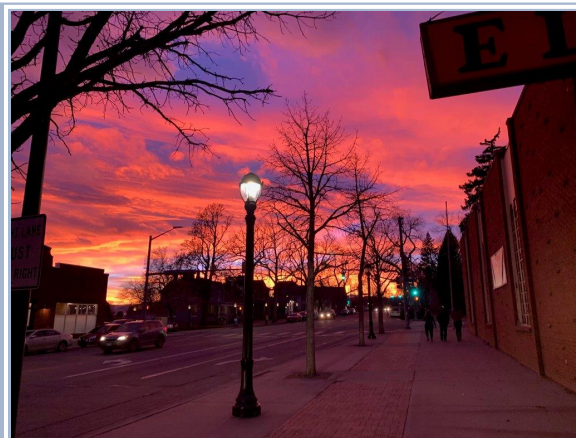


# CONTINUING DISCLOSURE REPORT



For the year ended December 31, 2023



## LONGMONT, COLORADO

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## CITY OF LONGMONT | Finance Department

September 25, 2024

In connection with the issuance of municipal securities, the City of Longmont has agreed to provide certain continuing disclosure for the benefit of the holders of such securities. The commitments to provide such disclosure, commonly referred to as “continuing disclosure undertakings”, have been undertaken in conformity with the requirements established by Rule 15c2-12(b)(5) (the Rule) under the Securities Exchange Act of 1934. The Rule was in effect at the time of the issuance of the securities, and references to the Rule in this report are to Rule 15c2-12(b)(5) in effect at the time of execution and delivery of each continuing disclosure undertaking. This report is meant to supplement and complement information found within the City of Longmont’s 2023 Annual Comprehensive Financial Report (ACFR) and is not intended to be viewed as a fully inclusive compliance document.

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

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

Sincerely,

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

James M. Golden  
Chief Financial Officer  
City of Longmont

## **Reporting of Significant Events**

As of December 31, 2023 the City of Longmont had outstanding two different types of publicly offered obligations: Sales & Use Tax Revenue bonds and Enterprise Revenue Bonds. Information related to the disclosures made by the City for those obligations can be found at the MSRB's disclosure portal, also known as EMMA – Electronic Municipal Market Access, at [www.emma.msrb.org](http://www.emma.msrb.org).

## **Subsequent Events**

**There are no subsequent events to report.**

## **Statistical Disclosure**

This Continuing Disclosure Report reflects each debt structure outstanding as of December 31, 2023 requiring annual reporting: (1) Sales and Use Tax Revenue Bonds (2) Enterprise Revenue Bonds.

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

The Table of Contents outlines each bond issue along with relevant tables as listed in the exhibit to the Continuing Disclosure Certificate(s) of each issue, except that the Budget Summary and Comparison information required to be updated pursuant to the various undertakings is not found in this report. Instead, that information can be found in the City's Annual Comprehensive Financial Report ("ACFR").

Summarized below is a listing, including the CUSIP 6-digit issuer number, of all obligations outstanding by type as of December 31, 2023

### **Sales & Use Tax Revenue Bonds**

Open Space Revenue Refunding Bonds, Series 2018 – CUSIP #543103

Sales and Use Tax Revenue Bonds, Series 2019 – CUSIP #543103

Open Space Revenue Refunding Bonds, Series 2020 – CUSIP #543103

### **Enterprise Bonds**

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

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

Wastewater Revenue Refunding Bonds, Series 2013 – CUSIP #543098

Wastewater Enterprise Revenue Bonds, Series 2015 – CUSIP #543098

Wastewater Revenue Refunding Bonds, Series 2020 - CUSIP #543098

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

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

Water Enterprise Revenue Bonds, Series 2021 - CUSIP #543099

Water Enterprise Revenue Bonds, Series 2021A - CUSIP #543099

Open Space

Sales and Use Tax Revenue Bonds

Series 2018

Series 2020

(CUSIP #543103)

**Historical Pledged Revenues and Pro-Forma Debt Service Coverage**

| <u>Year</u> | <u>Open Space Sales<br/>and Use Tax<br/>Revenues (1)</u> | <u>Maximum Annual<br/>Debt Service on the<br/>2018 &amp; 2020 Bonds (2)</u> | <u>Pro-Forma<br/>Coverage</u> |
|-------------|----------------------------------------------------------|-----------------------------------------------------------------------------|-------------------------------|
| 2005        | \$2,727,251                                              | \$2,268,205                                                                 | 1.20x                         |
| 2006        | 2,799,861                                                | 2,268,205                                                                   | 1.23x                         |
| 2007        | 2,853,231                                                | 2,268,205                                                                   | 1.26x                         |
| 2008        | 2,816,039                                                | 2,268,205                                                                   | 1.24x                         |
| 2009        | 2,606,718                                                | 2,268,205                                                                   | 1.15x                         |
| 2010        | 2,722,178                                                | 2,268,205                                                                   | 1.20x                         |
| 2011        | 2,882,395                                                | 2,268,205                                                                   | 1.27x                         |
| 2012        | 3,010,578                                                | 2,236,214                                                                   | 1.35x                         |
| 2013        | 3,195,124                                                | 2,218,314                                                                   | 1.44x                         |
| 2014        | 3,436,196                                                | 2,205,314                                                                   | 1.56x                         |
| 2015        | 3,537,857                                                | 2,187,114                                                                   | 1.62x                         |
| 2016        | 3,776,468                                                | 2,168,814                                                                   | 1.74x                         |
| 2017        | 4,156,190                                                | 2,145,414                                                                   | 1.94x                         |
| 2018        | 4,296,909                                                | 2,651,973                                                                   | 1.62x                         |
| 2019        | 4,368,325                                                | 2,651,973                                                                   | 1.65x                         |
| 2020        | 4,570,297                                                | 2,372,813                                                                   | 1.93x                         |
| 2021        | 5,137,042                                                | 2,372,813                                                                   | 2.16x                         |
| 2022        | 5,618,126                                                | 2,372,813                                                                   | 2.37x                         |
| 2023        | 5,854,050                                                | 2,372,813                                                                   | 2.47x                         |

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

(2) Represents the Combined Maximum Annual Debt Service on the 2018 and the 2020 Bonds.

**Annual History of Pledged Sales and Use Tax Collections**

| <u>Year</u> | <u>Open Space<br/>Sales Tax<br/>Collections</u> | <u>Percent<br/>Increase<br/>(Decrease)</u> | <u>Open Space<br/>Use Tax<br/>Collections</u> | <u>Percent<br/>Increase<br/>(Decrease)</u> | <u>Total City<br/>Sales &amp; Use<br/>Tax Collections</u> | <u>Percent<br/>Increase<br/>(Decrease)</u> |
|-------------|-------------------------------------------------|--------------------------------------------|-----------------------------------------------|--------------------------------------------|-----------------------------------------------------------|--------------------------------------------|
| 2005        | \$2,151,677                                     | --                                         | \$575,573                                     | --                                         | \$2,727,250                                               | --                                         |
| 2006        | 2,267,867                                       | 5.40 %                                     | 531,994                                       | (7.57) %                                   | 2,799,861                                                 | 2.66 %                                     |
| 2007        | 2,409,631                                       | 6.25 %                                     | 443,600                                       | (16.62) %                                  | 2,853,231                                                 | 1.91 %                                     |
| 2008        | 2,385,798                                       | (0.99) %                                   | 430,241                                       | (3.01) %                                   | 2,816,039                                                 | (1.30) %                                   |
| 2009        | 2,260,388                                       | (5.26) %                                   | 346,330                                       | (19.50) %                                  | 2,606,718                                                 | (7.43) %                                   |
| 2010        | 2,336,822                                       | 3.38 %                                     | 385,356                                       | 11.27 %                                    | 2,722,178                                                 | 4.43 %                                     |
| 2011        | 2,449,451                                       | 4.82 %                                     | 432,944                                       | 12.35 %                                    | 2,882,395                                                 | 5.89 %                                     |
| 2012        | 2,526,923                                       | 3.16 %                                     | 483,655                                       | 11.71 %                                    | 3,010,578                                                 | 4.45 %                                     |
| 2013        | 2,685,133                                       | 6.26 %                                     | 509,991                                       | 5.45 %                                     | 3,195,124                                                 | 6.13 %                                     |
| 2014        | 2,866,270                                       | 6.75 %                                     | 569,926                                       | 11.75 %                                    | 3,436,196                                                 | 7.55 %                                     |
| 2015        | 2,907,789                                       | 1.45 %                                     | 630,068                                       | 10.55 %                                    | 3,537,857                                                 | 2.96 %                                     |
| 2016        | 3,105,706                                       | 6.81 %                                     | 670,763                                       | 6.46 %                                     | 3,776,469                                                 | 6.74 %                                     |
| 2017        | 3,377,230                                       | 8.74 %                                     | 778,960                                       | 16.13 %                                    | 4,156,190                                                 | 10.05 %                                    |
| 2018        | 3,488,421                                       | 3.29 %                                     | 808,489                                       | 3.79 %                                     | 4,296,909                                                 | 3.39 %                                     |
| 2019        | 3,625,292                                       | 3.92 %                                     | 743,033                                       | (8.10) %                                   | 4,368,325                                                 | 1.66 %                                     |
| 2020        | 3,856,456                                       | 6.38 %                                     | 713,840                                       | (3.93) %                                   | 4,570,297                                                 | 4.62 %                                     |
| 2021        | 4,354,452                                       | 12.91 %                                    | 782,589                                       | 9.63 %                                     | 5,137,042                                                 | 12.40 %                                    |
| 2022        | 4,703,460                                       | 8.01 %                                     | 914,666                                       | 16.88 %                                    | 5,618,126                                                 | 9.37 %                                     |
| 2023        | 5,016,197                                       | 6.65 %                                     | 837,853                                       | (8.40) %                                   | 5,854,050                                                 | 4.20 %                                     |



