

City of Longmont, Colorado

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the year ended
December 31, 2016





City of Longmont, Colorado

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

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Year Ended December 31, 2016

Prepared by
Department of Finance
James M. Golden
Chief Financial Officer



COMPREHENSIVE ANNUAL FINANCIAL REPORT

YEAR ENDED DECEMBER 31, 2016

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Callahan House

CITY OF LONGMONT

350 Kimbark Street, Longmont, Colorado 80501



June 27, 2017

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

The Comprehensive Annual Financial Report (CAFR) of the City of Longmont for fiscal year ended December 31, 2016, is hereby submitted in accordance with Colorado statutes and City charter provisions.

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

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

Profile of the City and Services

Longmont is 35 miles north of Denver, comprising 29-plus square miles in the highly desirable northern Front Range area. Incorporated in 1873 and chartered as a home rule city in 1961, Longmont is a full service, Council-Manager-governed municipality providing the following services to its 93,933 residents: public safety, highways and streets, culture and recreation, public improvements, planning and zoning, and general administrative services as well as sanitation, electric, storm drainage, water and sewer utilities, and enterprises of golf and airport. The City is also financially accountable for the Downtown Development Authority, which is reported separately in these financial statements, further explained in Note 1 of the financial statements section.

Factors Affecting Financial Condition

September 2013 Flood. In September of 2013, the Colorado Front Range experienced a catastrophic flooding event. The St. Vrain and Left Hand creeks flow through Longmont and were impacted by the 1,000-year rainfall event. Flows on both rivers exceeded 500-year flood levels and caused significant damage to City infrastructure and private property. The President issued a major disaster declaration following state and local declarations due to the overwhelming nature of the damage. Local City response efforts included over 12,000 evacuation notices; hundreds of rescues; maintaining a shelter for 10 days; and clearing debris from homes, roadways and waterways while the City was effectively cut in half. The damage estimates topped \$150 million for City infrastructure and over \$100 million for private property. During 2014, the City secured more than \$50 million in federal and state grants for repairs to infrastructure and support housing efforts. Additionally, the City issued \$20 million in storm drainage bonds for repairs and improvements to the St. Vrain Creek Drainageway. The City is working closely with state and federal agencies during recovery and is aggressively pursuing additional sources of funding. In 2016, the City budgeted \$68 million for flood recovery efforts, \$5.5 million was spent, and \$5.1 million was received from federal and state grants.

Local Economy. The City's economic picture showed continued growth in 2016 with an increase in sales and use tax, an increase in building permits, and an increase in primary jobs compared to 2015. Not only did the number of building permits increase, the City issued commercial permits for more square feet in 2016

than in 2015. Primary jobs increased by 4%. The area unemployment rate was reported at 2.2% in December 2016, which was a 15% reduction from 2015.

During 2016, sales and use tax activity increased 6.7% from 2015 with sales tax up 6.8% and use tax up 6.5%. Additionally, 243 building permits were issued for single-family residences and 131 permits were issued for multifamily units. The City also issued nonresidential permits for a total of 637,000 square feet with a value of \$124.7 million. In 2017, new construction permits for 98 single-family homes, 72 multifamily units and 7 commercial/industrial properties have been issued through April. The combination of sales and use tax for the first quarter 2017 is up 32% compared to the first quarter of 2016.

The Longmont Economic Development Partnership (LEDP) 2016 Annual Report reveals a net increase of 4%, or 582, primary jobs during 2016. Fifty-eight of the 214 existing primary employers (27%) expanded in 2016 while 10 new primary employers became established in the Longmont area. The Longmont area experienced six closures/relocations and cutbacks by 46 companies. Longmont's primary employers represent a mixture of industries. Data from the LEDP report indicate that computer-related industries are the largest primary employers in the Longmont area. Other significant industries include software, semiconductors, aerospace, biotech, energy, communications, and medical instruments.

The City's economic environment continues to improve after the recession in 2008/2009. Longmont is a desirable location and has a well-balanced, diversified economic base. Growth-related goals set forth in the City's Comprehensive Plan support growth and development that allow Longmont to become a sustainable community over the long-term – one that balances economic, environmental and community needs. With a population of 93,933, the city has reached approximately 81% of residential buildout and 45% of its job capacity buildout in commercial and industrial development.

Major City Initiatives. The City continues its efforts to improve quality of life and long-term financial interests of the community. Significant accomplishments during 2016 included:

- Completed Airport FAA taxiway rehabilitation construction project
- Served as the lead agency in administration and oversight of \$63 million CDBG-DR grant
- Completed Longmont homeless services assessment
- Library was recognized as one of the top five libraries in the country
- Library Director Judith Anderson was named Colorado Librarian of the year by the Colorado Library Association
- Introduced time-friendly swim lessons, which helped produce record high enrollment at the Longmont Recreation Center
- Completed the Envision Longmont Aging Well Plan
- Completed construction of the Kanemoto Park activity pool and held the grand re-opening in June
- Issued 4,157 building permits; performed 32,371 inspections and 1,012 plan reviews
- Celebrated 19 store openings at Village at the Peaks
- Negotiated and executed the sale of 103 Main Street to Cheese Importers and received Downtown Colorado Inc. Governor's Award for Best Adaptive Reuse
- Developed Munis software for HR and payroll
- Completed the majority of NextLight™ construction including 179 miles of underground path, 25 miles of overhead strand, and 311 miles of new fiber optic cable
- Launched 91 NextLight areas in 6 phases
- NextLight established service for over 15,000 addresses and achieved 54% market penetration for residential customers
- Ranked between 2nd and 5th lowest electric rates for all customer classes compared to 58 Colorado providers
- Received a national FEMA award for the Community Emergency Response Team program
- Completed design and installation of the D Barn sanitary sewer service
- Completed preliminary structural testing of the Civic Center post-slab and beams
- Completed Lykins Gulch Underpass Greenway Trail Replacement
- Completed construction of Sunset Street Bridge, which received two regional awards
- Completed Main Street Pavement Reconstruction Project
- Finalized design for Resilient St. Vrain! Project City Reach 2a and 2b
- Completed construction of Wastewater Treatment Plant Master Plan Improvements
- Completed and opened a new 10-court championship-level tennis complex at Quail Campus
- Completed renovation of the Tower of Compassion at Kanemoto Park
- Updated the City's computer network

- Sold \$8,530,000 of Storm Drainage Revenue Refunding Bonds to refund and refinance the 2008 Storm Drainage Revenue Bonds saving more than \$1.26 million in debt service over 12 years
- Implemented an online priority based budgeting system
- Completed all phases of the Fleet Building expansion
- Submitted over \$10 million in requests for reimbursements to the state for flood recovery efforts, and received \$5.1 million in FEMA and state disaster recovery funds

The City Council's focus for 2017 remains in line with the commitment made in 2013 to use priority based budgeting to make future decisions regarding resource allocations. The Council identified the following five results that the City is in business to achieve:

- **Safe Community** – The 2017 General Fund budget includes over \$33 million of funding for Public Safety services, and the 2017 Public Safety fund budget will provide over \$6.47 million of funding for public safety.
- **Thriving Economic Climate** – The City's focus on attracting and retaining businesses is demonstrated by ongoing funding and support for various economic development programs and initiatives. The 2017 budget includes \$487,500 to support this effort. The Planning & Development Services Department added additional FTEs and services to accommodate the increase in construction activity. The Resilient St. Vrain project will support redevelopment in core business areas of the city.
- **Vibrant Amenities and Opportunities for All** – Efforts in 2017 that contribute to having a vibrant community and high quality of life for all residents of Longmont include the addition of a Museum Visitor Services Manager, additional funding for services and an unarmed guard at the Library, funding to address the increasing occurrence and severity of problem behaviors in City facilities and on City property, additional funding for human services agencies, \$540,000 for affordable housing, and continued funding for the Resilient St. Vrain Project.
- **Reliable, Innovative and Resilient Infrastructure** – 2017 funded projects include \$3.1 million for Broadband; \$310,530 for Downtown Redevelopment; \$9.5 million for Drainage; \$2.4 million for Electric; \$5.7 million for Parks and Recreation; \$5.5 million for Public Building & Facilities; \$2.5 million for Sewer; \$11.6 million for Transportation; and \$3.6 million for Water.
- **Responsive Internal Operations and Governance** – The implementation of Munis software for Accounting, HR, and Payroll will continue in 2017 in an effort to increase efficiencies. Additional FTEs were added in purchasing and accounting to enable a higher level of tracking for purchasing cards, grants, and fixed assets. The 2017 budget also includes \$115,249 for data security protection.

The City provides funding to several local economic development partners, including the Longmont Economic Development Partnership (Longmont EDP), Visit Longmont, the Boulder County Latino Chamber of Commerce, and the Colorado Enterprise Fund. The City's primary economic development organization, Longmont EDP, provides business recruitment, retention and expansion services on behalf of the City of Longmont. The organization focuses on primary employers, the startup community and non-primary local business. In 2016 and 2017, the Longmont EDP and the City of Longmont attracted the Smuckers Corporation to the area; it will begin building a facility to produce a growing product line called Uncrustables. This will create 250 jobs in phase one and 250 more when phase two is complete. Construction will begin in 2017 with a production target in 2019. Also in the last year, Astra Zeneca pharmaceutical company was recruited to Longmont, purchasing the local Amgen facility for \$64.5 million.

The City has had a focus on economic development for several years. The City and the Longmont EDP created a strategic plan in 2014 known as Advance Longmont. Implementation of that plan is led by Longmont EDP with support from 12 local economic development organizations that make up the Advance Longmont Partnership. In addition, the City continues to enhance the one-stop Development Services Center, which is designed to streamline the delivery of services as they relate to community and economic development. Elements of sound economic expansion such as transportation, utility infrastructure, recreation and cultural facilities, planning considerations, and managed growth, continue to be high priorities. Envision Longmont, the City's Multimodal and Comprehensive Plan, was adopted in 2016; the plan provides strategic guidance and direction on a comprehensive range of topics, including economic vitality through innovation and collaboration. The City is confident that this plan and its related efforts will enhance the quality of life in Longmont and protect long-term financial stability.

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

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

Most of the projects are funded from business-type activities. Other major projects are in the Streets Fund, Transportation Community Investment Fee Fund, Public Building Community Investment Fee Fund, Park Improvement Fund and Public Improvement Fund. The five-year CIP includes funded projects, partially funded projects and unfunded projects. A summary of the five-year plan for 2017-2021 is shown below. The projects detailed are funded primarily through business-type activity revenues, through sales and use tax revenues of the Street and Public Improvement governmental funds, and through growth-related community investment fees. Additionally, there are approximately 50 projects identified as unfunded with an estimated cost of \$285 million, some of which may never be realized as they are new services or enhanced services dependent upon new sources of revenue.

Category	Number Of Projects	Amount Funded
Broadband	1	\$ 8,880,000
Downtown Redevelopment	3	\$ 390,530
Drainage	4	\$ 22,177,366
Electric	6	\$ 7,558,350
Parks and Recreation	29	\$ 39,101,003
Public Buildings & Facilities	28	\$ 37,959,553
Sewer	2	\$ 15,172,550
Transportation	15	\$ 50,616,000
Water	11	\$ 59,389,338

Financial Policies. Since 1985 the City has maintained comprehensive financial policies developed to provide the City with continuity of financial management through changes in financial staff and City Council. The policies are reviewed and updated annually by City Council. There are currently 97 policies organized in the following eight categories:

1. Revenue (11)
2. Operating (23)
3. Fees for Service (5)
4. Investment and Debt (11)
5. Reserves (10)
6. Administrative and Franchise Fees (7)
7. Enterprise Funds (15)
8. Capital improvement (15)

Financial Management and Internal Controls

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

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

is reported with project-length budget-to-actual comparisons as the only fund for which appropriations do not lapse at year end.

Cash management met full compliance with Colorado statutes and the City's investment policy, which was last updated by the City Council in 2012. All funds are invested using a "pooled assets" investment fund, focusing on the investment objectives of safety, liquidity and yield. The majority of temporary investments made by the City in 2016 were in government agencies and securities. The fair value return on the investment portfolio during the year was 0.82%.

Colorado law grants governmental immunity to all governments, limiting the loss on any one general or automobile claim for negligence to \$350,000 per person, and \$990,000 per occurrence. Beginning January 1, 2018, and every four years thereafter, the Attorney General (AG) is required to adjust the caps based on the Consumer Price Index for Denver-Boulder-Greeley. The adjusted amounts are to be published on the AGs website. Longmont retains risk of \$300,000 per claim and purchases excess insurance with limits of \$1 million for general and auto liability claims not covered by governmental immunity. The City retains risk for workers' compensation up to a limit of \$500,000 per general worker claim, \$600,000 per firefighter and police officer claim, and \$600,000 per electrical worker claim and carries excess insurance beyond those limits. The City retains risk of \$25,000 for property losses and carries insurance up to \$75 million for any one property loss occurrence except for \$100,000 retention for general flood and earthquake and \$500,000 retention for zone A flood losses. The City's risk management staff (4-¾ full-time positions) includes a Safety Officer for the purpose of loss control and prevention.

All benefitted City employees are covered by one or more of six pension plans. All sworn uniformed employees are covered by the Fire and Police Money Purchase Plans, two separate defined contribution plans. The City maintains two closed defined benefit plans, the Fire Pension Plan and the Police Pension Plan, each with 10 or fewer retirees or beneficiaries but no active participants at December 31, 2016. All other eligible City employees are covered by both a defined contribution plan and a defined benefit plan. Actuarial studies on the Fire Pension Plan and the Police Pension Plan are performed annually with the last study for each plan performed as of January 1, 2016. An actuarial study on the Employee Pension Plan is performed annually with the last study performed as of January 1, 2016. Actuarial information regarding the plans is included in the notes to the financial statements.

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

Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Longmont, Colorado, for its comprehensive annual financial report (CAFR) for the fiscal year ended December 31, 2015. The City has been awarded a Certificate of Achievement for 35 consecutive CAFRs. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR conforming to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

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

In addition, the City also received the GFOA's Distinguished Budget Presentation Award for its annual budget document for the fiscal year beginning January 1, 2016. To qualify for the Distinguished Budget Presentation Award, the City's budget document had to be judged proficient as a policy document, a financial plan, an operations guide, and a communications device.

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

City Council for their support for maintaining the highest standards of professionalism in the management of the City of Longmont's finances.

Respectfully submitted,



Harold Dominguez
City Manager



James M. Golden
Chief Financial Officer



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Longmont
Colorado**

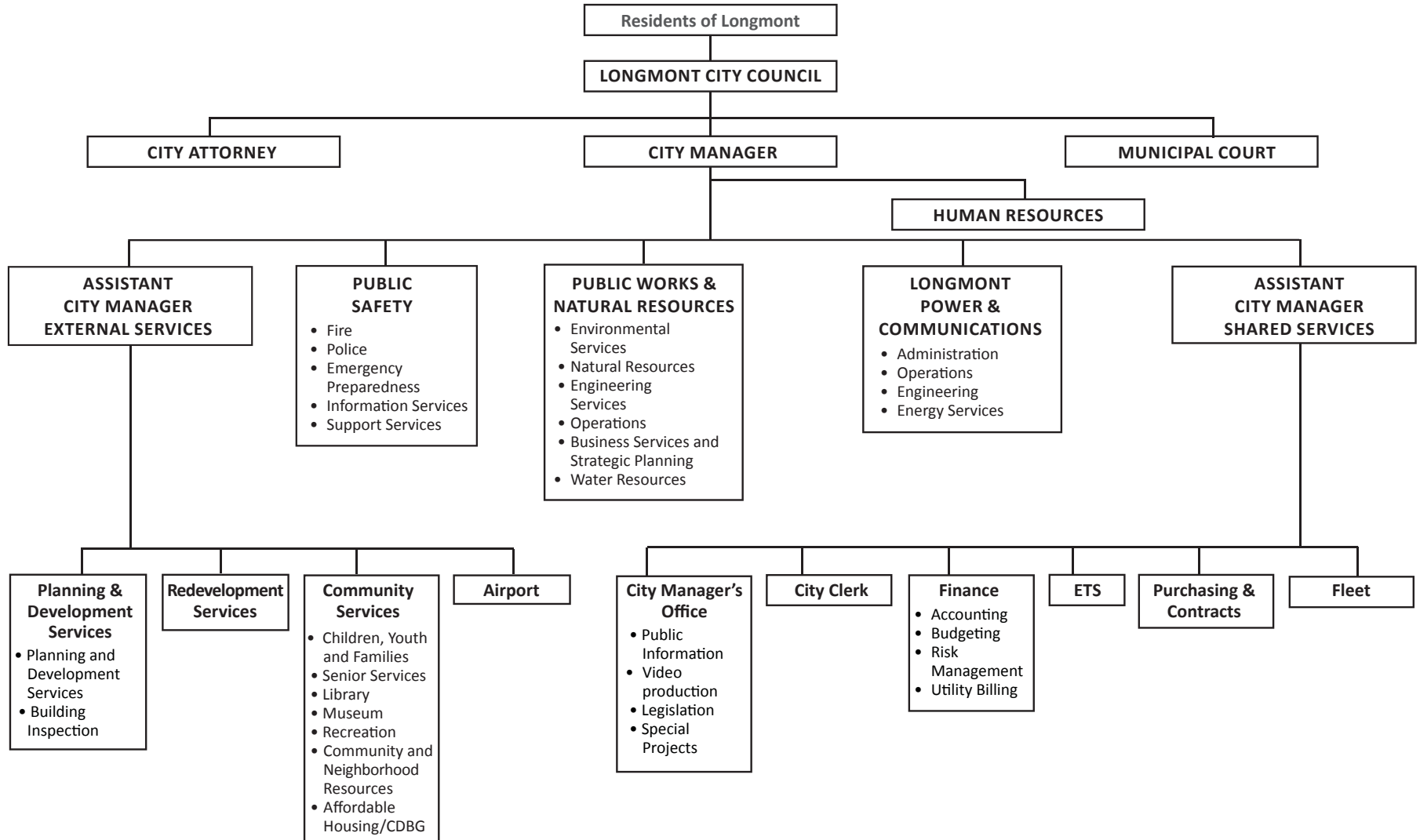
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2015

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

Executive Director/CEO

CITY OF LONGMONT



OFFICIALS

City of Longmont, Colorado

CITY COUNCIL

Dennis Coombs
Mayor

Brian Bagley

Gabe Santos

Jeff Moore

Joan Peck

Bonnie Finley

Polly Christensen

CITY MANAGER

Harold Dominguez

Sandra Seader..... Assistant City Manager

Shawn Lewis..... Assistant City Manager

James M. Golden..... Chief Financial Officer

Karen L. Roney..... Director of Community Services

Joni Marsh Director of Planning & Development Services

Tom Roiniotis General Manager, Power & Communications

Mike Butler..... Chief of Public Safety

Dale Rademacher General Manager, Public Works and Natural Resources

Eugene T. Mei..... City Attorney



Rededication of Kanemoto Park following flood repair



CliftonLarsonAllen

CliftonLarsonAllen LLP
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INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Longmont, as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the entity's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Honorable Mayor and Members of City Council
City of Longmont

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Longmont as of December 31, 2016, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General Fund and the Streets Systems Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of a Matter

During the year ended December 31, 2016, the City correct an error relating to prior periods. As a result, the City reported a restatement which resulted in an increase to accumulated depreciation as of the beginning of fiscal year 2016. See Note 24 for additional disclosure. Our opinions were not modified with respect to the restatement.

Other Matters

Required Supplementary Information

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

Other Information

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

Honorable Mayor and Members of City Council
City of Longmont

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 13, 2017, on our consideration of the City of Longmont's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the result of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Longmont's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Greenwood Village, Colorado
June 13, 2017



Ralph Price Reservoir at Button Rock Preserve

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of the City of Longmont's (the City) financial statements as of and for the year ended December 31, 2016, provides a narrative overview of its financial activities. Please consider the information presented here in conjunction with additional information we have furnished in our letter of transmittal, which starts on page 9 of this report.

In September of 2013, St. Vrain and Left Hand creeks experienced a 1,000-year rainfall event that created flows through the city that exceeded 500-year flood levels. The damage to City-owned infrastructure, including parks and greenways, is estimated at over \$150 million. The estimated cost to create a channel through the City that can adequately pass a 100-year flood is estimated at \$85 million. The City is working closely with state and federal agencies during recovery efforts. The City is aggressively pursuing all sources of grant funding including FEMA, State of Colorado, CDBG-DR, U.S. Army Corps of Engineers, and others. In 2016, the City budgeted \$68 million for flood recovery projects; \$5.5 million was spent, and \$5.1 million was received from federal and state grants.

Financial Highlights

- The City's net position of \$1.052 billion is divided between Governmental Activities (\$409.8 million) and Business-type Activities (\$642.3 million). Governmental activities showed an increase in net position of \$27.3 million. The majority of this increase (\$12.4 million) was due to an increase in grants and contributions attributed to the activities to rebuild after the 2013 flood. Property taxes showed an increase of \$2.4 million, sales and use taxes had an increase of \$3.9 million, and charges for services increased by \$1.8 million. Business type activities showed an increase in net position of \$22.2 million due primarily to an increase in grants and contributions of \$6.2 million and an increase in charges for services of \$6.4 million.
- At December 31, 2016, the City of Longmont's governmental funds balance sheet reported combined ending fund balances of over \$111 million, a \$12.5 million increase from the prior year. This statement combines 37 funds, including the City's General Fund and Streets Systems Fund. The Park Improvement Fund, Water System Construction Reserve Fund, Park/Greenway Maintenance Fund, Public Improvement Fund and Sewer Construction Fund all showed an increase in fund balances in excess of \$2.0 million.
- The fund balance, within the governmental funds, is \$111.7 million. Most of that fund balance, \$93.5 million or 83.6%, is restricted for use for specific purposes as required by external parties. \$72.3 million of this \$93.5 million balance represents reserves built up for capital acquisitions or construction as follows: Water System Projects, \$30.4 million; Transportation Projects, \$8.8 million; Open Space acquisitions, \$4.6 million; Public Improvement Fund capital projects, \$5.6 million; Conservation Trust capital projects, \$8.4 million; Parks capital projects, \$8.1 million; and various other. Additionally, \$3.9 million has been identified for emergencies.
- The unassigned fund balance for the General Fund at the end of the current fiscal year was \$8.6 million, which was 11.8% of total General Fund expenditures.
- The City of Longmont's total debt increased by \$10.8 million during 2016. This increase was primarily the result of the increase in Net Pension Liability resulting from the change in requirement of GASB 68.

Overview of the Financial Statements

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

Citywide Financial Statements. The citywide financial statements are intended to provide readers with a broad overview of the City of Longmont's financial position in a manner similar to private-sector business. The

statement of net position is essentially a balance sheet that combines all funds on a citywide basis. Changes in net position over time may be an indicator of whether the City's financial position is improving or worsening.

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

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

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

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

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

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

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

The City maintains 38 individual governmental funds. Information is presented separately in the governmental balance sheet and in the governmental statement of revenues, expenditures, and changes in fund balances for the General Fund and the Streets Systems Fund, which meet the criteria to be considered major funds of the City under generally accepted accounting principles (GAAP). Financial information from the other 36 funds is combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements and individual fund statements elsewhere in this report.

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

Proprietary funds. The City maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented in the business-type activities in the citywide financial statements. The City uses enterprise funds to account for its sanitation, golf, electric and broadband, water, sewer, storm drainage, and airport operations. Internal service funds are used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its warehouse and fleet operations

and its risk-retention functions including liability, employee benefits, workers' compensation, and unemployment. Because these internal services benefit predominantly governmental rather than business-type activities, they are included within the governmental activities in the citywide financial statements.

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

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties external to the City. Fiduciary funds are not reflected in the citywide financial statement because the resources of those funds are not available to support the City of Longmont's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The basic fiduciary funds financial statements can be found on pages 56 and 57 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the citywide and fund financial statements. The notes to the financial statements can be found beginning on page 58 of this report.

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

The combining and individual fund statements earlier referenced in connection with non-major funds and internal service funds are presented immediately following the required supplementary information on pensions. Combining and individual fund statements and schedules can be found on pages 111 - 211 of this report.

REPORTING THE CITY AS A WHOLE

Citywide Financial Analysis

Citywide Statement of Net Position

As highlighted earlier, net position may serve over time as a useful indicator of a government's financial position. The City's combined net position exceeds \$1.052 billion at December 31, 2016. Governmental activities make up \$409.8 million of the net position, with business-type activities comprising \$642.3 million. Total net position increased by \$49.5 million in 2016. The change comprises the following:

- Governmental activities increased the City's net position by \$27.3 million for 2016. The 2016 increase is due primarily to an increase in grants and contributions of \$12.4 million, an increase of \$1.8 million in charges for services, an increase in property taxes of \$2.4 million, and an increase of \$3.9 million in sales and use taxes.
- Business-type net position increased by \$22.2 million in 2016. The 2016 increase is due primarily to increased revenues from user fees of \$6.4 million and grant contributions of \$6.2 million related to the 2013 flood.

The largest portion (86%) of the City's net position reflects its investments in capital assets (e.g., land, utility systems, buildings, machinery, and equipment), less any outstanding debt used to acquire those assets. These assets are used to provide services to residents and thus are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it is important to note that the resources needed for debt repayment must be provided from other sources, since the capital assets themselves cannot be used to liquidate liabilities.

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

The Citywide Statement of Activities

**Net Position
as of December 31**

	Governmental activities		Business-type activities		Total	
	2016	2015	2016	2015	2016	2015
Current and other assets	\$ 181,408,082	\$ 163,838,269	\$ 96,007,901	\$ 142,036,869	\$ 277,415,983	\$ 305,875,137
Capital assets	337,486,301	325,799,638	691,757,056	630,906,578	1,029,243,357	956,706,216
Total assets	<u>518,894,383</u>	<u>489,637,907</u>	<u>787,764,957</u>	<u>772,943,447</u>	<u>1,306,659,340</u>	<u>1,262,581,354</u>
Deferred Outflow of Resources	<u>10,879,876</u>	<u>4,892,988</u>	<u>5,947,256</u>	<u>2,250,818</u>	<u>16,827,132</u>	<u>7,143,806</u>
Long-term liabilities	80,687,354	77,333,142	130,713,273	132,669,592	211,400,627	210,002,734
Other liabilities	22,917,448	18,416,438	20,668,740	17,703,137	43,586,188	36,119,575
Total liabilities	<u>103,604,802</u>	<u>95,749,580</u>	<u>151,382,012</u>	<u>150,372,729</u>	<u>254,986,815</u>	<u>246,122,309</u>
Deferred Inflow of Resources	<u>16,398,841</u>	<u>16,321,618</u>	<u>-</u>	<u>-</u>	<u>16,398,841</u>	<u>16,321,618</u>
Net Position	<u>\$ 409,770,616</u>	<u>\$ 382,459,697</u>	<u>\$ 642,330,201</u>	<u>\$ 624,821,536</u>	<u>\$ 1,052,100,816</u>	<u>\$ 1,007,281,233</u>
Net investment in capital assets	\$ 304,616,626	\$ 289,135,313	\$ 588,305,281	\$ 572,508,835	\$ 892,921,907	\$ 861,644,148
Restricted	95,386,575	81,806,810	2,038,868	2,286,609	97,425,443	84,093,419
Unrestricted	<u>9,767,415</u>	<u>11,517,574</u>	<u>51,986,051</u>	<u>50,026,092</u>	<u>61,753,466</u>	<u>61,543,666</u>
Total net position	<u>\$ 409,770,616</u>	<u>\$ 382,459,697</u>	<u>\$ 642,330,200</u>	<u>\$ 624,821,536</u>	<u>\$ 1,052,100,816</u>	<u>\$ 1,007,281,233</u>

Governmental Activities. Governmental activities increased the City's net position by \$27.3 million. Most of this increase in governmental net position was the result of an increase in grants and contributions of \$12.4 million associated with the 2013 flood.

As detailed in Note 2A, program revenues are directly associated with a specific activity and account for \$62.6 million or 41.4% of total revenues related to governmental activities. General revenues, consisting primarily of taxes, are not generally associated directly with any operational governmental function. However, the City has sales and use taxes that are specifically earmarked for open space, streets, public safety and public improvement expenses, and thus are not available for any other governmental activities. The relationships between program revenues and expenses for governmental activities are displayed on the following page.

