 by the Street System Fund, \$2,114,112 by the Sanitation Fund, \$255,679 by the Golf Fund, \$515,115 by the Electric Fund, \$351,774 by the Water Fund, \$263,872 by the Sewer Fund, \$171,321 by the Storm Drainage Fund, \$2,297 by the Airport Fund, \$261,735 by the Public Safety Sales Tax Special Revenue Fund and \$15,177 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 2012 were \$32,562 from the General Fund, \$88,204 from the Water Enterprise Fund and \$179,693 from the Public Safety Sales Tax Special Revenue Fund.

**F. Art Transfers**- The Art in Public Places Fund is funded through transfers from the operating funds of the City. Any construction project costing \$50,000 or more must transfer 1% of the construction cost to the Art fund. Certain funds

CITY OF LONGMONT, COLORADO  
 NOTES TO FINANCIAL STATEMENTS  
 December 31, 2012

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

with legal limitations on their monies are exempt from this requirement. The amounts of such operating transfers in 2012 were \$225 from the Sanitation Fund, \$13,001 from the Electric Fund, \$1,144 from the Telecommunications Fund, \$10,057 from the Water Fund, \$10,779 from the Sewer Fund, \$50,774 from the Storm Drainage Fund, \$710 from the General Fund, \$17,632 from the Public Improvement Fund, \$67 from the Sewer Construction Fund, \$1,474 from the Water Construction Fund, \$2,638 from the Downtown Parking Fund, \$11,704 from the Park Improvement Fund, \$1,917 from the Public Buildings Community Investment Fee Fund, \$1,274 from the Open Space Fund, \$5,907 from the Downtown Development Component Unit and \$12,084 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 2012 were \$128,031 from the General Fund, \$3,425 from the Water Fund, \$120 from the Sewer Fund, and \$145,936 from the Public Improvement Fund.

**H Insurance Charges for Services** - The Self Insurance Internal Service Fund, the Employee Benefit Internal Service Fund and the Workers' Compensation Insurance Internal Service Fund each charge all of the operating funds an amount for the insurance coverage accounted for in each of the respective funds. The Self Insurance charge is based on the potential for liability claims in each of the departments. The Employee Benefit charge is a percentage of payroll. The Workers Compensation Insurance charge is based on the type of duties each employee performs and is also a percentage of payrolls. The total insurance charges for 2012 from each fund were:

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

	Self- Insurance	Employee Benefit	Workers' Compensation Insurance	Unemployment Insurance	Dental Trust
General Fund	\$ 489,963	\$ 4,470,609	\$ 413,709	\$ 97,189	\$ 226,779
Component Unit					
Downtown Development Authority Special Revenue Fund	-	20,356	-	455	223
Probation Services Special Revenue Fund	198	7,776	19	169	394
Community Development Special Revenue Fund	390	13,579	38	332	690
Affordable Housing Special Revenue Fund	317	13,687	1,108	261	694
Downtown Parking Special Revenue Fund	-	752	-	17	8
Streets System Special Revenue Fund	74,557	313,779	31,535	6,820	15,921
Museum Services Special Revenue Fund	105	-	10	-	-
Callahan House Special Revenue Fund	180	5,552	316	121	281
Senior Services Special Revenue Fund	54	-	5	-	-
Art in Public Places Special Revenue Fund	770	3,691	9	80	187
Open Space Special Revenue Fund	3,124	24,501	385	532	1,244
Public Safety Sales Tax Special Revenue Fund	22,662	385,193	32,653	8,374	19,538
General Improvement District Special Revenue Fund	-	1,128	-	25	12
Sanitation Enterprise Fund	75,180	164,831	37,685	3,579	8,354
Golf Enterprise Fund	17,757	81,757	5,026	1,778	4,150
Electric Enterprise Fund	148,046	671,591	27,381	14,604	34,068
Telecommunications Fund	5,416	21,899	69	477	1,111
Water Enterprise Fund	51,616	404,034	42,550	8,781	20,493
Sewer Enterprise Fund	87,402	246,865	31,020	5,362	12,521
Storm Drainage Enterprise Fund	17,475	126,037	3,616	2,741	6,394
Airport Enterprise Fund	647	11,855	27	258	601
Fleet Internal Service Fund	4,141	120,011	22,839	2,611	6,088
<b>TOTAL</b>	<b>\$ 1,000,000</b>	<b>\$ 7,109,483</b>	<b>\$ 650,000</b>	<b>\$ 154,566</b>	<b>\$ 359,751</b>



CITY OF LONGMONT, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2012

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

- The General Fund paid \$22,800 to the Component Unit DDA Special Revenue Fund to fund specific projects.
- The General Fund transferred \$42,748 to the Callahan House Special Revenue Fund to fund operations.
- The General Fund transferred \$5,191 to the Downtown Parking Special Revenue Fund to provide a secondary funding source for operations.
- The Electric Enterprise Fund transferred \$23,000 to the General Fund to fund a tree planting project, \$5,000 to the General Fund to assist in the funding of the ice rink, \$5,000 to assist in the funding of Longmont Lights and \$500 to assist in the funding of the Cinco De Mayo celebration.
- The Water Enterprise Fund transferred \$234,263 and the Sewer Enterprise Fund transferred \$78,087 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 \$361,149 to the Sewer Fund to pay current debt service on the sewer loan.
- The Library Special Revenue Fund transferred \$24,303 to the General Fund to fund book purchases.
- The Water Enterprise Fund transferred \$31,479, the Sewer Enterprise Fund transferred \$2,421, the Sanitation Enterprise Fund transferred \$1,211, the Golf Enterprise Fund transferred \$1,211, the Telecommunications Enterprise Fund transferred \$1,211, the Storm Drainage Enterprise Fund transferred \$1,211, the Fleet Internal Service Fund transferred \$1,211 and the Streets Special Revenue Fund transferred \$1,211 to the Electric Enterprise Fund to fund their shares of warehouse administrative costs.
- The General Fund transferred \$152,315 to the Affordable Housing Fund to fund operating expenses.
- The General Fund transferred \$60,024, the Sewer Enterprise Fund transferred \$94,323, the Storm Drainage Enterprise Fund transferred \$197,220 and the Streets Special Revenue Fund transferred \$240,094 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 \$132,048, the Sewer Enterprise Fund transferred \$66,024 and the Storm Drainage Enterprise Fund transferred \$127,332 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 \$173,997, the Sewer Enterprise Fund transferred \$103,984, the Sanitation Enterprise Fund transferred \$17,352, and the Streets Systems Special Revenue Fund transferred \$3,307 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 \$573,454 to the Sanitation Enterprise Fund to reimburse the fund for sales of vehicles used in their fund.
- The Employee Benefit Trust Internal Service Fund transferred \$236,180 to the OPEP Trust Fund to assist in the funding of the OPEB liability.
- The Judicial Wedding Special Revenue fund transferred \$1,322 to the General fund to assist in offsetting costs.
- The Component Unit DDA Debt Service Fund transferred \$16,819 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 \$111,333 by the Sanitation Fund, \$5,262 by the Golf Fund, \$306,831 by the Electric Fund, \$460 by the Telecommunications Fund, \$357,420 by the Water Fund, \$113,018 by the Sewer Fund, \$3,884 by the Storm Drainage Fund and \$516 by the Airport Fund. Total expenditures paid by Special Revenue Funds in 2012 were \$355,317 by the Street System Fund, \$694 by the Open Space Fund, \$417 by the Probation Services Fund, \$690 by the Affordable Housing Fund, 371 by the Art in Public Places Fund and \$32,478 by the Public Safety Sales Tax Fund. Total 2012 expenses paid to the General Fund by Internal Service funds were \$4,579 by the Fleet Fund.

CITY OF LONGMONT, COLORADO  
 NOTES TO FINANCIAL STATEMENTS  
 December 31, 2012

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

Primary Government

Transfers from	Transfers to:						Total
	General Fund	Nonmajor Governmental Funds	Electric Fund	Sewer Fund	Nonmajor Enterprise Funds	Internal Service Funds	
General Fund	\$ -	\$ 466,554	\$ -	\$ -	\$ -	\$ 219,604	\$ 686,158
Streets Systems Fund	355,317	-	1,211	-	-	-	356,528
Nonmajor Governmental Funds	108,694	-	-	361,149	-	179,693	649,536
Electric Fund	353,332	-	-	-	-	-	353,332
Water Fund	367,477	-	31,479	-	-	88,204	487,160
Sewer Fund	123,797	-	2,421	-	-	-	126,218
Storm Drainage Fund	54,658	-	1,211	-	-	-	55,869
Nonmajor Enterprise Funds	119,591	-	3,633	-	-	-	123,224
Internal Service Funds	4,579	-	1,211	-	573,454	-	579,244
	\$ 1,487,445	\$ 466,554	\$ 41,166	\$ 361,149	\$ 573,454	\$ 487,501	\$ 3,417,269

**NOTE 17 - OTHER POSTEMPLOYMENT BENEFITS**

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

*Contributions.* The contribution requirements of plan members and the City are established and may be amended by the City Manager. Plan members receiving benefits contributed 100% of their total premiums, through their required contribution of \$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 towards the premium payments. The implicit subsidy for the blended rates requires the City make contributions adequate to finance that implicit subsidy on a sound actuarial basis. An actuarial study is performed biennially using the entry age actuarial cost method. The most recent annual study for the Retiree Health Insurance Plan was performed as of January 1, 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. Following table shows the

CITY OF LONGMONT, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2012

**NOTE 17 - OTHER POSTEMPLOYMENT BENEFITS (continued)**

components of the City's annual OPEB cost for the year ended December 31, 2012, 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	9,358
ARC Adjustment	<u>(13,009)</u>
Annual OPEB Cost	414,744
Contributions Made	<u>(236,183)</u>
Net OPEB Obligation Change	<u>178,561</u>
Net OPEB 12/31/11	<u>233,950</u>
Net OPEB 12/31/12	<u>\$ 412,511</u>

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

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
12/31/10	\$236,183	158.0%	\$236,183
12/31/11	233,947	101.0	233,950
12/31/12	414,744	56.9	412,511

*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

CITY OF LONGMONT, COLORADO  
 NOTES TO FINANCIAL STATEMENTS  
 December 31, 2012

**NOTE 17 - OTHER POSTEMPLOYMENT BENEFITS (continued)**

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

<b>OPEB</b>	
<b>ASSETS</b>	
Cash and cash equivalents	\$ 843,837
Total Assets	\$ 843,837
<b>NET POSITION</b>	
Held in trust for OPEB benefits	\$ 843,837
<b>OPEB</b>	
<b>ADDITIONS</b>	
Contributions	
Employer	\$ 236,183
Investment income	
Interest	60
<b>Total additions</b>	<b>236,243</b>
<b>DEDUCTIONS</b>	
Administrative expense	1,212
Net increase	235,031
NET POSITION HELD IN TRUST FOR	
OPEB BENEFITS, January 1	608,806
<b>December 31</b>	<b>\$ 843,837</b>

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

In November, 1992, an amendment to the Colorado Constitution was passed by the voters imposing various revenue and expenditure limits on the City. Prior voter approval is necessary to increase the City's real property tax revenues or spending from one year to the next in excess of the rate of inflation plus a "growth factor", based on the net percentage change in the actual value of all real property within the City. Any new tax, tax rate increase, mill levy increase, or extension of an expiring tax which causes a net tax revenue gain requires voter approval. The Colorado Constitution also requires that any revenue collected, kept or spent in excess of these limitations must be refunded, with interest. In November 1996, City of Longmont voters approved a "Voter Approved Revenue Change" that allows the City to keep any revenue collected in excess of the 1992 amendment limits. To the best of the City's knowledge, the City is in compliance with all requirements of this amendment, and no refunds are due at December 31, 2012.

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, 2012, the amount required as an Emergency Reserve in compliance with the Amendment is \$3,220,585 for the City; \$2,833 for the GID component unit and \$48,613 for the DDA component unit. These are shown as restricted fund balance in the General Fund and in the GID and DDA funds, respectively.

CITY OF LONGMONT, COLORADO  
 NOTES TO FINANCIAL STATEMENTS  
 December 31, 2012

**NOTE 19 - RETIREMENT COMMITMENTS**

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

A Plan Provisions

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

	<b>Employee Retirement</b>	<b>Fire Pension</b>	<b>Police Pension</b>
Benefit percent per year of service	2.2% per year Age 65 (less 3% per each year below age 65 except when Rule of 80 is satisfied)	2.5% per year up to 20 years (plus 1% per year for each year in excess of 20 before age 50 plus 2% per year in excess of 20 after age 50 but before age 55)	2.5% per year up to 20 years
Average annual compensation	Highest 36 consecutive calendar months	-	-
Average monthly compensation	-	Last full month	Last full month
Years of service required for vesting	5 years	10 years	10 years
Age and year of service eligible for benefit	<u>Member prior to 12/31/2011</u> Age 65 or 25 years and Age 55  <u>Member after 12/31/2011</u> Age 65 or 20 years and Age 60	Age 50 and 20 years	Age 55 and 20 years or 25 years

**NOTE 19 - RETIREMENT COMMITMENTS**

B. Plan Descriptions and Contribution Information

Membership in each plan consisted of the following at January 1, 2012:

	<b>Employee Retirement</b>	<b>Fire Pension</b>	<b>Police Pension</b>
Retirees & beneficiaries currently receiving benefits	225	11	12
Terminated employees entitled to benefits but not yet receiving them	106	0	0
Current employees:			
Fully vested	432	1	0
Partially vested	0	0	0
Non-vested	166	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, 2012. New hire contribution rates and retirement age eligibility requirements were adopted effective January 1, 2012.

Contributions. Plan members are required to contribute 5.1% for members joining prior to December 31, 2011 and 4.1% if member 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, 2012. The City currently contributes 6.1% of the covered annual payroll.

**Fire Pension Plan**

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

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, 2012. In 2012, the City contributed \$109,998.

**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.

CITY OF LONGMONT, COLORADO  
 NOTES TO FINANCIAL STATEMENTS  
 December 31, 2012

**NOTE 19 - 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, 2012. In 2012, the City contributed \$20,000.

C. Contributions and Reserves

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

Actuarially determined contribution requirements for 2012 were as follows:

	Employee Retirement	Fire Pension	Police Pension
Contributions to:			
Normal cost	\$3,860,142	\$ -	\$ -
as % of covered payroll	11.60%	0.00%	0.00%
Amortization of the unfunded			
Actuarial accrued liability	\$520,969	\$ -	\$ -
as % of covered payroll	1.60%	0.00%	0.00%
Total contributions required			
as % of covered payroll	11.60%	0.00%	0.00%
Employee Portion (member prior to 12/31/2011)	5.10%	10.00%	NA
Employee Portion (member after 12/31/2011)	4.10%		
City Portion	6.50%	10.00%	NA

CITY OF LONGMONT, COLORADO  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2012

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

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

	<u>Employee Retirement</u>	<u>Fire Pension</u>	<u>Police Pension</u>
<u>Contribution rates:</u>			
City	6.1%	21.0%	N/A
Plan members (member prior to 12/31/2011)	5.1%	10.0%	N/A
Plan members (member after 12/31/2011)	4.1%		
Annual pension cost	\$2,200,293	\$12,743	\$13,021
<u>Contributions made:</u>			
City	\$2,149,586	\$109,998	\$20,000
Plan members	\$1,563,895	\$0	\$0
Actuarial valuation date	January 1, 2012	January 1, 2012	January 1, 2012
Actuarial cost method	Entry Age Normal, Level Percentage of Pay	Entry Age Normal	Entry Age Normal
Amortization method	Level dollar, open	Level dollar, open	Level dollar, open
Remaining amortization period	N/A	13	11
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

Annual Pension Cost and Net Pension Obligation:

Annual required contribution	\$2,165,299	\$0	\$0
Interest on net pension obligation	(271,377)	(19,884)	(15,828)
Adjustment to annual required contribution	<u>306,371</u>	<u>32,627</u>	<u>28,849</u>
Annual pension cost	2,200,293	12,743	13,021
Contributions made	<u>(2,128,579)</u>	<u>(109,998)</u>	<u>(20,000)</u>
Increase(decrease) in net pension obligation(asset)	71,714	(97,255)	(6,979)
Net pension obligation(asset) beginning of year	<u>(3,618,354)</u>	<u>(265,124)</u>	<u>(211,042)</u>
Net pension obligation(asset) end of year	<u><u>(\$3,546,640)</u></u>	<u><u>(\$362,379)</u></u>	<u><u>(\$218,021)</u></u>

Funding Progress:

Actuarial valuation of assets	\$105,632,205	\$2,915,109	\$1,786,561
Actuarial accrued liability	112,246,514	2,824,842	1,518,107
Unfunded actuarial liability (UAL)	6,614,309	(90,267)	(268,454)
Funded ratio	94.1%	103.2%	117.7%
Covered payroll	33,232,223	72,949	-
UAL as percentage of covered payroll	19.9%	-123.7%	-



CITY OF LONGMONT, COLORADO  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2012

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

**Three Year Trend Information**

	Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation (Asset)
<b>Employees</b>	12/31/2010	1,911,419	137%	(3,675,208)
<b>Retirement Plan</b>	12/31/2011	1,986,108	97%	(3,618,354)
	12/31/2012	2,200,293	97%	(3,546,640)
	Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation (Asset)
<b>Fire</b>	12/31/2010	10,637	890%	(168,061)
<b>Retirement Plan</b>	12/31/2011	8,077	1302%	(265,124)
	12/31/2012	12,743	863%	(362,379)
	Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation (Asset)
<b>Police</b>	12/31/2010	12,863	268%	(203,610)
<b>Retirement Plan</b>	12/31/2011	16,648	145%	(211,042)
	12/31/2012	13,021	154%	(218,021)

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

	Employee Pension	Fire Pension	Police Pension	Total
<b>ASSETS</b>				
Equity in pooled cash & cash equivalents	\$ 44,797	\$ 1,898	\$ 29	\$ 46,724
Cash and cash equivalents	1,645,384	46,411	27,093	1,718,888
Investments				
Common Stock	70,818,942	1,997,554	1,166,130	73,982,626
Mutual funds	39,240,797	1,106,845	646,152	40,993,794
<b>Total Assets</b>	<b>\$ 111,749,920</b>	<b>\$ 3,152,708</b>	<b>\$ 1,839,404</b>	<b>\$ 116,742,032</b>
<b>LIABILITIES</b>				
Accounts payable	\$ 66,440	\$ 2,127	\$ 1,550	\$ 70,117
<b>Total Liabilities</b>	<b>66,440</b>	<b>2,127</b>	<b>1,550</b>	<b>70,117</b>
<b>NET POSITION</b>				
Held in trust for pension benefits	\$ 111,683,480	\$ 3,150,581	\$ 1,837,854	\$ 116,671,915

CITY OF LONGMONT, COLORADO

	Employee Pension	Fire Pension	Police Pension	Total
<b>ADDITIONS</b>				
Contributions				
Employer	\$ 2,149,586	\$ 109,998	\$ 20,000	\$ 2,279,584
Plan members	1,563,895	-	-	1,563,895
<b>Total Contributions</b>	<b>3,713,481</b>	<b>109,998</b>	<b>20,000</b>	<b>3,843,479</b>
Investment income				
Net appreciation in fair value of investments	10,366,438	299,015	179,431	10,844,884
Interest	2,244,115	64,170	38,157	2,346,442
Dividends	792,094	22,548	13,335	827,977
Less investment expense	(355,924)	(12,331)	(8,840)	(377,095)
Net investment gain	13,046,723	373,402	222,083	13,642,208
<b>Total additions</b>	<b>16,760,204</b>	<b>483,400</b>	<b>242,083</b>	<b>17,485,687</b>
<b>DEDUCTIONS</b>				
Benefits	4,158,517	246,870	190,120	4,595,507
Refunds of contributions	354,584	-	-	354,584
Administrative expense	35,024	1,058	670	36,752
<b>Total deductions</b>	<b>4,548,125</b>	<b>247,928</b>	<b>190,790</b>	<b>4,986,843</b>
Net increase	12,212,079	235,472	51,293	12,498,844
NET POSITION HELD IN TRUST FOR				
PENSION BENEFITS, January 1	99,471,401	2,915,109	1,786,561	104,173,071
<b>December 31</b>	<b>\$ 111,683,480</b>	<b>\$ 3,150,581</b>	<b>\$ 1,837,854</b>	<b>\$ 116,671,915</b>

**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, 2012, the market value of pooled plan investments total \$116,695,308. These investments included shares in the Pimco Total Return Fund Institutional Class #35 with a market value of \$73,982,624, representing 63.40% of total plan assets; Davis Adv. with a market value of \$10,997,508, representing 9.42% of total plan assets; Cambiar with a market value of \$6,450,039, representing 5.53% of total plan assets; and shares in LKCM Small Cap Core separate account with a market value of \$5,406,342, representing 4.63% of total plan assets. There are no investments in, loans to, or leases with any City official or other related party in any of the plans.

**NOTE 19 - 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, 2012 to include new retirement age and contribution rate requirements for members that join the Plan after December 31, 2011. New Plan members that joined after December 31, 2011 must contribute 4.1% 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 5.1%.

**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 which are investments in, loans to, or leases with any City official or other related party.

Covered payroll for the plan during 2012 was \$16,675,910. Both the City and the participants contributed the required 10% to this money purchase plan in 2012 amounting to \$1,667,591 each from the City and from employees for a total of \$3,335,182 of contributions. Vesting schedule for the plan is as follows:

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

**NOTE 19 - 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, 2012. 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% (6% for new members of the Plan after December 31, 2011) is made by the City to the Plan. Covered payroll for the plan during 2012 was \$33,232,223. Both the City and the participants contributed the required 5% (6% for new members of the Plan after December 31, 2011) of base compensation to the plan in 2012 amounting to \$1,611,957 each from City and from employees for a total of \$3,223,914 of contributions. Vesting schedule for the plans is as follows:

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

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

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

**NOTE 20 - DEFERRED COMPENSATION PLAN**

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

CITY OF LONGMONT, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2012

**NOTE 21 - WINDY GAP WATER PROJECT**

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

This water supply is being provided through the Windy Gap Project for water diversion. The project was completed in 1985 and the City may receive 8,000 acre feet of water per year. The City may attempt to lease or sell a portion of this water to assist in the payment of its annual assessed contributions to the Subdistrict. One-sixth of a system development fee charged by the City which became effective January 1, 1983, is used for payment of the annual assessed contributions. In addition, a 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 which increased City capacity to 24.3 cubic feet per second.

The total of annual assessed contributions paid by the City to the Subdistrict through December 31, 2012, is \$46,911,367 of which \$1,898,498 was paid in 2012. The assessed contribution to be paid in 2013 is \$1,676,092.

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.

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

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

The City purchased \$41,434,255 of electric power during 2012 from Platte River Power Authority of which \$3,240,577 is outstanding as an account payable of the Electric Enterprise Fund at December 31, 2012.