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

|                                                | 2019                | 2020                | 2021                 | 2022                | 2023                 |
|------------------------------------------------|---------------------|---------------------|----------------------|---------------------|----------------------|
| <b>REVENUE</b>                                 |                     |                     |                      |                     |                      |
| Taxes(1)                                       | \$4,368,325         | \$4,570,297         | \$ 5,137,042         | \$ 5,618,126        | \$ 5,854,050         |
| Intergovernmental                              | 182,701             | 92,727              | 98,545               | -                   | -                    |
| Investment income (loss)                       | 267,404             | 101,028             | (16,641)             | (238,853)           | 654,064              |
| Developer Participation                        | 439,094             | -                   | -                    | -                   | -                    |
| Miscellaneous income                           | 178,137             | 171,417             | 3,024,093            | 3,501,266           | 3,240,291            |
| Total revenue                                  | <u>5,435,661</u>    | <u>4,935,469</u>    | <u>8,243,039</u>     | <u>8,880,539</u>    | <u>9,748,405</u>     |
| <b>EXPENDITURES</b>                            |                     |                     |                      |                     |                      |
| Current                                        |                     |                     |                      |                     |                      |
| Culture and recreation                         | 1,051,055           | 1,204,979           | 1,030,338            | 1,348,261           | 1,375,983            |
| Capital Outlay                                 | 7,229,315           | 3,340,391           | 259,544              | 6,061,200           | 575,281              |
| Debt Service                                   |                     |                     |                      |                     |                      |
| Bond principal retired                         | 1,400,000           | 1,510,000           | 1,390,000            | 1,445,000           | 1,505,000            |
| Interest and fiscal charges                    | 1,247,621           | 1,294,718           | 980,612              | 926,350             | 865,800              |
| Total Expenditures                             | <u>10,927,991</u>   | <u>7,350,088</u>    | <u>3,660,494</u>     | <u>9,780,811</u>    | <u>4,322,064</u>     |
| EXCESS OF REVENUE OVER<br>(UNDER) EXPENDITURES | <u>(5,492,330)</u>  | <u>(2,414,619)</u>  | <u>4,582,545</u>     | <u>(900,272)</u>    | <u>5,426,341</u>     |
| <b>OTHER FINANCING SOURCES (uses)</b>          |                     |                     |                      |                     |                      |
| Transfers in:                                  |                     |                     |                      |                     |                      |
| Self Insurance Fund                            | -                   | 11,400              | -                    | -                   | -                    |
| Transfers out:                                 |                     |                     |                      |                     |                      |
| Art in public places fund                      | (4,629)             | (32,194)            | (1,009)              | (2,352)             | (4,370)              |
| General Fund                                   | (5,887)             | (57,813)            | -                    | -                   | -                    |
| Fleet Fund                                     | (50,602)            | (13,216)            | -                    | -                   | (21,587)             |
| Sustainability Fund                            | -                   | -                   | (39,730)             | (43,149)            | (47,467)             |
| Issuance of long-term debt                     | -                   | 17,810,000          | -                    | -                   | -                    |
| Premium on issuance of long-term debt          | -                   | 2,846,240           | -                    | -                   | -                    |
| Payment to refunded bond escrow agent          | -                   | (18,139,615)        | -                    | -                   | -                    |
| Total other financing sources (uses)           | <u>(61,118)</u>     | <u>2,424,802</u>    | <u>(40,739)</u>      | <u>(45,501)</u>     | <u>(73,424)</u>      |
| <b>Net Changes in Fund Balance</b>             | <u>(5,553,448)</u>  | <u>10,183</u>       | <u>4,541,806</u>     | <u>(945,773)</u>    | <u>5,352,917</u>     |
| FUND BALANCE, January 1                        | <u>11,657,622</u>   | <u>6,104,174</u>    | <u>6,114,357</u>     | <u>10,656,163</u>   | <u>9,710,390</u>     |
| FUND BALANCE, December 31                      | <u>\$ 6,104,174</u> | <u>\$ 6,114,357</u> | <u>\$ 10,656,163</u> | <u>\$ 9,710,390</u> | <u>\$ 15,063,307</u> |

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

# Sales and Use Tax Revenue Bonds

Series 2019

(CUSIP #543103)

**Pro-Forma Debt Service Coverage**

| <u>Year</u> | <u>Pledged Sales<br/>and Use Tax<br/>Revenues (1)</u> | <u>Maximum Annual<br/>Debt Service on<br/>the 2019 Bonds (2)</u> | <u>Coverage</u> |
|-------------|-------------------------------------------------------|------------------------------------------------------------------|-----------------|
| 2014        | 34,361,981                                            | 2,042,150                                                        | 16.83x          |
| 2015        | 35,378,567                                            | 2,042,150                                                        | 17.32x          |
| 2016        | 37,385,418                                            | 2,042,150                                                        | 18.31x          |
| 2017        | 40,270,349                                            | 2,042,150                                                        | 19.72x          |
| 2018        | 42,647,482                                            | 2,042,150                                                        | 20.88x          |
| 2019        | 42,947,390 (3)                                        | 2,042,150                                                        | 21.03x          |
| 2020        | 45,336,290                                            | 2,042,150                                                        | 22.20x          |
| 2021        | 51,120,553                                            | 2,042,150                                                        | 25.03x          |
| 2022        | 55,878,844                                            | 2,042,150                                                        | 27.36x          |
| 2023        | 58,225,374                                            | 2,042,150                                                        | 28.51x          |

(1) Includes only the proceeds of the 2.0% Sales and Use Tax, net of incremental sales tax amounts allocated to LURA. See "CERTAIN RISK FACTORS-Other Factors Impacting Pledged Sales and Use Tax Collections" in the Official Statement related to the 2019 Bonds.

(2) Represents the Maximum Annual Debt Service on the 2019 Bonds. See "DEBT SERVICE REQUIREMENTS" in the Official Statement related to the 2019 Bonds.

(3) An error was discovered in statistical table 16 in the 2019 ACFR. The pledged Sales and Use Tax revenue total number did not include accrual figures. This was corrected for the 2020 ACFR.

**Annual History of City Sales and Use Tax Collections**

| <u>Year</u> | <u>Sales Tax<br/>Collections</u> | <u>Percent<br/>Increase<br/>(Decrease)</u> | <u>Use Tax<br/>Collections</u> | <u>Percent<br/>Increase<br/>(Decrease)</u> | <u>Total City<br/>Sales &amp; Use<br/>Tax Collections</u> | <u>Percent<br/>Increase<br/>(Decrease)</u> |
|-------------|----------------------------------|--------------------------------------------|--------------------------------|--------------------------------------------|-----------------------------------------------------------|--------------------------------------------|
| 2014        | \$ 46,935,209                    | 6.75 %                                     | \$ 9,332,536                   | 11.75 %                                    | \$ 56,267,745                                             | - %                                        |
| 2015        | 47,615,035                       | 1.45 %                                     | 10,317,371                     | 10.55 %                                    | 57,932,406                                                | 2.96 %                                     |
| 2016        | 50,855,932                       | 6.81 %                                     | 10,983,746                     | 6.46 %                                     | 61,839,678                                                | 6.74 %                                     |
| 2017        | 55,302,213                       | 8.74 %                                     | 12,755,456                     | 16.13 %                                    | 68,057,669                                                | 10.06 %                                    |
| 2018 (1)    | 61,570,629                       | 11.33 %                                    | 14,277,137                     | 11.93 %                                    | 75,847,766                                                | 11.45 %                                    |
| 2019        | 63,987,502                       | 3.93 %                                     | 13,114,528                     | (8.14) %                                   | 77,102,030                                                | 1.65 %                                     |
| 2020        | 68,066,310                       | 6.37 %                                     | 12,599,273                     | (3.93) %                                   | 80,665,583                                                | 4.62 %                                     |
| 2021        | 76,856,012                       | 12.91 %                                    | 13,812,598                     | 9.63 %                                     | 90,668,610                                                | 12.40 %                                    |
| 2022        | 83,016,323                       | 8.02 %                                     | 16,143,800                     | 16.88 %                                    | 99,160,123                                                | 9.37 %                                     |
| 2023        | 88,536,178                       | 6.65 %                                     | 14,788,107                     | (8.40) %                                   | 103,324,285                                               | 4.20 %                                     |

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

**General Fund - Summary of Revenue, Expenditures and changes in Fund Balances (1)**

|                                                                                             | 2019                 | 2020                 | 2021                 | 2022                 | 2023                 |
|---------------------------------------------------------------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| <b>REVENUE</b>                                                                              |                      |                      |                      |                      |                      |
| Taxes(2)                                                                                    | \$ 63,205,442        | \$ 68,656,638        | \$ 74,476,972        | \$ 81,295,171        | \$ 83,331,890        |
| Licenses and permits                                                                        | 3,252,113            | 2,880,757            | 2,316,869            | 2,802,692            | 4,007,888            |
| Inergovernmental                                                                            | 1,272,440            | 2,168,564            | 5,774,056            | 3,198,627            | 2,870,428            |
| Charges for services                                                                        | 15,116,062           | 11,916,351           | 13,373,747           | 14,972,753           | 17,654,860           |
| Fines and forfeits                                                                          | 1,473,141            | 1,029,088            | 866,946              | 725,208              | 761,036              |
| Investment income (loss)                                                                    | 881,727              | 491,502              | (91,760)             | (1,121,420)          | 2,543,618            |
| Miscellaneous income                                                                        | 404,952              | 2,903,769            | 2,095,997            | 2,062,605            | 1,098,166            |
| Total revenue                                                                               | <u>85,605,877</u>    | <u>90,046,669</u>    | <u>98,812,827</u>    | <u>103,935,636</u>   | <u>112,267,886</u>   |
| <b>EXPENDITURES</b>                                                                         |                      |                      |                      |                      |                      |
| Current                                                                                     |                      |                      |                      |                      |                      |
| General Government                                                                          | 27,429,637           | 29,753,712           | 29,927,709           | 31,649,708           | 36,352,859           |
| Public Safety                                                                               | 38,495,558           | 39,004,752           | 40,699,504           | 42,202,723           | 44,927,816           |
| Culture and Recreation                                                                      | 17,136,247           | 16,030,674           | 16,790,168           | 18,628,597           | 21,797,697           |
| Total Expenditures                                                                          | <u>83,061,442</u>    | <u>84,789,138</u>    | <u>87,417,381</u>    | <u>92,481,028</u>    | <u>103,078,372</u>   |
| <b>EXCESS OF REVENUE OVER<br/>(UNDER) EXPENDITURES</b>                                      | <u>2,544,435</u>     | <u>5,257,531</u>     | <u>11,395,446</u>    | <u>11,454,608</u>    | <u>9,189,514</u>     |
| <b>OTHER FINANCING SOURCES (USES)</b>                                                       |                      |                      |                      |                      |                      |
| Operating transfers in                                                                      | 595,911              | 2,915,055            | 621,143              | 1,072,076            | 1,231,412            |
| Operating transfers out                                                                     | (2,172,964)          | (4,105,218)          | (1,823,773)          | (5,827,453)          | (4,601,362)          |
| Total other financing sources (uses)                                                        | <u>(1,577,053)</u>   | <u>(1,190,163)</u>   | <u>(1,202,630)</u>   | <u>(4,755,377)</u>   | <u>(3,369,950)</u>   |
| <b>EXCESS OF REVENUE AND OTHER<br/>SOURCES OVER (UNDER) EXPENDITURES<br/>AND OTHER USES</b> | 967,382              | 4,067,368            | 10,192,816           | 6,699,231            | 5,819,564            |
| <b>FUND BALANCE, January 1</b>                                                              | <u>26,498,025</u>    | <u>27,465,407</u>    | <u>31,532,775</u>    | <u>41,725,591</u>    | <u>48,424,822</u>    |
| <b>FUND BALANCE, December 31</b>                                                            | <u>\$ 27,465,407</u> | <u>\$ 31,532,775</u> | <u>\$ 41,725,591</u> | <u>\$ 48,424,822</u> | <u>\$ 54,244,386</u> |

(1) GAAP basis.

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

Source: Derived from the City's ACFRs for the years ended December 31, 2019 through 2023.