Total revenues from the governmental activities are depicted as a percentage of the whole on page 28.

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

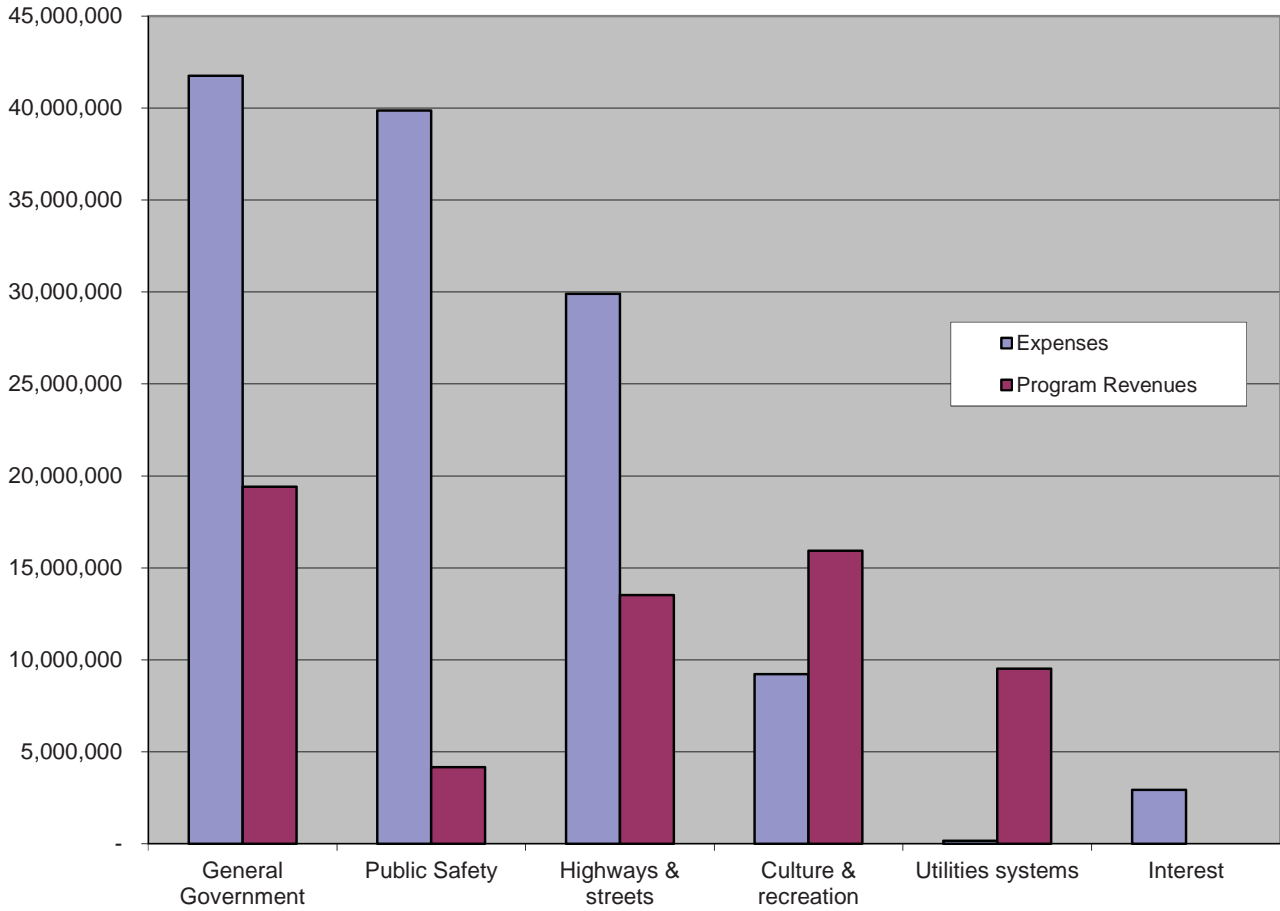
CITY OF LONGMONT, COLORADO

Changes in Net Position

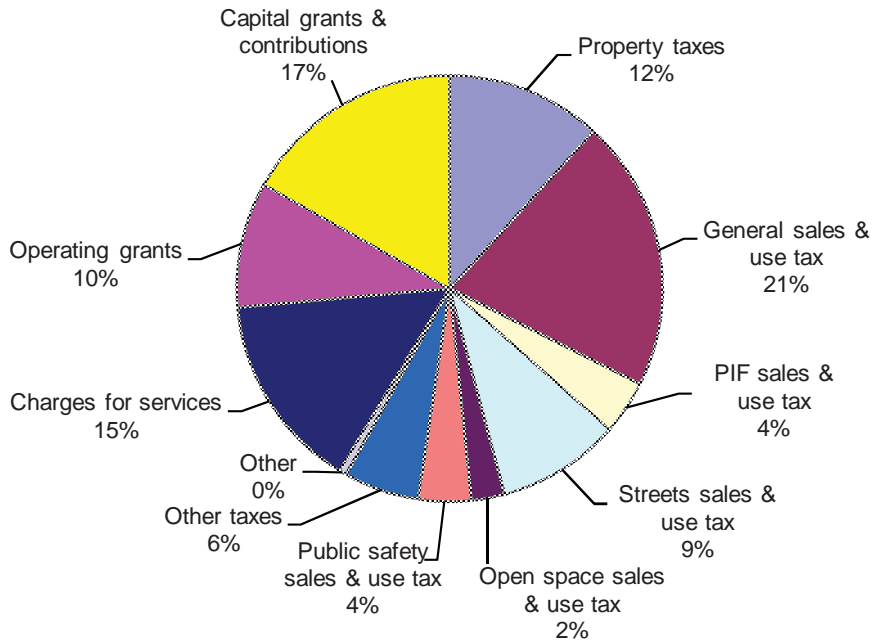
(in thousands)

	Governmental activities		Business-type activities		Total	
	2016	2015	2016	2015	2016	2015
Revenues:						
Program revenues:						
Charges for services	\$ 22,582	\$ 20,790	\$ 114,844	\$ 108,410	\$ 137,426	\$ 129,200
Operating grants & contributions	14,462	9,391	4,140	3,047	18,602	12,438
Capital grants & contributions	25,511	18,191	10,325	5,201	35,836	23,392
General revenues:						
Property taxes	17,821	15,424	-	-	17,821	15,424
Sales & use taxes	61,840	57,932	-	-	61,840	57,932
Other taxes	8,228	8,302	-	-	8,228	8,302
Other	835	722	1,276	3,151	2,111	3,873
Total revenues	<u>151,279</u>	<u>130,752</u>	<u>130,585</u>	<u>119,809</u>	<u>281,864</u>	<u>250,561</u>
Expenses:						
General government	41,121	52,630	-	-	41,121	52,630
Public Safety	39,569	38,797	-	-	39,569	38,797
Highways & streets	29,739	12,519	-	-	29,739	12,519
Culture & recreation	8,786	14,922	-	-	8,786	14,922
Municipal utilities systems	160	109	-	-	160	109
Interest on long-term debt	2,934	2,922	-	-	2,934	2,922
Sanitation	-	-	5,988	5,306	5,988	5,306
Golf	-	-	2,250	2,156	2,250	2,156
Electric & Broadband	-	-	70,336	65,458	70,336	65,458
Water	-	-	14,657	13,407	14,657	13,407
Sewer	-	-	11,046	10,801	11,046	10,801
Storm drainage	-	-	5,191	4,148	5,191	4,148
Airport	-	-	621	564	621	564
Total expenses	<u>122,309</u>	<u>121,899</u>	<u>110,089</u>	<u>101,840</u>	<u>232,398</u>	<u>223,739</u>
Excess before special items and transfers	28,970	8,853	20,496	17,969	49,466	26,822
Transfers	(1,660)	(68)	1,660	68	-	-
Increase in net position	<u>\$ 27,310</u>	<u>\$ 8,785</u>	<u>\$ 22,156</u>	<u>\$ 18,037</u>	<u>\$ 49,466</u>	<u>\$ 26,822</u>
Net position - January 1	382,459	395,932	624,822	584,837	1,007,281	980,769
Cumulative effect of correction to Prior Period	-	(22,258)	(4,646)	21,948	(4,646)	(310)
Restated Net Position	<u>382,459</u>	<u>373,674</u>	<u>620,176</u>	<u>606,785</u>	<u>1,002,635</u>	<u>980,459</u>
Net position - December 31	409,770	382,459	642,332	624,822	1,052,101	1,007,281

Expenses and Program Revenues - Governmental Activities

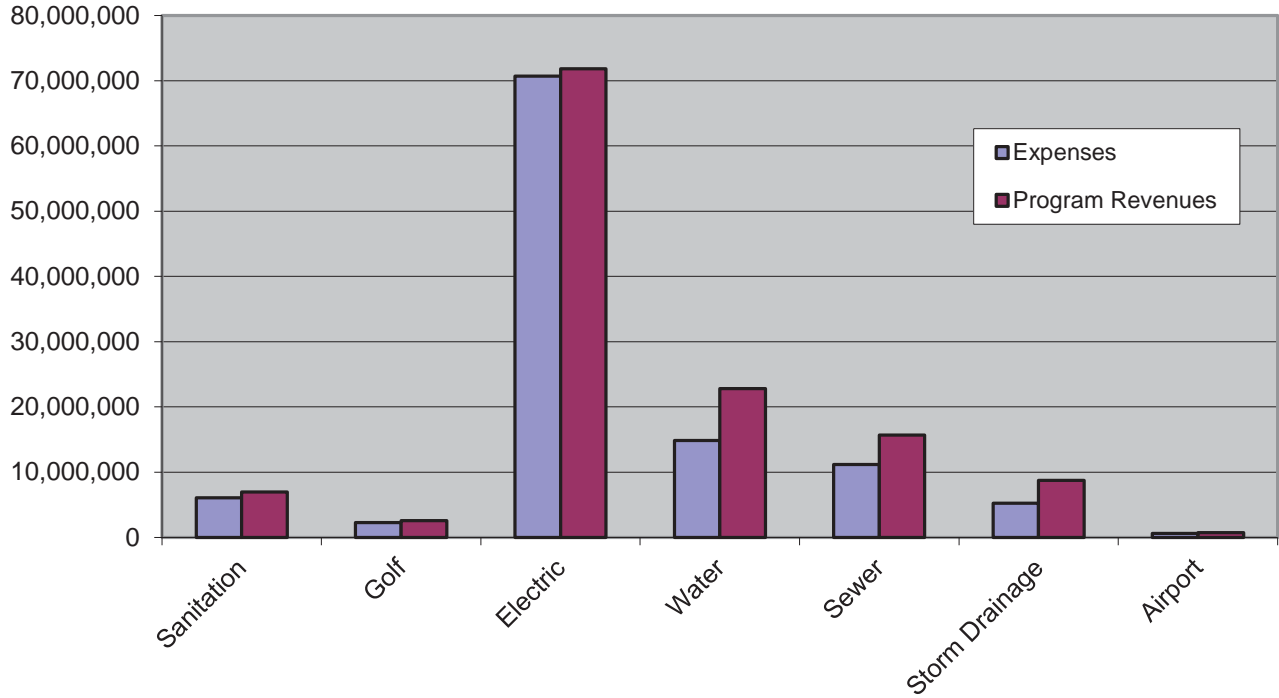


Revenues by Source - Governmental Activities

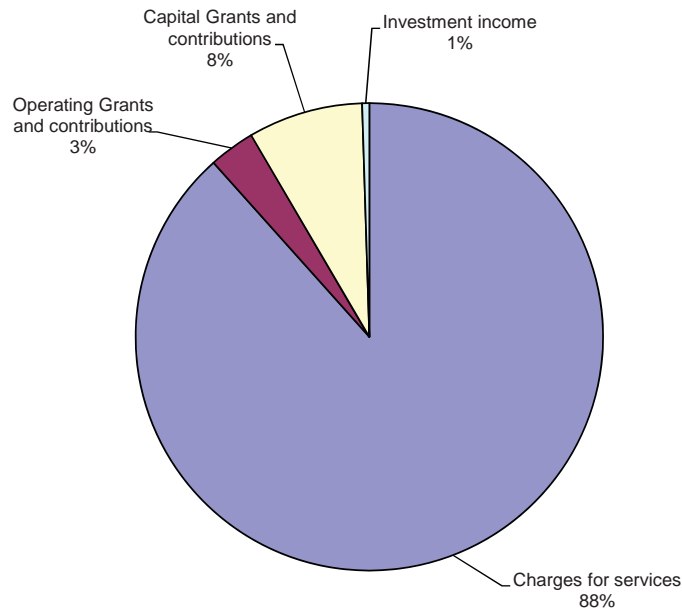


Business-type Activities. Net position increased by \$22.2 million from business-type activities. This increase can be attributed primarily to increased revenues from user fees of \$6.4 million and grant contributions of \$6.2 million related to the 2013 flood.

Expenses and Program Revenues - Business-type Activities



Revenues by Source - Governmental Activities



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

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

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

GENERAL FUND

The general fund unassigned fund balance of \$8,619,008 increased by more than \$150,000 from the prior year.

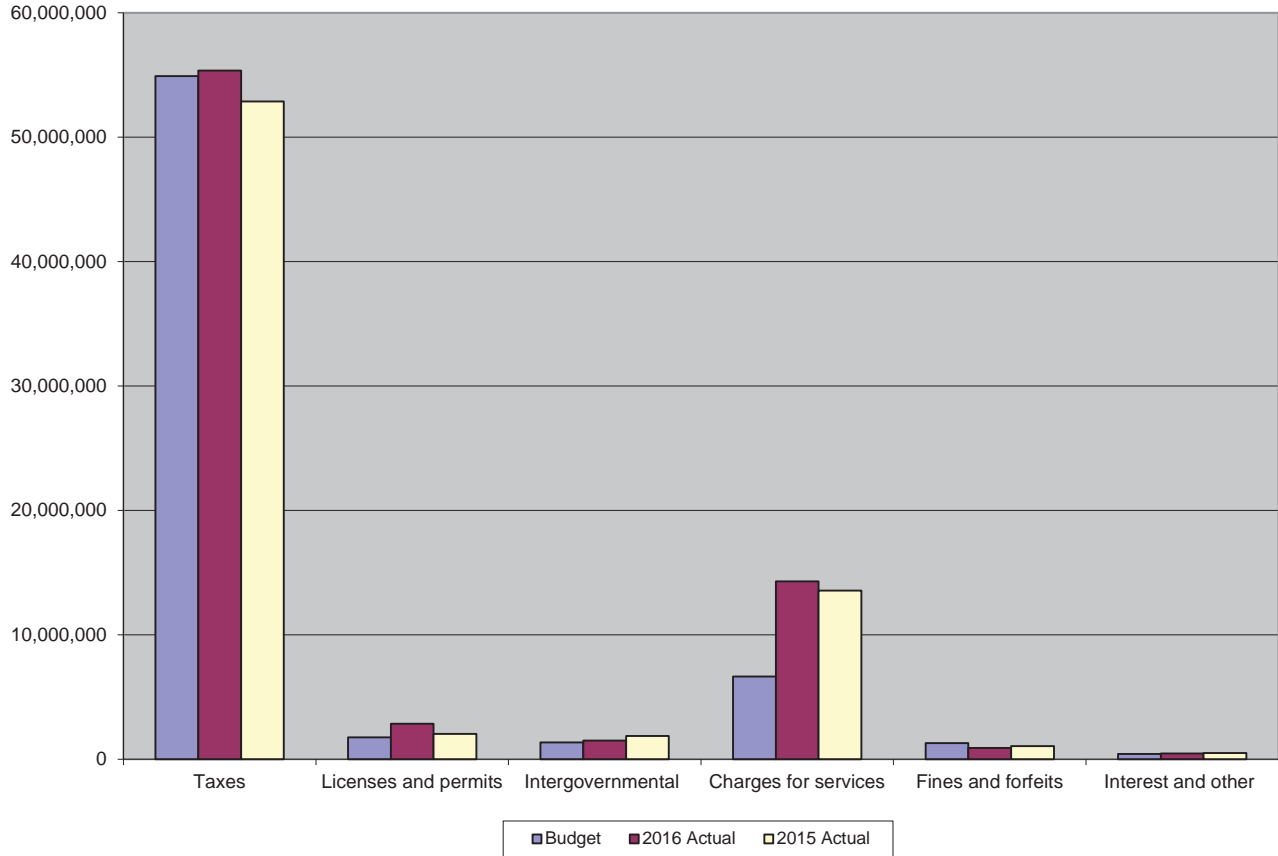
The 2016 General Fund budget was adopted without the use of fund balance to fund ongoing operating expenditures. Fund balance of \$1.4 million was budgeted for the purpose of one-time expenditures or capital acquisitions. This practice was formally adopted by the City Council in 1989.

The original budget in the general fund was \$73,025,620. Supplemental appropriations were primarily encumbrances and carryover of uncompleted capital projects for a final budget of \$80,059,319. Actual general fund expenditures totaled \$72,805,635, and there were no significant budget to actual variations.

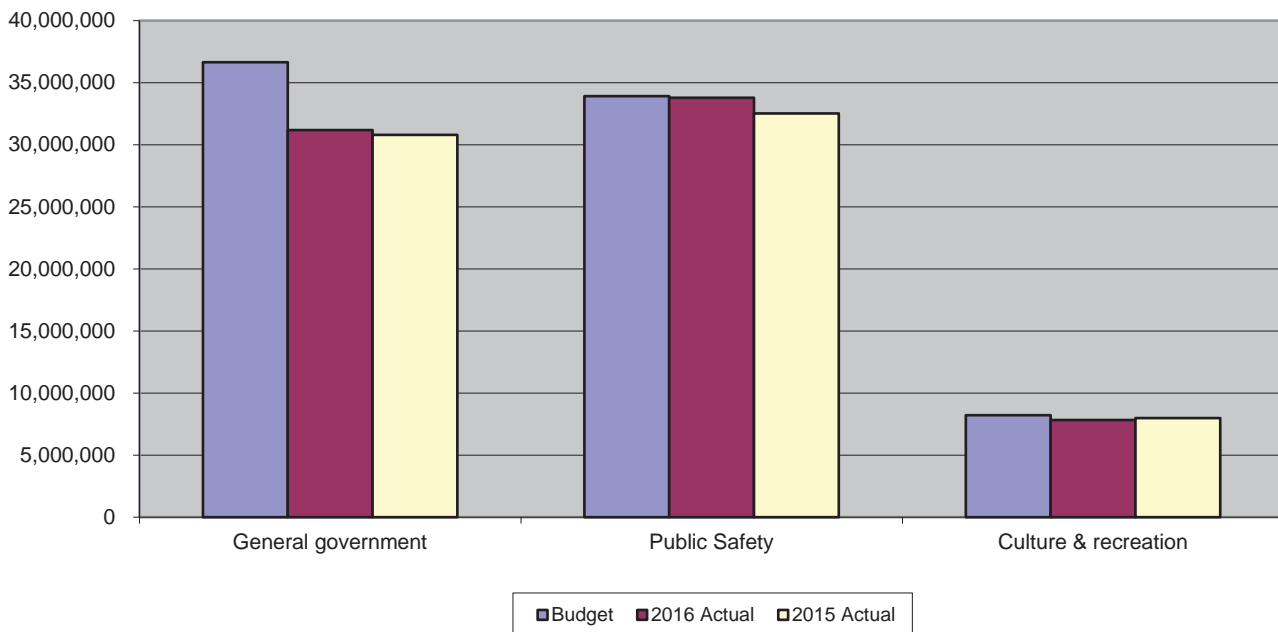
Revenues and other financing sources in the general fund totaled \$75,792,553 in 2016, an increase of 3.3%, or \$2,365,449, over 2015. This change is due primarily to an increase in taxes of \$2.4 million, or 4.69%.

Information on the major governmental funds of the City follows the government wide financial statements. These funds are accounted for using the modified accrual basis of accounting. At the end of 2016, the City reported a combined fund balance of \$111.7 million, of which \$17.2 million was unassigned, assigned, or committed and available for spending at the City's discretion within the respective funds for all governmental funds. The remainder of the fund balance is restricted or non-spendable and available for spending only for the purpose specifically identified by the restriction.

Budget and Actual Revenue by Source - General Fund



Budget and Actual Expenditures by Function - General Fund



STREETS SYSTEM MAINTENANCE AND IMPROVEMENTS FUND

The Streets System Maintenance and Improvements Fund was created as a result of a special election held June 3, 1986, authorizing a 3/4-cent sales tax increase. The revenues from the sales tax increase are for use exclusively on City street system expenditures. An election held in November 2009 authorized the extension of the tax for five years through 2016. In 2014, the voters approved a 10-year renewal of the tax set to expire at the end of 2016, thus making it effective through December 31, 2026.

The Streets System Fund collected \$15.3 million of tax revenues in 2016, an increase of \$949,394 from 2015. At December 31, 2016, the fund balance of the fund was \$6.98 million. Of this amount \$49,350 is non-spendable. The remaining is restricted specifically for the purpose of streets and highways expenditures. The total fund balance decreased by \$7,014,195 from 2015.

PUBLIC IMPROVEMENT CAPITAL PROJECTS FUND

The Public Improvement Capital Projects Fund is used to account for financial resources used for the acquisition and construction of major capital facilities and improvements of the primary government except those financed by the Enterprise Funds. At December 31, 2016, the fund has a fund balance of \$5.7 million all of which is restricted for the construction of public projects and the payment of debt service.

The primary revenue for the Public Improvement Capital Projects Fund (use tax) increased approximately \$1.7 million in 2016. The City's policy is to allocate a portion of the 2.0 cents of **use** tax to the Public Improvement Fund and none of the 2.0 cents of **sales** tax. This use tax-only allocation for the Public Improvement Fund was 95.75% in 2009, reduced to 92.93% in 2010, increased to 98.42% in 2011, decreased to 82.7% in 2012, decreased to 79.77% in 2013, decreased to 78.45% in 2014, decreased to 72.12% in 2015, and increased to 92.5% in 2016. This allocation is described further in Note 4. A large portion of the fund's revenue (\$2.25 million) paid the annual debt service on the Civic Center expansion and the Recreation Center and Museum bonds, and many of the capital projects were deferred. This fund is not reported as a major fund in 2016 but is included in this narrative discussion through management choice.

ELECTRIC/BROADBAND UTILITY FUND

The City's electric/broadband utility increased operating revenues by 5.44% over 2015. The operating loss in 2016 is \$1,775,878 compared to an operating loss of \$421,076 in 2015. Operating revenue went up by \$3.5 million during 2016, resulting from an increase in power consumption. Operating expenses rose 8.0% overall with a 5.8% increase in purchased power. Purchased power costs increased by 8.9% in 2005, 2.4% in 2006, 3.6% in 2007, 1.3% in 2008, 0.4% in 2009, 8% in 2010, 9% in 2011, 4.5% in 2012, 5.5% in 2013, decreased by 5% in 2014, and increased by 2.3% in 2015. The fund remains in good financial condition with current assets exceeding current liabilities by \$5.4 million.

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

In 2014, the Electric/Broadband Fund issued \$38,035,000 of revenue bonds for the build-out of the broadband system. The project is estimated to cost \$40 million, and construction is expected to be complete in 2017.

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

Electric/Broadband Utility Fund

	2016	2015	2014	2013	2012
Operating revenues	\$ 68,768,327	\$ 65,218,411	\$ 63,773,864	\$ 60,870,571	\$ 57,182,388
Operating income (loss)	(1,775,878)	(421,076)	1,266,245	628,790	(478,168)
Change in net position	1,797,477	2,377,227	3,429,993	3,195,654	536,792

WATER UTILITY FUND

Operating revenues increased by 14.34% from 2015 as a result of increased water consumption during 2016. Operating income for 2016 was \$1,764,052, compared to an operating income of \$983,081 in 2015. Operating expenses increased by 9.5% to \$14,507,199 in 2016. Unrestricted working capital in excess of \$24.6 million reflects the strong financial condition of the fund.

Operating data for the water utility are contained in Exhibit 8 of the Financial Section. Comparative data for the last five fiscal years are presented in the following tabulation. The volatile changes in net position over the past five years were caused by capital contributions from special revenue funds established to collect water-related developer fees. The 2016 contributions were \$6,527,500 compared to \$2,716,142 in 2015. The increase in net position in 2016 resulted primarily from increased operating revenues from a water rate increase, approximately \$930,000 in intergovernmental revenues from flood recoveries, an increase in water consumption, and an increase in capital contributions.

Water Utility Fund

	2016	2015	2014	2013	2012
Operating revenues	\$ 16,271,251	\$ 14,230,955	\$ 12,981,041	\$ 12,735,470	\$ 14,513,221
Operating income (loss)	1,764,052	983,082	(2,428,220)	(966,922)	1,124,210
Change in net position	9,561,931	6,064,986	5,556,395	(227,790)	3,085,042

SEWER UTILITY FUND

Sewer fund operating revenues increased 2.66% over 2015. Sewer rates are based upon winter water usage. Operating income for 2016 was \$2,397,055 compared to \$2,079,462 in 2015. Operating expenses increased by 1.49% to \$11,035,563 in 2016. The fund increased its unrestricted working capital by \$3,182,617 in 2016. The net position increased by \$4,962,356, due primarily to an increase in operating revenue and intergovernmental revenues of \$1.6 million. 2013 was the first year of a five-year phased rate increase.

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

Sewer Utility Fund

	2016	2015	2014	2013	2012
Operating revenues	\$ 13,432,618	\$ 13,085,133	\$ 11,686,986	\$ 9,740,105	\$ 8,634,634
Operating (loss)	2,397,055	2,079,462	832,353	(333,745)	(185,576)
Change in net position	4,962,356	3,643,746	666,486	(846,978)	298,445

STORM DRAINAGE UTILITY FUND

The City created the storm drainage utility in 1984 to identify and control the revenues and expenses attributable to municipal storm drainage services. Revenues are derived from storm drainage user fees and a storm drainage plant investment fee. Operating revenues increased by \$85,493 or 1.29% in 2016. Operating income was just over \$1,500,000, a decrease from 2015. Operating data for the storm drainage utility is contained in Exhibit 8. Comparative data for the last five fiscal years is shown below.

Storm Drainage Utility Fund

	2016	2015	2014	2013	2012
Operating revenues	\$ 6,730,428	\$ 6,644,935	\$ 6,579,550	\$ 4,027,152	\$ 3,835,700
Operating income	1,592,106	2,555,896	2,180,905	374,699	422,865
Change in net position	3,736,892	3,509,266	4,463,299	(5,784,819)	3,080,445

Capital Assets and Debt Administration

Capital Assets. The City of Longmont's investment in capital assets for its governmental and business-type activities as of December 31, 2016, net of depreciation, equals \$1.03 billion. This investment in capital assets includes land, buildings, utility systems, improvements to land, machinery and equipment, park facilities, and infrastructure. Additional information on the City's capital assets can be found in Note 10 of this report, as well as in the transmittal letter.

Long-term Debt. As of December 31, 2016, the City of Longmont had total bonded debt outstanding of \$145,275,000. As of December 31, 2016, there is no debt backed by the full faith and credit of the City, or general obligation debt. \$30,555,000 of the City of Longmont's debt represents revenue bonds secured solely by sales and use taxes. The final \$114,720,000 of debt represents revenue bonds backed by electric and broadband, storm drainage, and sewer revenues.

The legal debt margin as prescribed by City Charter is limited to 3% of the actual value of the taxable property. In 2016, this debt limit amounted to \$309,085,256. The total amount of debt applicable to the debt limit is \$0 leaving a legal debt margin of \$309,085,256. Additional information on the City's long-term debt can be found in Note 9 on pages 74-77.