CITY OF LONGMONT, COLORADO  
 NOTES TO FINANCIAL STATEMENTS  
 December 31, 2012

**NOTE 23 - COMMITMENTS**

A. Encumbrances: At December 31, 2012, there were the following outstanding encumbrances in governmental funds:

	<b>Total</b>
<b>Governmental Funds</b>	
General	\$ 844,387
Water System Construction Reserve	84,214
Water Acquisition	19,171
Prevention/Education	270
Community Development Block Grant	77,483
Affordable Housing	2,500
Streets Systems	3,328,431
Library Services	4,841
Museum Services	423
Park Improvement	1,157,478
Public Buildings Community Investment Fee	5,000
Open Space	115,949
Public Safety	38,353
Lodgers Tax	3,448
Conservation Trust	11,540
Downtown Parking	1,419
	5,694,907
<b>Component Unit</b>	
Downtown Development Authority	1,440
Downtown Development Capital Projects	18,230
Downtown Development Marketing	1,940
	21,610
<b>TOTAL COMMITTED ENCUMBRANCES</b>	<b>\$ 5,716,517</b>

CITY OF LONGMONT, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2012

**NOTE 23 - COMMITMENTS (continued)**

B. At December 31, 2012, there were the following uncompleted construction contracts:

Fund	Project Title	Remaining Committed Construction
<b>Enterprise Funds:</b>		
Water Fund	2012 Wade Gaddis WTP Improvements	\$ 227,315
	Montgomery Tank Valve Vault Building Replacement project	167,348
	Engineering Services for Water Utility Pipelines & Pump Stations	79,504
	2012 CIPP Sanitary Sewer Rehabilitation	51,352
	On Call Transportation Engineering Services	14,467
	Utility Pipeline Contractor - On-Call Construction Services	13,875
	Engineering Services for MUW-177	13,238
Sewer Fund	Headworks Project	11,530,182
	2012 CIPP Sanitary Sewer Rehabilitation	283,202
	Trunkline Evaluation	46,094
	Down town Alley Improvements	22,250
	Engineering Services for Water Utilities & Pipe Stations	19,082
	Sanitary Sewer Flow Monitoring Equipment & Data Delivery Service	11,940
Storm Drainage Fund	Terry Lake Neighborhood Regional Detention Pond	1,874,858
	Lefthand Creek Flood Control Project - Phase 1 Design	70,657
	Down town Alley Improvements	14,246
Airport Fund	Extend Partial Parallel Taxiway B	330,346
	CAT X Environmental Checklist & FAA Grant Application	293,406
		15,063,362
<b>Capital Project Funds:</b>		
Public Improvement Fund	Parks Master Plan	226,423
<b>General Fund:</b>		
	Phase II Energy Performance	136,204
	Financial System Consultant	24,405
	Payment Card Industry (PCI) Compliance Consultant	11,650
		172,259
<b>Special Revenue Funds:</b>		
Water Construction Fund	Engineering Services for Water Utility Pipelines & Pump Stations	79,504
Street Improvement Fund	Design Services for Main and Ken Pratt	277,046
	On Call Design Services-Hwy 66 and CLR Intersection Improvements	183,731
	Down town Alley Improvements	47,009
	On Call Transportation Engineering Services-Design Services	
	Primary Secondary Greenway	22,418
	Hwy. 287 & Pike Landscape/Prairie Village Greenway Restoration	10,507
Park Improvement Fund	Dry Creek Community Park	24,043
Public Building Community Investment Fee Fund	Civic Center Elevator	27,917
Open Space Fund	Union Reservoir Interim Trail Design	51,316
	Design Services for Jim Hamm District Park & McIntosh District Park	36,006
	SH 119 Underpass Design Services for Spring Gulch #2	29,063
Conservation Trust Fund	St. Vrain Greenway, Phase II at Pavlakis Open Space	194,516
		983,076
Component Unit		
Down town development Authority Construction Fund	Down town Alley Improvements	238,959
<b>TOTAL COMMITTED CONSTRUCTION</b>		<b>\$ 16,684,079</b>

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

CITY OF LONGMONT, COLORADO  
 NOTES TO FINANCIAL STATEMENTS  
 December 31, 2012

**NOTE 24 - 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
<b>Nonspendable:</b>				
Prepays	\$ 307,131	\$ 37,737	\$ -	\$ 344,868
Long-term notes & loan receivables	20,578	198	1,783	22,559
<b>Total Nonspendable</b>	<b>327,709</b>	<b>37,935</b>	<b>1,783</b>	<b>367,427</b>
<b>Restricted:</b>				
Endow ments/Donations/Grants	3,973	-	1,449,981	1,453,954
Conservation Trust	-	-	5,550,412	5,550,412
Capital improvements - Parks	-	-	3,430,661	3,430,661
Capital improvements - Transportation	-	-	875,026	875,026
Capital improvements - Public Buildings	-	-	509,973	509,973
Capital improvements - Electric	-	-	1,864,771	1,864,771
Capital improvements - Water	-	-	19,521,679	19,521,679
Capital improvements - Sewer	-	-	1,810,065	1,810,065
CDBG/HOME	-	-	294,216	294,216
District Improvements	-	-	92,210	92,210
State imposed Emergencies	3,220,585	-	2,833	3,223,418
Historical Preservation	-	-	8,283	8,283
Open Space Acquisition	-	-	7,472,445	7,472,445
Public Safety	-	-	2,176,510	2,176,510
Tourism Programs	-	-	144,085	144,085
Streets and Highways	-	10,507,934	-	10,507,934
Emergencies	-	489,428	-	489,428
Subsequent years' expenditures	-	1,183,541	-	1,183,541
Capital Project Construction/Acquisition	-	-	4,207,168	4,207,168
Debt Service	-	-	2,303,409	2,303,409
<b>Total Restricted</b>	<b>3,224,558</b>	<b>12,180,903</b>	<b>51,713,727</b>	<b>67,119,188</b>
<b>Committed:</b>				
Downtown Parking	-	-	49,931	49,931
Judicial Programs	-	-	27,127	27,127
Youth Services	-	-	135,371	135,371
Museum Services	-	-	141,406	141,406
Callahan House	-	-	13,659	13,659
Senior Services	-	-	163,531	163,531
Parks	-	-	336,412	336,412
Affordable Housing	-	-	733,916	733,916
Probation Services	-	-	105,904	105,904
Greenway/Izaak Walton	-	-	60,564	60,564
Public Safety	-	-	41,159	41,159
Water Acquisition	-	-	407,193	407,193
Staff Contract	161,000	-	-	161,000
Future carryover projects	2,790,306	-	-	2,790,306
Subsequent years' expenditures	1,783,820	-	-	1,783,820
Future council 1-time expenditures	50,000	-	-	50,000
Library Services	-	-	3,700	3,700
<b>Total Committed</b>	<b>4,785,126</b>	<b>-</b>	<b>2,219,873</b>	<b>7,004,999</b>
<b>Assigned:</b>				
Art in Public Places	361,016	-	-	361,016
Air Quality Control	15,916	-	-	15,916
Library Services	5,188	-	-	5,188
Reimbursement to Developers	507,670	-	-	507,670
<b>Total Assigned</b>	<b>889,790</b>	<b>-</b>	<b>-</b>	<b>889,790</b>
<b>Unassigned:</b>	<b>6,153,177</b>	<b>-</b>	<b>(84,392)</b>	<b>6,068,785</b>
<b>Total Fund Balances</b>	<b>\$ 15,380,360</b>	<b>\$ 12,218,838</b>	<b>\$ 53,850,991</b>	<b>\$ 81,450,189</b>



CITY OF LONGMONT, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2012

**NOTE 25 - RESTATEMENT OF FUND BALANCE**

**Restatement of Enterprise Funds**

The City implemented the guidance from GASB 61, *The Financial Reporting Entity: Omnibus*, from which it was determined during the analysis of Platte River Power Authority that the City's interest is a residual equity interest which is not sufficient to record the interest in the financial statements of the Electric Fund. Therefore, the interest has been removed from the financial statements for 2012. The effect of the restatement is as follows:

	Net assets Previously Stated Dec. 31, 2011	Investment in Joint Venture Restatement	Net assets as Restated Jan. 1, 2012
Electric Enterprise Fund	<u>\$ 173,214,029</u>	<u>\$ (120,540,034)</u>	<u>\$ 52,673,995</u>

**Restatement of City-wide Statements**

The corrections mentioned above affected the Business-type Activities in the City-wide Statements as well. The cumulative effect of the changes to the beginning net assets is shown below.

Business Activities

Net Assets Previously Stated Dec. 31, 2011	\$ 686,867,272
Restatement for Joint Venture	<u>(120,540,034)</u>
Net Assets as Restated Jan. 1, 2012	<u>\$ 566,327,238</u>

**NOTE 26 - SUBSEQUENT EVENTS**

In April 2013, the City Council authorized the issuance of \$7,740,000 of Wastewater System Revenue Bonds, the closing of which is scheduled for May 29, 2013. The interest rate on the bonds ranges from 2% to 4% with a final maturity in November 2032. The debt will be used to construct improvements to the wastewater system.

**REQUIRED SUPPLEMENTAL INFORMATION**

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

CITY OF LONGMONT, COLORADO

**EMPLOYEE, FIRE AND POLICE PENSION PLANS  
SCHEDULES OF FUNDING PROGRESS  
REQUIRED SUPPLEMENTAL INFORMATION  
December 31, 2012**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Liability (AAL) -- Entry Age (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b - a) / c)
<b>Employee Retirement Plan</b>						
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
<b>Fire Pension Plan</b>						
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)
<b>Police Pension Plan</b>						
01/01/12	\$1,786,561	\$1,518,107	(268,454)	117.7 %	N/A	N/A
01/01/11	1,989,054	\$1,557,932	(431,122)	127.7	N/A	N/A
01/01/10	1,918,903	1,601,285	(317,618)	119.8	N/A	N/A
01/01/09	1,531,160	1,644,068	112,908	93.1	N/A	N/A
01/01/08	2,279,368	1,686,238	(593,130)	135.2	N/A	N/A
01/01/06	2,157,079	1,877,805	(279,274)	114.9	N/A	N/A
01/01/04	2,090,886	2,193,800	102,914	95.3	N/A	N/A
01/01/02	2,273,272	2,342,332	69,060	97.1	N/A	N/A
01/01/00	2,295,842	2,434,102	138,260	94.3	N/A	N/A
01/01/98	2,171,618	2,616,424	444,806	83.0	N/A	N/A

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

CITY OF LONGMONT, COLORADO

**EMPLOYEES, FIRE AND POLICE PENSION PLANS  
SCHEDULES OF CONTRIBUTIONS FROM EMPLOYER  
REQUIRED SUPPLEMENTAL INFORMATION  
December 31, 2012**

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
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%

CITY OF LONGMONT, COLORADO

**RETIREE HEALTH INSURANCE PLAN  
REQUIRED SUPPLEMENTAL INFORMATION  
December 31, 2012**

**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: 1/1/12  
 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
12/31/12	\$ 414,744	56.9 %	\$ 412,511
12/31/11	233,947	101.0	233,950
12/31/10	236,183	158.0	236,183

## GENERAL FUND

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

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

**GENERAL FUND  
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES  
COMPARED TO BUDGET (LEGAL BASIS)  
Year Ended December 31, 2012**

	Budget	Actual	Variance from Final Budget
<b>TAXES</b>			
General property taxes:			
Current	\$ 13,800,490	\$ 13,709,639	\$ (90,851)
Prior years	-	(3,527)	(3,527)
General sales and use tax	25,401,051	26,106,434	705,383
Selected sales and use tax -			
Cigarette	185,000	171,029	(13,971)
Franchise taxes:			
Gas	713,000	651,245	(61,755)
Cable Television	780,000	821,456	41,456
Telephone	195,126	233,288	38,162
Electric	4,477,223	4,541,543	64,320
Telecommunications	14,207	21,975	7,768
Water	255,982	255,982	-
Wastewater	349,452	349,452	-
	<b>46,171,531</b>	<b>46,858,516</b>	<b>686,985</b>
<b>LICENSES AND PERMITS</b>			
Business licenses and permits:			
Liquor	33,000	30,955	(2,045)
Business	4,900	5,155	255
Sales Tax	28,000	25,675	(2,325)
Non-Business licenses and permits:			
Building	563,076	1,007,958	444,882
Wood burning	-	60	60
Contractor	110,000	110,505	505
Parade / use of public places	5,050	9,010	3,960
	<b>744,026</b>	<b>1,189,318</b>	<b>445,292</b>
<b>INTERGOVERNMENTAL REVENUE</b>			
Federal revenue	529,483	606,358	76,875
State shared revenue:			
Severance tax	74,250	113,072	38,822
Grants	12,180	40,404	28,224
Non-grant state revenue	48,328	4,965	(43,363)
Local government shared revenue:			
Shared Fines	70,000	86,816	16,816
Grants / School Resource Officer	165,191	197,736	32,545
	<b>899,432</b>	<b>1,049,351</b>	<b>149,919</b>

(continued)

**GENERAL FUND**  
**SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES**  
**COMPARED TO BUDGET (LEGAL BASIS)**  
**Year Ended December 31, 2012**

	Budget	Actual	Variance from Final Budget
<b>CHARGES FOR SERVICE</b>			
<b>General government:</b>			
Zoning and hearing	\$ 30,000	\$ 49,182	\$ 19,182
Disconnect Tag Fees	370,000	391,292	21,292
Maps and publications	1,200	858	(342)
Pcard rebate	50,400	72,370	21,970
Print shop charges	213,326	202,224	(11,102)
Sales tax commission	15,000	43,345	28,345
<b>Public safety:</b>			
Criminal justice records	25,000	25,208	208
Off duty officer reimbursement	40,000	40,156	156
Fire inspection & fire works fees	56,000	51,615	(4,385)
Offender registration/impound fees	11,800	11,632	(168)
Emergency dispatch reimbursement	126,211	124,262	(1,949)
Elevator inspection	39,900	35,280	(4,620)
<b>Highways and streets:</b>			
Plan check fees	177,208	286,675	109,467
Variance/Appeals board	1,675	1,500	(175)
Right-of-way maintenance	235,915	235,915	-
Down town maintenance	80,510	70,938	(9,572)
<b>Culture and Recreation:</b>			
Recreation center - all fees	1,597,986	1,726,000	128,014
Pool fees	471,000	547,611	76,611
Reservoir fees	240,000	255,670	15,670
Activity fees	1,122,071	1,232,366	110,295
Facility use fees	265,537	307,420	41,883
Concessions	118,743	156,789	38,046
Parks maintenance	470,400	452,904	(17,496)
<b>Senior citizens:</b>			
Activity fees	575	600	25
Facility fees	13,000	17,782	4,782
<b>Administrative reimbursements:</b>			
Sanitation	529,910	529,910	-
Golf	111,598	111,598	-
Electric	1,660,010	1,660,010	-
Telecommunications	37,735	37,735	-
Water	1,291,052	1,291,052	-
Sewer	778,370	778,370	-
Storm Drainage	421,171	421,171	-
Airport	109,144	109,106	(38)
Streets	830,608	859,808	29,200
Open Space	308,343	308,343	-
Fleet	229,466	229,466	-
Self Insurance	121,388	121,388	-
Workers Compensation	174,778	174,778	-
General Improvement District	8,969	8,969	-
	12,385,999	12,981,298	595,299
<b>FINES AND FORFEITS</b>			
<b>Court:</b>			
Parking	112,000	98,697	(13,303)
Other court fines	800,000	851,842	51,842
Court fine surcharge	105,000	93,816	(11,184)
Jury fees	-	50	50
Bond forfeitures	21,000	21,877	877
Court education fees	35,000	36,324	1,324
Court costs reimbursements	143,000	138,756	(4,244)
Probation & home detention monitoring fees	30,000	27,076	(2,924)
Outstanding judgments/w warrants	6,000	5,490	(510)
<b>Library fines</b>	100,000	87,974	(12,026)
<b>False alarm fines</b>	55,000	44,932	(10,068)
<b>Weed cutting fines</b>	20,000	18,322	(1,678)
<b>Other fines</b>	1,200	1,620	420
	1,428,200	1,426,776	(1,424)

(continued)



**GENERAL FUND**  
**SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES**  
**COMPARED TO BUDGET (LEGAL BASIS)**  
**Year Ended December 31, 2012**

	Budget	Actual	Variance from Final Budget
<b>INVESTMENT INCOME AND MISCELLANEOUS REVENUE</b>			
Investment income	\$ 200,000	\$ 118,732	\$ (81,268)
Miscellaneous	128,919	149,037	20,118
Private grants/donations	87,028	87,907	879
Oil and gas royalties	1,405,612	22,482	(1,383,130)
	<b>1,821,559</b>	<b>378,158</b>	<b>(1,443,401)</b>
<b>OTHER FINANCING SOURCES</b>			
Transfers in:			
Electric Fund	340,331	340,331	-
Library Services Fund	24,303	24,303	-
Lodgers Tax Fund	-	-	-
Judicial Wedding Fund	1,322	1,322	-
Sanitation Fund	111,333	111,333	-
Golf Fund	5,262	5,262	-
Telecommunications Fund	460	460	-
Water Fund	357,420	357,420	-
Sewer Fund	113,018	113,018	-
Storm Drainage Fund	3,884	3,884	-
Airport Fund	516	516	-
Probation Services Fund	417	417	-
Affordable Housing Fund	690	690	-
Streets Fund	355,317	355,317	-
Art in Public Places Fund	371	371	-
Open Space Fund	694	694	-
Public Safety Fund	32,478	32,478	-
Fleet Fund	4,579	4,579	-
Proceeds from Lease Purchase	3,195,823	3,195,823	-
Total other financing sources	4,548,218	4,548,218	-
Total revenues and other sources (legal basis)	\$ 67,998,965	\$ 68,431,635	\$ 432,670

**RECONCILIATION TO GAAP BASIS**

Less - other financing sources	(4,548,218)
<b>Total revenues (GAAP basis)</b>	<b>\$ 63,883,417</b>

**GENERAL FUND**  
**SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES**  
**COMPARED TO BUDGET (LEGAL BASIS)**  
**Year Ended December 31, 2012**

	Budget	Actual	Variance from Final Budget
<b>DEPARTMENT OF FINANCE AND SUPPORT SERVICES</b>			
GENERAL GOVERNMENT:			
Accounting	\$ 2,411,406	\$ 918,452	\$ 1,492,954
Budget and Fiscal Analysis	181,127	157,280	23,847
Finance Director	315,555	294,630	20,925
Enterprise Technology Services	3,421,668	2,796,690	624,978
Mail Delivery	60,799	65,170	(4,371)
Parking Assessment	89,739	85,728	4,011
Telephone System	845,971	830,144	15,827
Print Shop	224,356	225,706	(1,350)
Purchasing	456,223	402,069	54,154
Risk Management	527,226	493,752	33,474
Treasury / Information Desk	225,322	214,422	10,900
Utility Billing	1,268,114	1,188,297	79,817
Human Resources	953,961	985,735	(31,774)
	10,981,467	8,658,075	2,323,392
<b>DEPARTMENT OF COMMUNITY SERVICES</b>			
GENERAL GOVERNMENT:			
Community Services Director	837,015	815,916	21,099
Neighborhood Resources	391,768	349,203	42,565
Outside Agencies	1,078,544	1,070,704	7,840
	2,307,327	2,235,823	71,504
PUBLIC SAFETY:			
Code Enforcement	467,098	417,068	50,030
	467,098	417,068	50,030
CULTURE AND RECREATION:			
Recreation	4,413,632	4,366,617	47,015
Library	3,158,092	3,000,436	157,656
Museum	851,266	868,011	(16,745)
Senior Center	635,423	623,487	11,936
Youth Services	768,390	713,432	54,958
	9,826,803	9,571,983	254,820
	12,601,228	12,224,874	376,354
<b>DEPARTMENT OF PUBLIC SAFETY</b>			
Police	16,472,510	16,406,611	65,899
Fire	10,216,226	10,464,545	(248,319)
Public Safety Director	517,984	515,249	2,735
Communications	1,504,967	1,497,906	7,061
Support Services	909,127	620,581	288,546
	29,620,814	29,504,892	115,922
<b>DEPARTMENT OF ECONOMIC DEVELOPMENT</b>			
GENERAL GOVERNMENT:			
Economic Development Director	317,501	257,633	59,868
Economic Development	743,050	627,777	115,273
Development Review	616,939	361,280	255,659
Planning	794,838	590,404	204,434
	2,472,328	1,837,094	635,234
PUBLIC SAFETY:			
Inspection	813,890	777,001	36,889
	3,286,218	2,614,095	672,123

CITY OF LONGMONT, COLORADO

Schedule A-2  
(continued)

**GENERAL FUND**  
**SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES**  
**COMPARED TO BUDGET (LEGAL BASIS)**  
**Year Ended December 31, 2012**

	Budget	Actual	Variance from Final Budget
<b>DEPARTMENT OF PUBLIC WORKS AND NATURAL RESOURCES</b>			
<b>CULTURE AND RECREATION:</b>			
Parks	\$ 4,623,909	\$ 4,487,164	\$ 136,745
<b>GENERAL GOVERNMENT:</b>			
Municipal Buildings	6,440,467	6,054,565	385,902
	11,064,376	10,541,729	522,647
<b>NON-DEPARTMENTAL</b>			
<b>GENERAL GOVERNMENT:</b>			
City Attorney	966,760	906,071	60,689
City Manager / non-departmental	2,946,879	1,594,099	1,352,780
City Clerk	634,776	590,056	44,720
Municipal Court	505,877	479,853	26,024
Probation	263,995	259,119	4,876
Mayor and City Council	664,122	617,685	46,437
	5,982,409	4,446,883	1,535,526
Total expenditures (legal basis)	\$ 73,536,512	67,990,548	\$ 5,545,964

**RECONCILIATION TO GAAP BASIS**

Transfers out:	
Affordable Housing Fund	(152,315)
Downtown Parking Fund	(5,191)
Callahan House Fund	(42,748)
Art In Public Places Fund	(710)
Public Improvement Fund	(266,300)
Fleet Fund	(219,604)

Total expenditures (GAAP Basis) \$ 67,303,680



CITY OF LONGMONT, COLORADO

CITY OF LONGMONT, COLORADO

NONMAJOR SPECIAL REVENUE FUNDS

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

Conservation Fund	This fund was established to account for receipts from the State of Colorado Lottery specifically earmarked for environmental enhancements.
Park Improvement Fund	Permit fees received from subdividers are the chief source of financing for the Park Improvement Fund. These funds are earmarked for the development of new parks.
General Improvement District #1 Operating Fund	The ordinary operations of the General Improvement District #1 are accounted for in this fund. The operations are financed by taxes and other general revenues.
Community Development Block Grant Fund	This fund is used to account for funds granted by the Community Development Block Grant program administered by the Department of Housing and Urban Development.
Downtown Parking Fund	The sale of downtown parking permits is the source of revenue for this fund. The revenues generated will be used for improvements to downtown parking.
Judicial Wedding Fee Fund	Fees for wedding services performed by the municipal judge are accumulated in this fund. The revenues are used for defraying the costs of the municipal judicial system.
Police Seizures Fund	Assets seized in drug-related arrests are accounted for in this fund. They are used for Public Safety expenditures.
Prevention/Education Fund	This fund is used to accumulate donations to the Police Department's Drug Prevention and Education program.
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 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.

CITY OF LONGMONT, COLORADO

NONMAJOR SPECIAL REVENUE FUNDS (continued)

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.
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 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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CITY OF LONGMONT, COLORADO

**COMBINING BALANCE SHEET**  
**Nonmajor Governmental funds**  
**December 31, 2012**

	Conservation	Park Improvement	General Improvement District #1 Operating	Community Development Block Grant
<b>ASSETS</b>				
Equity in pooled cash & cash equivalents	\$ 5,540,588	\$ 3,630,741	\$ 100,784	\$ 280,123
Cash and cash equivalents	-	-	-	-
Receivables (net of allowance for uncollectibles):				
Taxes	-	-	80,381	-
Grants	-	-	-	98,417
Loans	-	-	-	-
Fees	-	-	-	-
Accrued Interest	11,819	7,754	261	719
Due from other governments	-	-	469	-
Restricted assets:				
Equity in pooled cash & cash	-	-	-	-
Cash and cash equivalents	-	-	-	-
<b>Total assets</b>	<b>\$ 5,552,407</b>	<b>\$ 3,638,495</b>	<b>\$ 181,895</b>	<b>\$ 379,259</b>
<b>LIABILITIES</b>				
Accounts payable	\$ 1,995	\$ -	\$ 6,390	\$ 5,752
Construction contracts payable	-	153,740	-	-
Accrued liabilities	-	-	81	2,498
Advances from other funds	-	-	-	-
Deferred revenue	-	-	80,381	76,793
<b>Total liabilities</b>	<b>1,995</b>	<b>153,740</b>	<b>86,852</b>	<b>85,043</b>
<b>FUND BALANCES (DEFICITS)</b>				
Nonspendable	-	-	-	-
Restricted	5,550,412	3,484,755	95,043	294,216
Committed	-	-	-	-
Unassigned	-	-	-	-
<b>Total fund balances (deficits)</b>	<b>5,550,412</b>	<b>3,484,755</b>	<b>95,043</b>	<b>294,216</b>
<b>Total liabilities and fund balances (deficits)</b>	<b>\$ 5,552,407</b>	<b>\$ 3,638,495</b>	<b>\$ 181,895</b>	<b>\$ 379,259</b>

Special Revenue Funds						
Downtown Parking	Judicial Wedding Fee	Police Seizures	Prevention/ Education	Youth Services	Transportation Community Investment Fee	
\$ 50,032	\$ 27,069	\$ 60,405	\$ 107,544	\$ 144,158	\$	937,112
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	18,733	-	-	-
-	-	-	-	-	-	-
94	58	182	256	308	-	1,946
-	-	-	-	-	-	-
-	-	-	-	-	-	-
\$ 50,126	\$ 27,127	\$ 60,587	\$ 126,533	\$ 144,466	\$	939,058
\$ 129	\$ -	\$ 1,545	\$ 40	\$ 359	\$	64,032
-	-	-	-	-	-	-
66	-	-	2,950	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
195	-	1,545	2,990	359	-	64,032
-	-	-	-	-	-	-
-	-	59,042	82,384	8,736	-	875,026
49,931	27,127	-	41,159	135,371	-	-
-	-	-	-	-	-	-
49,931	27,127	59,042	123,543	144,107	-	875,026
\$ 50,126	\$ 27,127	\$ 60,587	\$ 126,533	\$ 144,466	\$	939,058

(continued)



CITY OF LONGMONT, COLORADO  
**COMBINING BALANCE SHEET**  
**Nonmajor Governmental funds**  
**December 31, 2012**

	<b>Public Buildings Community Investment Fee</b>	<b>Electric Community Investment Fee</b>	<b>Water System Construction Reserve</b>	<b>Water Acquisition</b>
<b>ASSETS</b>				
Equity in pooled cash & cash equivalents	\$ 561,668	\$ 1,861,405	\$ 15,908,196	\$ 3,572,764
Cash and cash equivalents	-	-	-	-
Receivables (net of allowance for uncollectibles):				
Taxes	-	-	-	-
Grants	-	-	-	-
Loans	-	-	-	-
Fees	-	-	-	-
Accrued Interest	1,302	4,048	33,681	7,701
Due from other governments	-	-	-	-
Restricted assets:				
Equity in pooled cash & cash	-	-	-	-
Cash and cash equivalents	-	-	-	-
<b>Total assets</b>	<b>\$ 562,970</b>	<b>\$ 1,865,453</b>	<b>\$ 15,941,877</b>	<b>\$ 3,580,465</b>
<b>LIABILITIES</b>				
Accounts payable	\$ 52,997	\$ 682	-	\$ 663
Construction contracts payable	-	-	-	-
Accrued liabilities	-	-	-	-
Advances from other funds	-	-	-	-
Deferred revenue	-	-	-	-
<b>Total liabilities</b>	<b>52,997</b>	<b>682</b>	<b>-</b>	<b>663</b>
<b>FUND BALANCES (DEFICITS)</b>				
Nonspendable	-	-	-	-
Restricted	509,973	1,864,771	15,941,877	3,579,802
Committed	-	-	-	-
Unassigned	-	-	-	-
Total fund balances (deficits)	509,973	1,864,771	15,941,877	3,579,802
<b>Total liabilities and fund balances (deficits)</b>	<b>\$ 562,970</b>	<b>\$ 1,865,453</b>	<b>\$ 15,941,877</b>	<b>\$ 3,580,465</b>

CITY OF LONGMONT, COLORADO

Statement B-1  
(continued)

Special Revenue Funds

Raw Water Storage Reserve	Sewer Construction	Library Services	Museum Services	Historic Preservation	Callahan House	Senior Services	Parks Grants & Donations
\$ 406,290	\$ 1,799,341	\$ 71,211	\$ 62,750	\$ 8,265	\$ 15,317	\$ 164,846	\$ 404,366
-	-	55,824	-	-	-	-	-
-	-	-	-	-	-	-	-
-	5,452	-	-	-	-	-	-
-	642	-	-	-	-	-	-
903	4,630	121	137	18	36	381	812
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
\$ 407,193	\$ 1,810,065	\$ 127,156	\$ 62,887	\$ 8,283	\$ 15,353	\$ 165,227	\$ 405,178
\$ -	\$ -	\$ 81	\$ 120	\$ -	\$ 378	\$ 1,268	\$ -
-	-	-	-	-	-	-	65,043
-	-	-	1,146	-	1,316	428	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	81	1,266	-	1,694	1,696	65,043
-	-	-	-	-	-	-	-
-	1,810,065	123,375	12,000	8,283	-	-	3,723
407,193	-	3,700	49,621	-	13,659	163,531	336,412
-	-	-	-	-	-	-	-
407,193	1,810,065	127,075	61,621	8,283	13,659	163,531	340,135
\$ 407,193	\$ 1,810,065	\$ 127,156	\$ 62,887	\$ 8,283	\$ 15,353	\$ 165,227	\$ 405,178