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

|                                                                                             | 2019                 | 2020                 | 2021                 | 2022                 | 2023                 |
|---------------------------------------------------------------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| <b>REVENUE</b>                                                                              |                      |                      |                      |                      |                      |
| Taxes(2)                                                                                    | \$ 6,442,081         | \$ 6,800,409         | \$ 7,668,020         | \$ 8,381,807         | \$ 8,733,806         |
| Intergovernmental                                                                           | 94,582               | 27,301               | -                    | -                    | 159,735              |
| Interest earnings (loss)                                                                    | 359,842              | 655,087              | 15,197               | (75,987)             | 1,374,466            |
| Miscellaneous                                                                               | 24,110               | 20,679               | 3,404                | 20,000               | 75,000               |
| Total revenue                                                                               | <u>6,920,615</u>     | <u>7,503,476</u>     | <u>7,686,621</u>     | <u>8,325,820</u>     | <u>10,343,007</u>    |
| <b>EXPENDITURES</b>                                                                         |                      |                      |                      |                      |                      |
| General Government                                                                          | 3,894,447            | 1,028,874            | 1,030,178            | 932,690              | 703,783              |
| Culture and Rec                                                                             | -                    | -                    | -                    | 7,639                | 18,505               |
| Capital outlay                                                                              | 6,480,407            | 4,306,512            | 3,877,685            | 9,540,955            | 14,406,050           |
| Debt service                                                                                | -                    | 605,000              | 990,000              | 1,035,000            | 1,090,000            |
| Interest and fiscal charges                                                                 | 103,527              | 1,438,988            | 1,053,239            | 1,002,550            | 950,800              |
| Total Expenditures                                                                          | <u>10,478,381</u>    | <u>7,379,374</u>     | <u>6,951,102</u>     | <u>12,518,834</u>    | <u>17,169,138</u>    |
| <b>EXCESS OF REVENUE OVER<br/>(UNDER) EXPENDITURES</b>                                      | <u>(3,557,766)</u>   | <u>124,102</u>       | <u>735,519</u>       | <u>(4,193,014)</u>   | <u>(6,826,131)</u>   |
| <b>OTHER FINANCING SOURCES (USES)</b>                                                       |                      |                      |                      |                      |                      |
| Operating transfers in                                                                      | 697,000              | 2,500,000            | -                    | 3,940,000            | 958,577              |
| Operating transfers out                                                                     | (44,078)             | (37,131)             | (23,145)             | (83,729)             | (4,374,441)          |
| Issuance of debt                                                                            | 28,620,001           | -                    | -                    | -                    | -                    |
| Premium on debt                                                                             | 3,031,691            | -                    | -                    | -                    | -                    |
| Total other financing sources (uses)                                                        | <u>32,304,614</u>    | <u>2,462,869</u>     | <u>(23,145)</u>      | <u>3,856,271</u>     | <u>(3,415,864)</u>   |
| <b>EXCESS OF REVENUE AND OTHER<br/>SOURCES OVER (UNDER) EXPENDITURES<br/>AND OTHER USES</b> | <u>28,746,848</u>    | <u>2,586,971</u>     | <u>712,374</u>       | <u>(336,743)</u>     | <u>(10,241,995)</u>  |
| <b>FUND BALANCE, January 1</b>                                                              | <u>4,877,157</u>     | <u>33,624,005</u>    | <u>36,210,976</u>    | <u>36,923,350</u>    | <u>36,586,607</u>    |
| <b>FUND BALANCE, December 31</b>                                                            | <u>\$ 33,624,005</u> | <u>\$ 36,210,976</u> | <u>\$ 36,923,350</u> | <u>\$ 36,586,607</u> | <u>\$ 26,344,612</u> |

(1) GAAP basis.

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

Source: Derived from the City's ACFRs for the years ended December 31, 2019 through 2023.

Electric and Broadband Utility

Enterprise Revenue Bonds

Series 2014

Series 2017

(CUSIP #543097)

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

|                                                                            | <b>2019</b>       | <b>2020</b>       | <b>2021</b>       | <b>2022</b>        | <b>2023</b>        | <b>Budgeted<br/>2024</b> |
|----------------------------------------------------------------------------|-------------------|-------------------|-------------------|--------------------|--------------------|--------------------------|
| <b>Gross Pledged Revenues</b>                                              |                   |                   |                   |                    |                    |                          |
| <u>Electric System</u>                                                     |                   |                   |                   |                    |                    |                          |
| Charges for services                                                       | \$68,550,891      | \$74,121,220      | \$78,404,643      | \$81,708,671       | \$86,392,037       | \$90,244,442             |
| Electric Aid to Construction (1)                                           | 1,401,104         | 1,320,088         | 2,428,114         | 3,964,843          | 2,568,684          | 3,095,000                |
| Other (2)                                                                  | 854,989           | 355,300           | 187,072           | 27,413             | 1,311,837          | 222,500                  |
|                                                                            | <u>70,806,984</u> | <u>75,796,608</u> | <u>81,019,829</u> | <u>85,700,927</u>  | <u>90,272,558</u>  | <u>93,561,942</u>        |
| <u>Broadband System</u>                                                    |                   |                   |                   |                    |                    |                          |
| Charges for services                                                       | 15,026,602        | 16,504,498        | 18,037,207        | 19,096,846         | 19,768,324         | 21,009,265               |
| Broadband Aid to Construction                                              | 33,677            | 26,315            | 31,332            | 4,914              | 130,143            | 70,000                   |
| Other (3)                                                                  | 137,174           | 77,528            | 12,349            | (110,615)          | 298,176            | 20,000                   |
|                                                                            | <u>15,197,453</u> | <u>16,608,341</u> | <u>18,080,888</u> | <u>18,991,145</u>  | <u>20,196,643</u>  | <u>21,099,265</u>        |
| <b>Total Gross Pledged Revenues</b>                                        | <u>86,004,437</u> | <u>92,404,949</u> | <u>99,100,717</u> | <u>104,692,072</u> | <u>110,469,201</u> | <u>114,661,207</u>       |
| <b>Operation and Maintenance Expenses (4)</b>                              |                   |                   |                   |                    |                    |                          |
| Electric System                                                            | 62,377,905        | 64,240,673        | 65,246,746        | 70,322,347         | 74,624,972         | 84,228,167               |
| Broadband System                                                           | 6,687,798         | 7,565,311         | 7,302,278         | 9,090,578          | 9,904,932          | 13,361,858               |
| <b>Total O&amp;M Expenses</b>                                              | <u>69,065,703</u> | <u>71,805,984</u> | <u>72,549,024</u> | <u>79,412,925</u>  | <u>84,529,904</u>  | <u>97,590,025</u>        |
| <b>Net Pledged Revenues</b>                                                | \$16,938,734      | \$20,598,965      | 26,551,693        | 25,279,147         | 25,939,297         | 17,071,182               |
| <b>Combined Maximum Annual Principal<br/>and Interest Requirements (5)</b> | \$4,459,000       | \$4,456,000       | \$4,456,000       | \$4,456,000        | \$4,452,200        | \$4,446,950              |
| <b>Pro-Forma Coverage</b>                                                  | 3.80x             | 4.62x             | 5.96x             | 5.67x              | 5.83x              | 3.84x                    |

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

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

(3) Includes investment income and miscellaneous revenue. Does not include intergovernmental, transfers in or aid to underground installation.

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

Also does not include franchise fees paid by each portion of the System. Current City financial policies require the Electric System pay the General Fund franchise fees of 8.64% of current year revenues and the Broadband System to pay 5% of dark fiber leases. The obligation to pay franchise fees is subordinate to the obligation to pay debt service on the 2014 and 2017 Bonds.

(5) Represents the Combined Maximum Annual Principal and Interest Requirements payable on the 2014 and 2017 Bonds (\$4,452,200 in 2023) See "DEBT SERVICE REQUIREMENTS."

Source: Derived from the City's audited financial statements for 2019-2023 and the 2024 Budget.



**Electric System User Charges - 2023**

| Rate Description             | Charges                                  | Rates     |
|------------------------------|------------------------------------------|-----------|
| <b>Residential Rates</b>     |                                          |           |
| Residential Energy           | Customer Charge                          | \$16.40   |
|                              | <i>Summer: June-Sept</i>                 |           |
|                              | 0-750 kwh                                | \$0.0926  |
|                              | 751-1500 kwh                             | \$0.1092  |
|                              | 1501 kwh and above                       | \$0.1418  |
|                              | <i>Non-Summer: Jan-May &amp; Oct-Dec</i> |           |
|                              | 0-750 kwh                                | \$0.0841  |
| 751-1500 kwh                 | \$0.0991                                 |           |
| 1501 kwh and above           | \$0.1288                                 |           |
| Residential Demand           | Customer Charge                          | \$16.40   |
|                              | <i>Summer: June-Sept</i>                 |           |
|                              | kwh                                      | \$0.0557  |
|                              | max kw                                   | \$8.90    |
|                              | <i>Non-Summer: Jan-May &amp; Oct-Dec</i> |           |
| kwh                          | \$0.0506                                 |           |
| max kw                       | \$8.09                                   |           |
| Residential Generation       | Customer Charge                          | \$21.60   |
|                              | <i>Summer: June-Sept</i>                 |           |
|                              | kwh below average                        | \$0.0946  |
|                              | kwh above average                        | \$0.0950  |
|                              | <i>Non-Summer: Jan-May &amp; Oct-Dec</i> |           |
| kwh below average            | \$0.0859                                 |           |
| kwh above average            | \$0.0864                                 |           |
| Renewable                    | kwh                                      | \$ 0.0312 |
| <b>Commercial Rates</b>      |                                          |           |
| Commercial Energy            | Customer Charge                          | \$27.00   |
|                              | <i>Summer: June-Sept</i>                 |           |
|                              | kwh                                      | \$0.1012  |
| Commercial Demand            | <i>Non-Summer: Jan-May &amp; Oct-Dec</i> |           |
|                              | kwh                                      | \$0.0921  |
|                              | Customer Charge                          | \$128.00  |
| Commercial Coincident Demand | <i>Summer: June-Sept</i>                 |           |
|                              | kwh                                      | \$0.0596  |
|                              | max kw                                   | \$17.05   |
|                              | <i>Non-Summer: Jan-May &amp; Oct-Dec</i> |           |
|                              | kwh                                      | \$0.0542  |
| Commercial Coincident Demand | Monthly Customer Charge                  | \$500.00  |
|                              | <i>Summer: June-September</i>            |           |
|                              | kwh                                      | \$0.0590  |
|                              | max kw                                   | \$5.03    |
|                              | coincident kw                            | \$13.83   |
|                              | <i>Non-Summer: Jan-May &amp; Oct-Dec</i> |           |
|                              | kwh                                      | \$0.0537  |
| max kw                       | \$4.57                                   |           |
| coincident kw                | \$12.57                                  |           |

**Electric System User Charges - 2023**

| Rate Description              | Charges                                  | Rates                    |
|-------------------------------|------------------------------------------|--------------------------|
| Commercial Energy Generation  | Customer Charge                          | \$39.63                  |
|                               | <i>Summer: June-Sept</i>                 |                          |
|                               | kwh below average                        | \$0.0896                 |
|                               | kwh above average                        | \$0.1012                 |
|                               | <i>Non-Summer: Jan-May &amp; Oct-Dec</i> |                          |
|                               | kwh below average                        | \$0.0814                 |
| Commercial Demand Generation  | kwh above average                        | \$0.0921                 |
|                               | Customer Charge                          | \$128.00                 |
|                               | <i>Summer: June-Sept</i>                 |                          |
|                               | kwh                                      | \$0.0596                 |
|                               | max kw                                   | \$17.05                  |
|                               | <i>Non-Summer: Jan-May &amp; Oct-Dec</i> |                          |
| <b>Unmetered Energy Rates</b> | kwh                                      | \$0.0542                 |
|                               | max kw                                   | \$15.50                  |
|                               | Unmetered 1-49 watt                      | Customer Charge \$ 8.75  |
|                               | Unmetered 50-149 watt                    | Customer Charge \$ 10.60 |
| Unmetered 150-249 watt        | Customer Charge \$ 14.40                 |                          |
| Unmetered 250 & over          | Customer Charge \$ 17.20                 |                          |
| Power Supply                  | Customer Charge \$ 65.50                 |                          |

Non-residential, metered Electric System customers that exceed 800 kW demand in any two consecutive billing periods qualify for the Commercial Coincident Demand Rate ("CCD"). Prior to 2020 the customers who qualified for this rate each had a unique individual rate, however, in 2020 a standard CCD rate was designed and applied to all CCD customers. See chart above for standard CCD rate. The CCD rate includes customer charges, energy charges and demand charges based on the customer cost of service as well as the required franchise fee paid to the City General Fund.