The 2000 Sales and Use Tax revenue bonds were upgraded to AA+ by Standard and Poor's in 2007. The 2006 Sales and Use tax refunding revenue bonds carry the AA+ rating as well. All outstanding General Obligation Bonds of the City are now rated Aa2 by Moody's Investor Service on the new Global Scale, and have a AA rating from Standard and Poor's. The 2008 Storm Drainage Revenue Bonds were rated AA by Standard and Poor's. The 2010 Sewer Revenue Bonds received a rating of AA from Standard and Poor's. The 2010 Open Space Sales and Use Tax revenues bonds received a rating of A2 from Moody's and a rating of A from Standard and Poor's. The 2014 Electric & Broadband Revenue Bonds received an insured rating of AA and an underlying rating of A from Standard and Poor's. The 2014 Sewer Revenue Bonds received a rating of AA from Standard and Poor's. The 2015 Wastewater Revenue Bonds received a rating of AA from Standard and Poor's. The 2016 Storm Water Refunding Bonds received a rating of AA from Standard and Poor's.

Impacts on Future Years

Budget amendments are made by ordinance on a routine, periodic basis and are in compliance with Colorado statutes and the City charter. Note 2-D-7 illustrates the comparison of original and final budgets for all funds requiring a budget. Reported budget amendments were primarily for encumbrances and uncompleted capital projects. The 2016 budget amendments will have no significant impact on future services.

The 2017 balanced budget was approved by City Council as required by Colorado law and was filed with the state by January 30.

Contacting the City's Financial Management

This financial report is designed to provide our residents, taxpayers, customers, and investors and creditors with a general overview of the City's finances and to demonstrate the City's accountability for resources. If you have questions about this report or need additional financial information please contact the Accounting Manager at:

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

STATEMENT OF NET POSITION
December 31, 2016

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	
ASSETS				
Current assets:				
Equity in pooled cash & cash equivalents	\$ 128,759,272	\$ 44,696,578	\$ 173,455,850	\$ 5,796,209
Cash and cash equivalents	118,672	262,955	381,627	73,779
Receivables (net of allowance for uncollectibles):	38,722,767	14,016,793	52,739,560	858,534
Internal balances	(2,538,541)	2,538,541	-	-
Inventory of materials and supplies	7,366,325	-	7,366,325	-
Restricted equity in pooled cash & cash equivalents	6,200,075	3,173,374	9,373,449	-
Restricted cash and cash equivalents	-	31,032,201	31,032,201	-
Prepaid expenses	2,365,410	287,459	2,652,869	-
Total current assets	180,993,980	96,007,901	277,001,881	6,728,522
Noncurrent assets:				
Loan receivable-component unit	146,000	-	146,000	-
Net pension asset	268,102	-	268,102	-
Capital Assets				
Land and water rights	84,842,063	288,360,536	373,202,599	786,921
Construction in progress	24,790,622	83,028,924	107,819,546	944,997
Depreciable buildings, property, and equipment, net	227,853,616	320,367,596	548,221,212	4,457,058
Total noncurrent assets	337,900,403	691,757,056	1,029,657,459	6,188,976
Total assets	518,894,383	787,764,957	1,306,659,340	12,917,498
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charge on refunding	509,961	-	509,961	-
City contributions subsequent to the measurement date	1,650,456	1,016,167	2,666,623	-
Investment earnings less than expected	8,373,082	4,723,663	13,096,745	-
Actual experience less than expected experience	346,377	207,426	553,803	-
Total deferred outflows of resources	10,879,876	5,947,256	16,827,132	-
LIABILITIES				
Current liabilities:				
Accounts payable and accrued expenses	10,331,551	11,726,441	22,057,992	61,205
Accrued interest	978,833	646,775	1,625,608	-
Unearned revenues	-	539,315	539,315	-
Deposits	5,100,665	974,000	6,074,665	-
Current portion of long-term obligations	6,506,399	6,782,209	13,288,608	5,968
Total current liabilities	22,917,448	20,668,740	43,586,188	67,173
Noncurrent liabilities:				
Noncurrent portion of long-term obligations	80,687,354	130,713,273	211,400,627	179,818
Total liabilities	103,604,802	151,382,013	254,986,815	246,991
DEFERRED INFLOWS OF RESOURCES				
Property taxes	16,398,841	-	16,398,841	845,975
NET POSITION				
Net investment in capital assets	304,616,626	588,305,281	892,921,907	6,188,976
Restricted for:				
Construction/acquisition/debt service	60,702,925	2,038,868	62,741,793	5,568,092
Transportation improvements	8,800,006	-	8,800,006	-
Public safety	1,423,306	-	1,423,306	-
Debt Service	1,280,930	-	1,280,930	-
Permanent fund	-	-	-	-
Expendable	523,067	-	523,067	-
Nonexpendable	644,576	-	644,576	-
Statutory emergency requirement	3,946,491	-	3,946,491	32,271
Other purposes	18,065,274	-	18,065,274	-
Unrestricted	9,767,415	51,986,051	61,753,466	35,193
TOTAL NET POSITION	\$ 409,770,616	\$ 642,330,200	\$ 1,052,100,816	\$ 11,824,532

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

CITY OF LONGMONT, COLORADO

STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2016

Functions/Programs	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
PRIMARY GOVERNMENT				
Governmental activities:				
General Government	\$ 41,120,838	\$ 9,664,229	\$ 8,126,938	1,623,660
Public Safety	39,569,020	3,438,026	730,434	-
Highways & Streets	29,738,598	1,164,918	5,003,256	7,349,336
Culture & Recreation	8,786,156	7,314,628	601,629	8,017,033
Municipal utilities systems	159,595	1,000,095	-	8,520,886
Interest and Fiscal charges on long-term debt	2,933,731	-	-	-
Total governmental activities	122,307,938	22,581,896	14,462,257	25,510,915
Business-type activities:				
Sanitation	5,988,048	6,561,590	380,079	-
Golf	2,250,256	2,568,982	-	-
Electric	70,336,083	68,850,353	10,203	2,998,943
Water	14,657,099	16,271,251	930,469	5,618,795
Sewer	11,045,867	13,432,618	1,641,549	608,787
Storm Drainage	5,191,222	6,730,428	1,177,585	815,916
Airport	621,332	429,141	-	282,350
Total business-type activities	110,089,907	114,844,363	4,139,885	10,324,791
Total Primary Government	\$ 232,397,845	\$ 137,426,259	\$ 18,602,142	\$ 35,835,706
Component unit:				
Downtown Development Authority	\$ 819,199	\$ 154,625	\$ 36,445	-

General Revenues:
 Property Taxes
 General Sales and Use Taxes:
 General government
 Public improvement
 Streets
 Open space
 Public safety
 Urban renewal
 Lodgers Taxes
 Cigarette Taxes
 Franchise Taxes
 Investment income (loss)
 Miscellaneous
 Transfers

 Total General Revenues & Transfers

 Change in Net Position

 Net Position - Beginning January 1

 Cumulative effect of correction
 to prior period

 Restated net position

 Net Position - Ending December 31

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

		Primary Government			
Governmental		Business-type		Component	
Activities		Activities		Unit	
				Total	
\$	(21,706,011)	\$	-	\$	(21,706,011)
	(35,400,560)		-		(35,400,560)
	(16,221,088)		-		(16,221,088)
	7,147,134		-		7,147,134
	9,361,386		-		9,361,386
	(2,933,731)		-		(2,933,731)
	(59,752,870)		-		(59,752,870)
	-		953,621		953,621
	-		318,726		318,726
	-		1,523,416		1,523,416
	-		8,163,416		8,163,416
	-		4,637,087		4,637,087
	-		3,532,707		3,532,707
	-		90,159		90,159
	-		19,219,132		19,219,132
	(59,752,870)		19,219,132		(40,533,738)
	-		-		(628,129)
	17,821,402		-		17,821,402
	31,180,859		-		31,180,859
	6,204,559		-		6,204,559
	14,161,758		-		14,161,758
	3,776,469		-		3,776,469
	6,136,761		-		6,136,761
	379,271		-		379,271
	369,731		-		369,731
	160,933		-		160,933
	7,697,786		-		7,697,786
	834,596		636,394		1,470,990
	-		639,131		639,131
	(1,660,336)		1,660,336		-
	87,063,789		2,935,861		89,999,650
	27,310,919		22,154,993		49,465,912
	382,459,697		624,821,536		1,007,281,233
	-		(4,646,329)		(4,646,329)
	382,459,697		620,175,207		1,002,634,904
\$	409,770,616	\$	642,330,200	\$	1,052,100,816
				\$	11,824,532

CITY OF LONGMONT, COLORADO

BALANCE SHEET
GOVERNMENTAL FUNDS
 December 31, 2016

	General	Streets Systems	Other Governmental Funds	TOTAL Governmental Funds
ASSETS				
Equity in pooled cash & cash equivalents	\$ 16,904,607	\$ 5,524,806	\$ 83,180,333	\$ 105,609,746
Cash and cash equivalents	33,599	-	85,073	118,672
Receivables (net of allowance for uncollectibles):				
Accounts	-	-	256,165	256,165
Taxes	19,777,787	1,634,006	2,131,121	23,542,914
Miscellaneous	1,081,801	-	-	1,081,801
Grants	115,092	4,099,581	2,665,027	6,879,700
Loans	28,325	-	5,897,989	5,926,314
Fees	331,772	-	-	331,772
Accrued interest	50,973	14,891	175,205	241,069
Due from other funds	7,835,630	-	-	7,835,630
Due from other governments	73,724	328,729	3,014	405,467
Prepaid items	274,055	49,350	4,672	328,077
Restricted assets:				
Cash and cash equivalents	-	-	3,622,885	3,622,885
Total assets	\$ 46,507,365	\$ 11,651,363	\$ 98,021,484	\$ 156,180,212

BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2016

	General	Streets Systems	Other Governmental Funds	TOTAL Governmental Funds
LIABILITIES				
Accounts payable	\$ 2,563,398	\$ 910,866	\$ 2,962,323	\$ 6,436,587
Construction contracts payable	-	1,031,501	396,667	1,428,168
Accrued liabilities	1,788,047	109,118	232,288	2,129,453
Due to other funds	-	-	3,395,228	3,395,228
Advances from other funds	990,000	-	-	990,000
Deposits	5,083,501	2,000	15,164	5,100,665
Total liabilities	10,424,946	2,053,485	7,001,670	19,480,101
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue-property taxes	16,298,289	-	100,552	16,398,841
Unavailable revenue-other	-	2,618,140	5,980,911	8,599,051
Total deferred inflows of resources	16,298,289	2,618,140	6,081,463	24,997,892
FUND BALANCES				
Nonspendable	302,380	49,350	649,370	1,001,100
Restricted	3,943,296	6,930,388	82,587,385	93,461,069
Committed	4,527,777	-	2,922,371	7,450,148
Assigned	2,391,669	-	-	2,391,669
Unassigned	8,619,008	-	(1,220,775)	7,398,233
Total fund balances	19,784,130	6,979,738	84,938,351	111,702,219
Total liabilities, deferred inflows of resources and fund balances (deficits)	\$ 46,507,365	\$ 11,651,363	\$ 98,021,484	\$ 156,180,212

(continued)

**Reconciliation of the Balance Sheet
to the Statement of Net Position
December 31, 2016**

Total Governmental Fund Balances	\$ 111,702,219
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	317,409,169
Other long-term assets are not available to pay for current-period expenditures and therefore are not reported in the funds.	
Net pension asset	268,102
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.	
Adjustment of deferred inflows of resources	8,599,051
Internal service funds are used by management to charge the costs of certain activities, such as fleet, warehouse and insurance to individual funds. The assets and liabilities of certain internal service funds are included in governmental activities in the statement of net position.	49,497,462
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	(74,224,693)
Internal service fund allocated to business type activities	<u>(3,480,694)</u>
Net position of governmental activities	\$ <u><u>409,770,616</u></u>



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STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES-
GOVERNMENTAL FUNDS
 Year Ended December 31, 2016

	General	Streets Systems	Other Governmental Funds	TOTAL Governmental Funds
REVENUES				
Taxes	\$ 55,353,199	\$ 15,348,303	\$ 17,188,027	\$ 87,889,529
Licenses and permits	2,846,924	78,045	13,915,066	16,840,035
Developer/owner participation	-	112,294	1,580,441	1,692,735
Intergovernmental	1,499,828	8,074,504	10,499,852	20,074,184
Charges for services	14,296,440	-	3,459,579	17,756,019
Fines and forfeits	900,999	-	48,581	949,580
Investment income	154,251	60,915	456,192	671,358
Miscellaneous	310,297	58,003	2,053,044	2,421,344
Total revenues	75,361,938	23,732,064	49,200,782	148,294,784
EXPENDITURES				
Current:				
General government	31,183,975	-	8,964,176	40,148,151
Public safety	33,788,667	-	6,690,394	40,479,061
Highways and streets	-	30,696,675	818,832	31,515,507
Municipal utility systems	-	-	1,462,139	1,462,139
Culture and recreation	7,823,809	-	5,739,792	13,563,601
Capital outlay	-	-	2,482,886	2,482,886
Debt service:				
Principal retired	-	-	3,425,000	3,425,000
Interest and fiscal charges	9,184	-	2,756,777	2,765,961
Total expenditures	72,805,635	30,696,675	32,339,996	135,842,306
Excess of revenues over (under) expenditures	2,556,303	(6,964,611)	16,860,786	12,452,478
OTHER FINANCING SOURCES (USES)				
Transfers in	430,615	-	2,859,970	3,290,585
Transfers out	(1,829,083)	(49,582)	(1,348,946)	(3,227,611)
Total other financing sources (uses)	(1,398,468)	(49,582)	1,511,024	62,974
Net change in fund balances	1,157,835	(7,014,193)	18,371,811	12,515,452
FUND BALANCES, January 1	18,626,295	13,993,931	66,566,540	99,186,766
FUND BALANCES, December 31	\$ 19,784,130	\$ 6,979,738	\$ 84,938,351	\$ 111,702,219

CITY OF LONGMONT, COLORADO
**Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balances
of Governmental Funds
to the Statement of Activities
For the Year Ended December 31, 2016**

Exhibit 4
(continued)

Net change in fund balances - total governmental funds	\$	12,515,452
<p>Amounts reported for governmental activities in the statement of activities (Exhibit 2) are different because:</p>		
Contributions of capital assets increase net position in the statement of activities but do not appear in the governmental funds because they are not financial resources.		1,698,349
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which the capital outlays exceeded depreciation in the current period.		9,318,657
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		1,121,218
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.		3,877,415
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		(2,315,080)
Internal service funds are used by management to charge the costs of certain activities, such as warehouse, fleet and insurance, to individual funds. The net revenue (expense) of the internal service funds is reported with governmental activities.		2,159,723
Change in internal service funds allocated to business-type activities		<u>(1,064,815)</u>
Change in net position of governmental activities	<u>\$</u>	<u>27,310,919</u>

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
GENERAL (LEGAL BASIS) FUND
Year Ended December 31, 2016

	Budget		Actual (Legal Basis)	Variance From Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 54,907,608	\$ 54,907,608	\$ 55,353,199	\$ 445,591
Licenses and permits	1,575,418	1,759,510	2,846,924	1,087,414
Intergovernmental	394,848	1,353,443	1,499,828	146,385
Charges for services	6,217,284	6,642,364	14,296,440	7,654,076
Fines and forfeits	1,289,200	1,289,200	900,999	(388,201)
Investment income	75,000	75,000	154,251	79,251
Miscellaneous	57,100	349,183	310,297	(38,886)
Total revenues	64,516,458	66,376,308	75,361,938	8,985,630
EXPENDITURES				
Current:				
General government	31,391,190	36,660,052	31,183,975	5,476,077
Public safety	32,801,285	33,910,909	33,788,667	122,242
Culture and recreation	7,925,077	8,225,228	7,823,809	401,419
Debt Service:				-
Bond principal retired	130,000	130,000	-	130,000
Interest and fiscal charges	-	-	9,184	(9,184)
Total expenditures	72,247,552	78,926,189	72,805,635	6,120,554
Excess of revenues over (under) expenditures	(7,731,094)	(12,549,881)	2,556,303	15,106,184
OTHER FINANCING SOURCES				
Transfers in	7,333,822	7,337,409	430,615	(6,906,794)
Transfers out	(1,117,100)	(1,697,263)	(1,829,083)	(131,820)
Total other financing sources	6,216,722	5,640,146	(1,398,468)	(7,038,614)
Net changes in fund balances	(1,514,372)	(6,909,735)	1,157,835	8,067,570
FUND BALANCE, January 1	18,626,293	18,626,293	18,626,293	-
FUND BALANCE, December 31	\$ 17,111,921	\$ 11,716,558	\$ 19,784,128	\$ 8,067,570

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
STREETS SYSTEMS FUND
Year Ended December 31, 2016

	<u>Budget</u>		<u>Actual</u>	<u>Variance From Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes	\$ 14,836,414	\$ 14,836,414	\$ 15,348,303	\$ 511,889
Licenses and permits	15,000	15,000	78,045	63,045
Developer/owner participation	500,000	500,000	112,294	(387,706)
Intergovernmental	4,645,902	14,737,080	8,074,504	(6,662,576)
Investment income	28,787	28,787	60,915	32,128
Miscellaneous	10,000	10,000	58,003	48,003
Total revenues	20,036,103	30,127,281	23,732,064	(6,395,217)
EXPENDITURES				
Highways and streets	22,184,289	42,266,812	30,696,675	11,570,137
Excess of revenues (under) expenditures	(2,148,186)	(12,139,531)	(6,964,611)	5,174,920
OTHER FINANCING USES				
Transfers out				
General fund	(246,971)	(246,971)	(49,582)	197,389
Total other financing sources (uses)	(246,971)	(246,971)	(49,582)	197,389
Net changes in fund balances	(2,395,157)	(12,386,502)	(7,014,193)	5,372,309
FUND BALANCE, January 1	13,452,572	13,993,931	13,993,931	-
FUND BALANCE, December 31	\$ 11,057,415	\$ 1,607,429	\$ 6,979,738	\$ 5,372,309

CITY OF LONGMONT, COLORADO

STATEMENT OF NET ASSETS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
 December 31, 2016

	Electric and Broadband		Water		Sewer
ASSETS					
Current assets:					
Equity in pooled cash & cash equivalents	\$ 6,467,335	\$	24,671,383	\$	7,069,925
Cash and cash equivalents	-		-		-
Accounts receivable (net of allowance for uncollectibles)	8,436,293		1,140,691		1,617,104
Intergovernmental receivable	-		73,800		544,693
Loans receivable	4,069		10,618		-
Interest receivable	29,944		53,147		19,120
Inventory of materials and supplies	-		-		-
Advance to other funds, current portion	-		-		-
Prepaid expenses	1,748		1,128		1,240
Total unrestricted current assets	14,939,389		25,950,767		9,252,082
Restricted assets:					
Bond debt service:					
Equity in pooled cash & cash equivalents	310,000		-		2,260,788
Interest receivable	-		-		4,435
Workers' Compensation					
Equity in pooled cash & cash equivalents	-		-		-
Electric/Storm Drainage/Sewer Construction:					
Equity in pooled cash & cash equivalents	-		-		397,358
Cash and cash equivalents	221,696		-		15,779,242
Interest receivable	326		-		17,090
Total restricted current assets	532,022		-		18,458,913
Total current assets	15,471,411		25,950,767		27,710,995
Noncurrent assets:					
Loan receivable-component unit	-		-		-
Capital assets:					
Land and water rights	1,657,518		255,433,923		2,318,390
Buildings	4,844,991		34,669,625		42,492,841
Improvements (other than buildings)	118,716,451		130,812,727		98,935,567
Equipment	4,335,103		2,333,209		3,500,297
Construction in progress	26,800,546		10,894,485		32,252,597
Total capital assets	156,354,609		434,143,969		179,499,692
Less - accumulated depreciation	56,734,747		69,279,479		50,486,885
Net capital assets	99,619,862		364,864,490		129,012,807
Total noncurrent assets	99,619,862		364,864,490		129,012,807
Total assets	115,091,273		390,815,257		156,723,802
DEFERRED OUTFLOW OF RESOURCES					
City Contributions Subsequent to the Measurement Date	434,691		226,398		144,619
Investment Earnings less than Expected	1,975,739		1,054,350		673,447
Actual experience less than expected experience	86,759		46,299		29,572
Total deferred outflows of resources	2,497,189		1,327,047		847,638
Total assets and deferred outflows of resources	\$ 117,588,462	\$	392,142,304	\$	157,571,440

	Storm Drainage	Other Enterprise Funds	TOTALS	Governmental Activities- Internal Service Funds
\$	1,953,238	\$ 4,534,697	\$ 44,696,578	23,149,526
	-	262,955	262,955	-
	827,783	799,748	12,821,619	861
	159,774	249,456	1,027,723	-
	-	-	14,687	-
	8,128	10,071	120,410	56,704
	-	-	-	7,366,325
	-	-	-	4,159,373
	-	283,343	287,459	2,037,333
	2,948,923	6,140,270	59,231,431	36,770,122
	204,867	-	2,775,655	-
	217	-	4,652	-
	-	-	-	2,577,190
	361	-	397,719	-
	15,031,263	-	31,032,201	-
	10,286	-	27,702	-
	15,246,994	-	34,237,929	2,577,190
	18,195,917	6,140,270	93,469,360	39,347,312
	-	-	-	146,000
	16,929,951	12,020,754	288,360,536	401,495
	628,662	3,347,655	85,983,774	3,002,292
	70,579,254	5,117,480	424,161,479	1,532,152
	242,536	3,259,565	13,670,710	220,811
	10,825,362	2,255,934	83,028,924	39,701,954
	99,205,765	26,001,388	895,205,423	44,858,704
	20,270,753	6,676,503	203,448,367	24,781,573
	78,935,012	19,324,885	691,757,056	20,077,131
	78,935,012	19,324,885	691,757,056	20,223,131
	97,130,929	25,465,155	785,226,416	59,570,443
	80,231	130,227	1,016,167	66,371
	358,196	661,930	4,723,663	324,172
	15,729	29,067	207,426	14,235
	454,156	821,224	5,947,256	404,778
\$	\$ 97,585,085	\$ 26,286,379	\$ 791,173,672	\$ 59,975,221

(continued)

CITY OF LONGMONT, COLORADO

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
December 31, 2016

	Electric and Broadband	Water	Sewer
LIABILITIES AND NET POSITION			
Current liabilities:			
Payable from current assets:			
Accounts payable	\$ 3,950,644	\$ 132,103	\$ 88,082
Construction contracts payable	492,391	610,681	33,424
Accrued liabilities	568,250	173,281	105,068
Due to other funds	-	-	-
Accrued sick and vacation - current portion	130,199	118,201	43,817
Unearned revenue	539,315	-	-
Advances from other funds - current portion	-	-	-
Loans payable - current portion	-	1,061,417	-
Claims payable - current portion	-	-	-
Accrued interest	-	122,667	-
Customer deposits	937,720	36,135	-
Total current liabilities (payable from current assets)	6,618,519	2,254,485	270,391
Payable from restricted assets:			
Accounts payable	1,131	-	-
Construction contracts payable	1,127,427	-	2,147,500
Accrued interest	122,668	-	315,049
Bonds payable - current portion	2,245,000	-	1,735,000
Total current liabilities (payable from restricted assets)	3,496,226	-	4,197,549
Total current liabilities	10,114,745	2,254,485	4,467,940
Long-term liabilities:			
Loan payable	-	7,003,165	-
Long-term construction liability	-	182,148	-
Claims payable	-	-	-
Accrued sick and vacation	737,797	669,807	248,293
Net other post employment benefit obligation	38,485	24,455	16,875
Net Pension Liability	2,673,968	1,442,223	921,876
Advances from other funds	-	-	-
Bonds payable	37,684,489	-	48,438,269
Net long-term liabilities	41,134,739	9,321,798	49,625,313
Total liabilities	51,249,484	11,576,283	54,093,253
Net position:			
Net Investment in capital assets	58,292,251	356,007,079	92,835,214
Retained earnings:			
Restricted for debt service	-	-	1,920,175
Restricted for workers' compensation	-	-	-
Restricted for long-term disability	-	-	-
Unrestricted	8,046,727	24,558,942	8,722,798
Total net position	66,338,978	380,566,021	103,478,187
Total liabilities and net position	\$ 117,588,462	\$ 392,142,304	\$ 157,571,440

	Storm Drainage	Other Enterprise Funds	TOTALS	Governmental Activities- Internal Service Funds
\$	23,439	\$ 373,439	\$ 4,567,707	\$ 290,354
	83,166	497,597	1,717,259	-
	58,004	90,339	994,942	46,989
	-	-	-	6,667,624
	9,281	34,294	335,792	26,936
	-	-	539,315	-
	-	177,054	177,054	-
	-	-	1,061,417	-
	-	-	-	628,593
	-	-	122,667	-
	145	-	974,000	-
	<u>174,035</u>	<u>1,172,723</u>	<u>10,490,153</u>	<u>7,660,496</u>
	3,997	-	5,128	-
	1,166,478	-	4,441,405	-
	86,391	-	524,108	-
	1,405,000	-	5,385,000	-
	<u>2,661,866</u>	<u>-</u>	<u>10,355,641</u>	<u>-</u>
	<u>2,835,901</u>	<u>1,172,723</u>	<u>20,845,794</u>	<u>7,660,496</u>
	-	-	7,003,165	-
	-	-	182,148	-
	-	-	-	2,215,670
	52,592	194,339	1,902,828	152,635
	6,423	14,963	101,201	7,051
	487,544	905,502	6,431,113	441,907
	-	765,097	765,097	-
	28,970,060	-	115,092,818	-
	<u>29,516,619</u>	<u>1,879,901</u>	<u>131,478,370</u>	<u>2,817,263</u>
	<u>32,352,520</u>	<u>3,052,624</u>	<u>152,324,164</u>	<u>10,477,759</u>
	62,341,932	18,828,805	588,305,281	20,077,131
	118,693	-	2,038,868	-
	-	-	-	2,577,190
	-	-	-	325,000
	2,771,940	4,404,950	48,505,357	26,518,141
	<u>65,232,565</u>	<u>23,233,755</u>	<u>638,849,506</u>	<u>49,497,462</u>
\$	<u>97,585,085</u>	<u>\$ 26,286,379</u>	<u>791,173,670</u>	<u>\$ 59,975,221</u>

\$ 3,480,694

\$ 642,330,200

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

Net position business-type activities

CITY OF LONGMONT, COLORADO

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION

PROPRIETARY FUNDS

For the Year Ended December 31, 2016

	Electric and Broadband	Water	Sewer
OPERATING REVENUES			
Charges for services	\$ 68,768,327	\$ 16,271,251	\$ 13,432,618
Warehouse sales	-	-	-
Contributions	-	-	-
Total operating revenues	68,768,327	16,271,251	13,432,618
OPERATING EXPENSES			
Administration	3,847,192	4,384,020	1,290,974
Purchased power/cost of sales/premiums	47,131,953	-	-
Transmission/distribution	9,705,998	2,074,195	1,397,097
Maintenance/development	-	-	-
Trash collection	-	-	-
Landfill	-	-	-
Treatment/disposal	-	2,594,116	4,045,223
Fleet services	-	-	-
Depreciation	3,019,109	3,727,753	3,010,430
Administrative fees	1,730,327	1,417,185	740,067
Franchise fee	5,109,326	309,930	551,772
Benefit payments	-	-	-
Claims	-	-	-
Total operating expenses	70,544,205	14,507,199	11,035,563
Operating income (loss)	(1,775,878)	1,764,052	2,397,055
NON-OPERATING REVENUES (EXPENSES)			
Investment income (loss)	152,111	120,229	192,270
Miscellaneous	128,686	216,655	55,278
Intergovernmental	10,203	930,469	1,641,549
Other sales	82,026	-	-
Gain (Loss) on disposal of assets	(2,894)	-	-
Interest expense	(72,848)	(310,620)	(134,787)
Net non-operating revenues (expenses)	297,284	956,733	1,754,310
Change in net position before transfers and capital contributions	(1,478,594)	2,720,785	4,151,365
CAPITAL CONTRIBUTIONS	3,392,782	6,527,500	608,787
TRANSFERS			
Transfers in	15,974	383,596	552,119
Transfers out	(132,685)	(69,950)	(349,915)
Change in net position	1,797,477	9,561,931	4,962,356
TOTAL NET POSITION-January 1	64,541,501	375,650,419	98,515,831
Cumulative effect of correction to prior period	-	(4,646,329)	-
Restated Total Net Position	64,541,501	371,004,090	98,515,831
TOTAL NET POSITION-December 31	\$ 66,338,978	\$ 380,566,021	\$ 103,478,187