(continued)

CITY OF LONGMONT, COLORADO  
**COMBINING BALANCE SHEET**  
**Nonmajor Governmental funds**  
**December 31, 2012**

	Affordable Housing	Open Space	Public Safety	Lodgers Tax	Probation Services
<b>ASSETS</b>					
Equity in pooled cash & cash equivalents	\$ 773,353	\$ 1,425,705	\$ 1,767,381	\$ 127,367	\$ 107,159
Cash and cash equivalents	-	-	-	-	-
Receivables (net of allowance for uncollectibles):					
Taxes	-	350,625	569,759	16,453	-
Grants	-	-	14,927	-	-
Loans	-	-	1,131	-	652
Fees	-	-	-	-	-
Accrued Interest	1,735	7,969	4,056	265	236
Due from other governments	-	-	-	-	-
Restricted assets:					
Equity in pooled cash & cash	-	-	-	-	-
Cash and cash equivalents	-	8,043,988	-	-	-
<b>Total assets</b>	<b>\$ 775,088</b>	<b>\$ 9,828,287</b>	<b>\$ 2,357,254</b>	<b>\$ 144,085</b>	<b>\$ 108,047</b>
<b>LIABILITIES</b>					
Accounts payable	\$ 39,384	\$ 47,309	\$ 99,960	\$ -	\$ 13
Construction contracts payable	-	-	8,042	-	-
Accrued liabilities	1,788	5,124	95,004	-	1,478
Advances from other funds	-	-	-	-	-
Deferred revenue	-	-	28,800	-	-
<b>Total liabilities</b>	<b>41,172</b>	<b>52,433</b>	<b>231,806</b>	<b>-</b>	<b>1,491</b>
<b>FUND BALANCES (DEFICITS)</b>					
Nonspendable	-	-	1,131	-	652
Restricted	-	9,775,854	2,124,317	144,085	-
Committed	733,916	-	-	-	105,904
Unassigned	-	-	-	-	-
<b>Total fund balances (deficits)</b>	<b>733,916</b>	<b>9,775,854</b>	<b>2,125,448</b>	<b>144,085</b>	<b>106,556</b>
<b>Total liabilities and fund balances (deficits)</b>	<b>\$ 775,088</b>	<b>\$ 9,828,287</b>	<b>\$ 2,357,254</b>	<b>\$ 144,085</b>	<b>\$ 108,047</b>

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	
\$ 91,586	\$ 60,430	\$ 34,477	\$ 40,102,433	\$ 2,726,998	\$ 1,150,934	\$ 43,980,365
-	-	-	55,824	-	-	55,824
-	-	-	1,017,218	500,601	-	1,517,819
-	-	-	132,077	-	-	132,077
-	-	-	7,235	-	-	7,235
-	-	-	642	-	-	642
199	134	-	91,761	11,120	2,560	105,441
-	-	-	469	-	-	469
-	-	-	-	1,253,099	-	1,253,099
-	-	-	8,043,988	-	-	8,043,988
<u>\$ 91,785</u>	<u>\$ 60,564</u>	<u>\$ 34,477</u>	<u>\$ 49,451,647</u>	<u>\$ 4,491,818</u>	<u>\$ 1,153,494</u>	<u>\$ 55,096,959</u>
\$ -	\$ -	\$ 8,869	\$ 331,966	\$ 170,310	-	\$ 502,276
-	-	-	226,825	109,014	-	335,839
-	-	-	111,879	-	-	111,879
-	-	110,000	110,000	-	-	110,000
-	-	-	185,974	-	-	185,974
-	-	118,869	966,644	279,324	-	1,245,968
-	-	-	1,783	-	-	1,783
-	-	-	46,347,739	4,212,494	1,153,494	51,713,727
91,785	60,564	-	2,219,873	-	-	2,219,873
-	-	(84,392)	(84,392)	-	-	(84,392)
<u>91,785</u>	<u>60,564</u>	<u>(84,392)</u>	<u>48,485,003</u>	<u>4,212,494</u>	<u>1,153,494</u>	<u>53,850,991</u>
<u>\$ 91,785</u>	<u>\$ 60,564</u>	<u>\$ 34,477</u>	<u>\$ 49,451,647</u>	<u>\$ 4,491,818</u>	<u>\$ 1,153,494</u>	<u>\$ 55,096,959</u>

CITY OF LONGMONT, COLORADO

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
NON MAJOR GOVERNMENTAL FUNDS  
For the Year Ended December 31, 2012**

	Conservation	Park Improvement	General Improvement District #1	Community Development Block Grant	Downtown Parking	Judicial Wedding Fees
<b>REVENUES</b>						
Taxes	\$ -	\$ -	\$ 87,544	\$ -	\$ -	\$ -
Licenses and permits	-	1,365,781	-	-	48,140	-
Developer/owner participation	-	-	-	-	-	-
Intergovernmental	864,731	-	-	662,794	-	-
Charges for services	-	-	-	-	-	2,424
Fines and forfeits	-	-	-	-	-	-
Investment income	33,311	22,407	1,238	23,116	2,178	172
Private grants/donations	-	2,725	-	-	-	-
Miscellaneous	-	-	5,656	172,044	-	-
<b>Total revenues</b>	<b>898,042</b>	<b>1,390,913</b>	<b>94,438</b>	<b>857,954</b>	<b>50,318</b>	<b>2,596</b>
<b>EXPENDITURES</b>						
Current:						
General governmental	-	-	123,084	796,814	433,315	1,170
Public safety	-	-	-	-	-	-
Culture and recreation	228,086	1,130,760	-	-	-	-
Municipal utility system	-	-	-	-	-	-
Capital Projects	-	-	-	-	-	-
Debt service:						
Bond principal retired	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
<b>Total expenditures</b>	<b>228,086</b>	<b>1,130,760</b>	<b>123,084</b>	<b>796,814</b>	<b>433,315</b>	<b>1,170</b>
Excess of revenues over (under) expenditures	669,956	260,153	(28,646)	61,140	(382,997)	1,426
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	-	-	-	-	5,191	-
Transfers out	-	(11,704)	-	-	(2,638)	(1,322)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>(11,704)</b>	<b>-</b>	<b>-</b>	<b>2,553</b>	<b>(1,322)</b>
Net change in fund balances	669,956	248,449	(28,646)	61,140	(380,444)	104
<b>FUND BALANCES, January 1</b>	<b>4,880,456</b>	<b>3,236,306</b>	<b>123,689</b>	<b>233,076</b>	<b>430,375</b>	<b>27,023</b>
<b>FUND BALANCES (DEFICITS), December 31</b>	<b>\$ 5,550,412</b>	<b>\$ 3,484,755</b>	<b>\$ 95,043</b>	<b>\$ 294,216</b>	<b>\$ 49,931</b>	<b>\$ 27,127</b>

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
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	249,408	-	601,686	881,485	-
-	-	-	-	278,468	-	210,605	112,249
16,026	72,232	-	-	-	-	-	-
-	34,814	20,912	-	-	-	-	-
-	-	-	-	-	-	-	-
490	666	847	4,627	3,636	10,386	102,612	23,044
-	13,840	37,852	-	-	-	-	-
-	4,930	754	-	3,521	-	-	256
16,516	126,482	60,365	254,035	285,625	612,072	1,194,702	135,549
-	-	-	-	257,880	-	-	-
28,463	109,347	-	-	-	-	-	-
-	-	26,329	-	-	-	-	-
-	-	-	-	-	80,932	647,430	87,834
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
28,463	109,347	26,329	-	257,880	80,932	647,430	87,834
(11,947)	17,135	34,036	254,035	27,745	531,140	547,272	47,715
-	-	-	-	-	-	-	-
-	-	-	-	(1,917)	-	(1,474)	-
-	-	-	-	(1,917)	-	(1,474)	-
(11,947)	17,135	34,036	254,035	25,828	531,140	545,798	47,715
70,989	106,408	110,071	620,991	484,145	1,333,631	15,396,079	3,532,087
\$ 59,042	\$ 123,543	\$ 144,107	\$ 875,026	\$ 509,973	\$ 1,864,771	\$ 15,941,877	\$ 3,579,802

(continued)

CITY OF LONGMONT, COLORADO

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
NON MAJOR GOVERNMENTAL FUNDS  
For the Year Ended December 31, 2012**

	Raw Water Storage Reserve	Sewer Construction	Library Services	Museum Services	Historic Preservation
<b>REVENUES</b>					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	783,770	-	-	-
Developer/owner participation	-	-	-	-	-
Intergovernmental	-	-	-	17,000	-
Charges for services	-	-	-	38,933	-
Fines and forfeits	-	-	-	-	-
Investment income	2,702	10,788	479	441	55
Private grants	-	-	75,881	17,811	-
Miscellaneous	-	-	26,057	3,116	-
<b>Total revenues</b>	<b>2,702</b>	<b>794,558</b>	<b>102,417</b>	<b>77,301</b>	<b>55</b>
<b>EXPENDITURES</b>					
Current:					
General governmental	-	-	-	-	-
Public safety	-	-	-	-	-
Culture and recreation	-	-	64,087	80,973	-
Municipal utility system	-	25,360	-	-	-
Capital Projects	-	-	-	-	-
Debt service:					
Bond principal retired	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
<b>Total expenditures</b>	<b>-</b>	<b>25,360</b>	<b>64,087</b>	<b>80,973</b>	<b>-</b>
Excess of revenues over (under) expenditures	2,702	769,198	38,330	(3,672)	55
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-	-	-	-	-
Transfers out	-	(361,216)	(24,303)	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>(361,216)</b>	<b>(24,303)</b>	<b>-</b>	<b>-</b>
Net change in fund balances	2,702	407,982	14,027	(3,672)	55
FUND BALANCES, January 1	404,491	1,402,083	113,048	65,293	8,228
<b>FUND BALANCES, December 31</b>	<b>\$ 407,193</b>	<b>\$ 1,810,065</b>	<b>\$ 127,075</b>	<b>\$ 61,621</b>	<b>\$ 8,283</b>

Special Revenue Funds

Callahan House	Senior Services	Parks Grants & Donations	Affordable Housing	Open Space	Public Safety	Lodgers Tax
\$ -	\$ -	\$ -	\$ -	\$ 3,010,578	\$ 4,892,188	\$ 283,947
-	-	-	-	-	-	-
-	-	-	-	22,269	-	-
-	-	-	-	194,914	546,364	-
35,459	166,065	-	-	-	47,514	-
-	-	-	-	-	-	-
92	1,275	2,666	23,418	39,570	14,149	566
46	4,500	50,500	-	11,000	50	-
-	5,500	-	135,091	112,404	2,028	-
35,597	177,340	53,166	158,509	3,390,735	5,502,293	284,513
-	-	-	491,974	-	-	-
-	-	-	-	-	5,479,921	-
71,127	204,194	49,755	-	2,548,465	148,598	248,123
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	1,145,000	-	-
-	-	-	-	1,091,214	-	-
71,127	204,194	49,755	491,974	4,784,679	5,628,519	248,123
(35,530)	(26,854)	3,411	(333,465)	(1,393,944)	(126,226)	36,390
42,748	-	-	152,315	-	-	-
-	-	-	(690)	(1,968)	(224,255)	-
42,748	-	-	151,625	(1,968)	(224,255)	-
7,218	(26,854)	3,411	(181,840)	(1,395,912)	(350,481)	36,390
6,441	190,385	336,724	915,756	11,171,766	2,475,929	107,695
\$ 13,659	\$ 163,531	\$ 340,135	\$ 733,916	\$ 9,775,854	\$ 2,125,448	\$ 144,085



CITY OF LONGMONT, COLORADO

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
NON MAJOR GOVERNMENTAL FUNDS  
For the Year Ended December 31, 2012**

	Special Revenue Funds			
	Probation Services	Museum Trust	Jones Foundation Trust	Longmont Urban Renewal Authority
<b>REVENUES</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Developer/owner participation	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeits	96,461	-	-	-
Investment income	703	577	402	-
Private grants/donations	-	2,725	-	-
Miscellaneous	-	24,496	-	-
<b>Total revenues</b>	<b>97,164</b>	<b>27,798</b>	<b>402</b>	<b>-</b>
<b>EXPENDITURES</b>				
Current:				
General governmental	90,843	-	-	84,392
Public safety	-	-	-	-
Culture and recreation	-	21,980	-	-
Municipal utility system	-	-	-	-
Capital Projects	-	-	-	-
Debt service:				
Bond principal retired	-	-	-	-
Interest and fiscal charges	-	-	-	-
<b>Total expenditures</b>	<b>90,843</b>	<b>21,980</b>	<b>-</b>	<b>84,392</b>
Excess of revenues over (under) expenditures	6,321	5,818	402	(84,392)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	-	-
Transfers out	(417)	-	-	-
<b>Total other financing sources (uses)</b>	<b>(417)</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net change in fund balances	5,904	5,818	402	(84,392)
<b>FUND BALANCES, January 1</b>	<b>100,652</b>	<b>85,967</b>	<b>60,162</b>	<b>-</b>
<b>FUND BALANCES (DEFICITS), December 31</b>	<b>\$ 106,556</b>	<b>\$ 91,785</b>	<b>\$ 60,564</b>	<b>\$ (84,392)</b>

TOTALS	Capital Projects Fund	Permanent Fund	Total Nonmajor Governmental Funds
	Public Improvement Capital Projects	Mosher/Kanemoto Trust	
8,274,257	\$ 3,999,340	\$ -	\$ 12,273,597
3,930,270	-	-	3,930,270
623,591	-	-	623,591
2,374,061	-	-	2,374,061
346,121	-	-	346,121
96,461	-	-	96,461
326,613	37,849	7,654	372,116
216,930	292,326	-	509,256
495,853	823	-	496,676
16,684,157	4,330,338	7,654	21,022,149
2,279,472	-	-	2,279,472
5,617,731	-	-	5,617,731
4,822,477	-	-	4,822,477
841,556	-	-	841,556
-	3,375,563	-	3,375,563
1,145,000	1,830,000	-	2,975,000
1,091,214	836,125	-	1,927,339
15,797,450	6,041,688	-	21,839,138
886,707	(1,711,350)	7,654	(816,989)
200,254	266,300	-	466,554
(631,904)	(17,632)	-	(649,536)
(431,650)	248,668	-	(182,982)
455,057	(1,462,682)	7,654	(999,971)
48,029,946	5,675,176	1,145,840	54,850,962
48,485,003	\$ 4,212,494	\$ 1,153,494	\$ 53,850,991

**CONSERVATION SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET (GAAP BASIS) AND ACTUAL**  
**Year Ended December 31, 2012**

	Final Budget	Actual	Variance From Final Budget
<b>REVENUES</b>			
Intergovernmental	\$ 700,000	\$ 864,731	\$ 164,731
Investment income	38,461	33,311	(5,150)
Total revenues	738,461	898,042	159,581
<b>EXPENDITURES</b>			
Culture and recreation	3,158,782	228,086	2,930,696
Net change in fund balance	(2,420,321)	669,956	3,090,277
<b>FUND BALANCE, January 1</b>	4,880,456	4,880,456	-
<b>FUND BALANCE, December 31</b>	\$ 2,460,135	\$ 5,550,412	\$ 3,090,277

**PARK IMPROVEMENT SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET (GAAP BASIS) AND ACTUAL**  
**Year Ended December 31, 2012**

	Final Budget	Actual	Variance From Final Budget
<b>REVENUES</b>			
Licenses and permits	\$ 516,324	\$ 1,365,781	\$ 849,457
Investment income	19,786	22,407	2,621
Private grants/donations	-	2,725	2,725
<b>Total revenues</b>	<b>536,110</b>	<b>1,390,913</b>	<b>854,803</b>
<b>EXPENDITURES</b>			
Culture and recreation	2,229,140	1,130,760	1,098,380
<b>Excess of revenues over (under) expenditures</b>	<b>(1,693,030)</b>	<b>260,153</b>	<b>1,953,183</b>
<b>OTHER FINANCING (USES)</b>			
Transfer out			
Art in public places fund	(30,216)	(11,704)	18,512
<b>Net change in fund balance</b>	<b>(1,723,246)</b>	<b>248,449</b>	<b>1,971,695</b>
<b>FUND BALANCE, January 1</b>	<b>3,236,306</b>	<b>3,236,306</b>	<b>-</b>
<b>FUND BALANCE, December 31</b>	<b>\$ 1,513,060</b>	<b>\$ 3,484,755</b>	<b>\$ 1,971,695</b>

**GENERAL IMPROVEMENT DISTRICT #1 SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET (GAAP BASIS) AND ACTUAL**  
**Year Ended December 31, 2012**

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance From Final Budget</b>
<b>REVENUES</b>			
Taxes	\$ 91,777	\$ 87,544	\$ (4,233)
Investment income	1,300	1,238	(62)
Miscellaneous	8,177	5,656	(2,521)
<b>Total revenues</b>	<b>101,254</b>	<b>94,438</b>	<b>(6,816)</b>
<b>EXPENDITURES</b>			
General government	138,809	123,084	15,725
<b>Net change in fund balance</b>	<b>(37,555)</b>	<b>(28,646)</b>	<b>8,909</b>
<b>FUND BALANCE, January 1</b>	<b>123,689</b>	<b>123,689</b>	<b>-</b>
<b>FUND BALANCE, December 31</b>	<b>\$ 86,134</b>	<b>\$ 95,043</b>	<b>\$ 8,909</b>

**COMMUNITY DEVELOPMENT BLOCK GRANT SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET (GAAP BASIS) AND ACTUAL**  
**Year Ended December 31, 2012**

	Final Budget	Actual	Variance From Final Budget
<b>REVENUES</b>			
Intergovernmental	\$ 1,606,600	\$ 662,794	\$ (943,806)
Investment income	-	23,116	23,116
Miscellaneous	66,000	172,044	106,044
Total revenues	1,672,600	857,954	(814,646)
<b>EXPENDITURES</b>			
General government	1,866,665	796,814	1,069,851
Net change in fund balance	(194,065)	61,140	255,205
<b>FUND BALANCE, January 1</b>	233,076	233,076	-
<b>FUND BALANCE, December 31</b>	\$ 39,011	\$ 294,216	\$ 255,205

**DOWNTOWN PARKING SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET (GAAP BASIS) AND ACTUAL**  
**Year Ended December 31, 2012**

	Final Budget	Actual	Variance From Final Budget
<b>REVENUES</b>			
Licenses and permits	\$ 55,400	\$ 48,140	\$ (7,260)
Investment income	5,000	2,178	(2,822)
<hr/>			
Total revenues	60,400	50,318	(10,082)
<b>EXPENDITURES</b>			
General government	467,399	433,315	34,084
<hr/>			
Excess of revenues over (under) expenditures	(406,999)	(382,997)	24,002
<hr/>			
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfer in			
General Fund	22,261	5,191	(17,070)
Transfer out			
Art in public places fund	(800)	(2,638)	(1,838)
<hr/>			
Total other financing sources (uses)	21,461	2,553	(18,908)
<hr/>			
Net change in fund balance	(385,538)	(380,444)	5,094
<hr/>			
<b>FUND BALANCE, January 1</b>	430,375	430,375	-
<hr/>			
<b>FUND BALANCE, December 31</b>	\$ 44,837	\$ 49,931	\$ 5,094

**JUDICIAL WEDDING FEE SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET (GAAP BASIS) AND ACTUAL**  
**Year Ended December 31, 2012**

	Final Budget	Actual	Variance From Final Budget
<b>REVENUES</b>			
Charges for services	\$ 2,170	\$ 2,424	\$ 254
Investment income	500	172	(328)
<b>Total revenues</b>	<b>2,670</b>	<b>2,596</b>	<b>(74)</b>
<b>EXPENDITURES</b>			
General government	1,170	1,170	-
<b>Excess of revenues over (under) expenditures</b>	<b>1,500</b>	<b>1,426</b>	<b>(74)</b>
<b>OTHER FINANCING (USES)</b>			
Transfer out			
General fund	(1,322)	(1,322)	-
<b>Net change in fund balance</b>	<b>178</b>	<b>104</b>	<b>(74)</b>
<b>FUND BALANCE, January 1</b>	<b>27,023</b>	<b>27,023</b>	<b>-</b>
<b>FUND BALANCE, December 31</b>	<b>\$ 27,201</b>	<b>\$ 27,127</b>	<b>\$ (74)</b>



**POLICE SEIZURES SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET (GAAP BASIS) AND ACTUAL**  
**Year Ended December 31, 2012**

	Final Budget	Actual	Variance From Final Budget
<b>REVENUES</b>			
Intergovernmental	\$ 13,602	\$ 16,026	\$ 2,424
Investment income	-	490	490
<hr/>			
Total revenues	13,602	16,516	2,914
<b>EXPENDITURES</b>			
Public safety	32,096	28,463	3,633
<hr/>			
Net change in fund balance	(18,494)	(11,947)	6,547
<hr/>			
<b>FUND BALANCE, January 1</b>	70,989	70,989	-
<hr/>			
<b>FUND BALANCE, December 31</b>	\$ 52,495	\$ 59,042	\$ 6,547

**PREVENTION/EDUCATION SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET (GAAP BASIS) AND ACTUAL**  
**Year Ended December 31, 2012**

	Final Budget	Actual	Variance From Final Budget
<b>REVENUES</b>			
Charges for services	\$ 26,640	\$ 34,814	\$ 8,174
Intergovernmental	46,758	72,232	25,474
Investment income	-	666	666
Private grants/donations	7,357	13,840	6,483
Miscellaneous	2,560	4,930	2,370
<b>Total revenues</b>	<b>83,315</b>	<b>126,482</b>	<b>43,167</b>
<b>EXPENDITURES</b>			
Public safety	114,302	109,347	4,955
<b>Net change in fund balance</b>	<b>(30,987)</b>	<b>17,135</b>	<b>48,122</b>
<b>FUND BALANCE, January 1</b>	<b>106,408</b>	<b>106,408</b>	<b>-</b>
<b>FUND BALANCE, December 31</b>	<b>\$ 75,421</b>	<b>\$ 123,543</b>	<b>\$ 48,122</b>

**YOUTH SERVICES SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET (GAAP BASIS) AND ACTUAL**  
**Year Ended December 31, 2012**

	Final Budget	Actual	Variance From Final Budget
<b>REVENUES</b>			
Charges for services	\$ 2,500	\$ 20,912	\$ 18,412
Investment income	-	847	847
Private grant	32,600	37,852	5,252
Miscellaneous	-	754	754
<b>Total revenues</b>	<b>35,100</b>	<b>60,365</b>	<b>25,265</b>
<b>EXPENDITURES</b>			
Culture and recreation	43,836	26,329	17,507
<b>Net change in fund balance</b>	<b>(8,736)</b>	<b>34,036</b>	<b>42,772</b>
<b>FUND BALANCE, January 1</b>	<b>110,071</b>	<b>110,071</b>	<b>-</b>
<b>FUND BALANCE, December 31</b>	<b>\$ 101,335</b>	<b>\$ 144,107</b>	<b>\$ 42,772</b>

**TRANSPORTATION COMMUNITY INVESTMENT FEE SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET (GAAP BASIS) AND ACTUAL**  
**Year Ended December 31, 2012**

	Final Budget	Actual	Variance From Final Budget
<b>REVENUES</b>			
Licenses and permits	\$ 158,323	\$ 249,408	\$ 91,085
Investment income	9,944	4,627	(5,317)
<hr/>			
Total revenues	168,267	254,035	85,768
<b>EXPENDITURES</b>			
Highways and streets	-	-	-
<hr/>			
Net change in fund balance	168,267	254,035	85,768
<hr/>			
<b>FUND BALANCE, January 1</b>	620,991	620,991	-
<hr/>			
<b>FUND BALANCE, December 31</b>	\$ 789,258	\$ 875,026	\$ 85,768

**PUBLIC BUILDINGS COMMUNITY INVESTMENT FEE SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET (GAAP BASIS) AND ACTUAL**  
**Year Ended December 31, 2012**

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance From Final Budget</b>
<b>REVENUES</b>			
Developer participation	\$ 111,149	\$ 278,468	\$ 167,319
Investment income	4,426	3,636	(790)
Private grants/donations	450,000	-	(450,000)
Miscellaneous	-	3,521	3,521
<b>Total revenues</b>	<b>565,575</b>	<b>285,625</b>	<b>(279,950)</b>
<b>EXPENDITURES</b>			
General Government	818,754	257,880	560,874
<b>Excess of revenues over (under) expenditures</b>	<b>(253,179)</b>	<b>27,745</b>	<b>280,924</b>
<b>OTHER FINANCING (USES)</b>			
Transfer out			
Art in public places fund	(7,590)	(1,917)	5,673
<b>Net change in fund balance</b>	<b>(260,769)</b>	<b>25,828</b>	<b>286,597</b>
<b>FUND BALANCE, January 1</b>	<b>484,145</b>	<b>484,145</b>	<b>-</b>
<b>FUND BALANCE, December 31</b>	<b>\$ 223,376</b>	<b>\$ 509,973</b>	<b>\$ 286,597</b>

**ELECTRIC COMMUNITY INVESTMENT FEE SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET (GAAP BASIS) AND ACTUAL**  
**Year Ended December 31, 2012**

	Final Budget	Actual	Variance From Final Budget
<b>REVENUES</b>			
Licenses and permits	\$ 220,000	\$ 601,686	\$ 381,686
Investment income	18,000	10,386	(7,614)
Total revenues	238,000	612,072	374,072
<b>EXPENDITURES</b>			
Municipal utility systems	115,000	80,932	34,068
Net change in fund balance	123,000	531,140	408,140
<b>FUND BALANCE, January 1</b>	1,333,631	1,333,631	-
<b>FUND BALANCE, December 31</b>	\$ 1,456,631	\$ 1,864,771	\$ 408,140