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

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Source: Longmont Power and Communications, City of Longmont.

**History of Electric System Customers**

| <u>Year</u> | <u>Electric Customers</u> | <u>% Change</u> |
|-------------|---------------------------|-----------------|
| 2003        | 33,069                    | n/a             |
| 2004        | 33,992                    | 2.8%            |
| 2005        | 34,779                    | 2.3%            |
| 2006        | 35,454                    | 1.9%            |
| 2007        | 35,750                    | 0.8%            |
| 2008        | 36,231                    | 1.3%            |
| 2009        | 36,383                    | 0.4%            |
| 2010        | 36,683                    | 0.8%            |
| 2011        | 36,809                    | 0.3%            |
| 2012        | 37,107                    | 0.8%            |
| 2013        | 37,360                    | 0.7%            |
| 2014        | 37,751                    | 1.0%            |
| 2015        | 38,229                    | 1.3%            |
| 2016        | 38,508                    | 0.7%            |
| 2017        | 39,216                    | 1.8%            |
| 2018        | 40,175                    | 2.4%            |
| 2019        | 41,337                    | 2.9%            |
| 2020        | 42,046                    | 1.7%            |
| 2021        | 42,558                    | 1.2%            |
| 2022        | 42,863                    | 0.7%            |
| 2023        | 43,268                    | 0.9%            |

Source: Longmont Power and Communications, City of Longmont.

**Electric System Customer Information by Customer Type**

|                                   | <b>2019</b>      | <b>2020</b>      | <b>2021</b>      | <b>2022</b>      | <b>2023</b>      |
|-----------------------------------|------------------|------------------|------------------|------------------|------------------|
| <b>Electric Sales in MWH</b>      |                  |                  |                  |                  |                  |
| Residential                       | 318,160          | 340,555          | 342,300          | 337,070          | 325,486          |
| Commercial                        | 366,215          | 342,100          | 337,313          | 340,797          | 337,573          |
| Industrial                        | 106,664          | 125,477          | 133,880          | 138,020          | 152,946          |
| <b>Total</b>                      | <b>791,039</b>   | <b>808,132</b>   | <b>813,493</b>   | <b>815,887</b>   | <b>816,005</b>   |
| <b>Electric Revenue (in 000s)</b> |                  |                  |                  |                  |                  |
| Residential                       | \$ 30,970        | \$ 34,926        | \$ 37,000        | \$ 37,405        | \$ 37,727        |
| Commercial                        | 29,262           | 29,050           | 30,702           | 32,727           | 34,941           |
| Industrial                        | 7,310            | 8,928            | 9,818            | 10,771           | 12,796           |
| <b>Total</b>                      | <b>\$ 67,542</b> | <b>\$ 72,904</b> | <b>\$ 77,520</b> | <b>\$ 80,903</b> | <b>\$ 85,464</b> |
| <b>Average Customer Accounts</b>  |                  |                  |                  |                  |                  |
| Residential-inside City limits    | 37,639           | 38,361           | 38,864           | 39,162           | 39,564           |
| Residential-outside City limits   | 824              | 825              | 824              | 824              | 822              |
|                                   | <b>38,463</b>    | <b>39,186</b>    | <b>39,688</b>    | <b>39,986</b>    | <b>40,386</b>    |
| Commercial-inside City limits     | 2,732            | 2,714            | 2,722            | 2,732            | 2,735            |
| Commercial-outside City limits    | 130              | 132              | 135              | 132              | 134              |
|                                   | <b>2,862</b>     | <b>2,846</b>     | <b>2,857</b>     | <b>2,864</b>     | <b>2,869</b>     |
| Industrial-inside City limits     | 10               | 12               | 11               | 11               | 11               |
| Industrial-outside City limits    | 1                | 1                | 1                | 1                | 1                |
|                                   | <b>11</b>        | <b>13</b>        | <b>12</b>        | <b>12</b>        | <b>12</b>        |
| Contract-inside City limits       | 0                | 0                | 0                | 0                | 0                |
| Contract-outside City limits      | 1                | 1                | 1                | 1                | 1                |
|                                   | <b>1</b>         | <b>1</b>         | <b>1</b>         | <b>1</b>         | <b>1</b>         |
| <b>Total Average Accounts</b>     | <b>41,337</b>    | <b>42,046</b>    | <b>42,558</b>    | <b>42,863</b>    | <b>43,268</b>    |
| <b>Average Use per Customer</b>   |                  |                  |                  |                  |                  |
| Residential - Annual              | 8,378            | 8,913            | 9,323            | 8,430            | 8,059            |
| Residential - Monthly             | 698              | 743              | 777              | 703              | 672              |
| <b>Annual Peak Demand (MW)</b>    |                  |                  |                  |                  |                  |
| Summer Peak                       | 185              | 186              | 197              | 194              | 190              |
| Winter Peak                       | 119              | 122              | 126              | 140              | 132              |

Source: Longmont Power and Communications, City of Longmont.

**Largest Electric System Customers**

| Customer<br>Number (2) | Total<br>kWh | Total<br>kW | Total 2023<br>Revenue | Percent of Total<br>2023 Revenue(1) |
|------------------------|--------------|-------------|-----------------------|-------------------------------------|
| 517349                 | 41,836,560   | 77,575      | \$ 3,369,686          | 3.90%                               |
| 126902                 | 33,108,480   | 54,744      | 2,723,533             | 3.15%                               |
| 528820                 | 23,242,544   | 46,989      | 2,029,373             | 2.35%                               |
| 127015                 | 21,198,792   | 88,056      | 2,153,592             | 2.49%                               |
| 231353                 | 19,210,101   | 34,548      | 1,576,213             | 1.82%                               |
| 512177                 | 17,126,400   | 26,830      | 1,372,668             | 1.59%                               |
| 368522                 | 11,610,000   | 19,667      | 754,835               | 0.87%                               |
| 126234                 | 10,689,304   | 22,009      | 771,537               | 0.89%                               |
| 272517                 | 8,398,323    | 14,981      | 574,477               | 0.66%                               |
| 506477 498139          | 8,369,760    | 21,569      | 750,117               | 0.87%                               |
| Total                  | 194,790,264  | 406,968     | \$ 16,076,031         | 18.61%                              |

(1) Based on total Electric System charges for service of \$86,392,037 for 2023.

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

Source: Longmont Power and Communications, City of Longmont.

**History of Broadband System Customers by Customer Class**

|             | <b>Customer Class:</b> |                       |                    |                   |                      | <b>Total</b> |
|-------------|------------------------|-----------------------|--------------------|-------------------|----------------------|--------------|
|             | <b>Residential (1)</b> | <b>Commercial (1)</b> | <b>Fiber Lease</b> | <b>Colocation</b> | <b>Conduit Lease</b> |              |
| <b>2010</b> | -                      | -                     | 8                  | 4                 | 1                    | 13           |
| <b>2011</b> | -                      | -                     | 8                  | 4                 | 1                    | 13           |
| <b>2012</b> | -                      | -                     | 9                  | 4                 | 1                    | 14           |
| <b>2013</b> | 26                     | 26                    | 9                  | 5                 | 1                    | 67           |
| <b>2014</b> | 244                    | 29                    | 9                  | 6                 | 1                    | 289          |
| <b>2015</b> | 2,130                  | 94                    | 8                  | 5                 | 1                    | 2,238        |
| <b>2016</b> | 9,652                  | 308                   | 8                  | 5                 | 1                    | 9,974        |
| <b>2017</b> | 16,277                 | 631                   | 8                  | 5                 | 1                    | 16,922       |
| <b>2018</b> | 18,107                 | 840                   | 7                  | 5                 | 1                    | 18,960       |
| <b>2019</b> | 19,675                 | 962                   | 7                  | 5                 | 1                    | 20,650       |
| <b>2020</b> | 21,555                 | 1,068                 | 7                  | 5                 | 1                    | 22,636       |
| <b>2021</b> | 23,000                 | 1,204                 | 6                  | 4                 | 1                    | 24,215       |
| <b>2022</b> | 24,230                 | 1,287                 | 6                  | 3                 | 1                    | 25,527       |
| <b>2023</b> | 25,254                 | 1,304                 | 6                  | 4                 | 1                    | 26,569       |

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

Source: Longmont Power and Communications, City of Longmont.

**History of Broadband System Revenues by Customer Class**

|      | Customer Class: |                |             |            |               | Total      |
|------|-----------------|----------------|-------------|------------|---------------|------------|
|      | Residential (1) | Commercial (1) | Fiber Lease | Colocation | Conduit Lease |            |
| 2012 | \$ -            | \$ -           | \$ 262,031  | \$ 27,582  | \$ 1,161      | \$ 290,774 |
| 2013 | 1,096           | 19,612         | 261,928     | 30,220     | 1,183         | 314,039    |
| 2014 | 63,266          | 186,400        | 314,201     | 34,533     | 1,216         | 599,616    |
| 2015 | 767,790         | 383,341        | 167,137     | 21,682     | 1,249         | 1,341,199  |
| 2016 | 3,673,102       | 667,110        | 168,394     | 23,381     | 1,264         | 4,533,251  |
| 2017 | 9,419,828       | 1,218,295      | 143,812     | 40,933     | 1,302         | 10,824,170 |
| 2018 | 11,775,203      | 1,785,414      | 118,847     | 38,843     | 1,341         | 13,719,648 |
| 2019 | 12,900,874      | 1,963,456      | 121,119     | 39,777     | 1,377         | 15,026,603 |
| 2020 | 14,154,422      | 2,184,126      | 123,702     | 40,830     | 1,418         | 16,504,498 |
| 2021 | 15,333,593      | 2,534,156      | 116,101     | 51,910     | 1,447         | 18,037,207 |
| 2022 | 16,331,473      | 2,623,946      | 121,883     | 19,544     | -             | 19,096,846 |
| 2023 | 16,936,635      | 2,667,180      | 151,102     | 13,407     | -             | 19,768,324 |

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

Source: Longmont Power and Communications, City of Longmont.