	Storm Drainage	Other Enterprise Funds	Totals	Governmental Activities- Internal Service Funds
\$	6,730,428	\$ 9,559,713	\$ 114,762,337	\$ 22,366,901
	-	-	-	9,779,064
	-	-	-	2,987,484
	6,730,428	9,559,713	114,762,337	35,133,449
	2,190,103	575,262	12,287,551	221,931
	-	-	47,131,953	22,691,078
	-	-	13,177,290	-
	800,241	1,938,718	2,738,959	-
	-	5,417,895	5,417,895	-
	-	7,335	7,335	-
	-	-	6,639,339	-
	-	-	-	3,327,731
	1,601,643	446,265	11,805,200	4,010,405
	546,335	891,117	5,325,031	516,925
	-	-	5,971,328	-
	-	-	-	461,896
	-	-	-	2,375,424
	5,138,322	9,276,592	110,501,881	33,605,390
	1,592,106	283,121	4,260,456	1,528,059
	147,345	24,439	636,394	163,238
	146,216	95,188	642,023	165,279
	1,177,585	380,079	4,139,885	-
	-	-	82,026	-
	-	-	(2,894)	723,912
	(125,423)	(9,161)	(652,839)	-
	1,345,723	490,545	4,844,595	1,052,429
	2,937,829	773,666	9,105,051	2,580,488
	815,916	282,350	11,627,335	-
	-	-	951,689	435,373
	(16,853)	(24,494)	(593,897)	(856,138)
	3,736,892	1,031,522	21,090,178	2,159,723
	61,495,673	22,202,233	622,405,657	47,337,739
	-	-	(4,646,329)	-
	61,495,673	22,202,233	617,759,328	47,337,739
\$	65,232,565	\$ 23,233,755	638,849,506	\$ 49,497,462

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

1,064,815	
<u>\$ 22,154,993</u>	Change in net position of business-type activities

CITY OF LONGMONT, COLORADO

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended December 31, 2016

	Electric and Broadband	Water	Sewer
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers	\$ 69,152,775	\$ 17,824,857	\$ 14,577,029
Cash paid to suppliers	(58,943,476)	(5,509,274)	(4,507,870)
Cash paid to employees	(8,206,127)	(4,947,470)	(3,435,249)
Claims/Benefits paid	-	-	-
Net cash provided by operating activities	2,003,172	7,368,113	6,633,909
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES			
Transfers in	15,974	383,596	552,119
Transfers out	(132,685)	(65,395)	(346,271)
Loan to discrete component unit	-	-	-
Loan repayments from discrete component unit	-	-	-
Advances to other funds	-	-	-
Repayment of advances	-	-	-
Advances from other funds	-	-	-
Net cash provided (used) by non-capital financing activities	(116,711)	318,201	205,848
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition and construction of capital assets	(32,249,233)	(6,861,557)	(19,800,524)
Bond/loan/lease principal paid	-	(1,039,304)	(1,545,000)
Bond/loan/lease interest paid	(1,472,012)	(147,425)	(2,083,517)
Proceeds from issuance of debt	-	-	-
Proceeds from sale of equipment	-	-	-
Contributed capital received	2,998,943	1,773,102	-
Net cash (used) by capital and related financing activities	(30,722,302)	(6,275,184)	(23,429,041)
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment income received	180,305	120,767	202,101
Net cash provided by investing activities	180,305	120,767	202,101
Net increase (decrease) in cash and cash equivalents	(28,655,536)	1,531,897	(16,387,183)
CASH AND CASH EQUIVALENTS, January 1	35,654,568	23,139,486	41,894,495
CASH AND CASH EQUIVALENTS, December 31	\$ 6,999,031	\$ 24,671,383	\$ 25,507,312

Storm Drainage	Other Enterprise Funds	TOTALS	Governmental Activities- Internal Service Funds
\$ 7,993,273	\$ 9,994,040	\$ 119,541,974	\$ 35,297,867
(1,709,134)	(5,331,608)	(76,001,362)	(25,789,679)
(1,722,007)	(3,401,638)	(21,712,491)	(1,587,232)
	-	-	(2,015,194)
4,562,132	1,260,794	21,828,121	5,905,762
-	-	951,689	-
(11,387)	(14,677)	(570,415)	(856,138)
-	-	-	(368,987)
-	-	-	368,987
-	-	-	-
-	(175,062)	(175,062)	305,062
-	-	-	(2,227,222)
(11,387)	(189,739)	206,212	(2,778,298)
(7,487,650)	(911,670)	(67,310,634)	(3,800,803)
(2,335,100)	-	(4,919,404)	-
(1,059,353)	(9,161)	(4,771,468)	-
1,081,718	-	1,081,718	-
-	-	-	150,914
599,324	49,225	5,420,594	-
(9,201,061)	(871,606)	(70,499,194)	(3,649,889)
146,914	24,982	675,069	167,408
146,914	24,982	675,069	167,408
(4,503,402)	224,431	(47,789,792)	(355,017)
21,693,131	4,573,221	126,954,900	26,081,733
\$ 17,189,729	\$ 4,797,652	\$ 79,165,108	\$ 25,726,716

(continued)

CITY OF LONGMONT, COLORADO

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
 For the Year Ended December 31, 2016

	Electric and Broadband	Water	Sewer
RECONCILIATION OF NET OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Net operating income (loss)	\$ (1,775,878)	\$ 1,764,052	\$ 2,397,055
Adjustments to reconcile net operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	3,019,109	3,727,753	3,010,430
Miscellaneous income	210,712	216,654	55,277
Intergovernmental operating income	10,203	745,894	1,641,549
Issuance expenses-non-operating	-	-	-
Change in assets and liabilities:			
(Increase) decrease in accounts receivable	(59,331)	(135,499)	(25,594)
(Increase) decrease in loans receivable	2,731	3,203	-
(Increase) decrease in intergovernmental receivable	56,246	716,321	(526,822)
(Increase) decrease in inventory of materials	-	-	-
(Increase) decrease in prepaid expenses	(1,748)	27,439	(1,240)
(Increase) decrease in net pension asset	-	-	-
Increase (decrease) in deferred outflow-Contributions after the measurement date	(41,118)	(16,368)	(10,466)
Increase (decrease) in accounts payable	(323,047)	(25,066)	(114,057)
Increase (decrease) in accrued liabilities	189,085	20,062	18,611
Increase (decrease) in deferred revenue	208,709	-	-
Increase (decrease) in due to other funds	-	-	-
Increase (decrease) in accrued sick and vacation - current portion	(3,246)	47,175	16,028
Increase (decrease) in claims payable - current portion	-	-	-
Increase (decrease) in net pension liability	456,375	243,543	155,560
Increase (decrease) in accrued sick and vacation - long-term portion	96,460	22,715	17,579
Increase (decrease) in claims payable - long-term portion	-	-	-
Increase (decrease) in deposits/unearned revenue	(42,090)	10,235	-
Total adjustments	3,779,050	5,604,061	4,236,855
Net cash provided by operating activities	\$ 2,003,172	\$ 7,368,113	\$ 6,633,910
RECONCILIATION OF CASH AND CASH EQUIVALENTS PER STATEMENT OF CASH FLOWS TO THE BALANCE SHEET			
Per balance sheet:			
Equity in pooled cash and cash equivalents	\$ 6,467,335	\$ 24,671,383	\$ 7,069,925
Restricted equity in pooled cash and cash equivalents	310,000	-	2,658,146
Restricted cash and cash equivalents	221,696	-	15,779,242
Cash and Cash Equivalents per statement of cash flows	\$ 6,999,031	\$ 24,671,383	\$ 25,507,313
NON-CASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES			
The following non-cash transactions occurred during 2016:			
Contributed capital from developers	\$ -	\$ 3,845,693	\$ 608,787
Contributed capital from other funds	393,839	908,705	-
Capitalized interest	1,252,494	-	1,759,758
Transfers of assets to other funds	2,893	-	3,644
Transfers of assets from other funds	-	908,705	-
Change in contracts payable for purchase of capital assets	(189,034)	200,375	458,520
Amortization of bond premium/discount	146,670	5,714	132,387
Bond premium/discount	(146,670)	(5,714)	(132,387)
Loss on asset disposal	(2,893)	-	(3,644)
Intergovernmental revenue	-	184,575	-
Debt service expense	-	(184,575)	-
Capital asset deletions	-	(4,646,329)	-
Actual experience less than expected experience	(86,759)	-	29,572
Investment earnings less than expected	1,478,926	314,020	470,685

CITY OF LONGMONT, COLORADO

Exhibit 9
(continued)

	Storm Drainage	Other Enterprise Funds	Totals	Governmental Activities- Internal Service Funds
\$	1,592,106	\$ 283,121	\$ 4,260,456	\$ 1,528,059
	1,601,643	446,265	11,805,200	4,010,405
	146,217	95,187	724,047	165,279
	-	380,079	2,777,725	-
	1,177,585	-	1,177,585	-
	27,026	(24,623)	(218,021)	(861)
	-	-	5,934	-
	(87,982)	(16,317)	141,446	-
	-	-	-	113,300
	-	(280,307)	(255,856)	(47,059)
	-	-	-	-
	(8,877)	1,632	(75,197)	(1,795)
	4,976	278,529	(178,665)	(299,641)
	9,807	(12,564)	225,001	73
	-	-	208,709	-
	-	-	-	(9,619)
	547	2,087	62,591	8,155
	-	-	-	(189,314)
	82,739	152,900	1,091,117	74,880
	16,345	(45,195)	107,904	7,794
	-	-	-	546,106
	-	-	(31,855)	-
	2,970,026	977,673	17,567,665	4,377,703
\$	4,562,132	\$ 1,260,794	\$ 21,828,121	\$ 5,905,762
\$	1,953,238	\$ 4,797,652	\$ 44,959,533	\$ 23,149,526
	205,228	-	3,173,374	2,577,190
	15,031,263	-	31,032,201	-
\$	17,189,729	\$ 4,797,652	\$ 79,165,108	\$ 25,726,716
\$	216,592	\$ -	\$ 4,671,072	\$ -
	-	-	1,302,544	-
	836,591	-	3,848,843	-
	-	(9,817)	(3,280)	-
	-	-	908,705	435,373
	(416,473)	337,012	390,400	-
	107,188	-	391,959	-
	(107,188)	9,817	(382,142)	-
	-	-	(6,537)	-
	-	-	184,575	-
	-	464,595	280,020	-
	-	-	(4,646,329)	11,875,593
	(15,729)	29,067	(43,849)	14,235
	90,918	464,595	2,819,144	232,494

CITY OF LONGMONT, COLORADO
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
 December 31, 2016

Exhibit 10

	Employee Retirement Plans
<hr/>	
ASSETS	
Equity in pooled cash & cash equivalents	\$ 130,288
Cash and cash equivalents	4,388,611
Investments	
Common stock	43,487,200
Corporate bonds	94,580,401
<hr/>	
Total Assets	\$ 142,586,500
<hr/>	
LIABILITIES	
Accounts payable	\$ 50,323
<hr/>	
Total Liabilities	50,323
<hr/>	
NET POSITION	
Held in trust for pension & OPEB benefits	\$ 142,536,177
<hr/>	

CITY OF LONGMONT, COLORADO
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
Year Ended December 31, 2016

Exhibit 11

	Employee Retirement Plans
<hr/>	
ADDITIONS	
Contributions	
Employer	\$ 3,086,211
Plan members	2,122,119
<hr/>	
Total Contributions	5,208,330
<hr/>	
Investment income	
Net appreciation in fair value of investments	7,287,586
Interest	2,355,728
Dividends	667,132
<hr/>	
Less investment expense	(342,101)
<hr/>	
Net investment gain	9,968,345
<hr/>	
Total additions	15,176,675
<hr/>	
DEDUCTIONS	
Benefits	6,926,387
Refunds of contributions	252,660
Administrative expense	145,795
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Total deductions	7,324,842
<hr/>	
Net increase	7,851,833
<hr/>	
NET POSITION HELD IN TRUST FOR PENSION AND OPEB BENEFITS, January 1	134,684,344
<hr/>	
December 31	\$ 142,536,177
<hr/>	

NOTE 1 – REPORTING ENTITY

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

Blended Component Units

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

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

Discretely Presented Component Units

Longmont Downtown Development Authority - The Longmont Downtown Development Authority (DDA) is a discretely presented component unit and is reported in a separate column to emphasize that it is legally separate from the City. The DDA was created by the City of Longmont through an area election and by City ordinance to halt and prevent deterioration of property values within the area, to assist in the development and redevelopment of the area, and to promote the general welfare of the area. The Longmont City Council appoints the Authority board members. A tax is levied on the real property of the area to finance operations in subsequent years. Under Colorado law the DDA has the ability to use tax increment financing. All taxes levied on the increased valuation of the property within the DDA area over the 1983 base valuations are distributed to the Authority. The DDA does not issue separate financial statements.

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

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

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

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

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

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

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

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

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

The City reports the following major governmental funds:

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

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

The City reports the following major proprietary funds:

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

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

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

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

Additionally, the City reports the following fund types:

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

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

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

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

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

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

2. Receivables and payables

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

All trade and property tax receivables, including those for DDA, are shown net of an allowance for uncollectibles. The allowance for uncollectible utility accounts receivable is based on a three-year average and approximates 2%. The property tax receivable allowance is 2% of outstanding property taxes at December 31, 2016.

In the City's Affordable Housing and Community Development Block Grant Funds, the allowance for uncollectible housing assistance loans is estimated to be 10%, while the forgivable loan allowance is estimated to be the full value of the loans.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3. Inventories and prepaid items

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

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

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

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

4. Restricted Assets

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

5. Capital Assets

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

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included in the capitalized value of assets constructed. In 2016, there was \$1,252,494 of interest incurred and included in the capital costs of the Electric/Broadband Fund, \$1,759,758 of interest incurred and included in the capital costs of Sewer Fund, and \$836,590 of interest incurred and included in the capital costs of the Storm Drainage Fund.

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

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

6. Deferred inflows/outflows of resources and unearned revenues

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

contributions after the measurement date will decrease the pension liability in future years so they are deferred in the current year. Actual investment earnings on pension investments that are less than the actuarial determined earnings are deferred over a five year amortization period. Actual experience was less than the actuarial expected experience and is deferred over a five year period. The proprietary funds have these same categories for deferred outflows of resources.

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

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

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

7. Compensated absences

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

8. Long-term obligations

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

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

9. Fund Balance

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

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

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

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

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

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

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

10. Net Position

Net position represents the difference between assets, liabilities, deferred outflow of resources, and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net investment in capital assets for governmental and business-type activities, excludes unspent debt proceeds of \$3,622,885 and \$31,032,201, respectively. Net position is reported as restricted when there are limitations imposed on their use through enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulation of other governments. Net position restricted by enabling legislation include \$8,491,761 for land conservation, \$60,702,925 for construction, acquisitions, and debt service, \$8,800,004 for transportation improvements, \$1,423,306 for public safety projects, and \$3,946,491 for statutory emergency requirement.

11. Capital Contributions

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

12. Joint Venture

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

13. Use of Estimates

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

D. Budgetary Information

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

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

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

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

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

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

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fund	Original Appropriation	Supplemental Appropriations	Amended Appropriations
General Fund	\$ 73,025,620	\$ 7,033,699	\$ 80,059,319
Art in Public Places Subfund	325,272	53,945	379,217
Special Revenue Funds:			
Electric CIF Fund	450,000	374,688	824,688
Water Construction Fund	573,250	1,123,011	1,696,261
Water Acquisition Fund	150,000	-	150,000
Sewer Construction Fund	714,619	3,013,835	3,728,454
Probation Services Fund	85,399	10,000	95,399
Judicial Wedding Fund	6,487	13,400	19,887
Police Seizure Fund	-	17,729	17,729
Police Preven Education Fund	-	159,957	159,957
CDBG Fund	1,344,513	47,201,257	48,545,770
Home Fund	22,022	-	22,022
Home Consortium Fund	36,804	241,327	278,131
Affordable Housing Fund	280,818	778,515	1,059,333
Downtown Parking Fund	69,798	63,014	132,812
Street Improvement Fund	22,431,260	20,082,523	42,513,783
Transportation CIF Fund	155,000	955,119	1,110,119
Youth Recreation Fund	-	5,000	5,000
Youth Services Fund	6,000	510,183	516,183
Library Services Fund	69,000	78,224	147,224
Museum Services Fund	82,468	222,895	305,363
Callahan House Fund	116,381	17,353	133,734
Senior Services Fund	266,418	162,789	429,207
Park Improvement Fund	132,000	1,197,779	1,329,779
Park Grants Donations Fund	-	739,391	739,391
Park Greenway Mtce Fund	1,213,599	499,526	1,713,125
Park Greenway Mtce Flood Fund	993,259	4,094,281	5,087,540
Public Buildings CIF Fund	103,000	199,133	302,133
Open Space Fund	7,660,689	3,488,407	11,149,096
Public Safety Fund	6,510,134	662,168	7,172,302
Lodgers Tax Fund	363,730	72,870	436,600
Urban Renewal Fund	1,111,920	176,559	1,288,479
Traffic Safety Fund	-	11,594	11,594
Village at the Peaks Fund	250	61,850	62,100
Village at the Peaks Debt Service	1,272,455	-	1,272,455
General Imprvmnt District Fund	115,201	6,509	121,710
Conservation Trust Fund	600,000	5,300,724	5,900,724
Museum Trust Fund	19,000	59,000	78,000
Permanent Fund:			
Mosher/Kanemoto Trust Fund	-	-	-
Capital Projects Funds:			
Public Improvement Fund	9,542,059	2,976,946	12,519,005
Enterprise Funds:			
Sanitation Fund	10,020,442	1,301,881	11,322,323
Golf Fund	2,942,691	55,687	2,998,378
Electric/Broadband Fund	89,427,970	13,752,053	103,180,023
Water Fund	17,939,636	14,268,426	32,208,062
Sewer Fund	15,320,654	36,401,686	51,722,340
Storm Drainage Fund	26,853,055	8,909,307	35,762,362
Airport Fund	335,463	338,538	674,001
Fleet Internal Service Fund	7,560,022	1,962,382	9,522,404
Component Unit-DDA			
Development Authority			
Operations	205,898	12,389	218,287
Debt Service	373,987	-	373,987
Capital Construction	68,987	2,080,720	2,149,707
Building permit	22,500	85,124	107,624
CDBG Grant	-	60,000	60,000
Façade Improvement	300,000	-	300,000
Arts and Entertainment	270,705	24,645	295,350
	\$ 301,490,435	\$ 180,918,038	\$ 482,408,473

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

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

The governmental fund balance sheet includes a reconciliation between fund balance-total governmental funds and net position-governmental activities as reported in the government-wide statement of net position. One element of that reconciliation explains that “long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.” The details of the \$74,224,693 difference are as follows:

Bonds Payable	\$ 60,030,000
Less: Deferred charge on refunding (to be amortized as interest expense)	(509,961)
Issuance premium (to be amortized against interest expense)	1,643,179
Accrued interest payable	978,833
Capital leases payable	3,673,527
Net other post employment benefit obligation	311,566
Net Pension Liability	10,446,842
Less: Deferred outflow on investment earnings less than expected	(8,048,910)
Less: Deferred outflow for current year pension contributions	(1,584,085)
Less: Deferred outflow for actual experience less than expected experience	(332,142)
Compensated absences	<u>7,615,844</u>
 Net adjustment to reduce <i>fund balance-total governmental funds</i> to arrive at <i>net position-governmental activities</i>	 <u><u>\$ 74,224,693</u></u>

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

The governmental fund statement of revenues, expenditures, and changes in fund balances includes reconciliation between net changes in fund balances-total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that “Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.” The details of the \$9,318,657 difference are as follows:

Capital outlay	\$26,160,212
Depreciation expense	(15,652,677)
Loss on assets disposed	<u>(1,188,879)</u>
 Net adjustment to decrease net changes in fund balances-total governmental funds to arrive at changes in net position of governmental activities	 <u><u>\$ 9,318,657</u></u>

Another element of that reconciliation states that “the issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.” The details of this \$3,877,415 difference are as follows:

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

Issuance of debt:		
Cost of lease refinancing	\$	(23,959)
Principal repayments:		
Revenue bond debt		
General obligation debt	\$	3,425,000
Payments of capital leases		<u>476,374</u>
Net adjustments to decrease net changes in fund balances-total governmental funds to arrive at changes in net position of governmental activities	\$	<u><u>3,877,415</u></u>

Another element of that reconciliation states that "Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds." The details of this \$2,315,080 difference are as follows:

Compensated absences	\$	(480,352)
Accrued interest		(73,781)
Pension		(1,777,172)
Amortization of deferred charge on refunding		(165,336)
Amortization of bond premium		<u>181,561</u>
Net adjustment to increase net changes in fund balances-total governmental funds to arrive at changes in net position of governmental activities	\$	<u><u>(2,315,080)</u></u>

NOTE 4 – PROPERTY TAX AND SALES AND USE TAX

Property Taxes:

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

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

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

Sales and Use Tax:

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

The 3.275% is allocated as follows in 2016:

Earmarked Sales and Use Tax

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

General Sales Tax

General Fund	2.000%
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General Use Tax

General Fund	0.15%
Public Improvements Capital Projects Fund	1.85%

NOTE 5 – DEPOSITS AND INVESTMENTS

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

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

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

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

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

	Total
Statement of Net Position:	
Equity in pooled cash and cash equivalents-primary government	\$ 173,455,850
Equity in pooled cash and cash equivalents-restricted	9,373,449
Cash and cash equivalents-primary government	381,627
Cash and cash equivalents-restricted	31,032,201
	<u>\$ 214,243,127</u>

DEPOSITS - Custodial Credit Risk. Custodial credit risk is the risk that in the event of a bank failure, the City’s deposits may not be returned to it. Deposits are carried at cost. Accrued interest is recorded as a receivable. Deposits include certificates of deposit and bank balances representing equity in pooled cash and investments and savings accounts of certain individual funds. Colorado statutes require that all eligible public depositories pledge collateral having a fair value equal to at least 102% of the aggregate of all public deposits. The City’s investment policy parallels the State collateralization requirements. All institutions holding City of Longmont deposits are currently certified as eligible public depositories in accordance with the statutes. As of December 31, 2016, the City’s deposits had a bank balance of \$61,104,084 with a corresponding book balance of \$57,519,032.

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

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

NOTE 5 – DEPOSITS AND INVESTMENTS (continued)

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

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

The City invests in Colorado Government Liquid Asset Trust Plus (Colotrust Plus) and the Colorado Surplus Asset Fund Trust (CSAFE), both established for Colorado local governments surplus fund pooling. Both pools are regulated by the Colorado Securities Commissioner. Pool investments consist of U.S. Treasury bills, notes and note strips, commercial paper allowed by state statute and repurchase agreements collateralized by U.S. Treasury securities and or instrumentalities. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. Securities owned by the pools are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian's internal records identify the investments owned by the specific pool. ColoTrust Plus and C-SAFE are 2a7-like investment pools and are both rated by Standard and Poor's, and Moody's with current ratings of AAA and Aaa. Investments and investment pools are recorded at fair value. There are no unfunded commitments, the redemption frequency is daily, and there is no redemption notice period for ColoTrust.

Interest Rate Risk – The City minimizes the risk that fair value of securities in the portfolio will fall due to changes in general interest rates, by: Structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities prior to maturity. This is accomplished by investing operating funds and non-operating funds in shorter term securities (with a maximum of no more than five years), mutual funds and local investment pools. Weighted average market duration as of December 31, 2016 was 1.28 years. The City's investment policy does not otherwise limit interest rate risk.

The value of the pooled investments includes \$130,288 and \$5,796,209 of pooled cash and cash equivalents of the Fiduciary Funds and the discretely presented component unit, respectively.

As of December 31, 2016, the City had the following investments:

Investment Type	Fair Value	Weighted Average Market Duration (in years)	S & P Rating	% of Portfolio
U.S. Treasuries	\$ 75,565,987	1.59	AA+	48.22
U.S. Instrumentality-FNMA	10,048,549	1.34	AA+	6.41
U.S. Instrumentality-FHLMC	15,795,832	0.54	AA+	10.08
U.S. Instrumentality-FHLB	18,318,812	0.99	AA+	11.69
U.S. Instrumentality-FFCB	19,271,558	0.95	AA+	12.30
Money Market Funds	13,529,886	n/a	AAA	8.63
Local Investment Pools	<u>4,193,469</u>	n/a	AAA	2.67
Total fair value	<u>\$ 156,724,093</u>			
Portfolio duration		1.28		
Percentage of Portfolio				100.00

INVESTMENTS – FIDUCIARY FUNDS - The City has fiduciary responsibility for three defined benefit pension plans as described in Note 18 and other post-employment benefits as described in Note 16. The majority of the funds available in each of the fiduciary funds are invested in fixed income and equity securities through an independent money manager selected by the pension boards. For marketable equity securities held for investment purposes, fair values are based on quoted market prices or dealer quotes. For other securities held as investments, fair value equals quoted market price, if available. If a quoted market price is not available, fair value is estimated using quoted market prices for similar securities.

NOTE 5 – DEPOSITS AND INVESTMENTS (continued)

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

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

Concentration of Credit Risk - Concentration of credit risk is the risk loss attributed to the concentration of the pension's investment in a single issuer. The policy states that the plans assets should be diversified with a strategic asset allocation of 25% in both Domestic Large Cap Value and Domestic Large Cap Growth, 10% in Domestic Small and Mid Cap, 16% in International Equity, 6% in Emerging Mkt Equity, 19% in Domestic Fixed Income and 3% in High Yield Credit, 3% in Commodities, 5% in Low Correlated Hedges, 4% in Global REITs and 9% in Floating Rate Corporate Loans. As of December 31, 2016 these strategic targets have been met. None of the Plan's debt securities represent more than 5% of total investments in any one issuer.

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

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

Interest Rate Risk - This is the risk that changes in interest rates will adversely affect the portfolio's fair value. The pensions fund's investment policy specifies a targeted rate of return of 4.25% over the Consumer Price Index. The Policy also states that the investment guidelines are based upon an investment horizon of greater than five years, so that interim fluctuations should be viewed with appropriate perspective. For 2016, the actual return for the plan was a loss of 1.60% while the targeted rate of return was 6.51%.

As of December 31, 2016, the Fiduciary Funds had the following investments.

Employee, Police and Fire Pension Plans:

Investment Type	Fair Value	% of Portfolio	Rating
Domestic Equities	\$ 49,127,825	35.13%	Not available
International Equities	30,486,453	21.80%	Not available
Domestic Fixed Income	24,876,675	17.79%	Not available
Corporate Loans	12,686,957	9.07%	Not available
High Yield Credit	4,203,405	3.01%	Not available
Commodities	4,147,054	2.97%	Not available
Global REITs	6,957,722	4.98%	Not available
Hedge Funds	6,990,760	5.00%	Not available
Cash & Cash Equivalents	349,271	0.25%	Not available
Total	\$ 139,826,123	100.00%	

OPEB Trust Fund:

Investment Type	Fair Value	% of Portfolio	Rating
Cash & Cash Equivalents	\$ 2,630,089	100.00%	Not available
Total	\$ 2,630,089	100.00%	

NOTE 5 – DEPOSITS AND INVESTMENTS (continued)

FAIR VALUE MEASUREMENT AND APPLICATION - The City adheres to the guidance provided in GASB Statement No. 72, "Fair Value Measurement and Application." The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the assets. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There is a hierarchy of three levels of inputs that may be used to measure fair value:

Level 1: Quoted prices (unadjusted) in active markets for an identical asset or liability that a government can access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets or liabilities, quoted prices for identical or similar assets or liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3: Unobservable inputs for an asset or liability. The following table presents the fair value of measurements of assets recognized in the accompanying statement of net position measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at December 31, 2016.