**WATER SYSTEM CONSTRUCTION RESERVE SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET (GAAP BASIS) AND ACTUAL**  
**Year Ended December 31, 2012**

	Final Budget	Actual	Variance From Final Budget
<b>REVENUES</b>			
Licenses and permits	\$ 403,000	\$ 881,485	\$ 478,485
Developer/owner participation	-	210,605	210,605
Investment income	197,100	102,612	(94,488)
Total revenues	600,100	1,194,702	594,602
<b>EXPENDITURES</b>			
Municipal utility systems	1,196,970	647,430	549,540
Excess of revenues over (under) expenditures	(596,870)	547,272	1,144,142
<b>OTHER FINANCING (USES)</b>			
Transfer out			
Art in public places fund	(2,020)	(1,474)	546
Net change in fund balance	(598,890)	545,798	1,144,688
<b>FUND BALANCE, January 1</b>	15,396,079	15,396,079	-
<b>FUND BALANCE, December 31</b>	\$ 14,797,189	\$ 15,941,877	\$ 1,144,688

**WATER ACQUISITION SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET (GAAP BASIS) AND ACTUAL**  
**Year Ended December 31, 2012**

	Final Budget	Actual	Variance From Final Budget
<b>REVENUES</b>			
Developer participation	\$ 5,000	\$ 112,249	\$ 107,249
Investment income	63,300	23,044	(40,256)
Miscellaneous	-	256	256
Total revenues	68,300	135,549	67,249
<b>EXPENDITURES</b>			
Municipal utility systems	219,171	87,834	131,337
Net change in fund balance	(150,871)	47,715	198,586
<b>FUND BALANCE, January 1</b>	3,532,087	3,532,087	-
<b>FUND BALANCE, December 31</b>	\$ 3,381,216	\$ 3,579,802	\$ 198,586



**RAW WATER STORAGE RESERVE SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET (GAAP BASIS) AND ACTUAL**  
**Year Ended December 31, 2012**

	Final Budget	Actual	Variance From Final Budget
<b>REVENUES</b>			
Investment income	\$ 7,000	\$ 2,702	\$ (4,298)
<b>EXPENDITURES</b>			
Municipal utility system	10,000	-	10,000
Net change in fund balance	(3,000)	2,702	5,702
<b>FUND BALANCE, January 1</b>	404,491	404,491	-
<b>FUND BALANCE, December 31</b>	\$ 401,491	\$ 407,193	\$ 5,702

**SEWER CONSTRUCTION SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET (GAAP BASIS) AND ACTUAL**  
**Year Ended December 31, 2012**

	Final Budget	Actual	Variance From Final Budget
<b>REVENUES</b>			
Licenses and permits	\$ 293,600	\$ 783,770	\$ 490,170
Investment income	21,700	10,788	(10,912)
Total revenues	315,300	794,558	479,258
<b>EXPENDITURES</b>			
Municipal utility systems	115,561	25,360	90,201
Excess of revenues over expenditures	199,739	769,198	569,459
<b>OTHER FINANCING (USES)</b>			
Transfer out			
Sewer Fund	(503,838)	(361,149)	142,689
Art in public places fund	(2,415)	(67)	2,348
Total other financing (uses)	(506,253)	(361,216)	145,037
Net change in fund balance	(306,514)	407,982	714,496
<b>FUND BALANCE, January 1</b>	1,402,083	1,402,083	-
<b>FUND BALANCE, December 31</b>	\$ 1,095,569	\$ 1,810,065	\$ 714,496

**LIBRARY SERVICES SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET (GAAP BASIS) AND ACTUAL**  
**Year Ended December 31, 2012**

	Final Budget	Actual	Variance From Final Budget
<b>REVENUES</b>			
Investment income	\$ 1,000	\$ 479	\$ (521)
Private grants/donations	77,803	75,881	(1,922)
Miscellaneous	17,000	26,057	9,057
<b>Total revenues</b>	<b>95,803</b>	<b>102,417</b>	<b>6,614</b>
<b>EXPENDITURES</b>			
Culture and recreation	76,341	64,087	12,254
<b>Excess revenues over expenditures</b>	<b>19,462</b>	<b>38,330</b>	<b>18,868</b>
<b>OTHER FINANCING (USES)</b>			
Transfer out			
General fund	(24,303)	(24,303)	-
<b>Net change in fund balance</b>	<b>(4,841)</b>	<b>14,027</b>	<b>18,868</b>
<b>FUND BALANCE, January 1</b>	<b>113,048</b>	<b>113,048</b>	<b>-</b>
<b>FUND BALANCE, December 31</b>	<b>\$ 108,207</b>	<b>\$ 127,075</b>	<b>\$ 18,868</b>

**MUSEUM SERVICES SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET (GAAP BASIS) AND ACTUAL**  
**Year Ended December 31, 2012**

	Final Budget	Actual	Variance From Final Budget
<b>REVENUES</b>			
Intergovernmental	\$ 11,000	\$ 17,000	\$ 6,000
Charges of services	54,258	38,933	(15,325)
Investment income	-	441	441
Private grants/donations	26,943	17,811	(9,132)
Miscellaneous	1,650	3,116	1,466
Total revenues	93,851	77,301	(16,550)
<b>EXPENDITURES</b>			
Culture and recreation	91,500	80,973	10,527
Net change in fund balance	2,351	(3,672)	(6,023)
<b>FUND BALANCE, January 1</b>	65,293	65,293	-
<b>FUND BALANCE, December 31</b>	\$ 67,644	\$ 61,621	\$ (6,023)

**CALLAHAN HOUSE SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET (GAAP BASIS) AND ACTUAL**  
**Year Ended December 31, 2012**

	Final Budget	Actual	Variance From Final Budget
<b>REVENUES</b>			
Charges for services	\$ 38,200	\$ 35,459	\$ (2,741)
Investment income	500	92	(408)
Private Grants/donations	-	46	46
<b>Total revenues</b>	<b>38,700</b>	<b>35,597</b>	<b>(3,103)</b>
<b>EXPENDITURES</b>			
Culture and recreation	73,135	71,127	2,008
<b>Excess of revenues (under) expenditures</b>	<b>(34,435)</b>	<b>(35,530)</b>	<b>(1,095)</b>
<b>OTHER FINANCING SOURCES</b>			
Transfer in General fund	42,748	42,748	-
<b>Net change in fund balance</b>	<b>8,313</b>	<b>7,218</b>	<b>(1,095)</b>
<b>FUND BALANCE, January 1</b>	<b>6,441</b>	<b>6,441</b>	<b>-</b>
<b>FUND BALANCE, December 31</b>	<b>\$ 14,754</b>	<b>\$ 13,659</b>	<b>\$ (1,095)</b>

**SENIOR SERVICES SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET (GAAP BASIS) AND ACTUAL**  
**Year Ended December 31, 2012**

	Final Budget	Actual	Variance From Final Budget
<b>REVENUES</b>			
Charges for services	\$ 164,000	\$ 166,065	\$ 2,065
Investment income	-	1,275	1,275
Private Grants/donations	5,000	4,500	(500)
Miscellaneous	7,500	5,500	(2,000)
Total revenues	176,500	177,340	840
<b>EXPENDITURES</b>			
Culture and recreation	255,734	204,194	51,540
Net change in fund balance	(79,234)	(26,854)	52,380
<b>FUND BALANCE, January 1</b>	190,385	190,385	-
<b>FUND BALANCE, December 31</b>	\$ 111,151	\$ 163,531	\$ 52,380

**PARKS GRANTS AND DONATIONS SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET (GAAP BASIS) AND ACTUAL**  
**Year Ended December 31, 2012**

	Final Budget	Actual	Variance From Final Budget
<b>REVENUES</b>			
Intergovernmental	\$ 49,573	\$ -	\$ (49,573)
Investment income	-	2,666	2,666
Private Grants / donations	50,500	50,500	-
<b>Total revenues</b>	<b>100,073</b>	<b>53,166</b>	<b>(46,907)</b>
<b>EXPENDITURES</b>			
Culture and recreation	119,250	49,755	69,495
<b>Net change in fund balance</b>	<b>(19,177)</b>	<b>3,411</b>	<b>22,588</b>
<b>FUND BALANCE, January 1</b>	<b>336,724</b>	<b>336,724</b>	<b>-</b>
<b>FUND BALANCE, December 31</b>	<b>\$ 317,547</b>	<b>\$ 340,135</b>	<b>\$ 22,588</b>

**AFFORDABLE HOUSING SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET (GAAP BASIS) AND ACTUAL**  
**Year Ended December 31, 2012**

	Final Budget	Actual	Variance From Final Budget
<b>REVENUES</b>			
Investment income	\$ -	\$ 23,418	\$ 23,418
Miscellaneous	97,919	135,091	37,172
Total revenues	97,919	158,509	60,590
<b>EXPENDITURES</b>			
General government	646,094	491,974	154,120
Excess of revenues over (under) expenditures	(548,175)	(333,465)	214,710
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfer in			
General fund	152,315	152,315	-
Transfer out			
General fund	(690)	(690)	-
Total other financing sources	151,625	151,625	-
Net change in fund balance (uses)	(396,550)	(181,840)	214,710
<b>FUND BALANCE, January 1</b>	915,756	915,756	-
<b>FUND BALANCE, December 31</b>	\$ 519,206	\$ 733,916	\$ 214,710



**OPEN SPACE SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET (GAAP BASIS) AND ACTUAL**  
**Year Ended December 31, 2012**

	Final Budget	Actual	Variance From Final Budget
<b>REVENUES</b>			
Taxes	\$ 2,876,676	\$ 3,010,578	\$ 133,902
Developer participation	-	22,269	22,269
Intergovernmental	243,327	194,914	(48,413)
Investment income	58,608	39,570	(19,038)
Private grants/donations	-	11,000	11,000
Miscellaneous	40,000	112,404	72,404
<b>Total revenues</b>	<b>3,218,611</b>	<b>3,390,735</b>	<b>172,124</b>
<b>EXPENDITURES</b>			
Current:			
Culture and Recreation	7,025,860	2,548,465	4,477,395
Debt Service:			
Bond principal retired	1,145,000	1,145,000	-
Interest and fiscal charges	1,091,214	1,091,214	-
<b>Total expenditures</b>	<b>9,262,074</b>	<b>4,784,679</b>	<b>4,477,395</b>
Excess of revenues over (under) expenditures	(6,043,463)	(1,393,944)	4,649,519
<b>OTHER FINANCING (USES)</b>			
Transfers out			
Art in public places fund	(25,140)	(1,274)	23,866
General Fund	(694)	(694)	-
<b>Total other financing (uses)</b>	<b>(25,834)</b>	<b>(1,968)</b>	<b>23,866</b>
<b>Net changes in fund balance</b>	<b>(6,069,297)</b>	<b>(1,395,912)</b>	<b>4,673,385</b>
<b>FUND BALANCE, January 1</b>	<b>11,171,766</b>	<b>11,171,766</b>	<b>-</b>
<b>FUND BALANCE, December 31</b>	<b>5,102,469</b>	<b>\$ 9,775,854</b>	<b>\$ 4,673,385</b>

**PUBLIC SAFETY SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET (GAAP BASIS) AND ACTUAL**  
**Year Ended December 31, 2012**

	Final Budget	Actual	Variance From Final Budget
<b>REVENUES</b>			
Taxes	\$ 4,674,598	\$ 4,892,188	\$ 217,590
Intergovernmental	385,823	546,364	160,541
Charges for service	69,712	47,514	(22,198)
Investment income	16,615	14,149	(2,466)
Private grants/donations	-	50	50
Miscellaneous	-	2,028	2,028
<b>Total revenues</b>	<b>5,146,748</b>	<b>5,502,293</b>	<b>355,545</b>
<b>EXPENDITURES</b>			
Current:			
Public Safety	5,623,687	5,479,921	143,766
Culture and recreation	143,440	148,598	(5,158)
<b>Total expenditures</b>	<b>5,767,127</b>	<b>5,628,519</b>	<b>138,608</b>
Excess of revenues over (under) expenditures	(620,379)	(126,226)	494,153
<b>OTHER FINANCING (USES)</b>			
Transfers out			
Art in Public Places fund	(539)	(12,084)	(11,545)
General Fund	(32,478)	(32,478)	-
Fleet fund	(183,000)	(179,693)	3,307
<b>Total other financing (uses)</b>	<b>(216,017)</b>	<b>(224,255)</b>	<b>(8,238)</b>
<b>Net changes in fund balance</b>	<b>(836,396)</b>	<b>(350,481)</b>	<b>485,915</b>
<b>FUND BALANCE, January 1</b>	<b>2,475,929</b>	<b>2,475,929</b>	<b>-</b>
<b>FUND BALANCE, December 31</b>	<b>\$ 1,639,533</b>	<b>\$ 2,125,448</b>	<b>\$ 485,915</b>

**LODGERS TAX SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET (GAAP BASIS) AND ACTUAL**  
**Year Ended December 31, 2012**

	Final Budget	Actual	Variance From Final Budget
<b>REVENUES</b>			
Taxes	249,639	283,947	34,308
Investment income	1,000	566	(434)
Total revenues	250,639	284,513	33,874
<b>EXPENDITURES</b>			
Culture and recreation	253,087	248,123	4,964
Net changes in fund balance	(2,448)	36,390	38,838
<b>FUND BALANCE, January 1</b>	107,695	107,695	-
<b>FUND BALANCE, December 31</b>	\$ 105,247	\$ 144,085	\$ 38,838

**PROBATION SERVICES SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET (GAAP BASIS) AND ACTUAL**  
**Year Ended December 31, 2012**

	Final Budget	Actual	Variance From Final Budget
<b>REVENUES</b>			
Fines and forfeits	106,000	96,461	(9,539)
Investment income	1,300	703	(597)
<hr/>			
Total revenues	107,300	97,164	(10,136)
<b>EXPENDITURES</b>			
General government	119,796	90,843	28,953
<hr/>			
Excess of revenues (under) expenditures	(12,496)	6,321	18,817
<hr/>			
<b>OTHER FINANCING (USES)</b>			
Transfers out			
General Fund	(417)	(417)	-
<hr/>			
Net changes in fund balance	(12,913)	5,904	18,817
<hr/>			
<b>FUND BALANCE, January 1</b>	100,652	100,652	-
<hr/>			
<b>FUND BALANCE, December 31</b>	\$ 87,739	\$ 106,556	\$ 18,817

**MUSEUM TRUST SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET (GAAP BASIS) AND ACTUAL**  
**Year Ended December 31, 2012**

	Final Budget	Actual	Variance From Final Budget
<b>REVENUES</b>			
Investment income	\$ 2,000	\$ 577	\$ (1,423)
Private Grants / donations	3,000	2,725	(275)
Miscellaneous	20,005	24,496	4,491
<b>Total revenues</b>	<b>25,005</b>	<b>27,798</b>	<b>2,793</b>
<b>EXPENDITURES</b>			
Culture and recreation	23,000	21,980	1,020
<b>Net change in fund balance</b>	<b>2,005</b>	<b>5,818</b>	<b>3,813</b>
<b>FUND BALANCE, January 1</b>	<b>85,967</b>	<b>85,967</b>	<b>-</b>
<b>FUND BALANCE, December 31</b>	<b>\$ 87,972</b>	<b>\$ 91,785</b>	<b>\$ 3,813</b>

**LONGMONT URBAN RENEWAL AUTHORITY FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET (GAAP BASIS) AND ACTUAL**  
**Year Ended December 31, 2012**

	Final Budget	Actual	Variance From Final Budget
<b>REVENUES</b>			
Miscellaneous	\$ -	\$ -	\$ -
Total revenues	-	-	-
<b>EXPENDITURES</b>			
General government	111,000	84,392	26,608
Excess of revenues (under) expenditures	(111,000)	(84,392)	26,608
<b>OTHER FINANCING SOURCES</b>			
Proceeds from advance	111,000	110,000	1,000
Net change in fund balance	-	25,608	25,608
<b>FUND BALANCE, January 1</b>	-	-	-
<b>FUND BALANCE, December 31</b>	<u>\$ -</u>	<u>25,608</u>	<u>\$ 25,608</u>

**RECONCILIATION TO GAAP BASIS**

Less - proceeds from advance reclassified to short term debt	<u>(110,000)</u>
	<u>\$ (84,392)</u>

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**ART IN PUBLIC PLACES SUBFUND OF THE GENERAL FUND**  
**Year Ended December 31, 2012**

	Original Budget	Final Budget	Actual	Variance From Final Budget
<b>REVENUES</b>				
Investment income	\$ -	-	\$ 1,905	\$ 1,905
Miscellaneous	-	-	9	9
<b>Total revenues</b>	<b>-</b>	<b>-</b>	<b>1,914</b>	<b>1,914</b>
<b>EXPENDITURES</b>				
Culture and recreation	127,096	154,618	83,455	71,163
<b>Excess of revenues over (under) expenditures</b>	<b>(127,096)</b>	<b>(154,618)</b>	<b>(81,541)</b>	<b>73,077</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in				
General fund	-	-	710	710
Sanitation fund	42	42	225	183
Electric fund	13,382	13,382	13,001	(381)
Telecommunications fund	-	-	1,144	1,144
Water fund	13,525	13,525	10,057	(3,468)
Water construction fund	1,500	1,500	1,474	(26)
Sewer fund	2,985	2,985	10,779	7,794
Sewer construction fund	-	-	67	67
Storm drainage fund	1,863	1,863	50,774	48,911
Airport fund	-	-	651	651
Public improvement fund	11,866	11,866	17,632	5,766
Parking Fund	-	-	2,638	2,638
Parks improvement fund	-	-	11,704	11,704
Public building CIF fund	5,100	5,100	1,917	(3,183)
Open space fund	18,703	18,703	1,274	(17,429)
Public safety fund	-	-	12,084	12,084
Component unit	4,375	4,375	5,907	1,532
Fleet fund	37	37	-	(37)
Transfers out				
General fund	(371)	(371)	(371)	-
<b>Total other financing sources</b>	<b>73,007</b>	<b>73,007</b>	<b>141,667</b>	<b>68,660</b>
<b>Net change in fund balance</b>	<b>(54,089)</b>	<b>(81,611)</b>	<b>60,126</b>	<b>141,737</b>
<b>FUND BALANCE, January 1</b>	<b>300,890</b>	<b>300,890</b>	<b>300,890</b>	<b>-</b>
<b>FUND BALANCE, December 31</b>	<b>\$ 246,801</b>	<b>219,279</b>	<b>\$ 361,016</b>	<b>\$ 141,737</b>

**CAPITAL PROJECTS FUND**

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

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



CITY OF LONGMONT, COLORADO

**PUBLIC IMPROVEMENT CAPITAL PROJECTS FUND  
PROJECT-LENGTH SCHEDULE OF CONSTRUCTION PROJECTS  
Beginning of Projects to December 31, 2012**

Project Account No.	Project	Appropriations	
		Prior	2012
<b>TRANSFERS</b>			
40101	DDA Building Permits	\$ 9,577	\$ -
-	Art Transfers	48,046	-
		57,623	-
<b>PUBLIC IMPROVEMENTS CAPITAL PROJECTS</b>			
40101	Debt Service - Principal	18,985,230	1,830,000
	Debt Service - Interest	21,890,678	836,125
	Fiscal Charges	37,685	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	780,000	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	-
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
94056	Park Bldg Rehab Replace	24,326	25,000
94083	Greenway Connection	996,803	15,640
94085	Sport Court Reconstruction	2,336,282	13,000
94102	Swimming and Wading Pool Improvements	4,495,320	225,489
94113	Park Irrigation Pumps	700,258	10,746
94136	Parks Bridge Replacement	370,077	35,000
94147	Kensington Park	482,259	-
94162	Sports Field Lighting/Scoreboards	-	83,200
94165	Neighborhood Parks Master Plan	-	60,000
94174	Playground Rehabilitation	135,000	45,000
94182	Skate Park Component Replacement	-	10,000
94185	Roosevelt Park Lot Exprsn	-	-
95001	Municipal Building Roof Improvements	2,464,078	483,915
95002	ADA Facility Improvements	948,820	10,000
95037	Fire Stations-Heat & Exhaust	745,189	64,500
95080	Municipal Building Boilers	533,119	44,945
95082	Municipal Buildings HVAC	1,568,809	189,072
95109	Parking Lot Rehabilitation	634,281	70,700
95119	Municipal Buildings Carpet	1,081,390	194,400
95127	Police Firing Range	1,050,000	-
95145	Specialized Equipment Replacement	978,254	171,405
95153	Museum Auditorium	1,000,000	125,000
95160	Muni Bldgs Auto Door Gate	10,000	10,000
95163	Municipal Buildings Keyless Entry	129,922	20,000
95165	Muni Bldgs Emergency Genr	40,000	68,800
95181	UPS Repair/Replacement	123,729	-
95183	Sr Ontr Kitchen Expansion	25,000	287,000
95185	Rec Center Facility Imprvmt	136,350	-
95188	SJ Extr Foundation Repair	80,000	-
95189	Muni Building Exterior Maintenance	-	36,800
95190	Muni Building Interior Maintenance	-	31,000
-	Completed Projects	-	-
		82,154,665	5,185,535
<b>CAPITAL PROJECTS FUND TOTAL</b>		\$ 82,212,288	\$ 5,185,535

CITY OF LONGMONT, COLORADO

Statement C-1

Transfers (to) from		Expenditures		Unexpended
Other	Fund	Prior	2012	Balance
Projects	Balance			
\$ 30,875	\$ 184,418	\$ 78,934	\$ 145,936	\$ -
362,521	6,111	399,046	17,632	-
393,396	190,529	477,980	163,568	-
15,000	-	19,000,230	1,830,000	-
3,160	(915,493)	20,978,345	836,125	-
(2,261)	(5,954)	29,470	450	4,100
(121,414)	-	6,303,294	-	2,075
(65,650)	-	1,414,516	-	4,110
535,410	-	3,924,309	-	20,554
-	-	-	7,847	92,153
(13,631)	(50,774)	1,007,014	-	-
11,347	(50,000)	678,897	47,814	64,636
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	-	-
122,960	(4,261)	375,699	-	10,500
(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
9,475	-	12,971	36,279	9,551
(138,852)	(381,389)	460,786	1,500	29,916
(165,777)	(337,189)	1,819,556	-	26,760
(98,369)	(423,505)	3,883,757	139,155	176,023
95,223	(54,850)	567,640	67,019	116,718
(71,263)	(95,021)	205,437	-	33,356
(5,426)	-	476,833	-	-
21,901	-	-	16,031	89,070
167,000	-	-	164,276	62,724
119,451	(45,000)	-	54,950	199,501
-	-	-	9,495	505
60,000	-	-	50,187	9,813
(36,289)	(470,972)	1,802,042	438,306	200,384
118,365	(25,000)	871,407	53,652	127,126
(10,910)	(71,995)	654,915	30,170	41,699
(3,351)	(195,512)	301,398	35,595	42,208
(12,846)	(258,369)	1,279,689	162,485	44,492
(44,792)	(90,155)	492,183	40,269	37,582
952	(166,743)	915,599	185,068	9,332
(9,355)	-	117,382	923,263	-
(1,992)	(90,975)	744,364	170,694	141,634
-	-	135,800	153,753	835,447
-	-	7,193	2,807	10,000
(544)	(29,055)	100,323	19,150	850
-	-	35,680	4,500	68,620
(1,126)	(62,620)	53,053	-	6,930
-	-	8,855	248,642	54,503
(1,249)	-	-	124,936	10,165
(16,500)	-	63,500	-	-
-	-	-	26,651	10,149
-	-	-	11,710	19,290
(489,687)	489,687	-	-	-
(393,396)	(4,080,584)	74,282,763	5,895,752	2,687,705
\$ -	\$ (3,890,055)	\$ 74,760,743	\$ 6,059,320	\$ 2,687,705

**NONMAJOR  
ENTERPRISE FUNDS**

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

CITY OF LONGMONT, COLORADO  
**COMBINING STATEMENT OF NET POSITION**  
**NON MAJOR ENTERPRISE FUNDS**  
 December 31, 2012

Statement D-1

	Sanitation	Golf	Telecommunications	Airport	TOTALS
<b>ASSETS</b>					
Current assets:					
Equity in pooled cash & cash equivalents	\$ 2,539,948	\$ 949,937	\$ 1,153,229	\$ -	\$ 4,643,114
Accounts receivable (net of allowance for doubtful accounts)	701,231	-	-	-	701,231
Grants receivable	10,000	-	-	774,104	784,104
Loans receivable	162	129	-	-	291
Accrued interest receivable	6,113	2,623	2,352	-	11,088
<b>Total current assets</b>	3,257,454	952,689	1,155,581	774,104	6,139,828
Net pension asset	108,796	59,032	(231)	8,110	175,707
Property, plant and equipment:					
Land and water rights	581,963	6,548,124	729	1,191,667	8,322,483
Buildings	1,341,856	1,739,308	20,673	210,238	3,312,075
Improvements (other than buildings)	228,756	578,479	2,391,757	4,500,945	7,699,937
Equipment	2,923,751	200,276	62,570	6,145	3,192,742
Construction in progress	6,429	-	-	426,879	433,308
<b>Total property and equipment</b>	5,082,755	9,066,187	2,475,729	6,335,874	22,960,545
Less - accumulated depreciation	2,810,843	1,360,344	1,022,620	1,125,804	6,319,611
<b>Net property and equipment</b>	2,271,912	7,705,843	1,453,109	5,210,070	16,640,934
<b>Total assets</b>	\$ 5,638,162	\$ 8,717,564	\$ 2,608,459	\$ 5,992,284	\$ 22,956,469

(continued)

CITY OF LONGMONT, COLORADO

COMBINING STATEMENT OF NET POSITION  
NONMAJOR ENTERPRISE FUNDS  
December 31, 2012

Statement D-1  
(continued)