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

|                                                                          | <u>2019</u>   | <u>2020</u>   | <u>2021</u>    | <u>2022</u>    | <u>2023</u>    |
|--------------------------------------------------------------------------|---------------|---------------|----------------|----------------|----------------|
| <b>Operating Revenues</b>                                                |               |               |                |                |                |
| Charges for services                                                     | \$ 83,577,493 | \$ 90,625,718 | \$ 96,441,850  | \$ 100,805,517 | \$ 106,160,361 |
| <b>Operating Expenses</b>                                                |               |               |                |                |                |
| Administration                                                           | 4,948,118     | 6,769,947     | 6,937,212      | 9,295,244      | 10,957,103     |
| Purchased power/cost of sales/premiums                                   | 51,218,468    | 52,019,951    | 52,748,250     | 56,138,849     | 58,424,038     |
| Transmission/distribution                                                | 10,602,099    | 10,746,099    | 10,586,303     | 11,431,599     | 12,842,657     |
| Depreciation                                                             | 5,040,137     | 4,462,953     | 4,947,469      | 5,453,288      | 5,830,284      |
| Administrative fees (1)                                                  | 2,297,018     | 2,269,987     | 2,277,259      | 2,547,233      | 2,306,106      |
| Franchise fee (2)                                                        | 5,256,218     | 5,877,262     | 6,143,046      | 6,511,388      | 6,847,408      |
| Total operating expenses                                                 | 79,362,058    | 82,146,199    | 83,639,539     | 91,377,601     | 97,207,596     |
| <b>Operating Income (Loss)</b>                                           | 4,215,435     | 8,479,519     | 12,802,311     | 9,427,916      | 8,952,765      |
| <b>Non-Operating Revenues (Expenses)</b>                                 |               |               |                |                |                |
| Investment income (loss)                                                 | 852,907       | 218,051       | 47,738         | (521,341)      | 1,251,017      |
| Miscellaneous                                                            | 157,966       | 145,552       | 102,033        | 241,796        | 228,899        |
| Intergovernmental                                                        | 24,990        | 6,891         | 314,675        | 1,404,009      | 1,232,975      |
| Other Sales                                                              | 78,475        | 79,112        | 70,059         | 89,239         | 130,097        |
| Gain (Loss) on disposal of assets                                        | (97,184)      | (9,887)       | (20,410)       | 43,316         | (1,965)        |
| Interest Expense                                                         | (1,719,628)   | (1,119,980)   | (1,097,694)    | (928,106)      | (970,460)      |
| Total non-operating revenues                                             | (702,474)     | (680,261)     | (583,599)      | 328,913        | 1,870,563      |
| <b>Change in net position before transfers and capital contributions</b> | 3,512,961     | 7,799,258     | 12,218,712     | 9,756,829      | 10,823,328     |
| Capital Contributions (3)                                                | 2,385,127     | 1,346,403     | 2,459,446      | 3,969,757      | 2,698,827      |
| Transfers                                                                |               |               |                |                |                |
| Transfers in                                                             | 1,239,525     | 1,179,938     | 649,521        | 1,065,056      | 3,196,473      |
| Transfers out                                                            | (1,110,479)   | (2,614,532)   | (722,018)      | (577,513)      | (622,198)      |
| <b>Change in net position</b>                                            | 6,027,134     | 7,711,067     | 14,605,661     | 14,214,129     | 16,096,430     |
| <b>Total Net Position - January 1 (4)</b>                                | 79,142,280    | 85,169,414    | 92,880,481     | 107,486,142    | 121,700,271    |
| <b>Total Net Position - December 31 (4)</b>                              | \$ 85,169,414 | \$ 92,880,481 | \$ 107,486,142 | \$ 121,700,271 | \$ 137,796,701 |

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

(2) For the years shown, the Electric franchise fees were 8.64% of current revenues and Broadband franchise fees were 5.0% of dark fiber leases.

See "SYSTEM FINANCIAL INFORMATION--Budget Summary and Comparison - Electric and Broadband Utility Enterprise Fund Franchise Fee Policies."

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

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

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

Source: Derived from the City's ACFRs for the years ended December 31, 2019 through 2023.



Wastewater

Enterprise Revenue Bonds

Series 2013

Series 2015

Series 2020

(CUSIP #543098)

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

| <b><u>Fiscal Year</u></b>                                              | <b><u>2019</u></b> | <b><u>2020</u></b> | <b><u>2021</u></b> | <b><u>2022</u></b> | <b><u>2023</u></b> |
|------------------------------------------------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| <b>Gross Pledged Revenues</b>                                          |                    |                    |                    |                    |                    |
| Charges for services                                                   | \$ 14,942,625      | \$ 15,504,785      | \$ 15,677,330      | \$ 15,834,975      | \$ 17,221,440      |
| System development fees                                                | 2,279,955          | 2,058,672          | 1,256,644          | 1,631,886          | 762,283            |
| Developer participation                                                | -                  | -                  | 147,724            | 32,436             | -                  |
| Other income                                                           | 58,359             | 2,707              | 58,473             | 128,827            | 83,711             |
| Interest earnings (loss)                                               | 787,699            | 388,735            | (83,431)           | (652,765)          | 1,367,027          |
| BAB Credit on 2010B Bonds (2)                                          | 143,219            | 67,680             | 1,027              | -                  | -                  |
| Total                                                                  | <u>18,211,857</u>  | <u>18,022,579</u>  | <u>17,057,767</u>  | <u>16,975,359</u>  | <u>19,434,461</u>  |
| <b>Operation and Maintenance Expenses (3)</b>                          | <u>9,184,344</u>   | <u>9,109,191</u>   | <u>8,900,561</u>   | <u>9,407,031</u>   | <u>10,778,371</u>  |
| <b>Net Pledged Revenues</b>                                            | \$ 9,027,513       | \$ 8,913,388       | \$ 8,157,206       | \$ 7,568,328       | \$ 8,656,090       |
| <b>Actual Debt Service Paid (4)</b>                                    | \$ 3,593,070       | \$ 3,353,070       | \$ 3,309,825       | \$ 3,309,575       | \$ 3,315,175       |
| <b>Coverage</b>                                                        | 2.51x              | 2.66x              | 2.46x              | 2.29x              | 2.61x              |
| <b>Combined Maximum Annual Principal and Interest Requirements (5)</b> | 3,648,375          | 3,648,375          | 3,648,375          | 3,648,375          | 3,648,375          |
| <b>Pro-Forma Coverage</b>                                              | 2.47x              | 2.44x              | 2.24x              | 2.07x              | 2.37x              |

(1) Derived from the City's audited financial statements for 2019 through 2023.

(2) The BAB Credit is also included in Gross Pledged Revenues. After 2021, the City no longer receives the BAB Credit.

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

(4) Includes debt service on the then-outstanding 2010 Bonds, debt service on the 2013 Bonds, debt service on the 2015 Bonds and debt service on the 2020 Bonds, beginning in 2020.

(5) Represents the Combined Maximum Annual Principal and Interest Requirements payable on the the 2013 Bonds, the 2015 Bonds and the 2020 Bonds (\$3,648,375 in 2035).

**History of Wastewater System Development Fees**

| <b><u>Year</u></b> | <b><u>Total Number<br/>of Connections</u></b> | <b><u>Total System<br/>Development Fees</u></b> |
|--------------------|-----------------------------------------------|-------------------------------------------------|
| 2005               | 25,190                                        | \$1,550,118                                     |
| 2006               | 25,691                                        | \$889,964                                       |
| 2007               | 25,887                                        | \$851,565                                       |
| 2008               | 26,044                                        | \$288,158                                       |
| 2009               | 26,147                                        | \$96,975                                        |
| 2010               | 26,013                                        | \$277,085                                       |
| 2011               | 25,875                                        | \$380,154                                       |
| 2012               | 25,965                                        | \$783,174                                       |
| 2013               | 26,091                                        | \$765,285                                       |
| 2014               | 26,276                                        | \$1,077,096                                     |
| 2015               | 26,477                                        | \$1,504,040                                     |
| 2016               | 26,919                                        | \$2,459,528                                     |
| 2017               | 27,284                                        | \$2,234,310                                     |
| 2018               | 27,703                                        | \$3,090,230                                     |
| 2019               | 28,195                                        | \$2,279,955                                     |
| 2020               | 28,536                                        | \$2,058,672                                     |
| 2021               | 28,742                                        | \$1,256,644                                     |
| 2022               | 28,875                                        | \$1,631,886                                     |
| 2023               | 29,066                                        | \$762,283                                       |

**History of User Connections by Customer Type**

| <b><u>Year</u></b> | <b><u>Residential<br/>Connections</u></b> | <b><u>Commercial/<br/>Industrial<br/>Connections</u></b> | <b><u>Contract<br/>Connection</u></b> | <b><u>Other/Out of<br/>City Users</u></b> | <b><u>Total<br/>Connections</u></b> | <b><u>% Change in<br/>Connections</u></b> |
|--------------------|-------------------------------------------|----------------------------------------------------------|---------------------------------------|-------------------------------------------|-------------------------------------|-------------------------------------------|
| 2005               | 23,775                                    | 1,369                                                    | 1                                     | 45                                        | 25,190                              | --                                        |
| 2006               | 24,161                                    | 1,463                                                    | 1                                     | 66                                        | 25,691                              | 2.0%                                      |
| 2007               | 24,323                                    | 1,485                                                    | 1                                     | 78                                        | 25,887                              | 0.8%                                      |
| 2008               | 24,435                                    | 1,521                                                    | 1                                     | 87                                        | 26,044                              | 0.6%                                      |
| 2009               | 24,507                                    | 1,547                                                    | 1                                     | 92                                        | 26,147                              | 0.4%                                      |
| 2010               | 24,537                                    | 1,410                                                    | 1                                     | 66                                        | 26,014                              | -0.5%                                     |
| 2011               | 24,515                                    | 1,311                                                    | 1                                     | 48                                        | 25,875                              | -0.5%                                     |
| 2012               | 24,562                                    | 1,309                                                    | 0                                     | 94                                        | 25,965                              | 0.3%                                      |
| 2013               | 24,679                                    | 1,330                                                    | 0                                     | 82                                        | 26,091                              | 0.5%                                      |
| 2014               | 24,825                                    | 1,367                                                    | 0                                     | 84                                        | 26,276                              | 0.7%                                      |
| 2015               | 25,011                                    | 1,376                                                    | 0                                     | 90                                        | 26,477                              | 0.8%                                      |
| 2016               | 25,318                                    | 1,488                                                    | 0                                     | 113                                       | 26,919                              | 1.7%                                      |
| 2017               | 25,620                                    | 1,543                                                    | 0                                     | 121                                       | 27,284                              | 1.4%                                      |
| 2018               | 26,028                                    | 1,547                                                    | 0                                     | 128                                       | 27,703                              | 1.5%                                      |
| 2019               | 26,481                                    | 1,583                                                    | 0                                     | 131                                       | 28,195                              | 1.8%                                      |
| 2020               | 26,886                                    | 1,520                                                    | 0                                     | 130                                       | 28,536                              | 1.2%                                      |
| 2021               | 27,101                                    | 1,508                                                    | 0                                     | 133                                       | 28,742                              | 0.7%                                      |
| 2022               | 27,200                                    | 1,542                                                    | 0                                     | 133                                       | 28,875                              | 0.5%                                      |
| 2023               | 27,359                                    | 1,574                                                    | 0                                     | 133                                       | 29,066                              | 0.7%                                      |