As of December 31, 2016, the City had the following investments:

	12/31/2016	Fair Value Measurement Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by fair value level				
Debt Securities				
U.S. Treasury securities	\$ 75,565,987	\$ 75,565,987	\$ -	\$ -
FNMA	10,048,549		10,048,549	-
FHLMC	15,795,832		15,795,832	-
FHLB	18,318,812		18,318,812	-
FFCB	19,271,558		19,271,558	-
Total investments by fair value level	139,000,738	\$ 75,565,987	\$ 63,434,751	\$ -
Investments Measured at net asset value (NAV)				
ColoTrust	2,602,976			
Total investments measured at NAV	2,602,976			
Investments not leveled and measured at Amortized Cost				
Money market	13,529,886			
Local investment pool	1,590,493			
	15,120,379			
Total Investments measured at fair value	\$ 156,724,093			

NOTE 5 – DEPOSITS AND INVESTMENTS (continued)

As of December 31, 2016, the Fiduciary Funds had the following investments:

	12/31/2016	Fair Value Measurement Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by fair value level				
Debt Securities				
Floating rate corporate loans	\$ 12,682,229	\$ 12,682,229	\$ -	\$ -
Total debt securities	12,682,229	12,682,229	-	-
Equity Securities				
Financial services industry- Large Cap Value	17,534,196		17,528,981	
Financial services industry- Large Cap Growth	17,492,248		17,487,045	
Financial services industry- Mid Cap	4,222,749		4,221,493	
Financial services industry- Small Cap	9,871,724		9,868,788	
International equity	22,106,510		22,099,935	
Emerging markets	8,375,585		8,373,094	
High yield	4,208,766		4,207,515	
Domestic fixed income	24,875,067		24,867,669	
Commodities	4,152,836		4,151,601	
Other	349,565		349,461	
Total equity securities	113,189,246	-	113,155,582	-
Total investments by fair value level	125,871,475	\$ 12,682,229	\$ 113,155,582	\$ -
Investments Measured at net asset value (NAV)				
Low correlated hedge funds	6,991,306			
Real estate	6,963,341			
Total investments measured at NAV	13,954,647			
Total Investments measured at fair value	\$ 139,826,122			

There are six individual investments that are measured at NAV. There are no unfunded commitments, the redemption frequency is either quarterly or semi-annually, and the redemption notice ranges from 30 to 135 days.

NOTE 6 – DONOR-RESTRICTED ENDOWMENTS

The City is the recipient of two nonexpendable trusts for which the corpora are as follows: \$629,576 Mosher Trust for library purposes and \$15,000 Kanemoto Trust for Kanemoto Park purposes. Net appreciation on these investments is available for expenditure upon appropriation by City Council in the amounts of \$522,828 and \$237, respectively. City Financial Policy requires that the interest earnings on these endowments be expended on the recommendation of the related advisory board.

NOTE 7 – LEASED PROPERTY UNDER CAPITAL LEASES

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

The following is an analysis of the equipment and facilities under capital leases by activity and fund, and by type as of December 31, 2016:

Governmental Activities	
Terry St. Fire Station	\$ 2,673,245
Energy Equipment Lease, Phase 1	1,942,191
Energy Equipment Lease, Phase 2	1,059,417
Total Governmental Activities	\$ 5,674,853

NOTE 7 – LEASED PROPERTY UNDER CAPITAL LEASES (continued)

The following is a schedule by years of future lease payments under capital leases together with the present value of the net lease payments by activity type as of December 31, 2016:

Governmental Activities					
Year		Principal		Interest	Total
2017	\$	573,493	\$	102,419	\$ 675,912
2018		593,192		82,720	675,912
2019		613,679		62,233	675,912
2020		634,989		40,923	675,912
2021		305,194		22,884	328,078
2022-2026		952,980		31,255	984,235
Total	\$	3,673,527	\$	342,434	\$ 4,015,961

NOTE 8 – DEFEASED DEBT

The City entered into a partial refunding transaction whereby bonds were issued to facilitate the partial retirement of the City's 2008 Storm Drainage Bonds. The resulting proceeds of the 2016 Storm Drainage Refunding Bonds, in the amount of \$8,530,000 plus City funds totaling \$180,000 were placed into an irrevocable escrow account and invested for the purpose of generating resources for the redemption of the refunded debt through December 1, 2028.

In fiscal year 2010, the City defeased Open Space Sales and Use Tax Revenue Bonds by placing the proceeds of the new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and liability for the defeased bonds are included in the City's financial statements. As of December 31, 2016, \$5,025,000 of the Series 2001 Sales and Use Tax Revenue Bonds outstanding are considered defeased.

The balance of defeased bonds outstanding at December 31, 2016 is \$13,735,000.

NOTE 9 – LONG-TERM LIABILITIES

Long-term liability activity for the year end December 31, 2016, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Bonds Payable:					
Revenue Bond	\$ 33,980,000	\$ -	\$ (3,425,000)	\$ 30,555,000	\$ 3,540,000
Amortization of discount/premium	555,700	-	(123,660)	432,040	-
Total bonds payable	37,979,360	-	(3,548,660)	30,987,040	3,540,000
Capital Leases	4,125,942	23,959	(476,374)	3,673,527	573,493
Certificates of Participation	29,475,000	-	-	29,475,000	595,000
Amortization of COP premium	1,269,039	-	(57,900)	1,211,139	-
Claims (see Note 12)	2,487,471	2,331,077	(1,974,285)	2,844,263	647,761
Net OPEB Obligation	318,617	315,057	(315,057)	318,617	-
Net Pension Liability	3,263,541	9,196,525	(1,571,314)	10,888,752	-
Compensated Absences	7,296,050	5,804,158	(5,304,793)	7,795,415	1,150,145
Governmental activity long-term liabilities	<u>\$ 86,215,020</u>	<u>\$ 17,670,776</u>	<u>\$ (13,248,383)</u>	<u>\$ 87,193,753</u>	<u>\$ 6,506,399</u>
Business-type Activities:					
Revenue Bonds Payable	\$ 117,805,000	\$ 8,530,000	\$ (11,615,000)	\$ 114,720,000	\$ 5,385,000
Amortization of bond premium	5,835,956	1,081,719	(386,244)	6,531,431	-
Amortization of prepaid interest	-	(795,101)	21,489	(773,612)	-
Compensated Absences	2,068,126	1,584,986	(1,414,493)	2,238,619	335,792
Loans payable	9,066,271	-	(1,039,304)	8,026,967	1,061,417
Amortization of loan discount/premium	43,328	-	(5,714)	37,614	-
Net OPEB Obligation	101,201	114,151	(114,151)	101,201	-
Net Pension Liability	1,718,756	5,653,324	(940,968)	6,431,112	-
Construction contracts	248,459	-	(66,310)	182,149	-
	<u>\$ 136,887,097</u>	<u>\$ 16,169,079</u>	<u>\$ (15,560,695)</u>	<u>\$ 137,495,482</u>	<u>\$ 6,782,209</u>
Component Unit :					
Loans payable - primary government	\$ 146,000	\$ 368,987	\$ (368,987)	\$ 146,000	\$ -
Compensated Absences	32,295	20,264	(12,773)	39,786	5,968
	<u>\$ 171,106</u>	<u>\$ 389,251</u>	<u>\$ (381,760)</u>	<u>\$ 185,786</u>	<u>\$ 5,968</u>

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

NOTE 9 – LONG-TERM LIABILITIES (continued)

A. Governmental Activities:

Revenue Bonds:

\$17,375,000 2006 Sales and Use Tax Revenue Refunding Bonds due in annual installments of \$640,000 to \$2,705,000 through May 15, 2019; interest rates range from 4.0 to 6.0 percent (unamortized premium of \$323,630). Total principal and interest remaining to be paid is \$8,333,363 and is expected to require less than 10% of pledged revenue. Total payment in 2016 was \$2,740,425, and pledged revenue was \$37,385,418. \$ 7,635,000

\$19,330,000 2010 Open Space Sales and Use Tax Revenue Refunding Bonds due in annual installments of \$1,060,000 to \$1,330,000 through November 15, 2026; interest rates range 2 to 3.75 percent (plus amortized premium of \$108,410). Total principal and interest remaining to be paid is \$14,930,030 and is expected to require less than 65% of pledged revenue. Total payment in 2016 was \$1,161,916, and pledged revenue was \$3,776,469. 12,480,000

\$10,440,000 2010 Open Space Sales and Use Tax Revenue Bonds due in annual installments of \$85,000 to \$1,570,000 through November 15, 2033; interest rates range from 5.0 to 5.45 percent with a 35% interest rate subsidy under the Build America Bonds program. Total principal and interest remaining to be paid is \$18,288,943 and is expected to require less than 65% of pledged revenue. Total payment in 2016 was \$556,898 and pledged revenue was \$3,776,469. 10,440,000

\$ 30,555,000

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

Year Ending December 31	Revenue Bonds			City Total
	Principal	Interest	Interest Subsidy	
2017	\$ 3,540	\$ 1,354	\$ (195)	\$ 4,699
2018	3,745	1,179	(195)	4,729
2019	3,910	986	(195)	4,701
2020	1,225	869	(195)	1,899
2021	1,245	831	(195)	1,881
2022-2026	6,535	3,499	(975)	9,059
2027-2031	7,245	2,025	(709)	8,561
2032-2033	3,110	255	(89)	3,276
	\$ 30,555	\$ 16,492	\$ 2,748	\$ 38,805

Certificates of Participation:

\$29,475,000 2014 Certificates of Participation under an Annually Renewable Lease Purchase Agreement with Base Rental installments of \$595,000 to \$2,200,000 through December 1, 2037; interest rates range from 3.0 to 5.0 percent (plus unamortized premium of \$1,211,139). Total principal and interest remaining to be paid is \$46,328,325. Total payment in 2016 was \$1,272,455. \$ 29,475,000

Annual lease payments (in thousands of dollars) to maturity for **governmental activity** COPs are as follows:

Year Ending December 31	Certificates of Participation		
	Principal	Interest	City Total
2017	\$ 595	\$ 1,272	\$ 1,867
2018	875	1,255	2,130
2019	900	1,230	2,130
2020	975	1,198	2,173
2021	1,010	1,163	2,173
2022-2026	5,875	5,124	10,999
2027-2031	7,480	3,700	11,180
2032-2036	9,565	1,816	11,381
2037	2,200	95	2,295
	\$ 29,475	\$ 16,853	\$ 46,328

NOTE 9 – LONG-TERM LIABILITIES (continued)

The following is a summary of governmental activity long-term debt (other than bonded debt) for the City of Longmont for the year ended December 31, 2016.

Capital Lease

Lease obligations per Note 7. Payable from
General Fund and Public Safety Fund \$ 3,673,527

Net Other Post Employment Benefit Obligation

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

Net Pension Liability

Actuarially determined net pension liability \$ 10,888,752

Accrued Sick and Vacation

Accrual of compensated absences per Note 2-C7.
Payable from revenues of the General Fund, Streets Fund, Community Development Fund, Public
Safety Fund and Fleet Fund \$ 7,795,415

B. Business-type Activities

The following is a summary of proprietary long-term debt (other than bonded debt) for the City of Longmont for the year ended December 31, 2016:

Revenue Bonds:

\$14,540,000 2008 Storm Drainage Revenue Bonds for the purpose of storm drainage system replacements and improvements including Lykins Gulch Drainageway, State Highway 66 Regional drainage improvements, Spring Gulch #2 Drainage, and Left Hand Creek bridge replacement at South Pratt Parkway. Future customer fees net of certain operating expenses, are expected to exceed the annual payments by 25%. Total principal and interest paid in 2016 was \$895,553 compared to net pledged fees of \$3,415,956. Due in installments of \$655,000 to \$680,000 through December 1, 2018; interest rates range from 3.0 to 4.5 percent (unamortized premium of \$26,555). During the year ended December 31, 2016, bond proceeds from the 2016 Storm Drainage Bonds were used toward the \$8,710,000 partial defeasance of the outstanding 2008 Storm Drainage Bonds. \$ 1,335,000

\$11,090,000 2010B Sewer Revenue Bonds for the purpose of wastewater system improvements. Future customer fees net of certain operating expenses, are expected to exceed the annual payments by 25%. Total principal and interest paid in 2016 was \$1,088,658 compared to net pledged fees of \$5,520,881. Due in installments of \$590,000 to \$935,000 through November 1, 2030; interest rates range from 3.1 to 5.2 percent with a 35% interest rate subsidy under the Build America Bonds program. 10,500,000

\$7,740,000 2013 Sewer Revenue Bonds for the purpose of wastewater system improvements. Future customer fees net of certain operating expenses, are expected to exceed the annual payments by 25%. Total principal and interest paid in 2016 was \$561,700 compared to pledged fees of \$5,520,881. Due in installments of \$310,000 to \$550,000 through November 1, 2032; interest rates range from 2 to 4 percent (unamortized premium of \$422,324). 6,795,000

\$38,035,000 2014 Electric and Broadband Utility Enterprise Revenue Bonds for the purpose of significantly expanding the existing fiber optic backbone system in order to extend "fiber to the premises" service to all homes and businesses in the City. Future customer fees net of certain operating expenses, are expected to exceed the annual payments by 33%. Total principal and interest paid in 2016 was \$1,472,013 compared to net pledged fees of \$9,321,241. Due in installments of \$2,245,000 to \$3,590,000 through December 1, 2029; interest rates range from 3.0 to 5.0 percent (unamortized premium of \$1,894,489). 38,035,000

\$20,500,000 2014 Storm Drainage Revenue Bonds for the purpose of storm drainage system improvements including, but not limited to the City's St. Vrain Creek Drainageway. Future customer fees, net of certain operating expenses, are expected to exceed the annual payments by 25%. Total principal and interest paid in 2016 was \$1,452,288 compared to net pledged fees of \$3,415,956. Due in installments of \$710,000 to \$1,405,000 through December 1, 2034; interest rates range from 3.0 to 5.0 percent (unamortized premium of \$1,144,833). 19,060,000

\$31,100,000 2015 Enterprise Wastewater Revenue Bonds for the purpose of wastewater system improvements including improvements, additions and rehabilitation of the wastewater treatment plant, as recommended in the 2012 Planning Study to Meet New Ammonia Permit Limits. Future customer fees, net of certain operating expenses, are expected to exceed the annual payments by 25%. Total principal and interest paid in 2016 was \$1,978,160, compared to net pledged fees of \$5,520,881. Due in installments of \$635,000 to \$3,525,000 through November 1, 2035; interest rates range from 3.0 to 5.0 percent (unamortized premium of \$1,990,945). 30,465,000

NOTE 9 – LONG-TERM LIABILITIES (continued)

\$8,530,000 2016 Storm Drainage Refunding Bonds for the purpose of partial defeasance of the 2008 Storm Drainage Revenue Bonds. Future customer fees, net of certain operating expenses, are expected to exceed the annual payments by 71%. Total principal and interest paid in 2016 was \$71,511 compared to net pledged fees of \$3,415,956. Due in installments of \$710,000 to \$995,000 through December 1, 2028; interest rates range from 2.0% to 4.0%. (unamortized premium of \$1,052,284 and unamortized prepaid interest of \$773,612).

8,530,000
\$ 114,720,000

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

Year Ending December 31	Revenue Bonds			City Total
	Principal	Interest	Interest Subsidy	
2017	\$ 5,385	\$ 4,399	\$ (168)	\$ 9,616
2018	5,585	4,175	(161)	9,599
2019	5,820	3,933	(153)	9,600
2020	6,055	3,675	(144)	9,586
2021	6,330	3,415	(134)	9,611
2022-2026	35,830	12,857	(505)	48,182
2027-2031	32,325	5,853	(162)	38,016
2032-2036	17,390	1,423	-	18,813
Total	\$ 4,720	\$ 39,730	\$ (1,427)	\$153,023

Accrued Sick and Vacation

Accrual of compensated absences per Note 2-C7.

Payable from the Enterprise Funds \$ 2,238,619

Loans Payable

\$14,998,044 from the Colorado Water Resources and Power Authority for the construction of a water treatment plant to be repaid from the revenues of the Water Fund. Annual installments vary from \$1,353,789 to \$1,356,326 through August 1, 2023, at 3.11% (plus unamortized premium of \$37,614).

\$ 8,026,967

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

Year Ending December 31	Principal	Interest	Total
2017	\$ 1,061	\$ 244	\$ 1,305
2018	1,084	224	1,308
2019	1,106	199	1,305
2020	1,128	177	1,305
2021	1,155	150	1,305
2022-2023	2,493	98	2,591
Total	\$ 8,027	\$ 1,092	\$ 9,119

Net Other Post Employment Benefit Obligation

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

Net Pension Liability

Actuarially determined net pension liability \$ 6,431,112

Construction Contracts

Developer participation contracts for oversizing of water and sewer lines. Contracts established in 1996 through 2010, pending final acceptance of improvements, with minimum annual installments of \$200,000. \$ 182,149

C. Component Unit

Loans Payable:

\$146,000 from City of Longmont Fleet Fund for Marketing Fund expenses to be repaid from tax increment property taxes, due 12/31/19. Interest rate equal to City's annual rate of return, .82% in 2016; \$1,197 interest accrued at 12/31/16. \$ 146,000

Accrual of compensated absences per Note 2-C7. \$ 39,786

NOTE 10 – CHANGES IN CAPITAL ASSETS

	Beginning Balance	Additions	Deletions	Impairments/ Transfers	Ending Balance
Governmental activities:					
Capital assets, not being depreciated:					
Land and water rights	\$ 84,801,703	\$ 62,085	\$ -	\$ (21,725)	\$ 84,842,063
Construction in progress	27,563,642	13,898,993	(16,672,013)	-	24,790,622
Total capital assets, not being depreciated	112,365,345	13,961,078	(16,672,013)	(21,725)	109,632,685
Capital assets, being depreciated:					
Buildings	77,530,654	116,967	(20,348)	(1,364,712)	76,262,561
Improvements other than buildings	356,850,128	27,553,986	(194,160)	177,169	384,387,123
Equipment	65,072,627	6,638,944	(13,594,311)	(2,070,767)	56,046,493
Capital lease	-	158,014	-	3,280,035	3,438,049
Total capital assets, being depreciated	499,453,409	34,467,911	(13,808,819)	21,725	520,134,226
Less accumulated depreciation for:					
Buildings	(25,590,611)	(1,539,140)	5,694	155,144	(26,968,912)
Improvements other than buildings	(213,857,206)	(14,774,679)	4,600	5,034	(228,622,251)
Equipment	(46,571,299)	(3,344,440)	13,391,292	271,434	(36,253,012)
Capital lease	-	(4,823)	-	(431,612)	(436,435)
Total accumulated depreciation	(286,019,116)	(19,663,082)	13,401,586	-	(292,280,610)
Total capital assets, being depreciated, net	213,434,293	14,804,829	(407,233)	21,725	227,853,616
Governmental activities capital assets, net	\$ 325,799,638	\$28,765,907	\$(17,079,246)	\$ -	\$ 337,486,301

	Beginning Balance Restated	Additions	Deletions	Impairments/ Transfers	Ending Balance
Business-type activities:					
Capital assets, not being depreciated:					
Land and water rights	\$ 289,687,149	\$ 6,782,723	\$ (2,963,222)	\$ (5,146,114)	\$ 288,360,536
Construction in progress	37,260,613	49,829,411	(7,227,325)	3,166,225	83,028,924
Total capital assets, not being depreciated	326,947,762	56,612,134	(10,190,547)	(1,979,889)	371,389,460
Capital assets, being depreciated:					
Buildings	107,721,940	-	-	(21,738,166)	85,983,774
Improvements other than buildings	369,808,071	30,650,734	(20,711)	23,723,390	424,161,483
Equipment	13,783,679	232,584	(340,218)	(5,335)	13,670,710
Total capital assets, being depreciated	491,313,690	30,883,317	(360,929)	1,979,889	523,815,967
Less accumulated depreciation for:					
Buildings	(32,772,355)	(1,707,530)	-	-	(34,479,885)
Improvements other than buildings	(146,760,593)	(9,517,153)	17,817	-	(156,259,929)
Equipment	(12,468,255)	(580,515)	340,215	-	(12,708,555)
Total accumulated depreciation	(192,001,203)	(11,805,199)	358,032	-	(203,448,371)
Total capital assets, being depreciated, net	299,312,486	19,078,119	(2,897)	1,979,889	320,367,596
Business-type activities capital assets, net	\$ 626,260,248	\$ 75,690,253	\$ (10,193,444)	\$ -	\$ 691,757,056

NOTE 10 – CHANGES IN CAPITAL ASSETS (continued)

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

Governmental activities:	
General government	\$ 3,239,138
Public safety	829,029
Highway and streets	15,034,713
Culture and recreation	<u>560,202</u>
Total depreciation expense - governmental activities	<u>\$ 19,663,082</u>
Business-type activities:	
Sanitation	\$ 58,533
Golf	138,081
Electric	2,365,018
Broadband	654,091
Water	3,727,751
Sewer	3,010,430
Storm drainage	1,601,643
Airport	<u>249,651</u>
Total depreciation expense - business-type activities	<u>\$ 11,805,199</u>

Discretely presented component unit

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfers</u>	<u>Ending Balance</u>
Downtown development authority:					
Capital assets, not being depreciated:					
Land and water rights	\$ 786,921	\$ -	\$ -	\$ -	\$ 786,921
Construction in progress	702,405	892,328	(649,736)	-	944,997
Total capital assets, not being depreciated	<u>1,489,326</u>	<u>892,328</u>	<u>(649,736)</u>	<u>-</u>	<u>1,731,918</u>
Capital assets, being depreciated:					
Buildings	80,454	-	-	-	80,454
Improvements other than buildings	7,233,279	649,736	-	-	7,883,015
Equipment	425	-	-	-	425
Total capital assets, being depreciated	<u>7,314,158</u>	<u>649,736</u>	<u>-</u>	<u>-</u>	<u>7,963,894</u>
Less accumulated depreciation for:					
Buildings	(35,531)	(1,619)	-	-	(37,149)
Improvements other than buildings	(3,262,830)	(206,432)	-	-	(3,469,263)
Equipment	(425)	-	-	-	(425)
Total accumulated depreciation	<u>(3,298,786)</u>	<u>(208,051)</u>	<u>-</u>	<u>-</u>	<u>(3,506,837)</u>
Total capital assets, being depreciated, net	<u>4,015,372</u>	<u>441,685</u>	<u>-</u>	<u>-</u>	<u>4,457,058</u>
Downtown development authority capital assets, net	<u>\$ 5,504,698</u>	<u>\$ 1,334,013</u>	<u>\$ (649,736)</u>	<u>\$ -</u>	<u>\$ 6,188,976</u>

NOTE 11 – OPERATING LEASE

In 2003, the City leased exclusive surface rights to McIntosh Reservoir with the intention of creating a district park linking Dawson Park, Flanders Park and Boulder County's Lohr Open Space. The cancelable operating lease was extended through 2012, with an additional five year extension period through December 31, 2017. The City recognized \$58,527 of expenditures for this recreational purpose lease during 2016. The City is working on negotiating a 3-year contract. The future minimum lease payments as of December 31, 2016, are as follows

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

NOTE 12 – RISK MANAGEMENT

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

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

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

All funds of the City participate in these programs and make payments to the appropriate risk retention internal service fund based on actuarial estimates of the amounts needed to pay prior- and current-year claims and to establish a reserve for catastrophic losses. The claims liability of \$2,844,263 reported in these funds at December 31, 2016, is based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

Changes in the funds' claims liabilities amounts in fiscal 2016 and 2015 were:

Fund	Beginning Claims Liability	Claims and Changes in Estimates	Claim Payments	Year end Claims Liability
2016				
Self Insurance	\$ 202,477	\$ 721,339	\$ 426,717	\$ 497,099
Workers Compensation	2,284,994	1,609,738	1,547,568	2,347,164
	<u>\$ 2,487,471</u>	<u>\$ 2,331,077</u>	<u>\$ 1,974,285</u>	<u>\$ 2,844,263</u>
2015				
Self Insurance	\$ 384,490	\$ 94,750	\$ 276,763	\$ 202,477
Workers Compensation	2,159,558	918,274	792,838	2,284,994
	<u>\$ 2,544,048</u>	<u>\$ 1,013,024</u>	<u>\$ 1,069,601</u>	<u>\$ 2,487,471</u>

NOTE 13 – OTHER REQUIRED INDIVIDUAL FUND DISCLOSURES

Interfund receivable and payable balances at December 31, 2016, were:

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Governmental:		
General	\$ 7,835,630	\$ 990,000
Nonmajor Governmental		
CDBG Fund	-	1,168,006
Public Safety	-	367,026
Public Improvement	-	1,860,196
Proprietary:		
Nonmajor Enterprise		
Golf (Advances)	-	942,151
Internal Service:		
Fleet (Advances)	4,159,373	-
Warehouse	-	6,667,624
Fuduciary:		
Police Pension	-	-
Golf	-	-
	<u>\$ 11,995,003</u>	<u>\$ 11,995,003</u>

NOTE 14 – INTERFUND TRANSACTIONS

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

A. Administrative Fee - The Enterprise Funds, the Street System, Open Space and General Improvement District #1 Special Revenue Funds, the Self Insurance, Workers Compensation Insurance, and Fleet Internal Service Funds make monthly payments to the General Fund for administrative expenses. The charge is approved by the City Council as part of the appropriation process, and is calculated to cover ETS, accounting, billing, purchasing and other administrative functions performed and/or paid by the General Fund on behalf of the above mentioned funds. The total administrative fees paid by Enterprise Funds to the General Fund were \$601,254 by the Sanitation Fund, \$160,862 by the Golf Fund, \$1,730,327 by the Electric and Broadband Fund, \$1,417,185 by the Water Fund, \$740,067 by the Sewer Fund, \$546,335 by the Storm Drainage Fund and \$129,001 by the Airport Fund. Total administrative fees paid by Special Revenue Funds in 2016 were \$976,593 by the Street System Fund, \$134,978 by the Open Space Fund and \$6,764 by the General Improvement District #1 Fund. Total 2016 administrative fees paid to the General Fund by Internal Service funds were \$112,206 by the Self Insurance Fund, \$129,421 by the Workers' Compensation Insurance Fund, and \$275,298 by the Fleet Fund

B. Franchise Fee - The Electric and Broadband Fund, Water Fund and the Sewer Fund pay an annual franchise fee to the General Fund for the exclusive right to provide electric and telecommunications, water and sewer service (respectively) within the City of Longmont. The Electric and Broadband Fund electric fee is 8% of the current year revenues of the electric portion of the Fund, or \$5,100,664 in 2016. The broadband fee is 5% of the current year portion of the broadband revenues, or \$8,962 in 2016. The Water Fund franchise fee approximates 2% of the Fund's current year budgeted revenues, or \$309,930 in 2016. The Sewer Fund franchise fee approximates 4% of the Fund's current year budgeted revenues, or \$551,772 in 2016.

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

D. Fleet Lease Charges - The Fleet Internal Service Fund charges all operating departments a fleet lease charge for vehicle operating, maintenance, and replacement costs. The charge is approved by the City Council as part of the appropriation process and is based on each department's actual vehicle usage and needs. The total payments included in the accompanying financial statements in 2016 were \$3,051,322 by the General Fund, \$1,272,191 by the Street System Fund, \$1,704,769 by the Sanitation Fund, \$206,409 by the Golf Fund, \$742,779 by the Electric and Broadband Fund, \$473,046 by the Water Fund, \$319,821 by the Sewer Fund, \$267,047 by the Storm Drainage Fund, \$1,219 by the Airport Fund, \$429,145 by the Public Safety Sales Tax Special Revenue Fund and \$49,503 by the Open Space Special Revenue Fund.

E. Vehicle Transfers - Any new vehicle additions representing increased service levels are purchased through the appropriate fund and ownership of the vehicles is subsequently transferred to the Fleet Internal Service Fund. Such transfers are considered routine transfers. The amounts of vehicle transfers in 2016 were \$164,987 from the General Fund, \$6,817 from the Sanitation Fund, \$73,188 from Senior Services Fund, \$24,500 from Open Space Fund, \$68,112 from the Electric and Broadband Enterprise Fund, \$4,555 from the Water Enterprise Fund, \$3,644 from the Sewer Enterprise fund, \$5,466 from the Storm Drainage Enterprise Fund, \$42,203 from the Streets Special revenue fund and \$41,901 from the Public Safety Sales Tax Special Revenue Fund.