	Sanitation	Golf	Telecommunications	Airport	TOTALS
<b>LIABILITIES AND NET POSITION</b>					
<b>Current liabilities:</b>					
Payable from current assets:					
Accounts payable	\$ 148,043	\$ 26,791	\$ -	\$ 8,138	\$ 182,972
Construction contracts payable	-	-	-	281,943	281,943
Accrued liabilities	33,698	17,187	3,210	2,245	56,340
Due to other funds	-	-	-	439,296	439,296
Accrued sick and vacation - current portion	17,438	7,773	-	1,692	26,903
Unearned revenue	-	-	322,722	1,000	323,722
Advances from other funds - current portion	-	161,843	-	-	161,843
<b>Total current liabilities</b>	<b>199,179</b>	<b>213,594</b>	<b>325,932</b>	<b>734,314</b>	<b>1,473,019</b>
<b>Long-term liabilities:</b>					
Net other post employment benefit obligation	9,242	4,795	902	661	15,600
Accrued sick and vacation	103,300	94,295	-	19,151	216,746
Advances from other funds	-	1,236,502	-	-	1,236,502
<b>Net long-term liabilities</b>	<b>112,542</b>	<b>1,335,592</b>	<b>902</b>	<b>19,812</b>	<b>1,468,848</b>
<b>Total liabilities</b>	<b>311,721</b>	<b>1,549,186</b>	<b>326,834</b>	<b>754,126</b>	<b>2,941,867</b>
<b>Net position:</b>					
Net investment in capital assets	2,271,912	7,705,843	1,453,109	5,210,070	16,640,934
Unrestricted	3,054,529	(537,465)	828,516	28,088	3,373,668
<b>Total net position</b>	<b>5,326,441</b>	<b>7,168,378</b>	<b>2,281,625</b>	<b>5,238,158</b>	<b>20,014,602</b>
<b>Total liabilities and net position</b>	<b>\$ 5,638,162</b>	<b>\$ 8,717,564</b>	<b>\$ 2,608,459</b>	<b>\$ 5,992,284</b>	<b>\$ 22,956,469</b>

## CITY OF LONGMONT, COLORADO

Statement D-2

**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
NONMAJOR ENTERPRISE FUNDS  
Year Ended December 31, 2012**

	Sanitation	Golf	Telecom- munications	Airport	TOTALS
<b>OPERATING REVENUES</b>					
Charges for services	\$ 5,676,335	\$ 2,640,817	\$ 290,774	\$ 258,643	\$ 8,866,569
<b>OPERATING EXPENSES</b>					
Administration	154,285	155,829	244,714	125,541	680,369
Transmission/distribution	-	-	33,996	-	33,996
Maintenance/development	-	1,726,596	-	52,231	1,778,827
Trash collection	5,219,376	-	-	-	5,219,376
Landfill	5,859	-	-	-	5,859
Depreciation	184,465	66,442	58,849	150,278	460,034
Administrative fees	529,910	111,598	37,735	109,106	788,349
Franchise fee	-	-	16,237	-	16,237
Total operating expenses	6,093,895	2,060,465	391,531	437,156	8,983,047
Operating income (loss)	(417,560)	580,352	(100,757)	(178,513)	(116,478)
<b>NON-OPERATING REVENUES (EXPENSES)</b>					
Investment income	15,821	5,269	8,646	1,158	30,894
Miscellaneous	25,817	479	25	35,953	62,274
Intergovernmental	8,203	-	-	-	8,203
Interest expense	-	(20,100)	-	-	(20,100)
Net non-operating revenues (expenses)	49,841	(14,352)	8,671	37,111	81,271
Change in net position before transfers, and capital contributions	(367,719)	566,000	(92,086)	(141,402)	(35,207)
<b>CAPITAL CONTRIBUTIONS</b>					
	-	-	7,578	953,192	960,770
<b>TRANSFERS</b>					
Transfers In	573,454	-	-	-	573,454
Transfers out	(112,769)	(6,473)	(2,815)	(1,167)	(123,224)
Change in net position	92,966	559,527	(87,323)	810,623	1,375,793
<b>TOTAL NET POSITION-January 1</b>	5,233,475	6,608,851	2,368,948	4,427,535	18,638,809
<b>TOTAL NET POSITION-December 31</b>	\$ 5,326,441	\$ 7,168,378	\$ 2,281,625	\$ 5,238,158	\$ 20,014,602

**COMBINING STATEMENT OF CASH FLOWS**  
**NONMAJOR ENTERPRISE FUNDS**  
**For the Year Ended December 31, 2012**

	Sanitation	Golf	Telecom- munications	Airport	TOTALS
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Cash received from customers	\$ 5,662,276	\$ 2,641,296	\$ 272,870	\$ 295,596	\$ 8,872,038
Cash paid to suppliers	(4,217,913)	(1,021,337)	(147,423)	(172,221)	(5,558,894)
Cash paid to employees	(1,694,711)	(942,467)	(181,854)	(109,970)	(2,929,002)
Net cash provided (used) by operating activities	(250,348)	677,492	(56,407)	13,405	384,142
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>					
Transfers in	573,454	-	-	-	573,454
Transfers out	(112,769)	(6,473)	(2,815)	(1,167)	(123,224)
Advances from other funds	-	(159,782)	-	439,296	279,514
Net cash provided (used) by non-capital financing activities	460,685	(166,255)	(2,815)	438,129	729,744
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Acquisition and construction of capital assets	(31,913)	-	(160,006)	(909,307)	(1,101,226)
Bond/lease/loan interest paid	-	(20,100)	-	-	(20,100)
Contributed capital received	-	-	7,578	236,663	244,241
Net cash (used) by capital and related financing activities	(31,913)	(20,100)	(152,428)	(672,644)	(877,085)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Investment income received	17,549	4,724	10,208	2,154	34,635
Net cash provided by investing activities	17,549	4,724	10,208	2,154	34,635
Net increase (decrease) in cash and cash equivalents	195,973	495,861	(201,442)	(218,956)	271,436
<b>CASH AND CASH EQUIVALENTS, January 1</b>	2,343,975	454,076	1,354,671	218,956	4,371,678
<b>CASH AND CASH EQUIVALENTS, December 31</b>	\$ 2,539,948	\$ 949,937	\$ 1,153,229	\$ -	\$ 4,643,114

(continued)

**COMBINING STATEMENT OF CASH FLOWS  
NONMAJOR ENTERPRISE FUNDS  
For the Year Ended December 31, 2012**

	Sanitation	Golf	Telecom- munications	Airport	TOTALS
<b>RECONCILIATION OF NET OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>					
Net operating income (loss)	\$ (417,560)	\$ 580,352	\$ (100,757)	\$ (178,513)	\$ (116,478)
Adjustments to reconcile net operating income (loss) to net cash provided (used) by operating activities:					
Depreciation	184,465	66,442	58,849	150,278	460,034
Miscellaneous income (expense)	25,817	479	25	35,953	62,274
Intergovernmental operating income	8,203	-	-	-	8,203
Change in assets and liabilities:					
(Increase) decrease in accounts receivable	(59,990)	-	-	-	(59,990)
(Increase) decrease in intergovernmental receivable	11,911	-	-	-	11,911
(Increase) decrease in loans receivable	671	375	-	-	1,046
(Increase) decrease in net pension asset	3,841	1,309	231	182	5,563
Increase (decrease) in accounts payable	(28,419)	19,730	(25)	2,080	(6,634)
Increase (decrease) in accrued liabilities	2,228	2,043	2,649	435	7,355
Increase (decrease) in accrued sick and vacation - current portion	3,915	(1,014)	-	584	3,485
Increase (decrease) in net other post employment benefit obligation	4,140	2,053	550	298	7,041
Increase (decrease) in accrued sick and vacation - long-term portion	10,430	5,723	-	1,108	17,261
Increase (decrease) in deposits/earned revenue			(17,929)	1,000	(16,929)
Total adjustments	167,212	97,140	44,350	191,918	500,620
Net cash provided (used) by operating activities	\$ (250,348)	\$ 677,492	\$ (56,407)	\$ 13,405	\$ 384,142

**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	\$ 2,539,948	\$ 949,937	\$ 1,153,229	\$ -	\$ 4,643,114
Cash and Cash Equivalents per statement of cash flows	\$ 2,539,948	\$ 949,937	\$ 1,153,229	\$ -	\$ 4,643,114

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

The following non-cash transactions occurred during 2012:

Change in contracts payable for purchase of capital assets	\$ 4,247	\$ -	\$ -	\$ 22,309	\$ 26,556
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**SANITATION ENTERPRISE FUND**  
**SCHEDULE OF REVENUES AND EXPENSES -**  
**BUDGET (LEGAL BASIS) AND ACTUAL**  
**Year Ended December 31, 2012**

	Budget	Actual	Variance From Budget
<b>REVENUES</b>			
Charges for services	\$ 5,647,600	\$ 5,676,335	\$ 28,735
Intergovernmental	8,833	8,203	(630)
Investment income	28,424	15,821	(12,603)
Miscellaneous	1,000	25,817	24,817
Transfers in	-	573,454	573,454
<b>Total revenues</b>	<b>5,685,857</b>	<b>6,299,630</b>	<b>613,773</b>
<b>EXPENSES</b>			
Administration	153,412	154,327	(915)
Landfill operations	8,000	5,859	2,141
Trash removal	4,310,229	4,214,645	95,584
Special trash pickup	620,316	624,235	(3,919)
Curbside recycling	1,073,605	1,023,133	50,472
<b>Total operations</b>	<b>6,165,562</b>	<b>6,022,199</b>	<b>143,363</b>
Capital outlay	72,314	27,666	44,648
<b>Total expenses</b>	<b>6,237,876</b>	<b>6,049,865</b>	<b>188,011</b>
<b>Excess of revenues over (under) expenses</b>	<b>\$ (552,019)</b>	<b>249,765</b>	<b>\$ 801,784</b>
<b>RECONCILIATION TO NET (LOSS) (GAAP BASIS)</b>			
Add: Additions to plant and equipment		27,666	
Less: Depreciation		184,465	
<b>Net income (GAAP basis)</b>		<b>\$ 92,966</b>	

**GOLF ENTERPRISE FUND**  
**SCHEDULE OF REVENUES AND EXPENSES**  
**BUDGET (LEGAL BASIS AND ACTUAL)**  
Year Ended December 31, 2012

	Budget	Actual	Variance From Budget
<b>REVENUES</b>			
Charges for services	\$ 2,341,500	\$ 2,640,817	\$ 299,317
Investment income	3,584	5,269	1,685
Miscellaneous	8,000	479	(7,521)
<b>Total revenues</b>	<b>2,353,084</b>	<b>2,646,565</b>	<b>293,481</b>
<b>EXPENSES</b>			
Administration	302,436	273,900	28,536
Course maintenance/development	1,816,587	1,726,596	89,991
<b>Total operations</b>	<b>2,119,023</b>	<b>2,000,496</b>	<b>118,527</b>
Debt service	199,739	179,882	19,857
Capital outlay	6,000	-	6,000
<b>Total expenses</b>	<b>2,324,762</b>	<b>2,180,378</b>	<b>144,384</b>
<b>Excess of revenues over expenses</b>	<b>\$ 28,322</b>	<b>466,187</b>	<b>\$ 437,865</b>
<b>RECONCILIATION TO NET INCOME (GAAP BASIS)</b>			
Add: Additions to plant and equipment		159,782	
Principal payments capital leases		159,782	
Less: Depreciation		66,442	
<b>Net income (GAAP basis)</b>		<b>\$ 559,527</b>	

**TELECOMMUNICATIONS ENTERPRISE FUND**  
**SCHEDULE OF REVENUES AND EXPENSES -**  
**BUDGET (LEGAL BASIS) AND ACTUAL**  
**Year Ended December 31, 2012**

	Budget	Actual	Variance From Budget
<b>REVENUES</b>			
Charges for services	\$ 310,130	\$ 290,774	\$ (19,356)
Investment income	13,700	8,646	(5,054)
Miscellaneous	-	25	25
Aid to underground installation	80,000	7,578	(72,422)
<b>Total revenues</b>	<b>403,830</b>	<b>307,023</b>	<b>(96,807)</b>
<b>EXPENSES</b>			
Administration	301,295	300,357	938
Distribution	96,194	71,613	24,581
<b>Total operations</b>	<b>397,489</b>	<b>371,970</b>	<b>25,519</b>
Capital outlay	209,500	123,533	85,967
<b>Total expenses</b>	<b>606,989</b>	<b>495,503</b>	<b>111,486</b>
<b>Excess of revenues over (under) expenses</b>	<b>\$ (203,159)</b>	<b>(188,480)</b>	<b>\$ 14,679</b>
<b>RECONCILIATION TO NET INCOME (GAAP BASIS)</b>			
Add: Additions to plant and equipment			
Capital outlay		123,533	
Capitalized salaries		36,473	
		160,006	
Less: Depreciation		58,849	
<b>Net (loss) (GAAP basis)</b>		<b>\$ (87,323)</b>	

**AIRPORT ENTERPRISE FUND**  
**SCHEDULE OF REVENUES AND EXPENSES -**  
**BUDGET (LEGAL BASIS) AND ACTUAL**  
Year Ended December 31, 2012

	Budget	Actual	Variance From Budget
<b>REVENUES</b>			
Charges for services	\$ 226,580	\$ 258,643	\$ 32,063
Intergovernmental	1,484,623	953,192	(531,431)
Investment income	2,279	1,158	(1,121)
Miscellaneous	30,000	35,953	5,953
<b>Total revenues</b>	<b>1,743,482</b>	<b>1,248,946</b>	<b>(494,536)</b>
<b>EXPENSES</b>			
Administration	239,413	235,814	3,599
Maintenance	62,650	52,231	10,419
<b>Total operations</b>	<b>302,063</b>	<b>288,045</b>	<b>14,018</b>
Capital outlay	1,695,167	1,168,941	526,226
<b>Total expenses</b>	<b>1,997,230</b>	<b>1,456,986</b>	<b>540,244</b>
<b>Excess of revenue over (under) expenses</b>	<b>\$ (253,748)</b>	<b>(208,040)</b>	<b>\$ 45,708</b>
<b>RECONCILIATION TO NET INCOME (GAAP BASIS)</b>			
Add: Capital outlay		1,168,941	
Less: Depreciation		150,278	
<b>Net income (GAAP basis)</b>		<b>\$ 810,623</b>	

**MAJOR  
ENTERPRISE FUNDS**

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

**ELECTRIC ENTERPRISE FUND**  
**SCHEDULE OF REVENUES AND EXPENSES -**  
**BUDGET (LEGAL BASIS) AND ACTUAL**  
**Year Ended December 31, 2012**

	Budget	Actual	Variance From Budget
<b>REVENUES</b>			
Charges for services	\$ 59,525,000	\$ 57,182,388	\$ (2,342,612)
Intergovernmental	353,776	358,905	5,129
Investment income	137,000	15,382	(121,618)
Miscellaneous	166,500	148,366	(18,134)
Aid to underground installation	626,000	680,804	54,804
Other sales	48,000	51,087	3,087
Transfers in	41,166	41,166	-
<b>Total revenues</b>	<b>60,897,442</b>	<b>58,478,098</b>	<b>(2,419,344)</b>
<b>EXPENSES</b>			
Administration	4,809,670	4,090,860	718,810
Power purchased	43,448,085	41,446,821	2,001,264
Distribution	7,035,581	6,587,248	448,333
Franchise fee	4,418,080	4,272,556	145,524
<b>Total operations</b>	<b>59,711,416</b>	<b>56,397,485</b>	<b>3,313,931</b>
Capital outlay	2,690,393	1,451,986	1,238,407
<b>Total expenses</b>	<b>62,401,809</b>	<b>57,849,471</b>	<b>4,552,338</b>
<b>Excess of revenues over (under) expenses</b>	<b>\$ (1,504,367)</b>	<b>628,627</b>	<b>\$ 2,132,994</b>
<b>RECONCILIATION TO NET INCOME (GAAP BASIS)</b>			
Add: Additions to plant and equipment			
Capital outlay		1,451,986	
Capitalized salaries and expenses		667,831	
Capital contributions		72,582	
		<b>2,192,399</b>	
Less: Depreciation		2,284,234	
<b>Net income (GAAP basis)</b>		<b>\$ 536,792</b>	

**WATER ENTERPRISE FUND**  
**SCHEDULE OF REVENUES AND EXPENSES -**  
**BUDGET (LEGAL BASIS) AND ACTUAL**  
**Year Ended December 31, 2012**

	Budget	Actual	Variance From Budget
<b>REVENUES</b>			
Charges for services	\$ 12,782,596	\$ 14,513,221	\$ 1,730,625
System development fees	201,500	440,743	239,243
Development fee surcharge	107,000	279,100	172,100
Intergovernmental	215,223	258,023	42,800
Investment income - operating	356,700	164,648	(192,052)
Miscellaneous	16,500	120,059	103,559
<b>Total revenues</b>	<b>13,679,519</b>	<b>15,775,794</b>	<b>2,096,275</b>
<b>EXPENSES</b>			
Administration	4,171,242	3,821,132	350,110
Water resources	2,108,535	1,805,012	303,523
Transmission/distribution	1,942,373	1,871,589	70,784
Treatment plant	2,707,131	2,674,883	32,248
<b>Total operations</b>	<b>10,929,281</b>	<b>10,172,616</b>	<b>756,665</b>
Debt service	1,429,029	1,415,040	13,989
Capital outlay	6,699,906	3,477,474	3,222,432
<b>Total expenses</b>	<b>19,058,216</b>	<b>15,065,130</b>	<b>3,993,086</b>
<b>Excess of revenue over (under) expenses</b>	<b>\$ (5,378,697)</b>	<b>710,664</b>	<b>\$ 6,089,361</b>
<b>RECONCILIATION TO NET INCOME (GAAP BASIS)</b>			
Add: Additions to plant and equipment			
Capital outlay		3,477,474	
Capitalized salaries		248,733	
Capital contributions		1,610,909	
		5,337,116	
Principal retired		989,550	
		6,326,666	
Less: Depreciation		3,864,084	
Vehicle transfers		88,204	
		3,952,288	
<b>Net income (GAAP basis)</b>		<b>\$ 3,085,042</b>	

**SEWER ENTERPRISE FUND**  
**SCHEDULE OF REVENUES AND EXPENSES -**  
**BUDGET (LEGAL BASIS) AND ACTUAL**  
**Year Ended December 31, 2012**

	Budget	Actual	Variance From Budget
<b>REVENUES</b>			
Charges for services	\$ 8,731,800	\$ 8,634,634	\$ (97,166)
Intergovernmental	174,530	200,009	25,479
Investment income	154,200	59,309	(94,891)
Miscellaneous	4,500	8,588	4,088
Transfers in	361,149	361,149	0
Bond Proceeds	6,000,000	-	(6,000,000)
<b>Total revenues</b>	<b>15,426,179</b>	<b>9,263,689</b>	<b>(6,162,490)</b>
<b>EXPENSES</b>			
Administration	2,406,759	2,309,837	96,922
Sewer collection system	1,295,805	980,153	315,652
Sewer disposal plant	3,664,100	3,351,088	313,012
<b>Total operations</b>	<b>7,366,664</b>	<b>6,641,078</b>	<b>725,586</b>
Debt service	1,068,475	1,075,792	(7,317)
Capital outlay	17,374,858	2,798,577	14,576,281
<b>Total expenses</b>	<b>25,809,997</b>	<b>10,515,447</b>	<b>15,294,550</b>
<b>Excess of revenues over (under) expenses</b>	<b>\$ (10,383,818)</b>	<b>(1,251,758)</b>	<b>\$ 9,132,060</b>
<b>RECONCILIATION TO NET INCOME (GAAP BASIS)</b>			
Add: Additions to plant and equipment			
Capital outlay		2,798,577	
Capitalized salaries		94,041	
Capital contributions		25,360	
Capitalized interest		527,778	
		3,445,756	
Principal retired		503,838	
		3,949,594	
Less: Depreciation		2,399,391	
<b>Net income (GAAP basis)</b>		<b>\$ 298,445</b>	



**STORM DRAINAGE ENTERPRISE FUND**  
**SCHEDULE OF REVENUES AND EXPENSES -**  
**BUDGET (LEGAL BASIS) AND ACTUAL**  
**Year Ended December 31, 2012**

	Budget	Actual	Variance From Budget
<b>REVENUES</b>			
Charges for services	\$ 3,751,958	\$ 3,835,700	\$ 83,742
Plant investment fee	37,187	163,868	126,681
Intergovernmental	2,387,268	2,516,937	129,669
Investment income	34,739	16,276	(18,463)
Miscellaneous	30,600	32,116	1,516
<b>Total revenues</b>	<b>6,241,752</b>	<b>6,564,897</b>	<b>323,145</b>
<b>EXPENSES</b>			
Administration	682,766	574,583	108,183
Engineering	1,123,308	981,362	141,946
Maintenance	838,241	717,137	121,104
<b>Total operations</b>	<b>2,644,315</b>	<b>2,273,082</b>	<b>371,233</b>
Debt service	1,086,406	1,103,442	(17,036)
Capital outlay	8,810,796	5,030,554	3,780,242
<b>Total expenses</b>	<b>12,541,517</b>	<b>8,407,078</b>	<b>4,134,439</b>
<b>Excess of revenues over (under) expenses</b>	<b>\$ (6,299,765)</b>	<b>(1,842,181)</b>	<b>\$ 4,457,584</b>
<b>RECONCILIATION TO NET INCOME (GAAP BASIS)</b>			
Add: Additions to plant and equipment			
Capital outlay		5,030,554	
Capitalized salaries		58,147	
Capitalized interest		522,694	
		5,611,395	
Principal retired		565,000	
		6,176,395	
Less: Depreciation		1,253,769	
<b>Net income (GAAP basis)</b>		<b>\$ 3,080,445</b>	

CITY OF LONGMONT, COLORADO

**INTERNAL SERVICE FUNDS**

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

CITY OF LONGMONT, COLORADO

COMBINING STATEMENT OF NET POSITION  
INTERNAL SERVICE FUNDS  
Year Ended December 31, 2012

	Warehouse	Fleet	Self-Insurance
<b>ASSETS</b>			
Current assets:			
Equity in pooled cash & cash equivalents	\$ -	\$ 16,553,356	\$ 1,649,054
Loans receivable	-	2,300	-
Accrued interest receivable	-	34,919	3,477
Inventory of materials and supplies	2,209,337	400,170	-
Advance to other funds	-	1,508,345	-
Restricted equity in pooled cash & cash equivalents	-	-	-
Prepaid expenses	-	475,686	282,120
<b>Total current assets</b>	<b>2,209,337</b>	<b>18,974,776</b>	<b>1,934,651</b>
Net pension asset	-	77,427	-
Loan receivable-component unit	-	146,000	-
Property, plant and equipment:			
Land and water rights	-	47,767	-
Buildings	-	1,932,112	-
Improvements (other than buildings)	-	153,524	-
Equipment	-	36,267,488	-
Total property and equipment	-	38,400,891	-
Less - accumulated depreciation	-	25,921,999	-
<b>Net property, plant and equipment</b>	<b>-</b>	<b>12,478,892</b>	<b>-</b>
<b>Total assets</b>	<b>\$ 2,209,337</b>	<b>\$ 31,677,095</b>	<b>\$ 1,934,651</b>
<b>LIABILITIES AND NET POSITION</b>			
Current liabilities:			
Accounts payable	\$ 32,778	\$ 101,121	\$ 20,014
Accrued liabilities	-	26,615	-
Due to other funds	2,176,559	-	-
Claims payable - current portion	-	-	87,379
Accrued sick and vacation - current portion	-	10,713	-
<b>Total current liabilities</b>	<b>2,209,337</b>	<b>138,449</b>	<b>107,393</b>
Long-term liabilities:			
Net other post employment benefit obligation	-	6,929	-
Claims payable	-	-	452,758
Accrued sick and vacation	-	109,734	-
<b>Net long-term liabilities</b>	<b>-</b>	<b>116,663</b>	<b>452,758</b>
<b>Total liabilities</b>	<b>2,209,337</b>	<b>255,112</b>	<b>560,151</b>
<b>Net position:</b>			
Invested in capital assets	-	12,478,892	-
Restricted for workers' compensation	-	-	-
Restricted for long-term disability	-	-	-
Unrestricted	-	18,943,091	1,374,500
<b>Total net position</b>	<b>-</b>	<b>31,421,983</b>	<b>1,374,500</b>
<b>Total liabilities and net position</b>	<b>\$ 2,209,337</b>	<b>\$ 31,677,095</b>	<b>\$ 1,934,651</b>

CITY OF LONGMONT, COLORADO

Statement E-1

Employee Benefit	Dental Trust	Workers' Compensation Insurance	Unemployment Insurance	TOTALS
\$ 4,842,712	\$ 483,205	\$ 2,227,765	\$ 93,951	\$ 25,850,043
-	-	-	-	2,300
9,318	1,078	5,953	180	54,925
-	-	-	-	2,609,507
-	-	-	-	1,508,345
-	-	561,000	-	561,000
6,000	-	60,765	-	824,571
4,858,030	484,283	2,855,483	94,131	31,410,691
-	-	-	-	77,427
-	-	-	-	146,000
-	-	-	-	47,767
-	-	-	-	1,932,112
-	-	-	-	153,524
-	-	-	-	36,267,488
-	-	-	-	38,400,891
-	-	-	-	25,921,999
-	-	-	-	12,478,892
\$ 4,858,030	\$ 484,283	\$ 2,855,483	\$ 94,131	\$ 44,113,010
\$ 16,303	\$ 11,662	\$ 46,025	\$ 27,225	\$ 255,128
-	-	-	-	26,615
-	-	-	-	2,176,559
-	13,006	196,964	-	297,349
-	-	-	-	10,713
16,303	24,668	242,989	27,225	2,766,364
-	-	-	-	6,929
-	-	1,166,606	-	1,619,364
-	-	-	-	109,734
-	-	1,166,606	-	1,736,027
16,303	24,668	1,409,595	27,225	4,502,391
-	-	-	-	12,478,892
-	-	561,000	-	561,000
325,000	-	-	-	325,000
4,516,727	459,615	884,888	66,906	26,245,727
4,841,727	459,615	1,445,888	66,906	39,610,619
\$ 4,858,030	\$ 484,283	\$ 2,855,483	\$ 94,131	\$ 44,113,010