**History of Charges for Service by Category**

| <b><u>Year</u></b> | <b><u>Residential<br/>Service<br/>Charges</u></b> | <b><u>Commercial/<br/>Industrial<br/>Service<br/>Charges</u></b> | <b><u>Other<br/>Industrial<br/>Charges (1)</u></b> | <b><u>Special Tap/<br/>Contract<br/>Revenues</u></b> | <b><u>Miscellaneous<br/>Revenues (2)</u></b> | <b><u>Total<br/>Revenues</u></b> | <b><u>Percent<br/>Change in<br/>Revenues</u></b> |
|--------------------|---------------------------------------------------|------------------------------------------------------------------|----------------------------------------------------|------------------------------------------------------|----------------------------------------------|----------------------------------|--------------------------------------------------|
| 2005               | \$ 5,356,563                                      | \$ 1,144,869                                                     | \$ 273,843                                         | \$ 407,406                                           | \$ 10,920                                    | \$7,193,601                      | --                                               |
| 2006               | 5,621,533                                         | 1,181,641                                                        | 223,662                                            | 390,832                                              | 9,201                                        | 7,426,869                        | 3.2%                                             |
| 2007               | 5,402,944                                         | 1,146,694                                                        | 228,839                                            | 409,684                                              | (19,603)                                     | 7,168,558                        | -3.5%                                            |
| 2008               | 5,436,825                                         | 1,113,443                                                        | 246,565                                            | 329,322                                              | (8,166)                                      | 7,117,989                        | -0.7%                                            |
| 2009               | 5,844,437                                         | 1,206,730                                                        | 285,927                                            | 19,068                                               | 59,877                                       | 7,416,039                        | 4.2%                                             |
| 2010               | 6,216,671                                         | 1,275,971                                                        | 244,465                                            | 68,749                                               | 30,617                                       | 7,836,473                        | 5.7%                                             |
| 2011               | 6,459,187                                         | 1,384,300                                                        | 260,554                                            | 62,618                                               | 74,330                                       | 8,240,989                        | 5.2%                                             |
| 2012 (3)           | 6,846,158                                         | 1,490,467                                                        | 286,632                                            | 10,609                                               | 766                                          | 8,634,632                        | 4.8%                                             |
| 2013               | 7,935,973                                         | 1,697,791                                                        | 19,269                                             | 3,121                                                | 83,951                                       | 9,740,105                        | 12.8%                                            |
| 2014               | 9,374,332                                         | 2,073,369                                                        | 31,567                                             | 2,907                                                | 204,811                                      | 11,686,986                       | 20.0%                                            |
| 2015               | 10,615,333                                        | 2,343,578                                                        | 116,557                                            | 4,096                                                | 5,569                                        | 13,085,133                       | 12.0%                                            |
| 2016               | 10,752,333                                        | 2,419,355                                                        | 173,170                                            | 3,265                                                | 84,496                                       | 13,432,619                       | 2.7%                                             |
| 2017               | 11,512,472                                        | 2,791,456                                                        | 139,688                                            | 3,684                                                | 38,762                                       | 14,486,062                       | 7.8%                                             |
| 2018               | 11,779,956                                        | 2,799,116                                                        | 108,871                                            | 4,331                                                | (23,786)                                     | 14,668,488                       | 1.3%                                             |
| 2019               | 11,913,104                                        | 2,827,717                                                        | 139,886                                            | 4,968                                                | 56,950                                       | 14,942,625                       | 1.9%                                             |
| 2020               | 12,464,481                                        | 2,658,575                                                        | 202,228                                            | 5,169                                                | 174,332                                      | 15,504,785                       | 3.8%                                             |
| 2021               | 12,618,323                                        | 2,633,984                                                        | 111,593                                            | 4,909                                                | 308,521                                      | 15,677,330                       | 1.1%                                             |
| 2022               | 12,641,448                                        | 2,783,921                                                        | 169,964                                            | 5,178                                                | 234,464                                      | 15,834,975                       | 1.0%                                             |
| 2023               | 13,610,394                                        | 3,057,805                                                        | 211,129                                            | 5,612                                                | 336,500                                      | 17,221,440                       | 8.8%                                             |

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

(2) Includes miscellaneous revenues, RIN credits, mixed use rates and charges and accruals for unbilled revenue, which represents service provided as of the end of each year that will not be billed until the first billing date in January. Unbilled revenue was negative in 2008, 2012, 2015 and 2018.

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

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

|                                                                        | <u>2019</u>          | <u>2020</u>          | <u>2021</u>          | <u>2022</u>          | <u>2023</u>          |
|------------------------------------------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| <b>Operating Revenues</b>                                              |                      |                      |                      |                      |                      |
| Charges for services                                                   | \$ 14,942,625        | \$ 15,504,785        | \$ 15,677,330        | \$ 15,834,975        | \$ 17,221,440        |
| <b>Operating Expenses</b>                                              |                      |                      |                      |                      |                      |
| Administration                                                         | 1,941,273            | 1,853,141            | 1,627,729            | 1,822,612            | 3,752,653            |
| Transmission/distribution                                              | 1,569,515            | 1,462,933            | 1,331,349            | 1,419,686            | 1,581,403            |
| Treatment/disposal                                                     | 4,058,815            | 4,161,586            | 4,324,953            | 4,510,519            | 4,811,411            |
| Depreciation                                                           | 5,058,506            | 5,091,766            | 5,165,112            | 5,269,353            | 5,550,747            |
| Administrative fees (1)                                                | 972,505              | 1,002,475            | 988,342              | 1,022,258            | 4,520                |
| Franchise fee (2)                                                      | 642,236              | 629,056              | 628,188              | 631,956              | 628,384              |
| Total operating expenses                                               | <u>14,242,850</u>    | <u>14,200,957</u>    | <u>14,065,673</u>    | <u>14,676,384</u>    | <u>16,329,118</u>    |
| <b>Operating Income (Loss)</b>                                         | 699,775              | 1,303,828            | 1,611,657            | 1,158,591            | 892,322              |
| <b>Non-Operating Revenues (Expenses)</b>                               |                      |                      |                      |                      |                      |
| Investment income (loss)                                               | 529,740              | 229,907              | (48,852)             | (388,315)            | 848,925              |
| Miscellaneous                                                          | 58,359               | 2,707                | 60,355               | 136,566              | 89,934               |
| Intergovernmental                                                      | 265,901              | 110,908              | 171,266              | 43,658               | 423,852              |
| Interest expense                                                       | (1,606,999)          | (1,447,661)          | (1,224,742)          | (1,248,206)          | (1,107,749)          |
| Gain (Loss) on disposal of assets                                      | -                    | -                    | (1,882)              | (7,739)              | (6,223)              |
| Total non-operating revenues                                           | <u>(752,999)</u>     | <u>(1,104,139)</u>   | <u>(1,043,855)</u>   | <u>(1,464,036)</u>   | <u>248,739</u>       |
| <b>Change in net assets before transfers and capital contributions</b> | (53,224)             | 199,689              | 567,802              | (305,445)            | 1,141,061            |
| Capital Contributions                                                  | 728,123              | 229,898              | 245,925              | 857,167              | 1,540,928            |
| Transfers                                                              |                      |                      |                      |                      |                      |
| Transfers in                                                           | 523,132              | 656,916              | 815,474              | 1,194,078            | 3,911,603            |
| Transfers out                                                          | <u>(664,603)</u>     | <u>(1,149,772)</u>   | <u>(284,777)</u>     | <u>(74,422)</u>      | <u>(84,932)</u>      |
| <b>Change in net position</b>                                          | 533,428              | (63,269)             | 1,344,424            | 1,671,378            | 6,508,660            |
| <b>Total Net Position - January 1 (3)</b>                              | <u>116,210,064</u>   | <u>116,743,492</u>   | <u>116,680,223</u>   | <u>118,024,647</u>   | <u>119,696,025</u>   |
| <b>Total Net Position - December 31 (3)</b>                            | <u>\$116,743,492</u> | <u>\$116,680,223</u> | <u>\$118,024,647</u> | <u>\$119,696,025</u> | <u>\$126,204,685</u> |

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

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

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

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

|                                                         | <u>2019</u>         | <u>2020</u>         | <u>2021</u>         | <u>2022</u>         | <u>2023</u>         |
|---------------------------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| <b>Revenues</b>                                         |                     |                     |                     |                     |                     |
| Licenses and permits (1)                                | \$ 2,279,955        | \$ 2,058,672        | \$ 1,256,644        | \$ 1,631,886        | \$ 762,284          |
| Developer/owner participation                           | -                   | -                   | -                   | 32,436              | -                   |
| Investment income (loss)                                | 257,961             | 158,828             | (34,579)            | (264,451)           | 518,102             |
| Miscellaneous                                           | -                   | -                   | -                   | -                   | -                   |
| Total revenues                                          | <u>2,537,916</u>    | <u>2,217,500</u>    | <u>1,222,065</u>    | <u>1,399,871</u>    | <u>1,280,386</u>    |
| <b>Expenditures</b>                                     |                     |                     |                     |                     |                     |
| Current:                                                |                     |                     |                     |                     |                     |
| Municipal utility system                                | 85,621              | 97,866              | 104,434             | 10,938              | -                   |
| Capital Outlay                                          | -                   | -                   | -                   | -                   | -                   |
| Total expenditures                                      | <u>85,621</u>       | <u>97,866</u>       | <u>104,434</u>      | <u>10,938</u>       | <u>-</u>            |
| <b>Excess of Revenues Over<br/>(Under) Expenditures</b> | <u>2,452,295</u>    | <u>2,119,634</u>    | <u>1,117,631</u>    | <u>1,388,933</u>    | <u>1,280,386</u>    |
| <b>Other Financing Sources (Uses)</b>                   |                     |                     |                     |                     |                     |
| Transfers out (2)                                       | <u>(523,132)</u>    | <u>(525,074)</u>    | <u>(815,755)</u>    | <u>(1,196,834)</u>  | <u>(3,944,953)</u>  |
| <b>Net change in fund balance</b>                       | 1,929,163           | 1,594,560           | 301,876             | 192,099             | (2,664,567)         |
| <b>Fund Balance - January 1</b>                         | <u>8,220,931</u>    | <u>10,150,094</u>   | <u>11,744,654</u>   | <u>12,046,530</u>   | <u>12,238,629</u>   |
| <b>Fund Balance - December 31</b>                       | <u>\$10,150,094</u> | <u>\$11,744,654</u> | <u>\$12,046,530</u> | <u>\$12,238,629</u> | <u>\$ 9,574,062</u> |

(1) Consists primarily of System Development Fees.

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

Storm Drainage

Revenue Bonds

Series 2014

Series 2016

(CUSIP #54310P)



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

| <u>Fiscal Year</u>                                                 | <u>2019</u>           | <u>2020</u>           | <u>2021</u>           | <u>2022</u>           | <u>2023</u>           |
|--------------------------------------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| <b>Pledged Revenues</b>                                            |                       |                       |                       |                       |                       |
| User charges                                                       | \$ 7,262,803          | \$ 7,492,463          | \$ 7,529,406          | \$ 8,639,443          | \$ 9,731,766          |
| Plant investment fees                                              | 505,230               | 460,587               | 217,708               | 451,162               | 221,072               |
| Total                                                              | \$ 7,768,033 (3)      | \$ 7,953,050          | \$ 7,747,114          | \$ 9,090,605          | \$ 9,952,838          |
| <b>Actual Debt Service Paid on 2014/2016 Bonds Coverage</b>        | \$ 2,442,688<br>3.18x | \$ 2,440,438<br>3.26x | \$ 2,440,038<br>3.17x | \$ 2,446,438<br>3.72x | \$ 2,444,188<br>4.07x |
| <b>Combined Maximum Annual Debt Service (2) Pro-Forma Coverage</b> | \$ 2,465,238<br>3.15x | \$ 2,465,238<br>3.23x | \$ 2,465,238<br>3.14x | \$ 2,465,238<br>3.69x | \$ 2,465,238<br>4.04x |

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

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

(3) An error was discovered in statistical table 16 in the 2019 ACFR. The gross resources total number did not include Plant Investment fees. This has been corrected for the 2020 ACFR.