NOTE 14 – INTERFUND TRANSACTIONS (continued)

F. Art Transfers - The Art in Public Places Fund is funded through transfers from the operating funds of the City. Any construction project costing \$50,000 or more must transfer 1% of the construction cost to the Art fund. Certain funds with legal limitations on their monies are exempt from this requirement. The amounts of such operating transfers in 2016 were \$552 from the Sanitation Fund, \$2,794 from the Golf Fund, \$13,695 from the Electric and Broadband Fund, \$20,893 from the Water Fund, \$761 from the Water Construction Fund, \$194,943 from the Sewer Fund, \$6,041 from the Storm Drainage Fund, \$16,094 from the Public Improvement Fund, \$8 from the Open Space Fund, \$10,363 from the Parks Fund, \$2,893 from the Parks Greenway Fund, \$1,928 from the Public Buildings Community Investment Fee Fund, \$10 from the Public Safety Fund, \$7,892 from the Downtown development Authority Construction Fund and \$1,979 from the Fleet Fund. This fund is consolidated with the General Fund for reporting purposes.

G. DDA Building Permits - An amount equal to the revenues from building permits issued in the DDA area is transferred to the Component Unit DDA Building Permit Special Revenue fund by the primary government funds receiving the revenues. The amounts of such transfers during 2016 were \$40,764 from the General Fund, \$50 from the Electric fund, \$85 from the Water Fund, \$420 from the Sewer Fund, and \$17,351 from the Public Improvement Fund.

H Insurance Charges for Services - The Self Insurance Internal Service Fund, the Employee Benefit Internal Service Fund and the Workers' Compensation Insurance Internal Service Fund each charge all of the operating funds an amount for the insurance coverage accounted for in each of the respective funds. The Self Insurance charge is based on the potential for liability claims in each of the departments. The Employee Benefit charge is a percentage of payroll. The Workers Compensation Insurance charge is based on the type of duties each employee performs and is also a percentage of payrolls. The total insurance charges for 2016 from each fund were:

	Self- Insurance	Employee Benefit	Workers' Compensation Insurance	Unemployment Insurance
General Fund	\$ 571,557	\$ 6,242,484	\$ 1,326,633	\$ 68,195
Component Unit				
Downtown Development Authority Special Revenue Fund	-	21,021	-	232
Downtown Development Authority Arts & Entertainment Social Revenue Fund	-	10,222	-	113
Probation Services Special Revenue Fund	499	9,673	49	107
Community Development Special Revenue Fund	161	61,329	5,665	399
Affordable Housing Special Revenue Fund	192	22,237	9,645	423
Downtown Parking Special Revenue Fund	32	3,454	15	38
Streets System Special Revenue Fund	148,190	411,288	59,320	4,549
Youth Services Special Revenue Fund	-	-	-	486
Museum Services Special Revenue Fund	52	-	290	-
Callahan House Special Revenue Fund	179	9,696	976	107
Senior Services Special Revenue Fund	109	-	51	-
Art in Public Places Special Revenue Fund	3,514	4,769	21	53
Open Space Special Revenue Fund	5,507	29,298	3,825	382
Public Safety Sales Tax Special Revenue Fund	28,536	547,325	196,916	6,052
General Improvement District Special Revenue Fund	-	3,908	-	43
Sanitation Enterprise Fund	74,795	225,245	84,288	2,492
Golf Enterprise Fund	36,537	110,438	45,997	1,220
Electric & Broadband Enterprise Fund	190,713	1,219,643	47,548	13,496
Water Enterprise Fund	107,083	584,255	57,492	6,466
Sewer Enterprise Fund	207,744	381,327	86,191	4,220
Storm Drainage Enterprise Fund	20,334	191,618	5,074	2,119
Airport Enterprise Fund	4,513	15,802	70	175
Fleet Internal Service Fund	6,460	169,601	72,924	1,873
TOTAL	\$ 1,406,707	\$ 10,274,633	\$ 2,002,990	\$ 113,240

NOTE 14 – INTERFUND TRANSACTIONS (continued)

- The General Fund paid \$5,000 to the Component Unit DDA Special Revenue Fund to fund community events projects.
- The General Fund transferred \$2,623 to the Downtown Parking Special Revenue Fund to provide a secondary funding source for operations.
- The General fund transferred \$81,606 to the Callahan House Special Revenue Fund to fund operations.
- The Electric Enterprise Fund transferred \$23,000 to the General Fund to fund a tree planting project.
- The Water Enterprise Fund transferred \$261,721 and the Sewer Enterprise Fund transferred \$87,716 to the Electric Enterprise Fund to fund their shares of meter reading expenses. These transfers were reclassified as a reduction of expenses to the receiving fund and an increase in expenses to the funds paying for the services.
- The Sewer Construction Special Revenue Fund transferred \$552,119 to the Sewer Fund to pay current debt service on the sewer loan.
- The Water Enterprise Fund transferred \$10,988, the Sewer Enterprise Fund transferred \$1,127, the Sanitation Enterprise Fund transferred \$857, the Golf Enterprise Fund transferred \$642, the Storm Drainage Enterprise Fund transferred \$697, the Fleet Internal Service Fund transferred \$590 and the Streets Special Revenue Fund transferred \$1,072 to the Electric Enterprise Fund to fund their shares of warehouse administrative costs.
- The General Fund transferred \$441,989 to the Public Improvement fund to assist in funding the new auditorium at the Museum.
- The General Fund transferred \$677,315 to the Affordable Housing Fund to fund operating expenses.
- The General Fund transferred \$138,758, the Sewer Enterprise Fund transferred \$97,033, the Storm Drainage Enterprise Fund transferred \$194,064 and the Streets Special Revenue Fund transferred \$242,581 to the Water Enterprise Fund to fund their shares of technical services and surveying costs. These transfers were reclassified as a reduction of expenses to the receiving fund and an increase in expenses to the funds paying for the services.
- The Water Enterprise Fund transferred \$118,985 the Sewer Enterprise Fund transferred \$95,186 and the Storm Drainage Enterprise Fund transferred \$142,780 to the Streets Special Revenue Fund to fund their shares of construction inspection costs. These transfers were reclassified as a reduction of expenses to the receiving fund and an increase in expenses to the funds paying for the services.
- The Water Enterprise Fund transferred \$215,172, the Sewer Enterprise Fund transferred \$142,764, the Streets Special revenue Fund transferred \$4,628 and the Sanitation Enterprise Fund transferred \$9,223 to the Storm Drainage Enterprise Fund to fund their shares of regulatory compliance costs. These transfers were reclassified as a reduction of expenses to the receiving fund and an increase in expenses to the funds paying for the services.
- The Judicial Wedding Special Revenue fund transferred \$4,987 to the General fund to assist in offsetting costs.
- The Component Unit DDA Building Permits Special Revenue Fund transferred \$2,500, and DDA Construction fund transferred \$45,000 to the Component Unit DDA General Fund for administrative services.
- The Library Fund transferred \$23,587 to the General Fund to offset Library program expenses.
- The Electric Fund transferred \$500 to the General Fund for Cinco De Mayo sponsorship.
- The Electric and Telecommunication Enterprise Fund transferred \$5,000 to the General Fund for Rhythm on the River Sponsorship.
- The Senior Services Special Revenue Fund transferred \$5,769 to the General Fund to assist in the funding of an office assistant position.
- The Enterprise Funds, the Street System, Open Space, Probation Services, Affordable Housing, Public Safety Sales and Use Tax and Art in Public Places Special Revenue Funds, and Fleet Internal Service Funds made payments to the General Fund for capital equipment expenses and to assist in funding of a new Enterprise Resource Planning Software System. The charge is approved by the City Council as part of the appropriation process, and is calculated to cover capital equipment expenses paid by the General Fund on behalf of the above mentioned funds. The total expenses paid by Enterprise Funds to the General Fund were \$6,388 by the Sanitation Fund, \$6,403 by the Golf Fund, \$20,400 by the Electric and Broadband Fund, \$33,514 by the Water Fund, \$10,736 by the Sewer Fund, \$41 by the Airport Fund and \$4,649 by the Storm Drainage Fund. Total expenditures paid by Special Revenue Funds in 2016 were \$6,307 by the Street System Fund. Total payment from the Nonmajor Governmental funds were \$41 from the Open Space Fund and \$2,057 from the Public Safety Fund. Total 2016 expenses paid to the General Fund by Internal Service funds were \$4,282 by the Fleet Fund.
- The Fleet Internal Service Fund loaned the Downtown Development Authority Facade Fund \$300,000 to assist for Façade Improvement loan program and DDA Construction \$69,987 for infrastructure improvement and project management fees.
- The Downtown Development Authority Debt Service Fund repaid the total amount of the loans of \$369,987 to the Fleet Internal Service Fund in 2016. The proceeds were used to assist in the funding of the Downtown Alley Improvements, Streetscape improvements and Downtown Infrastructure Improvements.
- The Sewer Fund, the Self Insurance Fund and Fleet Fund made transfers of \$139,465, \$244,131 and \$232, respectively to the Water Fund for flood recovery expenses.
- The Self Insurance fund transferred \$527,756 of Insurance proceeds to The Parks and Greenway Maintenance Fund and \$77,400 to Open Space Fund for flood recovery expenditures.
- The Electric Enterprise Fund transferred \$1,978 to Children, Youth and Family Fund for The Mayor's Book Club.
- The Museum Trust Fund Transferred \$9,000 to the Museum Fund to assist with operations.
- The Parks Fund transferred \$60,469 to the Parks Grant Fund for operations.
- The General Fund and the Longmont Urban Renewal Authority made transfers totaling \$460,563 and \$519,271, respectively, to the Village at the Peaks Fund for debt service payments.
- The Special Revenue Funds Electric Capital Improvements and Water Construction made transfers to the Electric and Water Enterprise Funds for current year capital asset additions of \$393,839 and \$908,705, respectively. These amounts are shown as capital contributions in the respective funds.
- The Community Development Block Grant Special Revenue Fund transferred \$4,651 to the Downtown Development Authority for planters and bike racks.
- The Streets Fund transferred \$242,838 to the General Fund for the purchase of Rights of Way.

NOTE 14 – INTERFUND TRANSACTIONS (continued)

Primary Government

Transfers from:	Transfers to:						Internal Service Funds	Total
	General Fund	Nonmajor Governmental Funds	Electric Fund	Water Fund	Sewer Fund			
General Fund	\$ -	\$ 1,664,096	\$ -	\$ -	\$ -	\$ -	164,987	\$ 1,829,083
Streets Systems Fund	6,307	-	1,072	-	-	-	42,203	49,582
Nonmajor Governmental Funds	68,498	588,740	-	-	552,119	-	139,589	1,348,946
Electric Fund	62,595	1,978	-	-	-	-	68,112	132,685
Water Fund	54,407	-	10,988	-	-	-	4,555	69,950
Sewer Fund	205,679	-	1,127	139,465	-	-	3,644	349,915
Storm Drainage Fund	10,690	-	697	-	-	-	5,466	16,853
Nonmajor Enterprise Funds	16,178	-	1,499	-	-	-	6,817	24,494
Internal Service Funds	6,261	605,156	590	244,131	-	-	-	856,138
	\$ 430,615	\$ 2,859,970	\$ 15,974	\$ 383,596	\$ 552,119	\$ -	\$ 435,373	\$ 4,677,646

NOTE 15 – OTHER POSTEMPLOYMENT BENEFITS

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

Contributions. The contribution requirements of plan members and the City are established and may be amended by the City Manager. Plan members receiving benefits contributed 100% of their total premiums, through their required contribution of \$414 per month for HMO retiree-only coverage, \$845 per month for HMO retiree plus one coverage, or \$1,657 for HMO retiree plus family coverage. Those respective monthly rates for the POS option were \$532, \$1,086, and \$2,130, respectively. The required contribution is based on projected pay-as-you-go financing. The City contributes \$0 toward the premium payments. The implicit subsidy for the blended rates requires that the City make contributions adequate to finance that implicit subsidy on a sound actuarial basis. An actuarial study is performed biennially using the entry age actuarial cost method. The most recent actuarial study for the Retiree Health Insurance Plan was performed as of January 1, 2016.

Annual OPEB Cost and Net OPEB Obligation. The City's annual other postemployment benefit (OPEB) cost is calculated based on the annual required contribution of the City (ARC), an amount actuarially determined in accordance with GASB 45. The ARC represents a funding level that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liability over a period not to exceed 30 years. The following table shows the components of the City's annual OPEB cost for the year ended December 31, 2016, the amount actually contributed to the plan, and changes in the City's OPEB obligation.

Normal Cost with Interest	\$ 223,568
Amortization of Unfunded AAL	
Over 30 years	<u>214,072</u>
Annual Required Contribution (ARC)	437,640
Interest on NOPEBO	12,804
ARC Adjustment	<u>(21,236)</u>
Annual OPEB Cost	429,208
Contributions Made	<u>(429,208)</u>
Net OPEB Obligation Change	<u>(429,208)</u>
Net OPEB 12/31/15	<u>419,818</u>
Net OPEB 12/31/16	<u>\$ 419,818</u>

NOTE 15 – OTHER POSTEMPLOYMENT BENEFITS (continued)

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

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
12/31/13	\$ 421,886	97.8%	\$ 421,886
12/31/14	\$ 477,475	100.0%	\$ 421,886
12/31/15	\$ 475,407	100.4%	\$ 419,818
12/31/16	\$ 429,208	100.0%	\$ 419,818

Funded Status. As of the most recent actuarial valuation date, January 1, 2016, the funded ratio was 33.9%. The actuarial accrued liability for these implicit benefits was \$6,497,784 and the actuarial value of assets was \$2,201,723, leaving the unfunded actuarial accrued liability (UAAL) at \$4,296,061. The covered payroll (annual payroll of active employees covered by the plan) was \$49.6 million, and the ratio of the UAAL to the covered payroll was 8.7 percent.

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

In the most current actuarial valuation, January 1, 2016, the entry age actuarial cost method was used. The actuarial assumptions included a 3.05% investment rate of return, and an annual health care cost trend rate of 7% for 2016, decreasing down to 5% over an eight-year period. Both rates include a 3.0% inflation factor. The UAAL is being amortized as a level dollar amount of projected payroll on an open basis. The remaining amortization period at December 31, 2016, was 30 years.

Membership in the plan consists of the following as of January 1, 2016:

Active Members:	817
Inactive Members:	
Retired:	62
Covered:	3

NOTE 15 – OTHER POSTEMPLOYMENT BENEFITS (continued)

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

For the Year Ended December 31, 2016

	OPEB
ASSETS	
Cash and cash equivalents	\$ 2,630,089
Total Assets	\$ 2,630,089
NET POSITION	
Held in trust for OPEB benefits	\$ 2,630,089
OPEB	
ADDITIONS	
Contributions	
Employer	\$ 429,208
Investment income	
Interest	1,098
Total additions	430,306
DEDUCTIONS	
Administrative expense	4,362
Net increase/ (decrease)	425,944
NET POSITION HELD IN TRUST FOR	
OPEB BENEFITS, January 1	2,204,145
December 31	\$ 2,630,089

NOTE 16 – SECTION 20 TO ARTICLE X OF THE COLORADO CONSTITUTION (TABOR)

In November, 1992, an amendment to the Colorado Constitution was passed by the voters imposing various revenue and expenditure limits on the City. Prior voter approval is necessary to increase the City's real property tax revenues or spending from one year to the next in excess of the rate of inflation plus a "growth factor", based on the net percentage change in the actual value of all real property within the City. Any new tax, tax rate increase, mill levy increase, or extension of an expiring tax which causes a net tax revenue gain requires voter approval. The Colorado Constitution also requires that any revenue collected, kept or spent in excess of these limitations must be refunded, with interest. In November 1996, City of Longmont voters approved a "Voter Approved Revenue Change" that allows the City to keep any revenue collected in excess of the 1992 amendment limits. To the best of the City's knowledge, the City is in compliance with all requirements of this amendment, and no refunds are due at December 31, 2016.

The amendment requires local governments to establish Emergency Reserves equal to at least 3% of Fiscal Year Spending as defined in the amendment. These emergency reserves cannot be used to compensate for economic conditions, revenue shortfalls, or salary and benefit increases. At December 31, 2016, the amount required as an Emergency Reserve in compliance with the Amendment is \$3,943,296 for the City; \$3,195 for the GID component unit and \$32,271 for the DDA component unit. These are shown as restricted fund balance in the General Fund and in the GID and DDA funds, respectively

NOTE 17 – RETIREMENT COMMITMENTS

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

A. Plan Provisions

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

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

NOTE 17 – RETIREMENT COMMITMENTS (continued)**B. Plan Descriptions and Contribution Information**

Membership in each plan consisted of the following at January 1, 2016:

	Employee Retirement	Fire Pension	Police Pension
Inactive plan members or beneficiaries currently receiving benefits	281	10	10
Inactive plan members entitled to but not yet receiving benefits	130	-	-
Disabled members	9		
Beneficiaries	29		
Active plan members:			
Fully vested	395	1	-
Partially vested	-	-	-
Non-vested	247	-	-

Employee Retirement Plan

Plan Description. The Employee Retirement plan is a single-employer defined benefit pension plan established through the authority of the City Charter and City ordinances. The Board of Trustees of the General Employees' Retirement Fund, sometimes hereinafter referred to as the "Employees' Board," consists of two citizens at large and three employees of the City of Longmont appointed by City Council, the Finance Director and the City Manager. The Employees Board is responsible for implementing the provisions of the Employees Plan, establishment of investment policies and selection of investment managers for the Employees Fund.

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

Contributions. Plan members are required to contribute 5.7% for members joining prior to December 31, 2011, and 4.7% for members joining the Plan after December 31, 2011, of their covered salary. The City is required to contribute at a rate that is determined actuarially. The plan requires that the City make contributions adequate to finance the benefits provided by the plan on a sound actuarial basis. An actuarial study is performed annually using the entry age actuarial cost method. The last annual study for the Employees' Retirement plan was performed as of January 1, 2016. The City currently contributes 6.7% of member's monthly compensation.

Fire Pension Plan

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

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

Contributions. There are no current employee plan members. The City is required to contribute at a rate that is determined actuarially. The plan requires that the City make contributions adequate to finance the benefits provided by the plan on a sound actuarial basis. An actuarial study is performed biennially using the entry age actuarial cost method. The last annual study for the Fire Pension plan was performed as of January 1, 2016.

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

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

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

Contributions. There are no current employee plan members. The City is required to contribute at a rate that is determined actuarially. The plan requires that the City make contributions adequate to finance the benefits provided by the plan on a sound actuarial basis. An actuarial study is performed biennially using the entry age actuarial cost method. The last annual study for the Police Pension plan was performed as of January 1, 2016.

C. Contributions and Reserves

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

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

For the Year Ended December 31, 2016

	Employee Pension	Fire Pension	Police Pension	Total
ASSETS				
Equity in pooled cash & cash equivalents	\$ 105,525	\$ 13,611	\$ 11,152	\$ 130,288
Cash and cash equivalents	1,703,159	37,271	18,092	1,758,522
Investments				
Common Stock	42,118,118	921,683	447,399	43,487,200
Mutual funds	91,602,780	2,004,571	973,050	94,580,401
Total Assets	\$ 135,529,582	\$ 2,977,136	\$ 1,449,693	\$ 139,956,411
LIABILITIES				
Accounts payable	\$ 48,297	\$ 724	\$ 1,302	\$ 50,323
Total Liabilities	48,297	724	1,302	50,323
NET POSITION				
Held in trust for pension benefits	\$ 135,481,285	\$ 2,976,412	\$ 1,448,391	\$ 139,906,088

NOTE 17 – RETIREMENT COMMITMENTS (continued)**For the Year Ended December 31, 2016**

	Employee Pension	Fire Pension	Police Pension	Total
ADDITIONS				
Contributions				
Employer	\$ 2,657,003	\$ -	\$ -	\$ 2,657,003
Plan members	2,122,119	-	-	2,122,119
Total Contributions	4,779,122	-	-	4,779,122
Investment income				
Net appreciation in fair value of investments	7,039,534	164,615	83,437	7,287,586
Interest	2,276,060	52,325	26,245	2,354,630
Dividends	644,731	14,902	7,499	667,132
Less investment expense	(326,144)	(5,876)	(10,081)	(342,101)
Net investment gain (loss)	9,634,181	225,966	107,100	9,967,247
Total additions	14,413,303	225,966	107,100	14,746,369
DEDUCTIONS				
Benefits	6,401,450	299,817	225,120	6,926,387
Refunds of contributions	252,660	-	-	252,660
Administrative expense	136,639	3,184	1,610	141,433
Total deductions	6,790,749	303,001	226,730	7,320,480
Net increase (decrease)	7,622,554	(77,035)	(119,630)	7,425,889
Net Position Held In Trust for Pension Benefits, January 1	127,858,731	3,053,447	1,568,021	132,480,199
December 31	\$ 135,481,285	\$ 2,976,412	\$ 1,448,391	\$ 139,906,088

E. Summary of Significant Accounting Policies

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

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

F. Investment Policy and Concentrations

At December 31, 2016, the market value of pooled plan investments total \$139,826,123. These investments included Mutual Funds account with a market value of \$94,929,583, representing 67.89% of total plan assets; Westfield Capital Management account with a market value of \$17,490,696, representing 12.51% of total plan assets; Diamond Hill account with a market value of \$11,246,188, representing 8.04% of total plan assets; Luther King account with a market value of \$9,868,126, representing 7.06% of total plan assets; and Cambiar account with a market value of \$6,291,530, representing 4.50% of total plan assets. There are no investments in, loans to, or leases with any City official or other related party in any of the plans.

NOTE 17 – RETIREMENT COMMITMENTS (continued)

The assets of the Employees Fund, Firefighters Fund and Police Fund are commingled for investment purposes in a Master Trust. The commingling of the assets creates economies of scale, which promotes lower investment and custodial expenses as well as increased diversification of the assets.

Master Trust assets may be invested in publicly traded stocks and fixed income securities, whether interest-bearing or discount instruments, including money market instruments, subject to any restrictions hereinafter specified. Investment in insurance company investment contracts, such as Guaranteed Investment Contracts, is permitted. No other securities are permissible investments without the specific approval of the Employees, Firefighters and Police Boards.

The long-term financial requirements of the Employees, Firefighters and Police Plans and the reasoned preferences of the three Boards imply a balanced investment approach.

The following are the adopted asset allocation policies for each plan as of January 1, 2016:

Asset Class	Target Allocation		
	Employee Retirement	Fire Pension	Police Pension
Large Cap (U.S.)	25%	25%	25%
Small/Mid Cap (U.S.)	10%	10%	10%
International Equity (Developed)	16%	16%	16%
Emerging Market Equity	6%	6%	6%
Domestic Fixed Income	19%	19%	19%
High Yield	3%	3%	3%
Float Rate Corp Loans	9%	9%	9%
Low Correlated Hedge	5%	5%	5%
Commodities	3%	3%	3%
Real Estate	4%	4%	4%
	100%	100%	100%

Concentrations

None of the Plan's debt securities represent more than 5% of total investments in any one issuer.

Money-weighted Rate of Return on Investments

For the year ended December 31, 2015, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expenses, was (1.80)% for the Employee Retirement Plan, (1.60)% for the Fire Pension Plan and (1.70)% for the Police Pension Plan. The annual money-weighted rate of return expresses investment performance, net of investment expenses.

G. Net Pension Liability

The components of the net pension liability of the Plans as of December 31, 2015, were as follows:

	Employee Retirement	Fire Pension	Police Pension
Total Pension Liability	\$ 145,127,196	\$ 2,785,345	\$ 1,619,420
Plan Fiduciary Net Position	127,858,731	3,053,447	1,568,021
Net Pension Liability	\$ 17,268,465	\$ (268,102)	\$ 51,399
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	88.10%	109.63%	96.83%

NOTE 17 – RETIREMENT COMMITMENTS (continued)**H. Actuarial Assumptions**

The total pension liability was determined by an actuarial valuation as of January 1, 2016, using the following actuarial assumptions applied to all measurement periods:

	<u>Employee Retirement</u>	<u>Fire Pension</u>	<u>Police Pension</u>
Actuarial valuation date	January 1, 2016	January 1, 2016	January 1, 2016
Inflation	3.25%	0%	0%
Projected Salary Increases	3.25-6.50% including inflation	0%	N/A
Investment Rate of Return	7.50%	7.50%	7.50%
Mortality Rate	RP-2000 Combined Healthy Mortality Table using generational improvements projected with Scale AA.	RP-2000 Combined Healthy Mortality Table using generational improvements projected with Scale AA.	RP-2000 Combined Healthy Mortality Table using generational improvements projected with Scale AA.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These real rates of return are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. For each major asset class that is included in the pension plan's target asset allocation as of January 1, 2016, these best estimates are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>		
	<u>Employee Retirement</u>	<u>Fire Pension</u>	<u>Police Pension</u>
Large Cap (U.S.)	8.19%	8.19%	8.19%
Small/Mid Cap (U.S.)	9.53%	9.53%	9.53%
International Equity (Developed)	4.42%	4.42%	4.42%
Emerging Market Equity	5.46%	5.46%	5.46%
Domestic Fixed Income	5.34%	5.34%	5.34%
High Yield	6.00%	6.00%	6.00%
Float Rate Corp Loans	4.86%	4.86%	4.86%
Low Correlated Hedge	5.22%	5.22%	5.22%
Commodities	0.99%	0.99%	0.99%
Real Estate	9.91%	9.91%	9.91%

I. Single Discount Rate

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

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

	Total Pension Liability (a)	Increase (Decrease) Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
<u>Employee Retirement</u>			
Balance at 12/31/14	\$ 136,710,385	\$ 131,728,086	\$ 4,982,299
Changes for the Year			
Service Cost	3,445,855	-	3,445,855
Interest	10,214,255	-	10,214,255
Difference Between Expected and	-	-	-
Contributions - Employer	-	2,507,778	(2,507,778)
Contributions – Employee	-	2,031,385	(2,031,385)
Net Investment Income/(Loss)	711,443	(2,381,130)	3,092,573
Benefit Payments, Including Refunds	(5,954,742)	(5,954,742)	-
Administrative Expenses	-	(72,646)	72,646
Other Changes	-	-	-
Net Changes	<u>8,416,811</u>	<u>(3,869,355)</u>	<u>12,286,166</u>
Balance at 12/31/15	<u>\$ 145,127,196</u>	<u>\$ 127,858,731</u>	<u>\$ 17,268,465</u>
<u>Fire Pension</u>			
Balance at 12/31/14	\$ 2,895,248	\$ 3,399,391	\$ (504,143)
Changes for the Year			
Service Cost	-	-	-
Interest	204,751	-	204,751
Difference Between Expected and	-	-	-
Contributions - Employer	-	-	-
Contributions – Employee	-	-	-
Net Investment Income	(21,132)	(51,367)	30,235
Benefit Payments, Including Refunds	(293,522)	(293,522)	-
Administrative Expenses	-	(1,055)	1,055
Other Changes	-	-	-
Net Changes	<u>(109,903)</u>	<u>(345,944)</u>	<u>236,041</u>
Balance at 12/31/15	<u>\$ 2,785,345</u>	<u>\$ 3,053,447</u>	<u>\$ (268,102)</u>
<u>Police Pension</u>			
Balance at 12/31/14	\$ 1,684,379	\$ 1,825,613	\$ (141,234)
Changes for the Year			
Service Cost	-	-	-
Interest	121,033	-	121,033
Difference Between Expected and	-	-	-
Contributions - Employer	-	-	-
Contributions – Employee	-	-	-
Net Investment Income	40,695	(29,189)	69,884
Benefit Payments, Including Refunds	(226,687)	(226,687)	-
Administrative Expenses	-	(1,716)	1,716
Other Changes	-	-	-
Net Changes	<u>(64,959)</u>	<u>(257,592)</u>	<u>192,633</u>
Balance at 12/31/15	<u>\$ 1,619,420</u>	<u>\$ 1,568,021</u>	<u>\$ 51,399</u>

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

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

	<u>1% Decrease</u>	<u>Current Rate</u>	<u>1% Increase</u>
<u>Employee Retirement</u>			
Discount Rate	6.50%	7.50%	8.50%
Net Pension Liability	\$ 34,205,793	\$ 17,268,465	\$ 3,049,828
<u>Fire Pension</u>			
Discount Rate	6.50%	7.50%	8.50%
Net Pension Liability	\$ (67,222)	\$ (268,102)	\$ (435,345)
<u>Police Pension</u>			
Discount Rate	6.50%	7.50%	8.50%
Net Pension Liability	\$ 147,829	\$ 51,399	\$ (35,153)

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

For the year ended December 31, 2016, the City recognized pension expense/(income) of \$5,425,440, \$25,043 and \$82,316 for Employee Retirement, Fire Pension and Police Pension, respectively. At December 31, 2016, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows (Inflows) of Resources
<u>Employee Retirement</u>			
Net difference between expected and actual experience	\$ 553,803	\$ -	\$ 553,803
Net difference between projected and actual earnings on pension plan investments	12,611,663	-	12,611,663
Contributions subsequent to the measurement date	2,666,623	-	2,666,623
Total	<u>\$ 15,832,089</u>	<u>\$ -</u>	<u>\$ 15,832,089</u>
<u>Fire Pension</u>			
Net difference between projected and actual earnings on pension plan investments	\$ 311,888	\$ -	\$ 311,888
Total	<u>\$ 311,888</u>	<u>\$ -</u>	<u>\$ 311,888</u>
<u>Police Pension</u>			
Net difference between projected and actual earnings on pension plan investments	\$ 173,194	\$ -	\$ 173,194
Total	<u>\$ 173,194</u>	<u>\$ -</u>	<u>\$ 173,194</u>

The City's net pension liability for December 31, 2016, totaled \$2,666,624. This amount is reported as deferred outflows of resources related to pensions and will be recognized as a decrease in the net pension liability in the year ended December 31, 2017.