CITY OF LONGMONT, COLORADO

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION  
INTERNAL SERVICE FUNDS  
Year Ended December 31, 2012

	Warehouse	Fleet	Self- Insurance
<b>OPERATING REVENUES</b>			
Charges for services	\$ -	\$ 7,539,884	\$ 1,000,000
Warehouse sales	1,038,935	-	-
Contributions	-	-	-
<b>Total operating revenues</b>	<b>1,038,935</b>	<b>7,539,884</b>	<b>1,000,000</b>
<b>OPERATING EXPENSES</b>			
Administration	-	-	389,022
Cost of sales/premiums	1,038,935	-	370,496
Fleet services	-	3,398,040	-
Depreciation	-	2,782,270	-
Administrative fees	-	229,466	121,388
Benefit payments	-	-	-
Claims	-	-	508,584
<b>Total operating expenses</b>	<b>1,038,935</b>	<b>6,409,776</b>	<b>1,389,490</b>
<b>Operating income (loss)</b>	<b>-</b>	<b>1,130,108</b>	<b>(389,490)</b>
<b>NON-OPERATING REVENUES</b>			
Investment income	-	121,529	11,966
Miscellaneous	-	-	1,352
Gain on disposal of assets	-	424,406	-
<b>Net non-operating revenues</b>	<b>-</b>	<b>545,935</b>	<b>13,318</b>
<b>Income (loss) before transfers</b>	<b>-</b>	<b>1,676,043</b>	<b>(376,172)</b>
<b>TRANSFERS</b>			
Transfers in	-	487,501	-
Transfers out	-	(579,244)	-
<b>Change in net position</b>	<b>-</b>	<b>1,584,300</b>	<b>(376,172)</b>
<b>TOTAL NET POSITION-January 1</b>	<b>-</b>	<b>29,837,683</b>	<b>1,750,672</b>
<b>TOTAL NET POSITION- December 31</b>	<b>\$ -</b>	<b>\$ 31,421,983</b>	<b>\$ 1,374,500</b>

	<b>Employee Benefit</b>	<b>Dental Trust</b>	<b>Workers' Compensation Insurance</b>	<b>Unemployment Insurance</b>	<b>TOTALS</b>
\$	7,109,483	\$ 359,751	\$ 650,000	\$ 154,566	\$ 16,813,684
	-	-	-	-	1,038,935
	1,915,880	512,939	-	-	2,428,819
	9,025,363	872,690	650,000	154,566	20,281,438
	243,091	42,970	11,435	-	686,518
	8,899,360	-	94,614	-	10,403,405
	-	-	-	-	3,398,040
	-	-	-	-	2,782,270
	-	-	174,778	-	525,632
	302,953	-	-	-	302,953
	-	539,399	1,115,416	97,628	2,261,027
	9,445,404	582,369	1,396,243	97,628	20,359,845
	(420,041)	290,321	(746,243)	56,938	(78,407)
	27,325	2,517	20,094	282	183,713
	8,283	1,678	-	-	11,313
	-	-	-	-	424,406
	35,608	4,195	20,094	282	619,432
	(384,433)	294,516	(726,149)	57,220	541,025
	-	-	-	-	487,501
	-	-	-	-	(579,244)
	(384,433)	294,516	(726,149)	57,220	449,282
	5,226,160	165,099	2,172,037	9,686	39,161,337
\$	4,841,727	\$ 459,615	\$ 1,445,888	\$ 66,906	\$ 39,610,619

CITY OF LONGMONT, COLORADO

**COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
Year Ended December 31, 2012**

	Warehouse	Fleet	Self-Insurance
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash received from customers	\$ 1,038,935	\$ 7,539,884	\$ 1,001,352
Cash paid to suppliers	(1,038,935)	(2,412,378)	(874,683)
Cash paid to employees	-	(1,135,394)	-
Claims/Benefits paid	-	-	(177,433)
Net cash provided (used) by operating activities	-	3,992,112	(50,764)
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>			
Repayment of advances	-	159,782	-
Advances to other funds	-	(110,000)	-
Loan to discretely presented component unit	-	3,039,596	-
Loan repayments from discretely presented component unit	-	(3,039,596)	-
Transfers in	-	187,042	-
Transfers out	-	(579,244)	-
Net cash (used) by non-capital financing activities	-	(342,420)	-
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Acquisition and construction of capital assets	-	(2,902,922)	-
Proceeds from sale of equipment	-	742,874	-
Net cash (used) by capital and related financing activities	-	(2,160,048)	-
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Investment income received	-	130,226	13,410
Net cash provided by investing activities	-	130,226	13,410
Net increase (decrease) in cash and cash equivalents	-	1,619,870	(37,354)
CASH AND CASH EQUIVALENTS - January 1	-	14,933,486	1,686,408
<b>CASH AND CASH EQUIVALENTS - December 31</b>	<b>\$ -</b>	<b>\$ 16,553,356</b>	<b>\$ 1,649,054</b>

	Employee Benefit	Dental Trust	Workers' Compensation Insurance	Unemployment Insurance	TOTALS
\$	9,033,646	\$ 874,368	\$ 650,000	\$ 154,566	\$ 20,292,751
	(9,126,148)	(42,970)	(281,497)	-	(13,776,611)
	-	-	-	-	(1,135,394)
	(302,953)	(714,033)	(846,752)	(105,718)	(2,146,889)
	(395,455)	117,365	(478,249)	48,848	3,233,857
	-	-	-	-	159,782
	-	-	-	-	(110,000)
	-	-	-	-	3,039,596
	-	-	-	-	(3,039,596)
	-	-	-	-	187,042
	-	-	-	-	(579,244)
	-	-	-	-	(342,420)
	-	-	-	-	(2,902,922)
	-	-	-	-	742,874
	-	-	-	-	(2,160,048)
	32,047	2,473	23,879	208	202,243
	32,047	2,473	23,879	208	202,243
	(363,408)	119,838	(454,370)	49,056	933,632
	5,206,120	363,367	3,243,135	44,895	25,477,411
\$	4,842,712	\$ 483,205	\$ 2,788,765	\$ 93,951	\$ 26,411,043

(continued)



CITY OF LONGMONT, COLORADO

**COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
Year Ended December 31, 2012**

	Warehouse	Fleet	Self-Insurance
<b>Reconciliation of net operation income</b>			
(loss) to net cash provided (used)			
by operating activities			
<b>Net operating income (loss)</b>	\$ -	\$ 1,130,108	\$ (389,490)
Adjustments to reconcile net operating			
income (loss) to net cash provided			
(used) by operating activities			
Depreciation	-	2,782,270	-
Miscellaneous income	-	-	1,352
Change in assets and liabilities:			
(Increase) decrease in inventory of			
materials and supplies	(82,718)	27,455	-
(Increase) decrease in loans			
receivable	-	3,052	-
(Increase) decrease in prepaid			
expenses	-	-	(7,122)
(Increase) decrease in net pension obligation	-	1,793	-
Increase (decrease) in accounts payable	13,813	52,038	13,345
Increase (decrease) in accrued liabilities	-	2,291	-
Increase (decrease) in due to other funds	68,905	-	-
Increase (decrease) in accrued sick and			
vacation - current portion	-	2,463	-
Increase (decrease) in claims payable -			
current portion	-	-	331,151
Increase (decrease) in net other			
post employment benefit obligation	-	3,014	-
Increase (decrease) in accrued sick and			
vacation - long-term portion	-	(12,372)	-
<b>Total adjustments</b>	-	2,862,004	338,726
<b>Net cash provided (used) by operating activities</b>	\$ -	\$ 3,992,112	\$ (50,764)
<b>NON-CASH INVESTING, CAPITAL AND FINANCING ACTIVITIES</b>			
The following non-cash transactions			
occurred during 2012:			
Transfer of assets from other funds	\$ -	\$ 300,459	\$ -
(Loss) on sale of assets	-	(318,468)	-

Employee Benefit	Dental Trust	Workers' Compensation Insurance	Unemployment Insurance	TOTALS
\$ (420,041)	\$ 290,321	\$ (746,243)	\$ 56,938	\$ (78,407)
-	-	-	-	2,782,270
8,283	1,678	-	-	11,313
-	-	-	-	(55,263)
-	-	-	-	3,052
-	-	(926)	-	(8,048)
-	-	-	-	1,793
16,303	(86,156)	256	(8,090)	1,509
-	-	-	-	2,291
-	-	-	-	68,905
-	-	-	-	2,463
-	(88,478)	268,664	-	511,337
-	-	-	-	3,014
-	-	-	-	(12,372)
24,586	(172,956)	267,994	(8,090)	3,312,264
\$ (395,455)	\$ 117,365	\$ (478,249)	\$ 48,848	\$ 3,233,857
\$ -	\$ -	\$ -	\$ -	\$ 300,459
-	-	-	-	(318,468)

**FLEET INTERNAL SERVICE FUND**  
**SCHEDULE OF REVENUES AND EXPENSES -**  
**BUDGET (LEGAL BASIS) AND ACTUAL**  
**Year Ended December 31, 2012**

	Budget	Actual	Variance From Final Budget
<b>REVENUES</b>			
Charges for services	\$ 7,535,884	\$ 7,539,884	\$ 4,000
Investment income	150,670	121,529	(29,141)
Miscellaneous	573,454	424,406	(149,048)
Operating transfers in	187,042	187,042	-
<b>Total revenues</b>	<b>8,447,050</b>	<b>8,272,861</b>	<b>(174,189)</b>
<b>EXPENSES</b>			
Operations:			
Personal services	1,178,608	1,130,828	47,780
Operating & maintenance	2,555,493	2,496,678	58,815
Transfers out	579,281	579,244	37
<b>Total operations</b>	<b>4,313,382</b>	<b>4,206,750</b>	<b>106,632</b>
Capital outlay	6,764,968	5,258,084	1,506,884
<b>Total expenses</b>	<b>11,078,350</b>	<b>9,464,834</b>	<b>1,613,516</b>
<b>Excess of revenues over (under) expenses</b>	<b>\$ (2,631,300)</b>	<b>(1,191,973)</b>	<b>\$ 1,439,327</b>
<b>RECONCILIATION TO NET INCOME (GAAP BASIS)</b>			
Add: Additions to plant and equipment			
Capital outlay		5,258,084	
Property and equipment transferred from other funds		300,459	
		<b>5,558,543</b>	
Less: Depreciation		2,782,270	
<b>Net income (GAAP basis)</b>		<b>\$ 1,584,300</b>	

CITY OF LONGMONT, COLORADO

**FIDUCIARY FUNDS**

**EMPLOYEE RETIREMENT PLANS**

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

CITY OF LONGMONT, COLORADO

COMBINING STATEMENT OF NET POSITION  
 FIDUCIARY FUNDS  
 December 31, 2012

Statement F-1

	Employee Retirement Plans				Total Fiduciary Funds
	Employee Pension	Fire Pension	Police Pension	OPEB Trust	
<b>ASSETS</b>					
Equity in pooled cash & cash equivalents	\$ 44,797	\$ 1,898	\$ 29	\$ -	\$ 46,724
Cash and cash equivalents	1,645,384	46,411	27,093	843,837	2,562,725
Investments					
Common Stock	70,818,942	1,997,554	1,166,130	-	73,982,626
Mutual funds	39,240,797	1,106,845	646,152	-	40,993,794
<b>Total Assets</b>	<b>\$ 111,749,920</b>	<b>\$ 3,152,708</b>	<b>\$ 1,839,404</b>	<b>\$ 843,837</b>	<b>\$ 117,585,869</b>
<b>LIABILITIES</b>					
Accounts payable	\$ 66,440	\$ 2,127	\$ 1,550	\$ -	\$ 70,117
<b>Total Liabilities</b>	<b>66,440</b>	<b>2,127</b>	<b>1,550</b>	<b>-</b>	<b>70,117</b>
<b>NET POSITION</b>					
Held in trust for pension and OPEB benefits	\$ 111,683,480	\$ 3,150,581	\$ 1,837,854	\$ 843,837	\$ 117,515,752

**COMBINING STATEMENT OF CHANGES IN NET POSITION  
FIDUCIARY FUNDS  
For the Year Ended December 31, 2012**

	<u>Employee Retirement Plans</u>				<u>Total Fiduciary Funds</u>
	<u>Employee Pension</u>	<u>Fire Pension</u>	<u>Police Pension</u>	<u>OPEB Trust</u>	
<b>ADDITIONS</b>					
Contributions					
Employer	\$ 2,149,586	\$ 109,998	\$ 20,000	\$ 236,183	\$ 2,515,767
Plan members	1,563,895	-	-	-	1,563,895
<b>Total Contributions</b>	<b>3,713,481</b>	<b>109,998</b>	<b>20,000</b>	<b>236,183</b>	<b>4,079,662</b>
Investment income					
Net appreciation in fair value of investments	10,366,438	299,015	179,431	-	10,844,884
Interest	2,244,115	64,170	38,157	60	2,346,502
Dividends	792,094	22,548	13,335	-	827,977
Less investment expense	(355,924)	(12,331)	(8,840)	-	(377,095)
Net investment gain	13,046,723	373,402	222,083	60	13,642,268
<b>Total additions</b>	<b>16,760,204</b>	<b>483,400</b>	<b>242,083</b>	<b>236,243</b>	<b>17,721,930</b>
<b>DEDUCTIONS</b>					
Benefits	4,158,517	246,870	190,120	-	4,595,507
Refunds of contributions	354,584	-	-	-	354,584
Administrative expense	35,024	1,058	670	1,212	37,964
<b>Total deductions</b>	<b>4,548,125</b>	<b>247,928</b>	<b>190,790</b>	<b>1,212</b>	<b>4,988,055</b>
Net increase	12,212,079	235,472	51,293	235,031	12,733,875
NET POSITION HELD IN TRUST FOR					
PENSION AND OPEB BENEFITS, January 1	99,471,401	2,915,109	1,786,561	608,806	104,781,877
<b>December 31</b>	<b>\$ 111,683,480</b>	<b>\$ 3,150,581</b>	<b>\$ 1,837,854</b>	<b>\$ 843,837</b>	<b>\$ 117,515,752</b>



**DOWNTOWN DEVELOPMENT AUTHORITY COMPONENT UNIT**

<b>Downtown Development Authority General Fund</b>	The operations of the Downtown Development Authority are accounted for in this fund. A tax levy finances the operations of the fund.
<b>Downtown Development Building Permit Fund</b>	This fund is used to account for the revenues generated from building permits issued for construction in the area of the Downtown Development Authority. The funds are transferred from the individual funds initially receiving the permit revenues.
<b>Downtown Development CDBG Grant Fund</b>	This fund is used to account for the proceeds of CDBG grants to the DDA for improvement loans.
<b>Downtown Development Marketing Fund</b>	This fund is used to account for the proceeds of an advance initiated in 2007 for specific marketing efforts.
<b>Downtown Development Authority Debt Service Fund</b>	Long term debt of the Downtown Development Authority is paid with monies accumulated in this fund.
<b>Downtown Development Authority Construction Capital Projects Fund</b>	This fund is used to account for the capital improvements to the Downtown area.
<b>Downtown Development Façade Improvement Fund</b>	This fund was established in 2008 for the purpose of expending the proceeds of a \$300,000 loan from the City Fleet Fund for the purpose of downtown façade improvement grants.
<b>Downtown Development Art and Entertainment Fund</b>	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, 2012**

	General	Special Revenue	Debt Service	Capital Projects	Totals
<b>ASSETS</b>					
Equity in pooled cash & cash equivalents	\$ 178,514	\$ 2,400,178	\$ 1,939,845	\$ 4,069,345	\$ 8,587,882
Cash and cash equivalents	-	50,146	-	-	50,146
Receivables (net of allowance for uncollectibles):					
Taxes	124,540	-	1,029,000	-	1,153,540
Accrued interest	416	4,741	4,172	9,096	18,425
Due from other governments	550	-	-	-	550
Prepaid expenditures	295	-	-	-	295
<b>Total Assets</b>	<b>\$ 304,315</b>	<b>\$ 2,455,065</b>	<b>\$ 2,973,017</b>	<b>\$ 4,078,441</b>	<b>\$ 9,810,838</b>
<b>LIABILITIES</b>					
Accounts payable	\$ 850	\$ 6,353	\$ -	\$ 113,559	\$ 120,762
Construction contracts payable	-	-	-	38,292	38,292
Accrued liabilities	2,627	3,160	-	-	5,787
Deferred revenue	124,540	-	1,029,000	-	1,153,540
<b>Total liabilities</b>	<b>128,017</b>	<b>9,513</b>	<b>1,029,000</b>	<b>151,851</b>	<b>1,318,381</b>
<b>FUND BALANCES</b>					
Fund balances:					
Nonspendable	295	-	-	-	295
Restricted	4,995	10,824	32,168	626	48,613
Committed	-	2,434,728	1,911,849	3,925,964	8,272,541
Unassigned	171,008	-	-	-	171,008
<b>Total fund balance</b>	<b>176,298</b>	<b>2,445,552</b>	<b>1,944,017</b>	<b>3,926,590</b>	<b>8,492,457</b>
<b>Total liabilities and fund balance</b>	<b>\$ 304,315</b>	<b>\$ 2,455,065</b>	<b>\$ 2,973,017</b>	<b>\$ 4,078,441</b>	

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.	2,525,650
Long-term liabilities, including compensated absences, are not due and payable in the current period and therefore are not reported in the funds.	(18,280)
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>\$ 10,853,827</u>

**DOWNTOWN DEVELOPMENT AUTHORITY COMPONENT UNIT**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-**  
**Year Ended December 31, 2012**

	General	Special Revenue	Debt Service	Capital Projects	Totals
<b>REVENUES</b>					
Taxes	\$ 141,096	\$ -	\$ 1,052,502	\$ -	\$ 1,193,598
Intergovernmental	-	28,000	-	-	28,000
Investment income	1,580	13,844	19,786	20,850	56,060
Charges for service	22,800	306,306	-	-	329,106
Miscellaneous	1,019	41,270	-	-	42,289
<b>Total revenues</b>	<b>166,495</b>	<b>389,420</b>	<b>1,072,288</b>	<b>20,850</b>	<b>1,649,053</b>
<b>EXPENDITURES</b>					
Current:					
General government	147,240	335,620	-	938,294	1,421,154
Debt service:					
Principal retired	-	-	3,039,596	-	3,039,596
Interest and fiscal charges	-	-	711	-	711
<b>Total expenditures</b>	<b>147,240</b>	<b>335,620</b>	<b>3,040,307</b>	<b>938,294</b>	<b>4,461,461</b>
Excess of revenues over (under) expenditures	19,255	53,800	(1,968,019)	(917,444)	(2,812,408)
<b>OTHER FINANCING SOURCES (USES)</b>					
Issuance of debt	-	378,096	-	2,661,500	3,039,596
Transfers in	19,319	20,000	-	-	39,319
Transfers out	(20,000)	(2,500)	(16,819)	-	(39,319)
<b>Total other financing sources (uses)</b>	<b>(681)</b>	<b>395,596</b>	<b>(16,819)</b>	<b>2,661,500</b>	<b>3,039,596</b>
Net changes in fund balances	18,574	449,396	(1,984,838)	1,744,056	227,188
<b>FUND BALANCES, January 1</b>	<b>157,724</b>	<b>1,996,156</b>	<b>3,928,855</b>	<b>2,182,534</b>	<b>8,265,269</b>
<b>FUND BALANCE, December 31</b>	<b>\$ 176,298</b>	<b>\$ 2,445,552</b>	<b>\$ 1,944,017</b>	<b>\$ 3,926,590</b>	<b>\$ 8,492,457</b>

Net change in fund balance - component unit	\$ 227,188
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.	1,034,897
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	3,039,596
Principal repayments on loans	(3,039,596)
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.	(6,759)
Change in net position of component unit activities	<u>\$ 1,255,326</u>

CITY OF LONGMONT, COLORADO

Statement G-3

DOWNTOWN DEVELOPMENT AUTHORITY COMPONENT UNIT  
 COMBINING BALANCE SHEET  
 SPECIAL REVENUE FUNDS  
 Year Ended December 31, 2012

	Downtown Development Bldg Permit	Downtown Development CDBG Grant	Downtown Development Marketing	Downtown Development Façade Improvement	Art and Entertainment	Totals
<b>ASSETS</b>						
Equity in pooled cash & cash equivalents	\$ 310,685	\$ -	\$ 217,707	\$ 1,296,757	\$ 575,029	\$ 2,400,178
Cash and cash equivalents	-	29,806	20,340	-	-	50,146
Receivables (net of allowance for uncollectibles):						
Accrued interest	117	-	497	2,889	1,238	4,741
<b>Total assets</b>	<b>\$ 310,802</b>	<b>\$ 29,806</b>	<b>\$ 238,544</b>	<b>\$ 1,299,646</b>	<b>\$ 576,267</b>	<b>\$ 2,455,065</b>
<b>LIABILITIES</b>						
Accounts payable	\$ -	\$ -	\$ 4,034	\$ -	\$ 2,319	\$ 6,353
Accrued Liabilities	-	-	2,371	-	789	3,160
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>6,405</b>	<b>-</b>	<b>3,108</b>	<b>9,513</b>
<b>FUND BALANCE</b>						
Fund balances:						
Restricted	8,335	-	1,691	259	539	10,824
Committed	302,467	29,806	230,448	1,299,387	572,620	2,434,728
<b>Total fund balance</b>	<b>310,802</b>	<b>29,806</b>	<b>232,139</b>	<b>1,299,646</b>	<b>573,159</b>	<b>2,445,552</b>
<b>Total liabilities and fund balance</b>	<b>\$ 310,802</b>	<b>\$ 29,806</b>	<b>\$ 238,544</b>	<b>\$ 1,299,646</b>	<b>\$ 576,267</b>	<b>\$ 2,455,065</b>

**DOWNTOWN DEVELOPMENT AUTHORITY COMPONENT UNIT**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-**  
**SPECIAL REVENUE FUNDS**  
**Year Ended December 31, 2012**

	Downtown Development Bldg Permit	Downtown Development CDBG Grant	Downtown Development Marketing	Downtown Development Façade Improvement	Art and Entertainment	Totals
<b>REVENUES</b>						
Intergovernmental	\$ -	\$ -	\$ 15,000	\$ -	\$ 13,000	\$ 28,000
Investment income	315	15	1,503	8,641	3,370	13,844
Charges for service	277,513	-	-	-	28,793	306,306
Miscellaneous	-	-	39,870	-	1,400	41,270
<b>Total revenues</b>	<b>277,828</b>	<b>15</b>	<b>56,373</b>	<b>8,641</b>	<b>46,563</b>	<b>389,420</b>
<b>EXPENDITURES</b>						
<b>General Governmental</b>	<b>5,500</b>	<b>18</b>	<b>188,930</b>	<b>2,500</b>	<b>138,672</b>	<b>335,620</b>
Excess of revenues over (under) expenditures	272,328	(3)	(132,557)	6,141	(92,109)	53,800
<b>OTHER FINANCING SOURCES (USES)</b>						
Issuance of debt	-	-	146,383	-	231,713	378,096
Transfers in	-	-	20,000	-	-	20,000
Transfers out	(2,500)	-	-	-	-	(2,500)
<b>Total other financing sources (uses)</b>	<b>(2,500)</b>	<b>-</b>	<b>166,383</b>	<b>-</b>	<b>231,713</b>	<b>395,596</b>
Net changes in fund balances	269,828	(3)	33,826	6,141	139,604	449,396
<b>FUND BALANCES, January 1</b>	<b>40,974</b>	<b>29,809</b>	<b>198,313</b>	<b>1,293,505</b>	<b>433,555</b>	<b>1,996,156</b>
<b>FUND BALANCES, December 31</b>	<b>\$ 310,802</b>	<b>\$ 29,806</b>	<b>\$ 232,139</b>	<b>\$ 1,299,646</b>	<b>\$ 573,159</b>	<b>\$ 2,445,552</b>

**DOWNTOWN DEVELOPMENT AUTHORITY COMPONENT UNIT  
DOWNTOWN DEVELOPMENT AUTHORITY GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-  
BUDGET (GAAP BASIS) AND ACTUAL  
Year Ended December 31, 2012**

	Budget	Actual	Variance From Final Budget
<b>REVENUES</b>			
Taxes	\$ 145,869	\$ 141,096	\$ (4,773)
Investment income	2,000	1,580	(420)
Charges for service	22,800	22,800	-
Miscellaneous	-	1,019	1,019
<b>Total revenues</b>	<b>170,669</b>	<b>166,495</b>	<b>(4,174)</b>
<b>EXPENDITURES</b>			
General government	172,953	147,240	25,713
Excess of revenues over (under) expenditures	(2,284)	19,255	21,539
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	19,319	19,319	-
Transfers out	(20,000)	(20,000)	-
<b>Total other financing sources (uses)</b>	<b>(681)</b>	<b>(681)</b>	<b>-</b>
Net changes in fund balances	(2,965)	18,574	21,539
<b>FUND BALANCE, January 1</b>	<b>157,724</b>	<b>157,724</b>	<b>-</b>
<b>FUND BALANCE, December 31</b>	<b>\$ 154,759</b>	<b>\$ 176,298</b>	<b>\$ 21,539</b>

**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, 2012**

	Budget	Actual	Variance From Final Budget
<b>REVENUES</b>			
Investment income	\$ -	\$ 315	\$ 315
Charges for service	20,000	277,513	257,513
<b>Total revenues</b>	20,000	277,828	257,828
<b>EXPENDITURES</b>			
General government	20,000	5,500	14,500
Excess of revenues over expenditures	-	272,328	272,328
<b>OTHER FINANCING (USES)</b>			
Transfers out	(2,500)	(2,500)	-
Net changes in fund balances	(2,500)	269,828	272,328
<b>FUND BALANCE, January 1</b>	40,974	40,974	-
<b>FUND BALANCE, December 31</b>	\$ 38,474	\$ 310,802	\$ 272,328