Source: Derived from the City's Annual Comprehensive Financial Reports for 2019-2023; and the debt service schedules (as to the combined maximum annual debt service).

**History of Storm Drainage Revenues**

| <u>Year</u> | <u>User Charge Revenues</u> | <u>Percentage Change</u> | <u>Plant Investment Fees</u> | <u>Percentage Change</u> | <u>Total</u> | <u>Percentage Change</u> |
|-------------|-----------------------------|--------------------------|------------------------------|--------------------------|--------------|--------------------------|
| 2009        | \$ 3,428,994                | -                        | \$ 30,774                    | -                        | \$ 3,459,768 | -                        |
| 2010        | 3,420,656                   | (0.24) %                 | 120,618                      | 291.95 %                 | 3,541,274    | 2.36 %                   |
| 2011        | 3,395,622                   | (0.73) %                 | 93,331                       | (22.62) %                | 3,488,953    | (1.48) %                 |
| 2012        | 3,835,699                   | 12.96 %                  | 163,868                      | 75.58 %                  | 3,999,567    | 14.64 %                  |
| 2013        | 4,027,152                   | 4.99 %                   | 146,340                      | (10.70) %                | 4,173,492    | 4.35 %                   |
| 2014        | 6,579,550 (1)               | 63.38 %                  | 235,532                      | 60.95 %                  | 6,815,082    | 63.29 %                  |
| 2015        | 6,644,935                   | 0.99 %                   | 302,142                      | 28.28 %                  | 6,947,077    | 1.94 %                   |
| 2016        | 6,730,428                   | 1.29 %                   | 527,748                      | 74.67 %                  | 7,258,176    | 4.48 %                   |
| 2017        | 6,858,415                   | 1.90 %                   | 568,223                      | 7.67 %                   | 7,426,638    | 2.32 %                   |
| 2018        | 7,055,596                   | 2.88 %                   | 686,588                      | 20.83 %                  | 7,742,184    | 4.25 %                   |
| 2019        | 7,262,803                   | 2.94 %                   | 505,230                      | (26.41) %                | 7,768,033    | 0.33 %                   |
| 2020        | 7,492,463                   | 3.16 %                   | 460,587                      | (8.84) %                 | 7,953,050    | 2.38 %                   |
| 2021        | 7,529,406                   | 0.49 %                   | 217,708                      | (52.73) %                | 7,747,114    | (2.59) %                 |
| 2022        | 8,639,443                   | 14.74 %                  | 451,162                      | 107.23 %                 | 9,090,605    | 17.34 %                  |
| 2023        | 9,731,766                   | 12.64 %                  | 221,072                      | (51.00) %                | 9,952,838    | 9.48 %                   |

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

Source: Derived from the City's Annual Comprehensive Financial Reports for the years ended 2009-2023.

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

| Fiscal Year Ended December 31,                                           | 2019         | 2020         | 2021         | 2022         | 2023           |
|--------------------------------------------------------------------------|--------------|--------------|--------------|--------------|----------------|
| <b>Operating Revenues</b>                                                |              |              |              |              |                |
| Charges for services                                                     | \$ 7,262,803 | \$ 7,492,463 | \$ 7,529,406 | \$ 8,639,443 | \$ 9,731,766   |
| <b>Operating Expenses</b>                                                |              |              |              |              |                |
| Administration                                                           | 1,445,334    | 1,269,666    | 1,168,693    | 1,385,158    | 1,728,481      |
| Maintenance/Development                                                  | 2,797,705    | 2,228,488    | 2,064,661    | 1,983,261    | 2,004,848      |
| Depreciation                                                             | 2,023,340    | 1,949,198    | 1,952,614    | 1,980,029    | 2,337,825      |
| Administrative fees (1)                                                  | 621,074      | 766,829      | 667,273      | 629,426      | 776,096        |
| Total operating expenses                                                 | 6,887,453    | 6,214,181    | 5,853,241    | 5,977,874    | 6,847,250      |
| <b>Operating Income (Loss)</b>                                           | 375,350      | 1,278,282    | 1,676,165    | 2,661,569    | 2,884,516      |
| <b>Non-Operating Revenues (Expenses)</b>                                 |              |              |              |              |                |
| Investment income                                                        | 319,090      | 164,609      | (20,709)     | (244,619)    | 690,755        |
| Miscellaneous                                                            | 131,943      | 14,420       | 162,993      | 588,591      | 2,804,064      |
| Intergovernmental                                                        | 6,002,696    | 468,088      | 3,437,281    | (256,719)    | 34             |
| Interest                                                                 | (846,514)    | (827,857)    | (744,194)    | (690,932)    | (606,934)      |
| Total non-operating revenues                                             | 5,607,215    | (180,740)    | 2,835,371    | (603,679)    | 2,887,919      |
| <b>Change in net position before transfers and capital contributions</b> | 5,982,565    | 1,097,542    | 4,511,536    | 2,057,890    | 5,772,435      |
| <b>Capital Contributions</b>                                             | 872,473      | 501,049      | 375,365      | 1,400,839    | 3,142,691      |
| <b>Transfers</b>                                                         |              |              |              |              |                |
| Transfers in                                                             | -            | 65,751       | -            | -            | -              |
| Transfers out                                                            | (252,008)    | (564,999)    | (272,830)    | (51,978)     | (65,195)       |
| <b>Change in Net Position</b>                                            | 6,603,030    | 1,099,343    | 4,614,071    | 3,406,751    | 8,849,931      |
| <b>Total Net Position - January 1 (2)</b>                                | \$80,188,871 | \$86,791,901 | \$87,891,244 | \$92,505,315 | \$ 95,912,066  |
| <b>Total Net Position - December 31 (2)</b>                              | \$86,791,901 | \$87,891,244 | \$92,505,315 | \$95,912,066 | \$ 104,761,997 |

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

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

Source: Derived from the City's ACFRs for the years ended December 31, 2019 through 2023.

Water

Revenue Bonds

Series 2021

Series 2021A

(CUSIP #543099)

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

| <b><u>Fiscal Year</u></b>                                              | <b><u>2019</u></b> | <b><u>2020</u></b> | <b><u>2021</u></b> | <b><u>2022</u></b> | <b><u>2023</u></b> |
|------------------------------------------------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| <b>Gross Pledged Revenues (1)</b>                                      |                    |                    |                    |                    |                    |
| Charges for services                                                   | \$ 19,568,469      | \$ 24,304,337      | \$ 25,043,109      | \$ 26,704,691      | \$ 25,087,437      |
| Capital contributions                                                  | 732,748            | 721,493            | 484,255            | 759,891            | 309,384            |
| System development fees                                                | 3,975,235          | 3,737,272          | 2,531,465          | 3,062,637          | 1,316,125          |
| Payments in lieu of water rights                                       | 73,908             | 1,006,775          | 2,443,551          | 3,355,428          | 1,524,875          |
| Developer participation (4)                                            | -                  | -                  | 359,183            | 478,472            | 194,735            |
| Other income                                                           | 338,568            | 773,372            | 919,145            | 4,825,602          | 1,547,346          |
| Interest earnings                                                      | 1,987,158          | 1,132,812          | (690,792)          | (228,424)          | 4,409,374          |
| Total                                                                  | <u>26,676,086</u>  | <u>31,676,061</u>  | <u>31,089,916</u>  | <u>38,958,297</u>  | <u>34,389,276</u>  |
| <b>Operation and Maintenance Expenses (1)(2)</b>                       | <u>13,976,845</u>  | <u>14,345,317</u>  | <u>16,634,834</u>  | <u>18,858,402</u>  | <u>17,973,168</u>  |
| <b>Net Pledged Revenues</b>                                            | \$ 12,699,241      | \$ 17,330,744      | \$ 14,455,082      | \$ 20,099,895      | \$ 16,416,108      |
| <b>Combined Maximum Annual Principal and Interest Requirements (3)</b> | 6,576,027          | 6,576,027          | 6,576,027          | 6,576,027          | 6,555,819          |
| <b>Pro-Forma Coverage</b>                                              | 1.93x              | 2.64x              | 2.20x              | 3.06x              | 2.50x              |

- (1) Includes revenues and expenses from the Water Fund, the Water System Construction Reserve Fund and the Water Acquisition Fund.
- (2) Includes all expenses properly allocable to the System pursuant to GAAP. These expenses are recorded in the Water Fund, the Water System Construction Reserve Fund and the Water Acquisition Fund. Does not include depreciation, amortization or interest paid on outstanding
- (3) Represents the estimated Combined Maximum Annual Principal and Interest Requirements payable on the 2003 Note, the 2021 Bonds and the 2021A bonds (\$6,555,819 in 2023).
- (4) Starting in 2021, developer participation was broken out from charges for services in the ACFR, and is reflected in this table as well.
- (5) There was an error found in the 2021 ACFR Schedule 16 in interest earnings. The correct number was used above and was corrected in the 2022 ACFR.

**History of Water System Development Fees**

| <u>Year</u> | <u>Total<br/>Number of<br/>Connections</u> | <u>Total System<br/>Development<br/>Fees (1)</u> |
|-------------|--------------------------------------------|--------------------------------------------------|
| 2016        | 27,410                                     | \$ 4,882,751                                     |
| 2017        | 27,777                                     | 4,006,767                                        |
| 2018        | 28,179                                     | 5,696,517                                        |
| 2019        | 28,989                                     | 3,975,235                                        |
| 2020        | 29,433                                     | 3,737,272                                        |
| 2021        | 29,644                                     | 2,531,465                                        |
| 2022        | 29,774                                     | 3,062,637                                        |
| 2022        | 29,971                                     | 1,316,125                                        |

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(1) Includes the base portion of the SDF which is deposited into the Water System Construction Reserve Fund. The surcharge portion of the SDF is deposited into the Water Fund, where it is recorded as a capital contribution.

Source: The City.

**History of User Connections by Customer type**

| <u>Year</u> | <u>Residential<br/>Connections</u> | <u>Commercial/<br/>Industrial<br/>Connections</u> | <u>Other/Out<br/>of City<br/>Users</u> | <u>Total<br/>Number of<br/>Connections</u> | <u>% Change in<br/>Connections</u> |
|-------------|------------------------------------|---------------------------------------------------|----------------------------------------|--------------------------------------------|------------------------------------|
| 2016        | 25,216                             | 1,561                                             | 633                                    | 27,410                                     | --                                 |
| 2017        | 25,515                             | 1,631                                             | 631                                    | 27,777                                     | 1.3%                               |
| 2018        | 25,879                             | 1,664                                             | 636                                    | 28,179                                     | 1.4%                               |
| 2019        | 26,535                             | 1,804                                             | 650                                    | 28,989                                     | 2.9%                               |
| 2020        | 26,903                             | 1,809                                             | 721                                    | 29,433                                     | 1.5%                               |
| 2021        | 27,127                             | 1,837                                             | 680                                    | 29,644                                     | 0.7%                               |
| 2022        | 27,217                             | 1,835                                             | 722                                    | 29,774                                     | 0.4%                               |
| 2023        | 27,370                             | 1,875                                             | 726                                    | 29,971                                     | 0.7%                               |

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Source: The City.