NOTE 17 – RETIREMENT COMMITMENTS (continued)

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

Year Ending December 31	Net Deferred Outflows of Resources		
	Employee Retirement	Fire Pension	Police Pension
2016	\$ 3,547,867	\$ 84,277	\$ 47,228
2017	3,547,867	84,277	47,228
2018	3,547,865	84,279	47,229
2019	2,521,867	59,055	31,509
Total	<u>\$ 13,165,466</u>	<u>\$ 311,888</u>	<u>\$ 173,194</u>

M. Participant Changes

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

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

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

The Plan was amended and restated effective January 1, 2013, to include new retirement age and contribution rate requirements for members who join the Plan after December 31, 2011. New Plan members who joined after December 31, 2011, must contribute 4.7% of compensation to the Plan, and the early retirement age requirement has risen to 60. The Plan contribution rate for members of the Plan prior to December 31, 2011, has been increased to 5.7%.

N. Defined Contribution Plans

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

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

Covered payroll for the plan during 2016 was \$18,652,670. Both the City and the participants contributed the required 10% to this money purchase plan in 2016 amounting to \$1,865,267 each from the City and from employees for a total of \$3,730,534 of contributions. Vesting schedule for the plan is as follows:

NOTE 17 – RETIREMENT COMMITMENTS (continued)

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

Money Accumulation Pension Plan. The City provides the Money Accumulation Pension Plan for all regular City employees other than firefighters and police officers. This plan, a defined contribution plan, was adopted on January 1, 1980, in lieu of participation in Social Security. The City has no future liability to this Plan. Administrative changes to conform to federal legislation were adopted effective January 1, 2013. Contributions of 5% of base pay (6% for new members of the Plan after December 31, 2011) are required from all participants, and a matching contribution of 5% is made by the City to the Plan. Covered payroll for the plan during 2016 was \$39,656,121. The City contributed the required 5% of base compensation to the plan in 2016 amounting to \$1,982,806 and participants contributed the required 5% (6% for new members of the Plan after December 31, 2011) from employees amounting to \$2,121,200 for a total of \$4,104,006 of contributions. Vesting schedule for the plans is as follows:

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

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

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

NOTE 18 – DEFERRED COMPENSATION PLAN

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

NOTE 19 – WINDY GAP WATER PROJECT

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

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

NOTE 19 – WINDY GAP WATER PROJECT (continued)

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

The total of annual assessed contributions paid by the City to the Subdistrict through December 31, 2016, is \$55,483,224 of which \$1,697,957 was paid in 2016. The assessed contribution to be paid in 2017 is \$1,700,125.

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

The City's required payments to service the debt through the year 2017 follow:

2017 \$ 1,700,408

NOTE 20 – JOINT VENTURE PLATTE RIVER POWER AUTHORITY

The City purchased \$47,117,902 of electric power during 2016 from Platte River Power Authority of which \$3,821,929 is outstanding as an account payable of the Electric Enterprise Fund at December 31, 2016.

NOTE 21 – COMMITMENTS

A. At December 31, 2016, there were the following outstanding encumbrances in governmental funds:

	Total
Governmental Funds	
General	\$ 1,520,974
Water System Construction Reserve	50,001
Water Acquisition	18,614
Sewer Construction Fund	2,982,102
Public Improvement Fund	4,607,813
Community Development Block Grant	343,483
Affordable Housing	5,540
Downtown Parking Fund	420
Streets Systems	3,788,158
Transportation Community Investment Fee	124,809
Library Services	1,950
Senior Services Fund	855
Park Improvement	27,193
Parks Grants and Donations	26,601
Parks/Greenway Maintenance	424,954
Open Space	2,741,318
Public Safety	392,209
Conservation Trust	898,836
Downtown General Improvement District #1	2,568
	17,958,398
Component Unit	
Downtown Development Authority	2,325
Downtown Development Capital Projects	360,784
Downtown Development Building Permits Fund	44,783
Downtown Development Arts & Entertainment Fund	14,447
	422,339
TOTAL COMMITTED ENCUMBRANCES	\$ 18,380,737

NOTE 21 – COMMITMENTS (continued)

B. At December 31, 2016, there were the following uncompleted construction contracts:

Fund	Project Title	Remaining Committed Construction
Enterprise Funds:		
Electric Fund	Broadband - Contracted Fiber Drop Installations	\$ 647,112
	Broadband - FTTP Construction, Phase 1, Main Fiber	457,407
	Electric-Downtown Alley Improvements - Phase 2	10,825
Water Fund	Ralph Price Reservoir Emergency Spillway Bridge	200,693
	Public Works Storage Shed & Materials Bunkers Project	25,000
	Spillway Bridge Design	13,229
Sewer Fund	DB WWTP Ammonia-Dewatering Improvement Projects	5,339,852
	Directional Boring	135,985
	Public Works Storage Shed & Materials Bunkers Project	103,250
Storm Drainage Fund	St. Vrain Creek Improvements	2,318,496
	Lefthand Creek Sediment	112,883
	Pleasant Valley Reservoir Spillway Improvements	35,837
	Public Works Storage Shed & Materials Bunkers Project	25,000
	Main St Pavement Reconstruction Project	16,358
Sanitation Fund (non-major)	St. Vrain Creek Improvements	2,635,384
Airport Fund	Airport Improvements	6,923
		12,084,234
Internal Services Funds:		
Fleet Fund	Operations & Maintenance Facility Phase II Improvements	-
		-
Capital Project Funds:		
Public Improvement Fund	Resilient Saint Vrain Project - Sandstone React	2,453,188
	Spangler Park Playground & Restroom replacement	15,166
	Sunset Pool Liner Replacement	13,148
	Garden Acres Park Renewal Plan	9,143
		2,490,645
General Fund:	Software & Implementation Services for Enterprise Resource Planning System	532,415
		532,415
Special Revenue Funds:		
Water Construction Fund	Union Pipeline Design	14,586
Sewer Construction Fund	DB WWTP Ammonia-Dewatering Improvement Projects	2,982,102
Street Improvement Fund	Southwest Longmont Underpass Projects	2,096,383
	Main Street Bridge over the St. Vrain River	477,481
	2016 Miscellaneous Concrete	249,176
	On Call Transportation Engineering Services	133,647
	Downtown Alley Improvements - Phase 2	120,624
	Main St Pavement Reconstruction Proj	63,599
	Public Works Storage Shed & Materials Bunkers Project	25,000
Transportation Community Investment Fee Fund	Main Street Bridge over the St. Vrain River	124,809
Park Improvement Fund	Resilient Saint Vrain Project - Sandstone React	26,602
Parks/Greenway Fund	Design services-St Vrain Greenway	217,990
	Garden Acres Renewal Plan	60,656
	Main Street Bridge over the St. Vrain River	35,000
Open Space Fund	St. Vrain River Redevelopment and Creek Improvements	2,659,397
Conservation Trust Fund	Main Street Bridge over the St. Vrain River	35,000
		9,322,052
Component Unit		
Downtown Alley Improvements - Phase 2	Downtown Alley Improvements	307,132
TOTAL COMMITTED CONSTRUCTION		\$ 24,736,478

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

NOTE 22 – FUND BALANCES

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

Fund Balances:	General	Streets Systems	Nonmajor Governmental	Total
Nonspendable:				
Endowments/Donations/Grants	\$ -	\$ -	644,576	\$ 644,576
Prepays	274,055	49,350	4,672	328,077
Long-term notes & loan receivables	28,325	-	122	28,447
Total Nonspendable	302,380	49,350	649,370	1,001,100
Restricted:				
Endowments/Donations/Grants	-	-	813,233	813,233
Conservation Trust	-	-	8,491,761	8,491,761
Capital improvements - Parks	-	-	8,111,825	8,111,825
Capital improvements - Transportation	-	-	1,869,618	1,869,618
Capital improvements - Public Buildings	-	-	2,853,523	2,853,523
Capital improvements - Electric	-	-	3,857,157	3,857,157
Capital improvements - Water	-	-	30,436,086	30,436,086
Capital improvements - Sewer	-	-	6,142,686	6,142,686
District Improvements	-	-	93,331	93,331
State imposed Emergencies	3,943,296	-	3,195	3,946,491
Historical Preservation	-	-	11,859	11,859
Open Space Acquisition	-	-	4,615,269	4,615,269
Parks and Greenway Maintenance	-	-	4,438,984	4,438,984
Public Safety	-	-	1,423,306	1,423,306
Tourism Programs	-	-	123,904	123,904
Streets and Highways	-	6,930,388	-	6,930,388
Capital Project Construction/Acquisition	-	-	5,678,763	5,678,763
Debt Service	-	-	3,622,885	3,622,885
Total Restricted	3,943,296	6,930,388	82,587,385	93,461,069
Committed:				
Downtown Parking	-	-	204,065	204,065
Judicial Programs	-	-	6,306	6,306
Youth Services	-	-	220,729	220,729
Museum Services	-	-	51,418	51,418
Urban Renewal	-	-	5,708	5,708
Callahan House	-	-	33,002	33,002
Senior Services	-	-	274,925	274,925
Parks	-	-	618,565	618,565
Affordable Housing	-	-	906,436	906,436
Probation Services	-	-	99,392	99,392
Greenway/Izaak Walton	-	-	61,562	61,562
Public Safety	-	-	26,361	26,361
Water Acquisition	-	-	413,902	413,902
Staff Contract	243,732	-	-	243,732
Future carryover projects	2,227,636	-	-	2,227,636
Subsequent years' expenditures	2,056,409	-	-	2,056,409
Total Committed	4,527,777	-	2,922,371	7,450,148
Assigned:				
Art in Public Places	803,882	-	-	803,882
Air Quality Control	16,180	-	-	16,180
Library Services	5,275	-	-	5,275
Reimbursement to Developers	531,529	-	-	531,529
Gifts/Memorials	525	-	-	525
ETS Infrastructure	35,000	-	-	35,000
Fee Waivers	17,111	-	-	17,111
Tree Mitigation	154,000	-	-	154,000
Historic Eastside	1,618	-	-	1,618
Homeless Study	-	-	-	-
Bohn Farm	240,000	-	-	240,000
Assoc Judge	6,460	-	-	6,460
Hazmat	53,021	-	-	53,021
Wildland Fires	262,904	-	-	262,904
Flood Recovery	175,111	-	-	175,111
Mental Health Initiative	89,053	-	-	89,053
Total Assigned	2,391,669	-	-	2,391,669
Unassigned:	8,619,008	-	(1,220,775)	7,398,233
Total Fund Balances	\$ 19,784,130	\$ 6,979,738	\$ 84,938,351	\$ 111,702,219

NOTE 23 – SOLID WASTE FINANCIAL ASSURANCE

The City's Water Utility owns and operates a Water Treatment Facility, which through the treatment process produces solids, and therefore must provide financial assurance of estimates for post closure costs in accordance with regulations pertaining to solid waste sites and facilities (6 CCR 1007-2, Part 1) as set by Colorado Department of Public Health and Environment. The facility is not expected to be closed in the future; however, in the event of closure, the City estimates and provides assurance of total Closure Costs Requirements of \$1,684,825. This estimate is not reported as a liability by the City because the water treatment facility does not meet the definition of landfill contained in GASB Statement No. 18, as defined by the U.S. Environmental Protection Agency.

NOTE 24 – CORRECTIONS TO PRIOR PERIODS

In 2015, the City implemented new software to track capital assets. The accounting software uses department codes to report depreciation by fund. In 2016, it was discovered that the converted data had incomplete or incorrect department codes. Department codes have been added and corrected for all assets. A prior period adjustment has been recorded to restate the beginning balance of accumulated depreciation in the Water Fund.

<u>Water Fund</u>	<u>As Reported 2015 CAFR</u>	<u>Restated Amount</u>	<u>Adjustment</u>
Accumulated Depreciation	\$ 60,997,861	\$ 65,644,190	\$ 4,646,329

NOTE 25 – TAX ABATEMENT AGREEMENTS

Under the authority of the City's municipal code section 4.72 – Economic Development Incentives, the City has entered into agreement with five companies who are either expanding business, or are relocating to Longmont who will create additional primary jobs in the area. As of December 31, 2016, the City has agreed to waive certain permit fees and use tax for these projects totaling \$167,752. The use tax portion of this total is \$79,672.

NOTE 26 – POSSIBLE VIOLATIONS OF STATE AND LOCAL LAWS

The City is aware that expenditures exceeded appropriations in the Callahan House Special Revenue Fund and the Museum Trust Special Revenue Fund, which may be a violation of state and local budget laws.



Longmont fire truck at newly remodeled Fleet Services facility

REQUIRED SUPPLEMENTARY INFORMATION

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

EMPLOYEE PENSION PLAN
SCHEDULE OF CHANGES IN THE EMPLOYER'S NET PENSION LIABILITY AND RELATED RATIOS
REQUIRED SUPPLEMENTARY INFORMATION
December 31, 2016

Retirement System - Defined Benefit Plan**Employee Retirement**

Fiscal year ending December 31,	2015	2014
Total Pension Liability		
Service Cost	\$ 3,445,855	\$ 3,323,050
Interest	10,214,255	9,608,216
Benefit Changes	-	-
Difference between Expected and Actual Experience	711,443	-
Assumption Changes	-	-
Benefit Payments	(5,954,742)	(5,164,503)
Refunds	-	(173,289)
Net Change in Total Pension Liability	8,416,811	7,593,474
Total Pension Liability - Beginning	136,710,385	129,116,911
Total Pension Liability - Ending (A)	\$ 145,127,196	\$ 136,710,385

Plan Fiduciary Net Position

Contributions - Employer	\$ 2,507,778	\$ 2,329,412
Contributions - Employee	2,031,385	1,920,158
Net Investment Income	(2,381,130)	4,814,477
Benefit Payments	(5,954,742)	(5,164,503)
Refunds	-	(173,289)
Administrative Expense	(72,646)	(36,021)
Net Change in Plan Fiduciary Net Position	(3,869,355)	3,690,234
Plan Fiduciary Net Position - Beginning	131,728,086	128,037,852
Plan Fiduciary Net Position - Ending (B)	\$ 127,858,731	\$ 131,728,086
Net Pension Liability - Ending (A) - (B)	\$ 17,268,465	\$ 4,982,299

Plan Fiduciary Net Position as a Percentage

of Total Pension Liability	88.10 %	96.36 %
Valuation Payroll	\$ 36,015,402	\$ 34,228,168
Covered Employee Payroll	\$ 35,953,272	\$ 34,166,086

Net Pension Liability as a Percentage

of Covered Employee Payroll	48.03 %	14.58 %
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Additional years will be added to this schedule annually until 10 years of data is presented.

FIRE PENSION PLAN
SCHEDULE OF CHANGES IN THE EMPLOYER'S NET PENSION LIABILITY AND RELATED RATIOS
REQUIRED SUPPLEMENTARY INFORMATION
December 31, 2016

Retirement System - Defined Benefit Plan**Fire Pension**

Fiscal year ending December 31,	2015	2014
Total Pension Liability		
Service Cost	\$ -	\$ -
Interest	204,751	211,130
Benefit Changes	-	-
Difference between Expected and Actual Experience	(21,132)	-
Assumption Changes	-	-
Benefit Payments	(293,522)	(261,910)
Refunds	-	-
Net Change in Total Pension Liability	(109,903)	(50,780)
Total Pension Liability - Beginning	2,895,248	2,946,028
Total Pension Liability - Ending (A)	\$ 2,785,345	\$ 2,895,248
Plan Fiduciary Net Position		
Contributions - Employer	\$ -	\$ 50,000
Contributions - Employee	-	-
Net Investment Income	(51,367)	127,269
Benefit Payments	(293,522)	(261,910)
Refunds	-	-
Administrative Expense	(1,055)	(670)
Net Change in Plan Fiduciary Net Position	(345,944)	(85,311)
Plan Fiduciary Net Position - Beginning	3,399,391	3,484,702
Plan Fiduciary Net Position - Ending (B)	\$ 3,053,447	\$ 3,399,391
Net Pension Liability - Ending (A) - (B)	\$ (268,102)	\$ (504,143)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	109.63 %	117.41 %
Valuation Payroll	\$ -	\$ -
Covered Employee Payroll	\$ -	\$ -
Net Pension Liability as a Percentage of Covered Employee Payroll	N/A %	N/A %

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

POLICE PENSION PLAN
SCHEDULE OF CHANGES IN THE EMPLOYER'S NET PENSION LIABILITY AND RELATED RATIOS
REQUIRED SUPPLEMENTARY INFORMATION
December 31, 2016

Retirement System - Defined Benefit Plan**Police Pension**

Fiscal year ending December 31,	2015	2014
Total Pension Liability		
Service Cost	\$ -	\$ -
Interest	121,033	125,568
Benefit Changes	-	-
Difference between Expected and Actual Experience	40,695	-
Assumption Changes	-	-
Benefit Payments	(226,687)	(230,861)
Refunds	-	-
Net Change in Total Pension Liability	(64,959)	(105,293)
Total Pension Liability - Beginning	1,684,379	1,789,672
Total Pension Liability - Ending (A)	\$ 1,619,420	\$ 1,684,379
Plan Fiduciary Net Position		
Contributions - Employer	\$ -	\$ 50,000
Contributions - Employee	-	-
Net Investment Income	(29,189)	60,595
Benefit Payments	(226,687)	(230,861)
Refunds	-	-
Administrative Expense	(1,716)	(896)
Net Change in Plan Fiduciary Net Position	(257,592)	(121,162)
Plan Fiduciary Net Position - Beginning	1,825,613	1,946,775
Plan Fiduciary Net Position - Ending (B)	\$ 1,568,021	\$ 1,825,613
Net Pension Liability - Ending (A) - (B)	\$ 51,399	\$ (141,234)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	96.83 %	108.38 %
Valuation Payroll	\$ -	\$ -
Covered Employee Payroll	\$ -	\$ -
Net Pension Liability as a Percentage of Covered Employee Payroll	N/A %	N/A %

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

**EMPLOYEE, FIRE AND POLICE PENSION PLANS
SCHEDULE OF EMPLOYER CONTRIBUTIONS
REQUIRED SUPPLEMENTARY INFORMATION
December 31, 2016**

Retirement System - Defined Benefit Plan

The following information presents a schedule of contributions:

**Employee
Retirement**

Fiscal Year Ended December 31,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
2016	\$ 2,481,434	\$ 2,657,003	\$ (175,569)	\$ 38,862,351	6.84 %
2015	\$ 2,160,600	\$ 2,507,779	\$ (347,179)	\$ 37,431,927	6.70 %
2014	\$ 2,160,600	\$ 2,329,412	\$ (168,812)	\$ 34,166,086	6.82 %

**Fire
Pension**

Fiscal Year Ended December 31,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
2016	\$ 13,810	\$ -	\$ 13,810	\$ -	N/A
2015	\$ -	\$ -	\$ -	\$ -	N/A
2014	\$ -	\$ 50,000	\$ (50,000)	\$ -	N/A

**Police
Pension**

Fiscal Year Ended December 31,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
2016	\$ -	\$ -	\$ -	\$ -	N/A
2015	\$ -	\$ -	\$ -	\$ -	N/A
2014	\$ -	\$ 50,000	\$ (50,000)	\$ -	N/A

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

**EMPLOYEE, FIRE AND POLICE PENSION PLANS
SCHEDULE OF EMPLOYER CONTRIBUTIONS (CONTINUED)
REQUIRED SUPPLEMENTARY INFORMATION
December 31, 2016**

Retirement System - Defined Benefit Plan (Continued)**Notes to the Schedule of Contributions**

The following are the methods and assumptions used to determine the contribution rates:

	<u>Employee Retirement</u>	<u>Fire Pension</u>	<u>Police Pension</u>
Actuarial valuation date	January 1, 2016	January 1, 2016	January 1, 2016
Actuarial cost method	Entry Age Normal	Entry Age Normal	Entry Age Normal
Amortization method	Level dollar, Open	Level dollar, Open	Level dollar, Open
Remaining amortization period	30 years	12 years	10 years
Asset valuation method	5-year smoothed market; 20% corridor	market value	market value
Inflation	3.25%	0%	0%
Salary increases	3.25-6.5% including inflation	0%	N/A
Investment rate of return	7.50%	7.50%	7.50%
Retirement age	Experience-based table of rates that are specific to the type of eligibility condition	Age 50 and 20 years of service	N/A
Post-retirement Mortality	RP-2000 Combined Healthy Mortality Table using generational improvements projected with Scale AA.	RP-2000 Combined Healthy Mortality Table using generational improvements projected with Scale AA.	RP-2000 Combined Healthy Mortality Table using generational improvements projected with Scale AA.
Other information	There were no benefit changes during the year.	There were no benefit changes during the year.	There were no benefit changes during the year.

**EMPLOYEE, FIRE AND POLICE PENSION PLANS
SCHEDULE OF EMPLOYER CONTRIBUTIONS
REQUIRED SUPPLEMENTARY INFORMATION
December 31, 2016**

Retirement System - Defined Benefit Plan (Continued)

The following presents the annual money-weighted rate of return, net of investment expenses:

Employee Retirement	
Fiscal Year Ended	Rate
December 31,	
2015	-1.80%
2014	3.80%

Fire Pension	
Fiscal Year Ended	Rate
December 31,	
2015	-1.60%
2014	3.80%

Police Pension	
Fiscal Year Ended	Rate
December 31,	
2015	-1.80%
2014	3.30%

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

**RETIREE HEALTH INSURANCE PLAN
REQUIRED SUPPLEMENTARY INFORMATION
December 31, 2016**

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) -- Entry Age (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b - a) / c)
01/01/16	\$ 2,201,723	\$ 6,497,784	\$ 4,296,061	33.9%	\$ 49,663,757	8.7%
01/01/14	1,253,623	5,999,591	4,745,968	20.9	44,829,302	10.6
01/01/12	608,806	3,649,254	3,040,448	16.7	55,011,123	5.5
01/01/10	373,319	2,012,348	1,639,029	18.6	53,402,002	3.1
01/01/08	-	1,592,495	1,592,495	0.0	35,382,364	4.5

Actuarial Methods and Assumptions

Actuarial valuation date: 1/1/16
Method: Entry age actuarial cost
Investment rate of return: 3.05%
Healthcare cost trend rate: 7% with an ultimate rate of 5.0%
Inflation factor: 3.0%
Amortization Method: level dollar amount over a 30-year period

Schedule of Employer Contributions

Year Ended	Employer Contribution	Annual Required Contribution (ARC)	Percentage of Annual Required Contribution	Net OPEB Obligation
12/31/16	\$ 429,208	\$ 437,640	98.07%	\$ 419,818
12/31/15	475,407	483,840	98.26%	419,818
12/31/14	477,475	483,840	98.68%	421,886
12/31/13	421,886	418,395	100.83%	421,886
12/31/12	414,744	418,395	99.13%	412,511

GENERAL FUND

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

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

GENERAL FUND
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
COMPARED TO BUDGET (LEGAL BASIS)
Year Ended December 31, 2016

	Budget	Actual	Variance from Final Budget
TAXES			
General property taxes:			
Current	\$ 16,356,468	\$ 16,323,756	\$ (32,712)
Prior years	-	(10,133)	(10,133)
General sales and use tax	30,474,074	31,180,859	706,785
Selected sales and use tax -			
Cigarette	160,000	160,932	932
Franchise taxes:			
Gas	759,027	630,004	(129,023)
Cable Television	880,000	892,994	12,994
Telephone	190,861	203,460	12,599
Electric	5,217,664	5,100,664	(117,000)
Telecommunications	7,812	8,962	1,150
Water	309,930	309,930	-
Wastewater	551,772	551,772	-
	54,907,608	55,353,199	445,591
LICENSES AND PERMITS			
Business licenses and permits:			
Liquor	9,000	7,776	(1,224)
Business	4,700	4,335	(365)
Sales Tax	25,000	27,275	2,275
Non-business licenses and permits:			
Building	1,593,370	2,677,488	1,084,118
Wood burning	-	60	60
Contractor	119,440	122,120	2,680
Parade / use of public places	8,000	7,870	(130)
	1,759,510	2,846,924	1,087,414
INTERGOVERNMENTAL REVENUE			
Federal revenue	751,639	788,350	36,711
State shared revenue:			
Severance tax	40,000	78,193	38,193
Grants	196,923	169,565	(27,358)
Non-grant state revenue	28,099	81,840	53,741
Local government shared revenue:			
Shared Fines	75,000	77,054	2,054
Grants/School Resource Officer	261,782	304,825	43,043
	1,353,443	1,499,828	146,385

(continued)

GENERAL FUND
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
COMPARED TO BUDGET (LEGAL BASIS)
Year Ended December 31, 2016

	Budget	Actual	Variance from Final Budget
CHARGES FOR SERVICE			
General government:			
Zoning and hearing	\$ 100,000	\$ 125,374	\$ 25,374
Disconnect Tag Fees	600,500	660,631	60,131
Maps and publications	800	1,207	407
Pcard rebate	85,000	101,217	16,217
Sales tax commission	60,000	97,337	37,337
Liquor application fee	32,000	35,300	3,300
Public safety:			
Criminal justice records	20,000	24,586	4,586
Extra-duty officer reimbursement	49,000	55,730	6,730
Fire inspection & fireworks fees	80,300	109,106	28,806
Offender registration/impound fees	12,200	12,608	408
Emergency dispatch reimbursement	220,173	238,521	18,348
Elevator inspection	54,400	47,360	(7,040)
Highways and streets:			
Work in right of way permit	-	30,494	30,494
Developer Participation	-	-	-
Plan check fees	491,479	722,238	230,759
Variance/Appeals board	1,575	-	(1,575)
Right-of-way maintenance	239,592	242,838	3,246
Downtown maintenance	21,300	33,301	12,001
Culture and Recreation:			
Recreation center - all fees	-	1,914,101	79,321
Pool fees	520,000	548,891	28,891
Reservoir fees	308,734	405,235	96,501
Activity fees	1,368,498	1,365,096	(3,402)
Facility use fees	359,514	395,835	36,321
Concessions	161,019	139,755	(21,264)
Senior citizens:			
Activity fees	500	338	(162)
Facility fees	21,000	21,162	162
Administrative reimbursements:			
Sanitation	601,254	603,321	2,067
Golf	160,862	166,295	5,433
Electric	1,545,519	1,545,667	148
Telecommunications	184,808	184,808	-
Water	1,417,185	1,423,516	6,331
Sewer	740,067	741,608	1,541
Storm Drainage	546,335	547,024	689
Airport	129,001	129,001	-
Tree Planting	23,000	23,000	-
Rec Sponsorship	10,900	5,500	(5,400)
Streets	976,593	980,726	4,133
Wedding	4,987	4,987	-
Library Services	23,587	23,587	-
Senior Services	5,769	5,769	-
Open Space	134,978	134,978	-
Fleet	275,298	279,580	4,282
Self Insurance	112,206	112,206	-
Workers' Compensation	129,421	129,421	-
General Improvement District	6,764	6,764	-
	13,670,898	14,376,019	705,121
FINES AND FORFEITS			
Court:			
Parking	142,000	105,738	(36,262)
Other court fines	700,000	458,665	(241,335)
Court fine surcharge	76,000	49,995	(26,005)
Bond forfeitures	28,000	16,313	(11,687)
Court education fees	32,000	20,760	(11,240)
Court costs reimbursements	117,500	78,172	(39,328)
Probation & home detention monitoring fees	29,500	22,076	(7,424)
Code Enforcement Penalty	-	500	500
Tree Mitigation Fine	-	12,518	12,518
Outstanding judgments/warrants	4,700	3,735	(965)
Library fines	100,000	84,121	(15,879)
False alarm fines	40,000	31,500	(8,500)
Weed cutting fines	18,000	16,086	(1,914)
Other fines	1,500	820	(680)
	1,289,200	900,999	(388,201)