CITY OF LONGMONT, COLORADO

Schedule G-7

**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, 2012**

	Budget	Actual	Variance From Final Budget
<b>REVENUES</b>			
Investment income	\$ -	\$ 15	\$ 15
Miscellaneous income	-	1,000	1,000
<b>Total revenues</b>	-	1,015	1,015
<b>EXPENDITURES</b>			
General government	-	18	(18)
Excess of revenues over expenditures	-	997	997
<b>FUND BALANCE, January 1</b>	29,809	29,809	-
<b>FUND BALANCE, December 31</b>	\$ 29,809	30,806	\$ 997
<b>Reconciliation to GAAP Basis</b>			
		(1,000)	
		<u>\$ 29,806</u>	

**DOWNTOWN DEVELOPMENT AUTHORITY COMPONENT UNIT  
MARKETING SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-  
BUDGET (GAAP BASIS) AND ACTUAL  
Year Ended December 31, 2012**

	Budget	Actual	Variance From Final Budget
<b>REVENUES</b>			
Intergovernmental	\$ 15,000	\$ 15,000	\$ -
Investment income	-	1,503	1,503
Miscellaneous income	46,377	39,870	(6,507)
<b>Total revenues</b>	<b>61,377</b>	<b>56,373</b>	<b>(5,004)</b>
<b>EXPENDITURES</b>			
General government	393,009	188,930	204,079
Excess of revenues over (under) expenditures	(331,632)	(132,557)	199,075
<b>OTHER FINANCING SOURCES</b>			
Transfers in	20,000	20,000	-
Issuance of debt	146,383	146,383	-
<b>Total other financing sources</b>	<b>166,383</b>	<b>166,383</b>	<b>-</b>
Net changes in fund balances	(165,249)	33,826	199,075
<b>FUND BALANCE, January 1</b>	<b>198,313</b>	<b>198,313</b>	<b>-</b>
<b>FUND BALANCE, December 31</b>	<b>\$ 33,064</b>	<b>\$ 232,139</b>	<b>\$ 199,075</b>



CITY OF LONGMONT, COLORADO

**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, 2012

Schedule G-9

	<b>Budget</b>	<b>Actual</b>	<b>Variance From Final Budget</b>
<b>REVENUES</b>			
Taxes	\$ 1,050,000	\$ 1,052,502	\$ 2,502
Investment income	-	19,786	19,786
<b>Total revenues</b>	<b>1,050,000</b>	<b>1,072,288</b>	<b>22,288</b>
<b>EXPENDITURES</b>			
Principal retired	3,039,596	3,039,596	-
Interest and fiscal charges	5,000	711	4,289
<b>Total expenditures</b>	<b>3,044,596</b>	<b>3,040,307</b>	<b>4,289</b>
Excess of revenues over (under) expenditures	(1,994,596)	(1,968,019)	26,577
<b>OTHER FINANCING (USES)</b>			
Transfers out	(16,819)	(16,819)	-
Net changes in fund balances	(2,011,415)	(1,984,838)	26,577
<b>FUND BALANCE, January 1</b>	<b>3,928,855</b>	<b>3,928,855</b>	<b>-</b>
<b>FUND BALANCE, December 31</b>	<b>\$ 1,917,440</b>	<b>\$ 1,944,017</b>	<b>\$ 26,577</b>

**DOWNTOWN DEVELOPMENT AUTHORITY COMPONENT UNIT**  
**CONSTRUCTION CAPITAL PROJECTS FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET (GAAP BASIS) AND ACTUAL**  
**Year Ended December 31, 2012**

	Budget	Actual	Variance From Final Budget
<b>REVENUES</b>			
Investment income	\$ -	\$ 20,850	\$ 20,850
<b>Total revenues</b>	-	20,850	20,850
<b>EXPENDITURES</b>			
General government	4,797,673	938,294	3,859,379
Excess of revenues over (under) expenditures	(4,797,673)	(917,444)	3,880,229
<b>OTHER FINANCING SOURCES</b>			
Issuance of debt	2,661,500	2,661,500	-
Net changes in fund balances	(2,136,173)	1,744,056	3,880,229
<b>FUND BALANCE, January 1</b>	2,182,534	2,182,534	-
<b>FUND BALANCE, December 31</b>	\$ 46,361	\$ 3,926,590	\$ 3,880,229

**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, 2012**

	<b>Budget</b>	<b>Actual</b>	<b>Variance From Final Budget</b>
<b>REVENUES</b>			
Investment income	\$ -	\$ 8,641	\$ 8,641
<b>Total revenues</b>	<b>-</b>	<b>8,641</b>	<b>8,641</b>
<b>EXPENDITURES</b>			
General government	1,256,750	2,500	1,254,250
Excess of revenues over (under) expenditures	(1,256,750)	6,141	1,262,891
<b>FUND BALANCE, January 1</b>	<b>1,293,505</b>	<b>1,293,505</b>	<b>-</b>
<b>FUND BALANCE, December 31</b>	<b>\$ 36,755</b>	<b>\$ 1,299,646</b>	<b>\$ 1,262,891</b>

**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, 2012**

	Budget	Actual	Variance From Final Budget
<b>REVENUES</b>			
Intergovernmental revenue	\$ -	\$ 13,000	\$ 13,000
Charges for Service	27,200	28,793	1,593
Investment income	-	3,370	3,370
Miscellaneous Income	-	1,400	1,400
<b>Total revenues</b>	<b>27,200</b>	<b>46,563</b>	<b>19,363</b>
<b>EXPENDITURES</b>			
General government	679,243	138,672	540,571
Excess of revenues over (under) expenditures	(652,043)	(92,109)	559,934
<b>OTHER FINANCING SOURCES</b>			
Issuance of debt	231,713	231,713	-
Net changes in fund balances	(420,330)	139,604	559,934
<b>FUND BALANCE, January 1</b>	<b>433,555</b>	<b>433,555</b>	<b>-</b>
<b>FUND BALANCE, December 31</b>	<b>\$ 13,225</b>	<b>\$ 573,159</b>	<b>\$ 559,934</b>



CITY OF LONGMONT, COLORADO

Statistical Section

Index

December 31, 2012

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

<b><u>Contents</u></b>	<b><u>Page</u></b>
<b>Financial Trends</b>	<b>198</b>
These schedules contain trend information to ease understanding of the City's financial position and changes over time.	
Net Position by Component	
Changes in Net Position	
Fund Balances-Governmental Funds	
Changes in Fund Balances-Governmental Funds	
<b>Revenue Capacity</b>	<b>202</b>
These schedules contain information to understand the City's most significant local revenue sources, property tax and sales and use tax.	
Assessed and Estimated Actual Value of Taxable Property	
Property Tax Rates and Tax Levies - Direct and Overlapping Governments	
Principal Property Taxpayers	
Property Tax Levies and Collections	
Sales and Use Tax Revenue by Type of Industry	
Direct and Overlapping Sales Tax Rates	
Principal Sales and Use Tax Payers	
<b>Debt Capacity</b>	<b>209</b>
These schedules offer demographic and economic indicators to help understand the socioeconomic environment within which the City operates.	
Ratios of Outstanding Debt by Type	
Ratio of Net General Obligation (G/O) Bonded Debt to Assessed Value and Net Bonded Debt Per Capita	
Direct and Overlapping Governmental Activities Debt	
Legal Debt Margin Information	
Pledged Revenue Bond Loan Coverage	
<b>Operating Information</b>	
These schedules contain service and infrastructure data to enhance understanding about the services provided by the City.	<b>214</b>
Demographic and Economic Statistics	
Principal Employers	
Full-time Equivalent Employees by Function/Program	
Operating Indicators by Function/Program	
Capital Asset Statistics by Function	

CITY OF LONGMONT, COLORADO

Schedule 1  
Net Position by Component  
Last Ten Fiscal Years

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Governmental activities</b>										
Net investment in capital assets	\$ 111,240,038	\$ 123,623,956	\$ 148,413,953	\$ 247,224,992	\$ 255,023,291	\$ 258,841,455	\$ 268,747,804	\$ 270,382,692	\$ 275,902,207	\$ 281,989,606
Restricted	81,597,725	67,882,305	63,777,532	58,618,824	63,286,907	67,045,402	56,858,647	66,741,761	69,059,013	67,157,981
Unrestricted	27,212,861	42,029,436	37,239,083	40,803,801	41,253,598	36,524,738	40,365,372	32,146,885	30,916,114	31,926,358
<b>Total governmental activities net position</b>	<b>\$ 220,060,624</b>	<b>\$ 233,535,697</b>	<b>\$ 249,450,568</b>	<b>\$ 346,647,617</b>	<b>\$ 359,563,796</b>	<b>\$ 362,411,595</b>	<b>\$ 365,971,823</b>	<b>\$ 369,271,338</b>	<b>\$ 375,877,334</b>	<b>\$ 381,073,945</b>
<b>Business-type activities</b>										
Net investment in capital assets	\$ 359,632,946	\$ 418,102,319	\$ 443,854,331	\$ 457,130,355	\$ 481,563,714	\$ 489,038,783	\$ 493,511,315	\$ 507,056,869	\$ 521,558,060	\$ 524,809,966
Restricted	1,492,606	-	-	-	-	-	9,167,995	18,817,163	19,421,825	14,472,701
Unrestricted	144,473,371	134,599,512	138,212,150	148,894,983	161,368,686	167,593,678	157,873,139	146,541,477	145,887,387	35,837,666
<b>Total business-type activities net position</b>	<b>\$ 505,598,923</b>	<b>\$ 552,701,831</b>	<b>\$ 582,066,481</b>	<b>\$ 606,025,338</b>	<b>\$ 642,932,400</b>	<b>\$ 656,632,461</b>	<b>\$ 660,552,449</b>	<b>\$ 672,415,509</b>	<b>\$ 686,867,272</b>	<b>\$ 575,120,333</b>
<b>Primary government</b>										
Net investment in capital assets	\$ 470,872,984	\$ 541,726,275	\$ 592,268,284	\$ 704,355,347	\$ 736,587,005	\$ 747,880,238	\$ 762,259,119	\$ 777,439,561	\$ 797,460,267	\$ 806,799,572
Restricted	83,090,331	67,882,305	63,777,532	58,618,824	63,286,907	67,045,402	66,026,642	85,558,924	88,480,838	81,630,682
Unrestricted	171,686,232	176,628,948	175,451,233	189,698,784	202,622,284	204,118,416	198,238,511	178,688,362	176,803,501	67,764,024
<b>Total primary government net position</b>	<b>\$ 725,649,547</b>	<b>\$ 796,237,528</b>	<b>\$ 831,497,049</b>	<b>\$ 952,672,955</b>	<b>\$ 1,002,496,196</b>	<b>\$ 1,019,044,066</b>	<b>\$ 1,026,524,272</b>	<b>\$ 1,041,696,847</b>	<b>\$ 1,062,744,606</b>	<b>\$ 966,194,278</b>





Schedule 3  
Fund Balances, Governmental Funds  
Last Ten Fiscal Years

General Fund	2003	2004	2005	2006	2007	2008	2009	2010 (a)	2011	2012
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 211,490	161,082	\$ 327,709
Restricted	-	-	-	-	-	-	-	3,436,907	3,025,111	3,224,558
Committed	-	-	-	-	-	-	-	4,698,499	4,978,762	4,785,126
Assigned	-	-	-	-	-	-	-	995,711	853,145	889,790
Unassigned	-	-	-	-	-	-	-	5,858,268	5,884,527	6,153,177
Reserved	4,202,216	4,928,473	4,807,671	4,337,821	4,506,632	5,095,369	4,075,650	-	-	-
Unreserved	9,373,519	9,574,336	9,092,258	7,397,972	7,476,103	6,568,529	8,065,091	-	-	-
Total general fund	\$13,575,735	\$14,502,809	\$13,899,929	\$11,735,793	\$11,982,735	\$11,663,898	\$12,140,741	\$15,200,875	\$14,902,627	\$15,380,360
All Other Governmental Funds										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 48,596	58,461	\$ 39,718
Restricted	-	-	-	-	-	-	-	62,458,573	66,036,493	63,894,630
Committed	-	-	-	-	-	-	-	3,528,546	2,748,623	2,219,873
Unassigned	-	-	-	-	-	-	-	-	-	(84,392)
Reserved	39,407,175	27,930,909	35,808,584	37,698,742	32,353,892	32,476,928	26,385,055	-	-	-
Unreserved, reported in:										
Special revenue funds	37,848,506	35,276,952	20,987,322	20,583,382	31,070,480	30,664,909	27,193,080	-	-	-
Capital projects funds	6,614,687	8,095,410	8,222,365	5,957,055	4,889,877	4,967,815	4,033,587	-	-	-
Total all other governmental funds	\$83,870,368	\$71,303,271	\$65,018,271	\$64,239,179	\$68,314,249	\$68,109,652	\$57,611,722	\$66,035,715	\$68,843,577	\$66,069,829

(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.

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

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Revenues</b>										
Taxes	\$ 54,623,122	\$ 57,934,577	\$ 59,039,053	\$ 60,387,660	\$ 66,342,886	\$ 66,962,789	\$ 63,923,719	\$ 66,696,676	\$ 69,594,868	\$ 71,388,956
Licenses and permits	11,688,274	12,034,982	11,480,669	6,461,681	6,319,585	2,785,437	1,519,378	3,149,131	2,852,843	5,140,350
Developer/owner participation	1,987,336	3,050,303	1,116,032	1,434,799	2,032,823	629,496	2,533,001	1,143,047	634,951	1,233,382
Intergovernmental	4,834,217	6,591,580	6,459,758	7,592,786	7,613,336	5,649,691	7,530,226	5,354,292	9,658,445	6,563,036
Charges for services	9,735,558	10,207,341	10,542,033	10,863,269	10,386,406	10,572,260	10,914,591	13,070,916	12,749,635	13,327,419
Fines and forfeits	672,075	643,519	721,163	755,870	796,912	1,140,815	1,479,993	1,551,177	1,461,305	1,523,237
Investment income	1,486,881	1,248,166	2,097,944	3,948,365	5,019,535	4,899,613	1,148,839	915,661	872,429	603,458
Other Revenues	1,205,751	2,366,467	666,012	1,133,657	756,318	1,260,921	862,381	756,224	1,432,450	1,395,962
<b>Total revenues</b>	<b>86,233,214</b>	<b>94,076,935</b>	<b>92,122,664</b>	<b>92,578,087</b>	<b>99,267,801</b>	<b>93,901,022</b>	<b>89,912,128</b>	<b>92,637,124</b>	<b>99,256,926</b>	<b>101,175,800</b>
<b>Expenditures</b>										
General government	15,981,841	16,822,872	20,452,477	21,645,074	20,945,076	24,066,704	19,772,116	19,157,561	21,838,334	25,480,536
Public safety	22,706,869	25,005,135	27,732,979	27,970,863	28,989,750	32,278,720	34,855,013	33,073,119	35,454,207	36,097,088
Highways and streets	16,170,657	17,600,477	16,194,259	21,469,617	17,553,984	15,407,398	17,685,686	13,345,985	15,201,301	17,659,757
Culture and recreation	20,543,475	18,194,180	19,395,501	17,721,843	15,055,606	15,526,255	21,097,271	22,624,470	16,166,215	18,572,576
Municipal utility systems	11,680,138	20,000,128	9,537,748	3,267,866	1,855,661	4,231,950	1,689,899	3,707,650	452,416	841,556
Capital outlay	1,700,255	1,952,544	1,578,830	4,271,369	3,101,154	1,524,043	2,733,830	893,318	2,193,219	3,375,563
Debt Service										
Principal retired	1,315,000	2,290,000	2,360,000	2,440,000	2,530,000	2,620,000	2,725,000	1,690,000	2,840,000	2,975,000
Bond issuance costs	-	-	-	-	-	-	-	408,421	-	-
Interest and fiscal charges	2,473,273	2,357,977	2,277,184	1,905,092	1,962,756	1,919,846	1,761,168	1,362,961	2,112,015	1,927,339
<b>Total expenditures</b>	<b>92,571,508</b>	<b>104,223,313</b>	<b>99,528,978</b>	<b>100,691,724</b>	<b>91,993,987</b>	<b>97,574,916</b>	<b>102,319,983</b>	<b>96,263,485</b>	<b>96,257,707</b>	<b>106,929,415</b>
Excess of revenues over (under) expenditures	(6,338,294)	(10,146,378)	(7,406,314)	(8,113,637)	7,273,814	(3,673,894)	(12,407,855)	(3,626,361)	2,999,219	(5,753,615)
<b>Other Financing Sources (Uses)</b>										
Proceeds from leases	-	-	101,864	-	-	-	-	74,088	-	3,195,823
Transfers in	19,605,994	682,273	1,351,285	472,612	1,349,500	822,968	1,990,519	689,210	1,207,868	1,953,999
Transfers out	(2,021,355)	(2,554,597)	(934,715)	(1,112,389)	(3,145,133)	(832,508)	(1,885,997)	(847,551)	(1,697,473)	(1,692,222)
Payment to bond refunding escrow agent	-	-	-	(19,075,319)	-	-	-	(14,732,432)	-	-
Proceeds from issuance of long-term debt	-	-	-	17,375,000	-	3,160,000	2,282,246	29,770,000	-	-
Premium on issuance of long-term debt	-	-	-	1,519,835	-	-	-	177,173	-	-
<b>Total other financing sources (uses)</b>	<b>17,584,639</b>	<b>(1,872,324)</b>	<b>518,434</b>	<b>(820,261)</b>	<b>(1,795,633)</b>	<b>3,150,460</b>	<b>2,386,768</b>	<b>15,110,488</b>	<b>(489,605)</b>	<b>3,457,600</b>
<b>Net change in fund balances</b>	<b>\$ 11,246,345</b>	<b>\$ (12,018,702)</b>	<b>\$ (6,887,880)</b>	<b>\$ (8,933,898)</b>	<b>\$ 5,478,181</b>	<b>\$ (523,434)</b>	<b>\$(10,021,087)</b>	<b>\$ 11,484,127</b>	<b>\$ 2,509,614</b>	<b>\$ (2,296,015)</b>
Debt service as a percentage of noncapital expenditures	5%	6%	6%	6%	6%	6%	6%	3%	6%	6%

CITY OF LONGMONT, COLORADO

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

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

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

(b) For tax levy years 2003 through 2011, collection years 2004 through 2012, 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

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

LEVY YEAR	COLLECTION YEAR	GENERAL FUND	SPECIAL REVENUE FUNDS	COMPONENT UNIT	COMPONENT UNIT (DEBT SERVICE)	SCHOOL DISTRICT	BOULDER COUNTY	ST. VRAIN LEFT-HAND WATER	NO. COLO. WATER CONS.	LONGMONT RURAL FIRE	RATES (a)	
											TAX	LEVIES
2002	2003	13,420	10,108	82,575	41,025	20,087	0.245	1,000	8,577			
2003	2004	13,420	10,108	81,923	40,374	20,088	0.243	1,000	8,417			
2004	2005	13,420	10,108	82,804	40,089	21,267	0.230	1,000	8,397			
2005	2006	13,420	10,108	83,289	39,982	21,867	0.222	1,000	8,257			
2006	2007	13,420	10,108	81,934	38,035	22,467	0.214	1,000	8,137			
2007	2008	13,420	10,108	81,680	37,798	22,467	0.197	1,000	7,937			
2008	2009	13,420	10,108	90,764	46,285	23,067	0.194	1,000	11,747			
2009	2010	13,420	10,108	91,337	46,268	23,667	0.184	1,000	11,747			
2010	2011	13,420	10,108	92,884	46,837	24,645	0.184	1,000	11,747			
2011	2012	13,420	10,108	93,661	47,614	24,645	0.184	1,000	11,747			
LEVY YEAR	COLLECTION YEAR	GENERAL FUND	SPECIAL REVENUE FUNDS	COMPONENT UNIT	COMPONENT UNIT (DEBT SERVICE)	SCHOOL DISTRICT	BOULDER COUNTY	ST. VRAIN LEFT-HAND WATER	NO. COLO. WATER CONS.	LONGMONT RURAL FIRE	TAX	LEVIES
2002	2003	11,643,381	195,910	697,761	64,787,964	90,859,290	290,964	3,762,094	2,229,895	2,229,895	64,787,964	90,859,290
2003	2004	12,619,238	188,451	748,332	68,430,604	94,356,356	307,193	4,035,562	2,268,931	2,268,931	68,430,604	94,356,356
2004	2005	12,927,716	215,110	770,713	71,126,342	100,896,978	297,971	4,352,070	2,328,367	2,328,367	71,126,342	100,896,978
2005	2006	13,037,177	151,921	906,912	75,015,501	108,354,720	290,063	4,538,972	2,422,949	2,422,949	75,015,501	108,354,720
2006	2007	13,445,358	243,486	830,000	76,054,018	112,630,364	287,231	4,593,229	2,621,708	2,621,708	76,054,018	112,630,364
2007	2008	14,461,571	180,854	987,419	82,991,157	124,745,065	285,477	5,062,766	2,802,166	2,802,166	82,991,157	124,745,065
2008	2009	14,568,772	183,782	1,138,267	103,735,943	129,119,905	283,148	5,146,619	4,265,886	4,265,886	103,735,943	129,119,905
2009	2010	14,512,552	137,562	1,226,379	109,750,435	137,564,655	269,174	5,347,290	4,609,169	4,609,169	109,750,435	137,564,655
2010	2011	14,497,504	144,963	1,141,317	109,549,655	142,564,068	267,964	5,322,753	4,390,298	4,390,298	109,549,655	142,564,068
2011	2012	13,921,660	134,350	1,274,966	111,206,275	138,085,156	254,892	5,164,277	4,216,529	4,216,529	111,206,275	138,085,156

(a) Figure represents a specific mill levy.

**NOTES TO THIS SCHEDULE:**

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

CITY OF LONGMONT, COLORADO

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

Taxpayer	2012			2003		
	2011 Assessed Value	Rank	Percentage of Total Assessed Value	2002 Assessed Value	Rank	Percentage of Total Assessed Value
AMGEN INC	27,990,962	1	2.67%	37,708,413	1	4.55%
SEAGATE TECHNOLOGY LLC	19,799,808	2	1.89	9,529,090	4	1.15
CIRCLE CAPITAL LONGMONT LLC	19,550,613	3	1.86	27,398,600	2	3.30
XILINX INC	15,109,683	4	1.44	9,383,170	6	1.13
HUB PROPERTIES TRUST	11,231,319	5	1.07			
RAMCO-GERSHENSON PROPERTIES LP	9,655,458	6	0.92			
QWEST CORPORATION	6,424,431	7	0.61	9,395,250	5	1.13
BASS CREEKSIDE LP	5,505,215	8	0.52			
DIGITALGLOBE INC	5,009,738	9	0.48			
NMMS TWIN PEAKS LLC	4,930,000	10	0.47			
MAXTOR CORPORATION				10,534,730	3	1.27
SEAGATE PERIPHERALS				9,080,460	7	1.09
TWIN PEAKS MALL				7,930,220	8	0.96
K/B FUND IV				5,640,940	9	0.68
LM VENTURE LLC				4,925,358	10	0.59
Total Taxable Assessed Value of 10 Largest Taxpayers	125,207,227		11.93	131,526,231		15.87
Total Taxable Assessed Value of Other Taxpayers	924,115,762		88.07	697,813,459		84.13
Total Taxable Assessed Value All Taxpayers	1,049,322,989		100%	829,339,690		100%

Source: Boulder and Weld Counties Assessors' Offices.

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

LEVY YEAR	COLLECTION YEAR	TOTAL TAX LEVY	CURRENT TAX COLLECTIONS	PERCENT OF LEVY COLLECTED	DELINQUENT TAX COLLECTIONS	TOTAL TAX COLLECTIONS	COLLECTIONS AS % OF CURRENT LEVY	OUTSTANDING DELINQUENT TAXES (a)
2002	2003	11,643,381	11,420,707	98.1	(18,890) (b)	11,401,817	97.9	-
2003	2004	12,619,238	12,459,430	98.7	(6,779) (b)	12,452,651	98.7	-
2004	2005	12,927,716	12,730,641	98.5	3,852	12,734,493	98.5	-
2005	2006	13,037,177	12,849,208	98.6	7,168	12,856,376	98.6	-
2006	2007	13,445,358	13,286,992	98.8	9,040	13,296,032	98.9	-
2007	2008	14,461,571	14,274,137	98.7	(21,130) (b)	14,253,007	98.6	-
2008	2009	14,568,772	14,398,968	98.8	3,587	14,402,555	98.9	-
2009	2010	14,512,552	14,297,043	98.5	(204) (b)	14,296,839	98.5	-
2010	2011	14,497,504	14,263,350	98.4	(7,257) (b)	14,256,093	98.3	-
2011	2012	13,921,660	13,709,639	98.5	(3,527) (b)	13,706,112	98.5	-

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

LEVY YEAR	COLLECTION YEAR	TOTAL COMPONENT UNITS LEVY	CURRENT COMPONENT UNITS COLLECTIONS	PERCENT OF LEVY COLLECTED	DELINQUENT COMPONENT UNITS COLLECTIONS	TOTAL COMPONENT UNITS COLLECTIONS	COLLECTIONS AS % OF CURRENT LEVY	OUTSTANDING DELINQUENT COMPONENT UNITS (a)
2002	2003	893,671	860,143	96.2	(23) (b)	860,120	96.2	-
2003	2004	936,783	921,365	98.4	(4,964) (b)	916,401	97.8	-
2004	2005	985,823	917,046	93.0	(5,294) (b)	911,752	92.5	-
2005	2006	1,058,833	1,068,347	100.9	157	1,068,504	100.9	-
2006	2007	1,073,486	1,017,953	94.8	390	1,018,343	94.9	-
2007	2008	1,168,273	1,139,951	97.6	(3,538) (b)	1,136,413	97.3	-
2008	2009	1,322,049	1,305,319	98.7	15,317	1,320,636	99.9	-
2009	2010	1,363,941	1,394,925	102.3	1,388	1,396,313	102.4	-
2010	2011	1,286,280	1,323,392	102.9	(8,302) (b)	1,315,091	102.2	-
2011	2012	1,409,316	1,268,133	90.0	856	1,268,989	90.0	-

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

(b) Refunds exceeded delinquent collection.