**History of Charges for Service by Category**

| Year | Residential<br>Service<br>Charges | Commercial<br>Service<br>Charges | Wholesale<br>Service<br>Charges | Irrigation<br>Charges | Raw Water/<br>Construction<br>Water | Meters/<br>Backflow<br>Devices | Miscellaneous<br>Revenues (1) | Total<br>Revenues | Percent<br>Change in<br>Revenues |
|------|-----------------------------------|----------------------------------|---------------------------------|-----------------------|-------------------------------------|--------------------------------|-------------------------------|-------------------|----------------------------------|
| 2016 | \$10,589,014                      | \$ 2,778,755                     | \$ 149,239                      | \$ 1,493,885          | \$ 972,549                          | \$ 170,423                     | \$ 117,386                    | \$ 16,271,251     | --                               |
| 2017 | 11,371,826                        | 3,127,361                        | 214,708                         | 1,629,953             | 1,119,582                           | 179,045                        | 29,265                        | 17,671,740        | 7.9%                             |
| 2018 | 12,227,038                        | 3,391,122                        | 177,397                         | 1,793,930             | 1,121,237                           | 226,781                        | 485,988                       | 19,423,493        | 9.0%                             |
| 2019 | 12,627,488                        | 3,263,509                        | 192,648                         | 1,797,410             | 1,103,143                           | 163,427                        | 420,845                       | 19,568,470        | 0.7%                             |
| 2020 | 15,880,312                        | 3,966,737                        | 237,648                         | 2,471,194             | 1,098,255                           | 189,711                        | 460,479                       | 24,304,337        | 19.5%                            |
| 2021 | 16,348,571                        | 4,673,952                        | 244,118                         | 2,450,878             | 1,017,544                           | 132,184                        | 175,863                       | 25,043,109        | 3.0%                             |
| 2022 | 17,583,627                        | 4,997,580                        | 270,835                         | 2,846,233             | 573,608                             | 165,289                        | 267,519                       | 26,704,691        | 6.6%                             |
| 2023 | 15,828,709                        | 4,772,670                        | 263,276                         | 2,310,782             | 1,888,232                           | 129,010                        | (105,242)                     | 25,087,437        | -6.4%                            |

(1) Includes charges and accruals for unbilled revenue, which represents service provided as of the end of each year that will not be billed until the first billing date in January and other small fees including lab testing, reservoir use and materials fees. Unbilled revenue was negative in 2023.

Source: The City.



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

|                                                                        | <u>2019</u>   | <u>2020</u>   | <u>2021</u>   | <u>2022</u>   | <u>2023</u>   |
|------------------------------------------------------------------------|---------------|---------------|---------------|---------------|---------------|
| <b>Operating Revenues</b>                                              |               |               |               |               |               |
| Charges for services                                                   | \$ 19,568,469 | \$ 24,304,337 | \$ 25,043,109 | \$ 26,704,691 | \$ 25,087,437 |
| <b>Operating Expenses</b>                                              |               |               |               |               |               |
| Administration                                                         | 6,010,227     | 5,669,125     | 6,322,787     | 6,478,923     | 8,019,033     |
| Transmission/distribution                                              | 2,653,475     | 2,543,774     | 4,257,631     | 5,638,953     | 5,606,424     |
| Treatment/disposal                                                     | 3,233,228     | 3,379,134     | 3,460,265     | 3,626,234     | 3,736,723     |
| Depreciation                                                           | 4,944,213     | 4,602,503     | 4,661,924     | 4,845,333     | 5,560,109     |
| Administrative fees (1)                                                | 1,634,185     | 1,625,783     | 1,652,262     | 1,669,290     | 13,561        |
| Franchise fee (2)                                                      | 416,940       | 458,753       | 488,594       | 542,014       | 573,644       |
| Total operating expenses                                               | 18,892,268    | 18,279,072    | 20,843,463    | 22,800,747    | 23,509,494    |
| <b>Operating Income (Loss)</b>                                         | 676,201       | 6,025,265     | 4,199,646     | 3,903,944     | 1,577,943     |
| <b>Non-Operating Revenues (Expenses)</b>                               |               |               |               |               |               |
| Investment income (loss)                                               | 939,353       | 556,522       | (666,396)     | 342,363       | 3,241,053     |
| Miscellaneous                                                          | 338,568       | 761,183       | 919,146       | 4,825,603     | 1,547,346     |
| Intergovernmental                                                      | 2,112,846     | 387,143       | 504,503       | 295,322       | 871,684       |
| Gain (Loss) on disposal of assets                                      | (29,043)      | (121,221)     | (3,238)       | (67,004)      | (54,488)      |
| Interest expense                                                       | (194,420)     | (135,607)     | (1,446,478)   | (1,984,463)   | (1,943,309)   |
| Total non-operating revenues                                           | 3,167,304     | 1,448,020     | (692,463)     | 3,411,821     | 3,662,286     |
| <b>Change in net assets before transfers and capital contributions</b> | 3,843,505     | 7,473,285     | 3,507,183     | 7,315,765     | 5,240,229     |
| Capital Contributions                                                  | 2,958,890     | 2,221,951     | 1,919,761     | 5,372,263     | 17,574,324    |
| Transfers                                                              |               |               |               |               |               |
| Transfers in                                                           | 3,640,925     | 2,697,454     | 20,323,211    | 4,829,097     | 3,942,702     |
| Transfers out                                                          | (873,574)     | (1,223,723)   | (500,949)     | (243,558)     | (295,827)     |
| <b>Change in net position</b>                                          | 9,569,746     | 11,168,967    | 25,249,206    | 17,273,567    | 26,461,428    |
| <b>Total Net Position - January 1 (3)</b>                              | 407,031,645   | 416,601,391   | 427,770,358   | 453,019,564   | 470,293,131   |
| <b>Total Net Position - December 31 (3)</b>                            | \$416,601,391 | \$427,770,358 | \$453,019,564 | \$470,293,131 | \$496,754,559 |

- (1) Represents a payment to the General Fund to cover the cost of general services (administrative, financial and legal services, office space, etc.) provided to the Water Fund.
- (2) Current City financial policies require the Water Fund to pay the General Fund a 2.04% franchise fee. The franchise fee is calculated at 2.04% of the budget year's projected gross revenues, excluding: contributions from the Water Fund fund balance, loans and grants from other governmental agencies, interest earnings and transfers.
- (3) "Net Position" includes the value of all assets attributable to the Water Fund, not just those acquired during the year presented

Source: Derived from the City's ACFR for the years ended December 31, 2019 through 2023.

**Water System Construction Reserve Fund - History of Revenues, Expenses and Changes in Fund Balance**

|                                                         | <u>2019</u>          | <u>2020</u>          | <u>2021</u>          | <u>2022</u>          | <u>2023</u>          |
|---------------------------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| <b>Revenues</b>                                         |                      |                      |                      |                      |                      |
| Licenses and permits (1)                                | \$ 3,975,235         | \$ 3,737,272         | \$ 2,531,465         | \$ 3,062,637         | \$ 1,316,125         |
| Developer/owner participation                           | -                    | -                    | -                    | -                    | -                    |
| Investment income                                       | 891,926              | 500,866              | (29,782)             | (490,824)            | 944,487              |
| <b>Total revenues</b>                                   | <u>4,867,161</u>     | <u>4,238,138</u>     | <u>2,501,683</u>     | <u>2,571,813</u>     | <u>2,260,612</u>     |
| <b>Expenditures</b>                                     |                      |                      |                      |                      |                      |
| Municipal utility system                                | 15,296               | 620,520              | 449,195              | 5,428                | 19,013               |
| <b>Total expenditures</b>                               | <u>15,296</u>        | <u>620,520</u>       | <u>449,195</u>       | <u>5,428</u>         | <u>19,013</u>        |
| <b>Excess of Revenues Over<br/>(Under) Expenditures</b> | 4,851,865            | 3,617,618            | 2,052,488            | 2,566,385            | 2,241,599            |
| <b>Other Financing Sources (Uses)</b>                   |                      |                      |                      |                      |                      |
| Transfers out (2)                                       | <u>(2,759,542)</u>   | <u>(1,434,233)</u>   | <u>(14,333,994)</u>  | <u>(3,372,127)</u>   | <u>(4,040,280)</u>   |
| <b>Net change in fund balance</b>                       | 2,092,323            | 2,183,385            | (12,281,506)         | (805,742)            | (1,798,681)          |
| <b>Fund Balance - January 1</b>                         | <u>31,906,540</u>    | <u>33,998,863</u>    | <u>36,182,248</u>    | <u>23,900,742</u>    | <u>23,095,000</u>    |
| <b>Fund Balance - December 31</b>                       | <u>\$ 33,998,863</u> | <u>\$ 36,182,248</u> | <u>\$ 23,900,742</u> | <u>\$ 23,095,000</u> | <u>\$ 21,296,319</u> |

(1) Consists primarily of System Development Fees; also includes material fees.

(2) Consists primarily of transfers to the Water Fund and also includes transfers to the Art in Public Places Fund required by City ordinance.

Source: Derived from the City's ACFRs for the years ended December 31, 2019 through 2023.

**Water Acquisition Fund - History of Revenues, Expenses and Changes in Fund Balance**

|                                                         | <u>2019</u>         | <u>2020</u>         | <u>2021</u>         | <u>2022</u>         | <u>2023</u>         |
|---------------------------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| <b>Revenues</b>                                         |                     |                     |                     |                     |                     |
| Charges for services (1)                                | \$ 73,908           | \$ 1,006,775        | \$ 2,443,552        | \$ 3,355,428        | \$ 1,524,875        |
| Investment income                                       | 155,879             | 75,424              | 5,384               | (79,964)            | 223,834             |
| Miscellaneous income                                    | -                   | 12,190              | -                   | -                   | -                   |
| Total revenues                                          | <u>229,787</u>      | <u>1,094,389</u>    | <u>2,448,936</u>    | <u>3,275,464</u>    | <u>1,748,709</u>    |
| <b>Expenditures</b>                                     |                     |                     |                     |                     |                     |
| Municipal utility system                                | <u>13,494</u>       | <u>48,228</u>       | <u>4,100</u>        | <u>897,560</u>      | <u>4,770</u>        |
| Total expenditures                                      | <u>13,494</u>       | <u>48,228</u>       | <u>4,100</u>        | <u>897,560</u>      | <u>4,770</u>        |
| <b>Excess of Revenues Over<br/>(Under) Expenditures</b> | 216,293             | 1,046,161           | 2,444,836           | 2,377,904           | 1,743,939           |
| <b>Other Financing Sources (Uses)</b>                   |                     |                     |                     |                     |                     |
| Transfers out (2)                                       | <u>(888,889)</u>    | <u>(1,066,667)</u>  | <u>(5,576,813)</u>  | <u>(1,473,584)</u>  | <u>(7,199)</u>      |
| <b>Net change in fund balance</b>                       | (672,596)           | (20,506)            | (3,131,977)         | 904,320             | 1,736,740           |
| <b>Fund Balance - January 1</b>                         | <u>6,640,047</u>    | <u>5,967,451</u>    | <u>5,946,945</u>    | <u>2,814,968</u>    | <u>3,719,288</u>    |
| <b>Fund Balance - December 31</b>                       | <u>\$ 5,967,451</u> | <u>\$ 5,946,945</u> | <u>\$ 2,814,968</u> | <u>\$ 3,719,288</u> | <u>\$ 5,456,028</u> |

(1) Consists of cash paid in lieu of required water dedications.

(2) Consists of water rights expenses transferred to the Water Fund. Prior to 2019, these expenses were capitalized and were not reflected as transfers out.

Source: Derived from the City's ACFRs for the years ended December 31, 2019 through 2023.