CITY OF LONGMONT, COLORADO

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

Fiscal Year	Apparel	Automotive	Food	Home Furnishings	General	Lodging	Lumber	Professional
2003	372,240	3,092,709	8,831,450	869,095	6,385,701	325,006	4,608,520	680,953
2004	420,150	3,097,411	9,354,205	933,287	6,486,364	336,099	5,357,676	1,071,522
2005	432,308	3,036,678	9,638,225	892,846	6,456,076	354,880	5,445,677	800,456
2006	609,552	2,840,122	10,252,906	1,027,138	6,980,816	457,225	5,065,157	747,533
2007	839,213	3,430,079	11,790,777	1,523,002	8,291,250	596,018	4,604,885	990,158
2008	811,706	3,076,830	12,351,545	1,487,700	8,102,502	575,018	4,153,626	904,306
2009	769,069	2,807,423	12,088,918	1,437,616	7,720,534	448,409	3,217,098	1,155,241
2010	746,975	2,945,326	12,476,116	1,373,172	7,942,717	473,031	3,761,323	1,246,112
2011	774,340	3,068,086	13,000,438	1,476,168	8,150,497	461,948	3,485,393	1,763,230
2012	815,281	3,303,646	14,003,561	1,462,990	8,232,737	509,432	4,629,605	1,152,575

Public Utility	Unclassified	Home Occupation	Manufacturing	Motor Vehicle Use Tax	Accrual	Total Sales and Use Tax	Total Direct Tax Rate
3,014,635	3,525,230	105,949	3,100,686	2,394,008	417,330	37,723,512	2.950
3,290,629	3,852,203	108,536	2,922,377	2,350,929	137,623	39,719,011	2.950
3,536,095	4,202,317	117,698	2,988,974	2,292,204	32,507	40,226,941	2.950
3,805,012	4,632,152	149,508	2,514,798	2,196,392	19,624	41,297,935	2.950
4,156,688	5,023,128	149,529	2,285,236	2,495,494	544,267	46,719,724	3.275
4,425,770	4,785,132	154,285	2,927,119	2,458,566	(101,463)	46,112,643	3.275
4,327,560	4,253,903	139,145	2,266,143	2,053,947	(117,625)	42,567,381	3.275
4,611,287	4,890,472	133,207	1,835,299	2,140,629	338,965	44,914,631	3.275
4,932,655	5,259,301	153,155	2,280,349	2,386,969	268,412	47,460,941	3.275
4,878,682	4,888,656	165,709	2,575,958	2,683,787	422,441	49,725,060	3.275

CITY OF LONGMONT, COLORADO

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

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

Sources: City of Longmont Sales and Use Tax Reports



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

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Aggregate top ten filers <sup>1</sup>	\$ 12,587,014	\$ 13,113,576	\$ 13,330,649	\$ 12,478,376	\$ 14,231,545	\$ 14,314,666	\$ 12,735,201	\$ 13,768,827	\$ 14,396,809	\$ 15,894,438
Aggregate all other filers	25,136,498	26,605,435	26,896,292	28,819,559	32,488,179	31,797,977	29,832,160	31,145,804	33,064,132	33,830,622
Total sales and use tax	\$ 37,723,512	\$ 39,719,011	\$ 40,226,941	\$ 41,297,935	\$ 46,719,724	\$ 46,112,643	\$ 42,567,381	\$ 44,914,631	\$ 47,460,941	\$ 49,725,060
Top ten filers as a percentage of total tax	33.37%	33.02%	33.14%	30.22%	30.46%	31.04%	29.92%	30.66%	30.33%	31.96%

<sup>1</sup> Colorado State Statutes and City of Longmont Ordinances prohibit disclosure of individual sales and use tax returns, therefore the current year top ten filers are listed in alphabetical order as follows: Boulder County, City of Longmont Building Permits, City of Longmont Utilities, Home Depot # 521, King Soopers # 102, King Soopers # 80, Seagate Technology LLC, Target Stores, Wal-Mart Supercenter #5370, Wal-Mart Supercenter #905.

Source: City of Longmont Sales and Use Tax Reports

CITY OF LONGMONT, COLORADO

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

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

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

CITY OF LONGMONT, COLORADO

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

FISCAL YEAR	POPULATION (a)	ASSESSED VALUE (b)	GROSS BONDED DEBT (c)	LESS: DEBT PAY-ABLE FROM ENTERPRISE REVENUES	NET GOVERNMENTAL BONDING OBLIGATION BOND DEBT	RATIO OF NET G/O BONDED DEBT TO ASSESSED VALUE	NET G/O BONDED DEBT PER CAPITA
2003	79,321	867,614,052	9,335,000	-	9,335,000	0.0108	117.69
2004	81,169	940,330,671	8,410,000	-	8,410,000	0.0089	103.61
2005	82,798	963,317,110	7,470,000	-	7,470,000	0.0078	90.22
2006	84,636	971,473,670	6,500,000	-	6,500,000	0.0067	76.80
2007	85,762	1,001,889,530	5,505,000	-	5,505,000	0.0055	64.19
2008	86,194	1,076,592,290	4,480,000	-	4,480,000	0.0042	51.98
2009	86,303	1,085,601,490	3,425,000	-	3,425,000	0.0032	39.69
2010	87,461	1,094,937,000	2,325,000	-	2,325,000	0.0021	26.58
2011	87,850	1,092,774,821	1,185,000	-	1,185,000	0.0011	13.49
2012	87,854	1,049,322,989	-	-	-	-	-

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

CITY OF LONGMONT, COLORADO

**Schedule 14**  
**Direct and Overlapping Governmental Activities Debt**  
**As of December 31, 2012**

Governmental Unit	Direct Debt Outstanding	Percentage Applicable To City of Longmont (a)	Estimated Share of Overlapping Debt
Overlapping:			
St. Vrain Valley School District <sup>1</sup>	\$ 424,925,000	44.87%	\$ 190,663,848
Northern Colorado Water Conservancy District <sup>2</sup>	4,657,276	7.29%	<u>339,515</u>
Subtotal, overlapping debt			191,003,363
City of Longmont	49,093,502	100.00%	<u>49,093,502</u>
Total Direct & Overlapping Debt			<u><u>\$ 240,096,865</u></u>

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

Sources:

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

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

Legal Debt Margin Calculation for Fiscal Year 2012

	\$8,481,961,962
	254,458,859
	\$0
	254,458,859

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Debt Limit	\$ 193,512,985	\$ 232,540,123	\$ 239,813,710	\$ 244,291,416	\$ 252,410,087	\$ 269,365,309	\$ 272,149,250	\$ 264,574,063	264,875,278	254,458,859
Total net debt applicable to limit	9,335,000	8,410,000	7,470,000	6,500,000	5,505,000	4,480,000	3,425,000	2,325,000	1,885,000	-
Legal debt margin	\$ 184,177,985	\$ 224,130,123	\$ 232,343,710	\$ 237,791,416	\$ 246,905,087	\$ 264,885,309	\$ 268,724,250	\$ 262,249,063	263,690,278	254,458,859

	4.82%	3.62%	3.11%	2.66%	2.18%	1.66%	1.26%	0.88%	0.45%	0.00%
Total net debt applicable to the limit as a percentage of debt limit										

CITY OF LONGMONT, COLORADO

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

FISCAL YEAR	GROSS RESOURCES (a)	EXPENSES (b)	AVAILABLE FOR DEBT SERVICE (c)		INTEREST	TOTAL	COVERAGE
			PRINCIPAL				
SEWER REVENUE BONDS/LOANS							
2003	9,688,169	5,785,555	3,902,614	182,677	123,383	306,060	12.75
2004	9,567,737	5,853,779	3,713,958	185,060	114,723	299,783	12.39
2005	9,112,655	6,083,051	3,029,604	187,696	105,681	293,377	10.33
2006	8,937,184	6,503,859	2,433,325	190,649	96,175	286,824	8.48
2007	8,752,680	6,269,116	2,483,564	193,945	86,212	280,157	8.86
2008	7,850,829	6,287,988	1,562,841	197,401	75,946	273,347	5.72
2009	7,706,486	5,944,889	1,761,597	200,973	65,403	266,376	6.61
2010	7,912,372	6,286,145	1,626,227	204,672	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
WATER BONDS/LOANS							
2003	19,735,437	6,250,710	13,484,727	-	351,597	351,597	38.35
2004	20,568,016	6,741,389	13,826,627	630,528	575,645	1,206,173	11.46
2005	19,570,632	7,133,157	12,437,475	645,528	562,920	1,208,448	10.29
2006	18,959,711	7,116,212	11,843,499	670,528	549,895	1,220,423	9.70
2007	19,591,353	8,044,452	11,546,901	660,528	536,612	1,197,140	9.65
2008	17,232,818	8,881,027	8,351,791	685,530	523,082	1,208,612	6.91
2009	12,859,723	8,615,808	4,243,915	700,528	508,877	1,209,405	3.51
2010	13,467,464	8,436,911	5,030,553	950,853	489,439	1,440,292	3.49
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
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
SERIES 2010A&B OPEN SPACE SALES AND USE TAX REVENUE BONDS							
		<u>Open Space Sales and Use Tax Revenues</u>		<u>Maximum Annual Debt Service on Bonds</u>			<u>Coverage</u>
2003		2,557,525		1,848,000			1.38
2004		2,692,816		1,848,000			1.46
2005		2,727,250		1,848,000			1.48
2006		2,799,862		1,848,000			1.52
2007		2,853,231		1,848,000			1.54
2008		2,816,040		1,848,000			1.52
2009		2,606,718		1,848,000			1.41
2010		2,722,178		2,056,507 (d)			1.32
2011		2,882,395		2,056,507			1.40
2012		3,010,578		2,056,507			1.46
SERIES 2006 SALES AND USE TAX REFUNDING REVENUE BONDS							
		<u>Pledged Sales and Use Tax Revenues</u>		<u>Maximum Annual Debt Service on Bonds</u>			<u>Coverage</u>
2006		\$ 27,998,620		\$ 2,786,150			10.05
2007		28,532,328		2,786,150			10.24
2008		27,523,978		2,786,150			9.88
2009		26,067,719		2,786,150			9.36
2010		27,221,782		2,786,150			9.77
2011		28,823,947		2,786,150			10.35
2012		30,105,775		2,786,150			10.81

- (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.

CITY OF LONGMONT, COLORADO

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

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

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

CITY OF LONGMONT, COLORADO

Schedule 18  
Principal Employers  
Current Year and Nine Years Ago

Employer	2012			2003		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
St. Vrain Valley Schools	3,364	1	6.7%			
Seagate Technology	1,245	2	2.5%	1,250	1	3.0%
Longmont United Hospital	1,238	3	2.5%			
City of Longmont	828	4	1.6%			
Intrado	793	5	1.6%	600	4	1.4%
Digital Globe	762	6	1.5%	300	8	0.7%
Amgen	707	7	1.4%	530	6	1.3%
Federal Aviation Administration	484	8	1.0%	405	7	
Crocs, Inc.	433	9	0.9%			
McLane Western	362	10	0.7%	535	5	1.3%
Butterball, LLC				950	2	2.3%
Maxtor Colorado				925	3	2.2%
Xilinx				300	9	0.7%
Times-Call				275	10	0.7%
Total	<u>10,216</u>		<u>20.3%</u>	<u>6,070</u>		<u>13.7%</u>

Source: Longmont Area Economic Council



CITY OF LONGMONT, COLORADO

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

<u>Function/Program</u>	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General Government										
City Administration	38	37	37	37	37	35	36	30	31	31
Finance	103	82	80	82	82	81	80	86	88	88
Public Safety										
Police	147	148	157	157	174	179	185	173	171	171
Fire	86	86	86	86	91	97	96	92	91	91
Shared	-	19	20	20	21	22	23	30	29	31
Community Development										
Parks, Open Space and Public Works	165	161	165	81 *	79	80	78	75	59	59
Planning	12	12	12	12	13	11	11	14	14	14
Building Inspection/Code Enforcement	18	15	15	15	15	13	12	11	13	12
Community Services										
Library	41	41	41	41	41	39	39	39	37	37
Museum	8	8	8	8	8	8	8	7	7	7
Recreation	22	20	22	22	22	21	22	21	21	21
Senior Services	7	7	7	7	7	7	7	7	7	7
Children and Youth Services	8	8	6	6	8	7	6	6	8	8
Community Services Administration	11	10	10	10	10	12	12	11	12	13
Public Works and Water Utilities	99	92	92	175 *	176	169	163	157	169	168
Power and Communications	65	65	68	70	70	71	70	73	73	73
<b>Total</b>	830	811	826	829	854	850	846	832	829	831

Source: City Budget Office

\* Public Works reorganization

CITY OF LONGMONT, COLORADO

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

<u>Function/Program</u>	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Police</b>										
DUI Arrests	522	431	422	310	381	317	270	288	268	329
Traffic Violations	7,930	7,120	7,288	6,818	9,438	9,261	10,524	11,132	9,163	8,903
Case Clearance Rate	92%	73%	76%	85%	75%	68%	65%	42%	44%	40%
<b>Fire</b>										
Emergency Responses	3,128	3,174	3,318	3,263	3,681	6,638	6,772	7,007	6,788	7,918
Inspections	n/a	n/a	459	860	704	1,206	1,429	1,336	277	2,360
Fires Extinguished	519	474	165	216	161	228	72	156	102	190
Call Response Time										
< 5 mins	85%	86%	43% (a)	73%	71%	75%	51%	0%	67%	47%
> 5 mins	15%	14%	57%	27%	29%	25%	49%	0%	33%	53%
<b>Public Works</b>										
Streets Resurfaced (Miles)	8.21	8.72	8.47	8.43	7.09	8.10	10.54	8.75	8.90	15.90
<b>Parks and Recreation</b>										
<b>Library</b>										
Total Circulation	1,009,992	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
Total Items Added	23,373	25,118	26,161	20,446	23,379	24,330	22,170	22,933	19,502	18,084
Patrons Visits	262,781	275,504	229,144	352,286	326,289	458,469	580,767	531,139	584,119	650,526
<b>Museum</b>										
Total People Served	55,335	55,498	61,339	63,216	63,700	71,831	71,443	70,009	71,077	62,024
<b>Golf</b>										
Rounds of Golf	108,952	109,313	104,286	102,478	105,800	100,488	96,108	89,517	88,607	100,958
<b>Water</b>										
New connections	1,541	424	299	2,626	350	116	506	-	62	330
Water main breaks	40	71	36	39	40	23	23	25	26	38
Average daily consumption (mgd)	14.52	14.07	15.48	16.45	16.33	15.95	13.66	14.51	15.53	15.45
<b>Wastewater</b>										
Average daily sewage treatment (mgd)	8.12	8.22	8.35	7.85	8.21	7.63	7.31	7.22	6.97	6.71
<b>Power and Communications</b>										
Customers	33,489	34,389	35,080	35,561	35,906	36,231	36,383	36,683	36,809	37,107
Meter Reading Accuracy	99.97%	99.98%	99.91%	99.92%	99.93%	99.94%	99.94%	99.90%	99.90%	99.90%

Source: Various city departments

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

CITY OF LONGMONT, COLORADO

Schedule 21  
Capital Assets Statistics by Function  
Last Ten Fiscal Years

<u>Function/Program</u>	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol Vehicles	53	55	58	64	66	68	70	63	63	62
Fire										
Stations	5	5	5	5	5	5	5	5	5	6
Public Works										
Street (miles)	305	307	312	315	315	315	319	319	330	330
Traffic Signals	6,014	6,222	6,658	6,991	7,109	7,204	7,228	7,228	7,355	7,402
Parks and Recreation										
Parks	38	44	44	44	44	44	44	44	44	47
Park, trail and open space acreage	3,731	3,727	3,727	3,727	3,727	3,727	5,213	5,213	5,213	4,676
Libraries	1	1	1	1	1	1	1	1	1	1
Number of Volumes	272,461	283,314	299,519	298,897	300,093	295,723	292,299	283,758	277,279	270,176
Museum	1	1	1	1	1	1	1	1	1	1
Swimming Pools	5	5	5	5	5	5	5	5	5	5
Golf Courses	3	3	3	3	3	3	3	3	3	3
Water										
Water mains (miles)	418	424	424	437	439	441	442	441	443	443
Water connections	24,505	25,063	25,569	26,075	25,919	26,035	26,541	-	26,603	26,933
Wastewater										
Sanitary sewer (miles)	314	318	318	323	325	328	328	326	328	328
Wastewater connections	24,488	24,314	24,842	25,538	25,192	25,795	26,147	-	25,875	26,067
Power and Communications										
Substations	6	6	6	6	7	7	7	7	7	7

Source: Various city departments

CITY OF LONGMONT, COLORADO

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - YEAR ENDED DECEMBER 31, 2012

	Federal CFDA Number	Pass-through Grantor's Number	Program or Award Amount	Revenue Recognized	Federal Expenditures
<b>Department of Housing and Urban Development</b>					
<b>Development</b>					
Community Development					
2009	14.218	09-MC-08-0011	542,538	113,193	113,668
2010	14.218	10-MC-08-0011	587,398	72,631	67,961
2011	14.218	11-MC-08-0011	493,401	147,853	134,389
2012	14.218	12-MC-08-0011	532,458	234,061	257,875
Total Community Development Block Grant				567,739	573,892
HOME Consortium Grant 2010	14.239	M-10-DC-08-0202	307,579	-	4,614
HOME Consortium Grant 2011	14.239	M-11-DC-08-0202	274,292	20,000	-
HOME Consortium Grant 2012	14.239	M-12-DC-08-0202	204,558	72,256	199,876
HOME STATE Grant 2009 (Passed through Division of Housing)	14.239	H9-HOM-08-039T	245,300	2,800	2,800
Total HOME Grants				95,056	207,290
TOTAL Department of Housing and Urban Development				662,795	781,182
<b>US Department of Justice</b>					
Longmont Ending Domestic Violence Initiative	16.738	11-DJ-03-8-3	46,758	45,856	45,856
Edward Byrne Memorial Justice Assistance Grant	16.738	2010-H5468-CO-DJ	45,233	8,687	8,687
Edward Byrne Memorial Justice Assistance Grant	16.738	2011-H3394-CO-DJ	38,985	26,976	26,976
Edward Byrne Memorial Justice Assistance Grant	16.738	2012-H1105-CO-DJ	30,817	1,104	1,104
Bullet Proof Vest Partnership Program	16.607	N/A	8,453	8,453	8,453
School Based Restorative Justice Project	16.738	11-DJ-03-14-3	42,667	34,615	34,615
School Based Restorative Justice Project	16.738	2012-DJ-12-000119-03-4	34,560	-	7,321
Internet Crimes Against Children	16.543	2009-MC-CX-K011	7,317	5,597	5,597
Victims of Crime Act - VOCA	16.575	29-VA-20-121	32,577	32,577	32,577
Total US Department of Justice				163,865	171,186
<b>US Department of Transportation</b>					
Passed through the Colorado Department of Transportation					
Federal Hazard Elimination Program	20.205	SHO-M820-014	270,000	86,431	86,431
Vance Brand Municipal Airport - (FAA Grant)	20.106	DOT-FA10NM-1095	150,000	4,496	4,496
Station Area Master Plan (STAMP)-(CMAQ Grant passed through RTD)	20.200	CO-95-X001-01	90,000	37,325	30,159
Airport Improvement Grant - Taxiway "B" (FAA Grant)	20.106	DOT-FA12MN-1007	600,000	173,509	173,509
Click It of Ticket	20.600	FO211015446	4,000	4,000	4,000
Click It of Ticket	20.600	FO211016534	2,200	2,200	2,200
Total US Department of Transportation				307,961	300,795
<b>National Park Service</b>					
Historical and Architectural Surveying	15.904	CO-10-018	24,650	200	200
Total National Park Service				200	200
<b>USDA Forest Services</b>					
Passed through Colorado State University					
Colorado Forest Restoration -Rattlesnake Gulch	10.664	1929300-BC2	60,000	60,000	60,000
Total USDA Forest Services				60,000	60,000
<b>US Department of Homeland Security</b>					
Northern Central Region - Equipment	97.067	10SHS11NCR	59,207	59,207	59,207
Emergency Management Performance Grant (Left Hand Creek)	97.029	12EM715128	3,000,000	2,516,937	2,516,937
Emergency Management Performance Grant	97.042	12EM-13-128	48,200	48,200	48,200
Total US Department of Homeland Security				2,624,344	2,624,344
<b>US Department of Energy</b>					
ARRA-Energy Efficiency and Conservation Block Grant	81.128	DE-SC0003132	785,100	369,874	369,874
Total US Department of Energy				369,874	369,874
Total Federal Assistance				\$ 4,189,039	\$ 4,307,581

CITY OF LONGMONT, COLORADO

NOTES TO SCHEDULE OF FEDERAL AWARDS  
Year Ended December 31, 2012

**CITY OF LONGMONT, COLORADO**  
**Notes to Schedule of Federal Awards**  
**Year Ended December 31, 2012**

**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, 2012. 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-recipient</u>
Community Development Block Grant	14.218	\$138,532
HOME Program	14.239	43,342

**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>
Northern Central Region – Equipment Grant	97.067	\$59,207

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

**Year Ended December 31, 2012**

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Number	Comment	Status	Corrective Action or Other Explanation
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None reported



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

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

We have audited, 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, 2012, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated May 16, 2013. The financial statements of the City for the year ended December 31, 2011 were restated due to the implementation of Governmental Accounting Standards Board Statement No. 61, *The Financial Reporting Entity: Omnibus an amendment of GASB Statement Nos. 14, and 34*.

**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  
May 16, 2013





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

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

**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, 2012. 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, 2012.

## 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.

The image shows a handwritten signature in cursive script that reads "McGladrey LLP".

Denver, Colorado  
May 16, 2013

**City of Longmont, Colorado**

**Schedule of Findings and Questioned Costs  
Year Ended December 31, 2012**

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**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 program:

CFDA Number	Name of Federal Program or Cluster
97.029	Emergency Management Performance Grant (Left Hand Creek)
81.128	ARRA-Energy Efficiency and Conservation Block Grant

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

Auditee qualified as low-risk auditee?  Yes  No

(Continued)

**City of Longmont, Colorado**

**Schedule of Findings and Questioned Costs (Continued)  
Year Ended December 31, 2012**

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**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, 2012**

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

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

City or County:  
City of Longmont  
YEAR ENDING:  
December 2012

**LOCAL HIGHWAY FINANCE REPORT**

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
<b>A. Receipts from local sources:</b>		<b>A. Local highway disbursements:</b>	
1. Local highway-user taxes		1. Capital outlay (from page 2)	9,726,707
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	5,676,099
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	1,123,764
2. General fund appropriations	2,108,489	b. Snow and ice removal	560,586
3. Other local imposts (from page 2)	12,131,720	c. Other	0
4. Miscellaneous local receipts (from page 2)	240,068	d. Total (a. through c.)	1,684,350
5. Transfers from toll facilities	0	4. General administration & miscellaneous	775,395
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	2,108,489
a. Bonds - Original Issues	0	6. Total (1 through 5)	19,971,040
b. Bonds - Refunding Issues	0	<b>B. Debt service on local obligations:</b>	
c. Notes	0	1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	0
7. Total (1 through 6)	14,480,277	b. Redemption	0
<b>B. Private Contributions</b>	609,791	c. Total (a. + b.)	0
<b>C. Receipts from State government</b>		2. Notes:	
(from page 2)	2,987,998	a. Interest	0
<b>D. Receipts from Federal Government</b>		b. Redemption	0
(from page 2)	119,197	c. Total (a. + b.)	0
<b>E. Total receipts (A.7 + B + C + D)</b>	18,197,263	3. Total (1.c + 2.c)	0
		<b>C. Payments to State for highways</b>	0
		<b>D. Payments to toll facilities</b>	0
		<b>E. Total disbursements (A.6 + B.3 + C + D)</b>	19,971,040

**IV. LOCAL HIGHWAY DEBT STATUS**

(Show all entries at par)

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

**V. LOCAL ROAD AND STREET FUND BALANCE**

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	13,992,615	18,197,263	19,971,040	12,218,838	0

Notes and Comments:

			STATE:	
			Colorado	
<b>LOCAL HIGHWAY FINANCE REPORT</b>			YEAR ENDING (mm/yy):	
			December 2012	

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

ITEM	AMOUNT	ITEM	AMOUNT
<b>A.3. Other local imposts:</b>		<b>A.4. Miscellaneous local receipts:</b>	
a. Property Taxes and Assessments	0	a. Interest on investments	90,801
b. Other local imposts:		b. Traffic Fines & Penalties	0
1. Sales Taxes	11,289,665	c. Parking Garage Fees	0
2. Infrastructure & Impact Fees	20,762	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	821,293	g. Other Misc. Receipts	0
6. Total (1. through 5.)	12,131,720	h. Other	149,267
c. Total (a. + b.)	12,131,720	i. Total (a. through h.)	240,068
	(Carry forward to page 1)		(Carry forward to page 1)

ITEM	AMOUNT	ITEM	AMOUNT
<b>C. Receipts from State Government</b>		<b>D. Receipts from Federal Government</b>	
1. Highway-user taxes	2,679,782	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	0
a. State bond proceeds		b. FEMA	0
b. Project Match		c. HUD	0
c. Motor Vehicle Registrations	305,296	d. Federal Transit Admin	0
d. Other (Specify) - Grant	2,920	e. U.S. Corps of Engineers	0
e. Other (Specify)	0	f. Other Federal	119,197
f. Total (a. through e.)	308,216	g. Total (a. through f.)	119,197
4. Total (1. + 2. + 3.f)	2,987,998	3. Total (1. + 2.g)	
			(Carry forward to page 1)

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

	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
<b>A.1. Capital outlay:</b>			
a. Right-Of-Way Costs	0	330,534	330,534
b. Engineering Costs	0	506,673	506,673
c. Construction:			
(1). New Facilities	0	0	0
(2). Capacity Improvements	0	4,896,241	4,896,241
(3). System Preservation	0	3,993,259	3,993,259
(4). System Enhancement & Operation	0	0	0
(5). Total Construction (1) + (2) + (3) + (4)	0	8,889,500	8,889,500
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	9,726,707	9,726,707
			(Carry forward to page 1)

**Notes and Comments:**