GENERAL FUND
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
COMPARED TO BUDGET (LEGAL BASIS)
Year Ended December 31, 2016

	Budget	Actual	Variance from Final Budget
INVESTMENT INCOME AND MISCELLANEOUS REVENUE			
Investment income	\$ 75,000	\$ 122,331	47,331
Miscellaneous	72,433	149,800	77,367
Private grants/donations	276,750	139,293	(137,457)
Oil and gas royalties	-	21,202	21,202
	424,183	432,627	8,444
OTHER FINANCING SOURCES			
Transfers in:			
Electric Fund	20,252	20,252	-
Library Services Fund			-
Senior Services			-
Museum Services Fund			-
Museum Trust Fund			-
Judicial Wedding Fund			-
Sanitation Fund	4,321	4,321	-
Golf Fund	970	970	-
Telecommunications Fund	106	-	(106)
Water Fund	27,183	27,183	-
Sewer Fund	9,195	9,195	-
Storm Drainage Fund	3,960	3,960	-
Airport Fund	41	41	-
Probation Services Fund			-
Affordable Housing Fund			-
Streets Fund	2,174	2,174	-
Art in Public Places Fund			-
Open Space Fund	41	41	-
Public Safety Fund	2,057	2,057	-
DDA Fund	728	-	(728)
Fleet Fund			-
Proceeds from Advance			-
	71,028	70,194	(834)
Total revenues and other sources (legal basis)	\$ 73,475,870	\$ 75,479,791	2,003,921

RECONCILIATION TO GAAP BASIS

Less - other financing sources	(70,194)
Total revenues (GAAP basis)	\$ 75,409,597

GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
COMPARED TO BUDGET (LEGAL BASIS)
Year Ended December 31, 2016

	Budget	Actual	Variance from Final Budget
NON-DEPARTMENTAL			
CITY COUNCIL	\$ 489,550	\$ 369,959	\$ 119,591
CITY ATTORNEY	1,117,332	1,004,330	113,002
MUNICIPAL COURT			
Courts	518,026	504,122	13,904
Probation	287,727	271,455	16,272
CITY MANAGER			
City Manager	1,255,491	1,213,248	42,243
General Fund Transfers	1,076,617	905,176	171,441
Non Departmental	708,881	327,636	381,245
Economic Development Contracts	710,833	133,333	577,500
HUMAN RESOURCES	1,033,465	976,925	56,540
	7,197,922	5,706,182	1,491,740
SHARED SERVICES			
Purchasing	718,367	620,755	97,612
Enterprise Technology Services			
ETS one time	35,956	-	35,956
PC Replacements	143,298	140,559	2,739
ETS Operations	1,847,676	1,615,397	232,279
ETS Applications	1,382,820	1,281,405	101,415
ETS Telephone	415,424	419,057	(3,633)
Network Replacement	341,423	397,208	(55,785)
City Clerk	527,821	431,301	96,520
Election Voter Registration	116,806	49,734	67,072
Recovery Office	256,226	204,602	51,624
DOLA	111,885	79,031	32,854
	5,897,702	5,239,049	658,653
FINANCE			
Finance Administration	262,037	250,064	11,973
Sales Tax	360,478	340,631	19,847
Treasury	227,536	192,256	35,280
Information Desk	72,099	78,132	(6,033)
Accounting	833,115	820,329	12,786
Budget	336,505	272,413	64,092
HATS Project	1,967,168	582,778	1,384,390
Risk	276,561	268,438	8,123
Wellness	85,770	84,929	841
Safety	134,079	122,910	11,169
Utility Billing	1,645,277	1,526,776	118,501
Mail Delivery	73,309	64,609	8,700
	6,273,934	4,604,265	1,669,669

(continued)

GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
COMPARED TO BUDGET (LEGAL BASIS)
Year Ended December 31, 2016

	Budget	Actual	Variance from Final Budget
PUBLIC SAFETY			
Public Safety Chief	\$ 727,468	\$ 663,570	\$ 63,898
Patrol	9,749,119	9,852,151	(103,032)
Detectives	2,783,453	2,839,808	(56,355)
Special Enforcement Unit	948,101	985,099	(36,998)
SWAT Team	371,718	410,483	(38,765)
Animal Control	631,531	635,512	(3,981)
School Resources Officers	586,475	586,592	(117)
Traffic Unit	1,045,991	1,067,524	(21,533)
Special Operations	478,856	488,546	(9,690)
Fire Suppression	9,779,545	9,929,798	(150,253)
Hazmat Team	214,362	157,341	57,021
Technical Rescue Team	94,057	65,531	28,526
Wild land Team	338,433	328,960	9,473
Fire Codes and Planning	414,699	404,509	10,190
Fire Investigations	42,859	32,700	10,159
Public Safety Info Services	488,612	465,214	23,398
Public Safety Outreach	183,877	126,583	57,294
Emergency Communication Center	1,777,345	1,824,025	(46,680)
Public Safety IT	567,465	509,586	57,879
Records Unit	566,082	517,561	48,521
Click it or Ticket Grant	5,688	5,688	(0)
Public Safety Volunteers	17,087	14,809	2,278
DUI Grant	58,000	33,672	24,328
Restorative Justice Grant	52,500	52,199	301
Public Safety Support Services	658,375	639,076	19,299
Extra Duty	49,000	47,814	1,186
Training and Personnel	1,132,122	1,076,091	56,031
Emergency Management	128,092	129,751	(1,659)
	33,890,912	33,890,193	719
DEVELOPMENT SERVICES			
Development Services	2,077,182	1,472,868	604,314
Building Permits	1,292,896	1,184,878	108,018
Code Enforcement	516,994	477,577	39,417
Graffiti Eradication	39,336	29,317	10,019
Redevelopment	378,449	312,123	66,326
	4,304,857	3,476,763	828,094

(continued)

GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
COMPARED TO BUDGET (LEGAL BASIS)
Year Ended December 31, 2016

	Budget	Actual	Variance from Final Budget
COMMUNITY SERVICES			-
Community Services Admin	\$ 1,214,394	\$ 1,159,702	\$ 54,692
Outside Agencies	1,140,003	1,124,992	15,011
Mental Health Community Conversations	200,000	-	200,000
Recreation Administration	428,073	384,111	43,962
Recreation Aquatics	975,313	932,343	42,970
Recreation Athletics	483,371	463,339	20,032
Recreation Concessions	170,884	188,884	(18,000)
Recreation Community Events	191,704	221,561	(29,857)
Recreation General Programs	817,350	748,230	69,120
Recreation Special Needs	51,777	55,894	(4,117)
Recreation Outdoor Programs	39,123	48,191	(9,068)
Recreation Ice Rink	154,110	196,876	(42,766)
Recreation Sport Fields Mtce	226,664	211,971	14,693
Recreation Youth Programs	53,138	59,581	(6,443)
Recreation Center	1,560,830	1,609,765	(48,935)
CNR Administration	358,161	308,986	49,175
Neighborhood Resources	99,718	82,829	16,889
Parking Enforcement	146,645	142,757	3,888
CYF Administration	749,008	692,947	56,061
Library Administration	452,292	451,247	1,045
Library Adult Services	1,065,653	1,052,608	13,045
Library Children and Teens	493,785	495,598	(1,813)
Library Tech Services	725,125	691,730	33,395
Library Circulation	699,144	641,044	58,100
Museum Administration	808,405	841,579	(33,174)
Museum Auditorium	138,543	143,876	(5,333)
Senior Services Administration	825,551	731,814	93,737
	14,268,764	13,682,455	586,309
PUBLIC WORKS NATURAL RESOURCES			
PWNR Engineering and Tech Svcs	401,114	417,232	(16,118)
PWNR Facilities Operations	1,536,156	1,478,750	57,406
PWNR Facilities Maintenance	1,673,123	1,534,183	138,940
PWNR Parks Maintenance	2,083,103	1,978,245	104,858
PWNR DDA Maintenance	-	-	-
PWNR Muni Grounds Maintenance	279,246	274,599	4,647
PWNR ROW Maintenance	533,745	609,373	(75,628)
PWNR Parks Administration	409,540	382,074	27,466
PWNR Parks Development Improvement	225,321	211,686	13,635
PWNR Forestry Maintenance	714,428	707,996	6,432
PWNR Union Reservoir	258,281	259,798	(1,517)
Natural Resources CIP Projects	111,171	3,900	107,271
	8,225,228	7,857,835	367,392
Total Expenditures (legal basis)	\$ 80,059,319	\$ 74,456,742	\$ 5,602,576
RECONCILIATION TO GAAP BASIS			
Transfers Out:			
Downtown Parking		(2,623)	
Holiday Lights Transfer		(5,000)	
Village At the Peaks Debt Transfer		(460,563)	
Public Improvement Fund		(441,989)	
Affordable Housing Fund		(677,315)	
Callahan House Fund		(81,606)	
Total expenditures (GAAP Basis)		\$ 72,787,646	



Dedication of a new Affolter Park playground, the design of which was guided by students from the adjacent Indian Peaks Elementary School

NONMAJOR SPECIAL REVENUE FUNDS

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

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

NONMAJOR SPECIAL REVENUE FUNDS (continued)

Museum Services Fund	Donations and grants specifically earmarked for the use of the Museum are accounted for in this Fund.
Historic Preservation Fund	This fund was established to collect monies from the applications for state income tax credits for rehabilitations to qualified historical properties and to carry out related historic preservation activities.
Callahan House Fund	This fund was established in 1995 to account for monies received for the specific use and benefit of the Callahan House, a gift to the City for the use of citizens.
Senior Services Fund	Donations and grants specifically earmarked for Senior Services are accounted for in this fund.
Parks Grants & Donations Fund	This fund was established in 1996 to collect revenues for improvements to existing parks.
Affordable Housing Fund	This fund was established in 1997 to be used for down payment assistance and to implement other affordable housing programs.
Open Space Fund	The Open Space Fund was established to account for sales and use tax revenues specifically earmarked for acquisition, improvement, maintenance and preservation of open space.
Public Safety Fund	This fund was established in 2007 for the purpose of collecting sales and use tax revenues earmarked for public safety expenditures.
Lodgers Tax Fund	This fund was established in 2008 for the purpose of collecting a tax on lodging services to be used to promote tourism.
Probation Services Fund	This fund was established in 2007 for the purpose of collecting a surcharge on all fines to fund court probation services.
Park/Greenway Maintenance Fund	This fund was established to account for fees received for the maintenance of parks and greenways.
Traffic Safety Fund	This fund was established to account for fees received for traffic safety.
Museum Trust Fund	The Museum Trust is administered by the Museum Board and its purpose is to provide funds to restore, rehabilitate, etc., the Longmont Museum & Cultural Center.
Jones Foundation Trust Fund	This fund was established to account for donations received for the purpose of improving the Izaak Walton Pond area and the St. Vrain Greenway.
Longmont Urban Renewal Authority Fund	This fund was established to account for activities provided for the Colorado Urban Renewal Law to remedy deterioration of land use, environment and structures.
Village at the Peaks Fund	This fund was established to account for incremental tax revenues and intergovernmental revenues specifically earmarked for improvements in the Twin Peaks Mall Area Urban Renewal Area.
NONMAJOR CAPITAL PROJECTS FUND	
Public Improvement Fund	The Public Improvement Fund is a capital projects fund financed from sales and/or use tax revenues. The portion of City sales and use tax collected and earmarked for this fund is set annually by City ordinance.
NONMAJOR PERMANENT FUND	
Mosher/Kanemoto Trust Fund	This fund was established to account for monies provided by private donors to finance library and park improvements. The principal amounts of the gifts must remain intact while interest earnings can be used for the improvements.

COMBINING BALANCE SHEET
Nonmajor Governmental Funds
December 31, 2016

	Conservation	Park Improvement	General Improvement District #1 Operating
ASSETS			
Equity in pooled cash & cash equivalents	\$ 8,488,828	\$ 8,213,003	\$ 95,166
Cash and cash equivalents	-	-	-
Receivables (net of allowance for uncollectibles):			
Accounts	-	-	-
Taxes	-	-	100,552
Grants	-	-	-
Loans	-	-	-
Accrued Interest	17,626	16,334	218
Prepays	-	-	-
Due from other governments	-	-	1,175
Restricted assets:			
Cash and cash equivalents	-	-	-
Total assets	\$ 8,506,454	\$ 8,229,337	\$ 197,111
LIABILITIES			
Accounts payable	\$ 9,820	\$ -	\$ 1,299
Construction contracts payable	4,873	117,512	-
Accrued liabilities	-	-	1,039
Due to other funds	-	-	-
Total liabilities	14,693	117,512	2,338
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue-property taxes	-	-	100,552
Unavailable revenue-grants	-	-	-
Total deferred inflows of resources	-	-	100,552
FUND BALANCES			
Nonspendable	-	-	-
Restricted	8,491,761	8,111,825	94,221
Committed	-	-	-
Unassigned	-	-	-
Total fund balances (deficits)	8,491,761	8,111,825	94,221
Total liabilities, deferred inflows of resources and fund balances (deficits)	\$ 8,506,454	\$ 8,229,337	\$ 197,111

Special Revenue Funds

Community Development Block Grant	Downtown Parking	Judicial Wedding Fee	Police Seizures	Prevention/ Education	Youth Services	Recreations Building	Transportation Community Investment Fee
\$ -	\$ 204,790	\$ 6,293	\$ 25,435	\$ 147,051	\$ 207,967	\$ 137,957	\$ 1,922,282
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
2,303,594	-	-	-	13,675	34,602	-	-
1,101,395	-	-	-	-	-	-	-
1,338	418	13	-	341	531	277	3,967
-	-	150	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
\$ 3,406,327	\$ 205,208	\$ 6,456	\$ 25,435	\$ 161,067	\$ 243,100	\$ 138,234	\$ 1,926,249
\$ 2,139,560	\$ 269	\$ -	\$ -	\$ 19,722	\$ 20,737	\$ -	\$ 15,195
130,694	-	-	-	-	-	-	41,436
25,795	874	-	-	1,519	1,634	-	-
1,168,006	-	-	-	-	-	-	-
3,464,055	1,143	-	-	21,241	22,371	-	56,631
-	-	-	-	-	-	-	-
1,163,047	-	-	-	9,992	-	-	-
1,163,047	-	-	-	9,992	-	-	-
-	-	150	-	-	-	-	-
-	-	-	25,435	121,297	-	138,234	1,869,618
-	204,065	6,306	-	8,537	220,729	-	-
(1,220,775)	-	-	-	-	-	-	-
(1,220,775)	204,065	6,456	25,435	129,834	220,729	138,234	1,869,618
\$ 3,406,327	\$ 205,208	\$ 6,456	\$ 25,435	\$ 161,067	\$ 243,100	\$ 138,234	\$ 1,926,249

(continued)

COMBINING BALANCE SHEET
Nonmajor Governmental Funds
December 31, 2016

	Public Buildings Community Investment Fee	Electric Community Investment Fee	Water System Construction Reserve	Water Acquisition
ASSETS				
Equity in pooled cash & cash equivalents	\$ 2,709,985	\$ 3,849,141	\$ 24,191,933	\$ 6,210,426
Cash and cash equivalents	-	-	-	-
Receivables (net of allowance for uncollectibles):				
Accounts	-	-	-	-
Taxes	-	-	-	-
Grants	-	-	-	-
Loans	-	-	-	-
Deferred loans	-	-	-	-
Accrued Interest	5,304	8,016	48,828	13,049
Prepays	-	-	-	-
Due from other governments	-	-	-	-
Restricted assets:				
Cash and cash equivalents	-	-	-	-
Total assets	\$ 2,715,289	\$ 3,857,157	\$ 24,240,761	\$ 6,223,475
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ 20,110	\$ 3,745
Construction contracts payable	-	-	4,295	-
Accrued liabilities	-	-	-	-
Due to other funds	-	-	-	-
Deposits	-	-	-	-
Total liabilities	-	-	24,405	3,745
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue-property taxes	-	-	-	-
Unavailable revenue-grants	-	-	-	-
Total deferred inflows of resources	-	-	-	-
FUND BALANCES				
Nonspendable	-	-	-	-
Restricted	2,715,289	3,857,157	24,216,356	6,219,730
Committed	-	-	-	-
Unassigned	-	-	-	-
Total fund balances (deficits)	2,715,289	3,857,157	24,216,356	6,219,730
Total liabilities, deferred inflows of resources and fund balances (deficits)	\$ 2,715,289	\$ 3,857,157	\$ 24,240,761	\$ 6,223,475

Special Revenue Funds

Raw Water Storage Reserve	Sewer Construction	Library Services	Museum Services	Historic Preservation	Callahan House	Senior Services	Parks Grants & Donations
\$ 413,034	\$ 6,130,070	\$ 80,057	\$ 13,359	\$ 11,835	\$ 37,980	\$ 282,449	\$ 624,363
-	-	85,073	-	-	-	-	-
-	205	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	122	-	-	-	-	-	-
-	-	-	-	-	-	-	-
868	12,412	165	85	25	79	642	1,312
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 413,902</u>	<u>\$ 6,142,809</u>	<u>\$ 165,295</u>	<u>\$ 13,444</u>	<u>\$ 11,860</u>	<u>\$ 38,059</u>	<u>\$ 283,091</u>	<u>\$ 625,675</u>
\$ -	\$ -	\$ 150	\$ -	\$ -	\$ 2,210	\$ 2,158	\$ 3,387
-	-	-	-	-	-	-	-
-	-	-	2,865	-	2,847	938	-
-	-	-	-	-	-	-	-
-	-	-	300	-	-	5,070	-
-	-	150	3,165	-	5,057	8,166	3,387
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	122	-	-	-	-	-	-
-	6,142,687	165,145	-	11,860	-	-	3,723
413,902	-	-	10,279	-	33,002	274,925	618,565
-	-	-	-	-	-	-	-
<u>413,902</u>	<u>6,142,809</u>	<u>165,145</u>	<u>10,279</u>	<u>11,860</u>	<u>33,002</u>	<u>274,925</u>	<u>622,288</u>
<u>\$ 413,902</u>	<u>\$ 6,142,809</u>	<u>\$ 165,295</u>	<u>\$ 13,444</u>	<u>\$ 11,860</u>	<u>\$ 38,059</u>	<u>\$ 283,091</u>	<u>\$ 625,674</u>

(continued)

COMBINING BALANCE SHEET
Nonmajor Governmental Funds
December 31, 2016

	Affordable Housing	Open Space	Public Safety	Lodgers Tax	Probation Services
ASSETS					
Equity in pooled cash & cash equivalents	\$ 915,304	\$ 4,368,668	\$ 1,177,865	\$ 104,443	\$ 99,908
Cash and cash equivalents	-	-	-	-	-
Receivables (net of allowance for uncollectibles):					
Accounts	-	7,197	44,182	-	-
Taxes	-	435,736	708,064	19,234	-
Grants	-	106,726	32,752	-	-
Loans	4,796,472	-	-	-	-
Deferred loans	-	-	-	-	-
Accrued Interest	2,618	14,242	2,041	227	209
Prepays	-	-	4,522	-	-
Due from other governments	-	-	-	-	-
Restricted assets:					
Cash and cash equivalents	-	3,621,717	-	-	-
Total assets	\$ 5,714,394	\$ 8,554,286	\$ 1,969,426	\$ 123,904	\$ 100,117
LIABILITIES					
Accounts payable	\$ 2,472	\$ 276,325	\$ 19,561	\$ -	\$ -
Construction contracts payable	5,932	10,776	-	-	-
Accrued liabilities	3,082	10,406	179,046	-	725
Due to other funds	-	-	367,026	-	-
Deposits	-	9,794	-	-	-
Total liabilities	11,486	307,301	565,633	-	725
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue-property taxes	-	-	-	-	-
Unavailable revenue-grants	4,796,472	10,000	1,400	-	-
Total deferred inflows of resources	4,796,472	10,000	1,400	-	-
FUND BALANCES					
Nonspendable	-	-	4,522	-	-
Restricted	-	8,236,985	1,397,871	123,904	-
Committed	906,436	-	-	-	99,392
Unassigned	-	-	-	-	-
Total fund balances (deficits)	906,436	8,236,985	1,402,393	123,904	99,392
Total liabilities, deferred inflows of resources and fund balances (deficits)	\$ 5,714,394	\$ 8,554,286	\$ 1,969,426	\$ 123,904	\$ 100,117

Special Revenue Funds

Park/ Greenway Maintenance	Traffic Safety	Museum Trust	Jones Foundation Trust	Longmont Urban Renewal Authority	Village at the Peaks	TOTALS
\$ 4,332,711	\$ 18,101	\$ 41,075	\$ 61,433	\$ 6,739	\$ 465	\$ 75,130,116
-	-	-	-	-	-	85,073
204,581	-	-	-	-	-	256,165
-	-	-	-	-	-	1,263,586
170,856	-	-	-	-	-	2,662,205
-	-	-	-	-	-	5,897,989
-	-	-	-	-	-	-
8,491	38	95	129	141	1	160,080
-	-	-	-	-	-	4,672
-	-	-	-	-	1,839	3,014
-	-	-	-	-	1,168	3,622,885
<u>\$ 4,716,639</u>	<u>\$ 18,139</u>	<u>\$ 41,170</u>	<u>\$ 61,562</u>	<u>\$ 6,880</u>	<u>\$ 3,473</u>	<u>\$ 89,085,785</u>
\$ 239,490	\$ -	\$ -	\$ -	\$ -	\$ -	2,776,210
38,166	-	-	-	-	-	353,684
-	315	31	-	1,172	-	232,288
-	-	-	-	-	-	1,535,032
-	-	-	-	-	-	15,164
<u>277,656</u>	<u>315</u>	<u>31</u>	<u>-</u>	<u>1,172</u>	<u>-</u>	<u>4,912,378</u>
-	-	-	-	-	-	100,552
-	-	-	-	-	-	5,980,911
-	-	-	-	-	-	6,081,463
-	-	-	-	-	-	4,794
4,438,983	-	-	-	-	3,473	76,385,554
-	17,824	41,139	61,562	5,708	-	2,922,371
-	-	-	-	-	-	(1,220,775)
<u>4,438,983</u>	<u>17,824</u>	<u>41,139</u>	<u>61,562</u>	<u>5,708</u>	<u>3,473</u>	<u>78,091,944</u>
<u>\$ 4,716,639</u>	<u>\$ 18,139</u>	<u>\$ 41,170</u>	<u>\$ 61,562</u>	<u>\$ 6,880</u>	<u>\$ 3,473</u>	<u>\$ 89,085,785</u>

(continued)

COMBINING BALANCE SHEET
Nonmajor Governmental Funds
December 31, 2016

	Capital Projects Fund	Permanent Fund	
	Public Improvement Capital Projects	Mosher/ Kanemoto Trust	Total Nonmajor Governmental Funds
ASSETS			
Equity in pooled cash & cash equivalents	\$ 6,885,024	\$ 1,165,193	\$ 83,180,333
Cash and cash equivalents	-	-	85,073
Receivables (net of allowance for uncollectibles):			
Accounts	-	-	256,165
Taxes	867,535	-	2,131,121
Grants	2,822	-	2,665,027
Loans	-	-	5,897,989
Deferred loans	-	-	-
Accrued Interest	12,675	2,450	175,205
Prepays	-	-	4,672
Due from other governments	-	-	3,014
Restricted assets:			
Cash and cash equivalents	-	-	3,622,885
Total assets	\$ 7,768,056	\$ 1,167,643	\$ 98,021,484
LIABILITIES			
Accounts payable	\$ 186,113	\$ -	\$ 2,962,323
Construction contracts payable	42,983	-	396,667
Accrued liabilities	-	-	232,288
Due to other funds	1,860,196	-	3,395,228
Deposits	-	-	15,164
Total liabilities	2,089,292	-	7,001,670
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue-property taxes	-	-	100,552
Unavailable revenue-grants	-	-	5,980,911
Total deferred inflows of resources	-	-	6,081,463
FUND BALANCES			
Nonspendable	-	644,576	649,370
Restricted	5,678,764	523,067	82,587,385
Committed	-	-	2,922,371
Unassigned	-	-	(1,220,775)
Total fund balances	5,678,764	1,167,643	84,938,351
Total liabilities, deferred inflows of resources and fund balances (deficits)	\$ 7,768,056	\$ 1,167,643	\$ 98,021,484

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

**Nonmajor Governmental Funds
For the Year Ended December 31, 2016**

Special Revenue Funds

	Conservation	Park Improvement	General Improvement District #1	Community Development Block Grant	Downtown Parking	Judicial Wedding Fees
REVENUES						
Taxes	\$ -	\$ -	\$ 105,408	\$ -	\$ -	\$ -
Licenses and permits	-	3,776,516	-	-	93,070	-
Developer/owner participation	-	-	-	-	-	-
Intergovernmental	1,012,988	-	-	6,792,641	-	-
Charges for services	-	-	-	-	-	1,525
Fines and forfeits	-	-	-	-	-	-
Investment income	43,392	33,788	894	36,743	1,111	91
Private grants/donations	-	-	-	-	-	-
Miscellaneous	-	-	196	374,192	24,909	-
Total revenues	1,056,380	3,810,304	106,498	7,203,576	119,090	1,616
EXPENDITURES						
Current:						
General governmental	-	-	103,804	7,731,189	102,695	14,771
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Culture and recreation	349,774	1,016,416	-	-	-	-
Municipal utility system	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
Debt service:						
Bond principal retired	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
Total expenditures	349,774	1,016,416	103,804	7,731,189	102,695	14,771
Excess of revenues over (under) expenditures	706,606	2,793,888	2,694	(527,613)	16,395	(13,155)
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	2,623	-
Transfers out	-	(70,832)	-	-	-	(4,987)
Total other financing sources (uses)	-	(70,832)	-	-	2,623	(4,987)
Excess of revenues and other sources over (under) Net change in fund balances	706,606	2,723,056	2,694	(527,613)	19,018	(18,142)
FUND BALANCES (DEFICITS), January 1	7,785,155	5,388,769	91,527	(693,162)	185,047	24,598
FUND BALANCES, December 31	\$ 8,491,761	\$ 8,111,825	\$ 94,221	\$ (1,220,775)	\$ 204,065	\$ 6,456

(continued)

**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES**
Nonmajor Governmental Funds
For the Year Ended December 31, 2016

	Police Seizures	Prevention Education	Youth Services	Recreation Buildings	Transportation Community Investment Fee	Public Buildings Community Investment Fee
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	-	\$ -
Licenses and permits	-	-	-	-	1,591,070	-
Developer/owner participation	-	-	-	138,009	-	1,375,206
Intergovernmental	1,499	56,853	127,971	-	-	-
Charges for services	-	21,441	21,940	-	-	-
Fines and forfeits	-	-	-	-	-	-
Investment income	8	803	1,164	225	8,745	10,385
Private grants/donations	-	35,191	143,287	-	-	-
Miscellaneous	-	-	3,188	-	-	-
Total revenues	1,507	114,288	297,550	138,234	1,599,815	1,385,591
EXPENDITURES						
Current:						
General governmental	-	-	-	-	-	57,189
Public safety	17,683	122,823	-	-	-	-
Highways and streets	-	-	-	-	818,832	-
Culture and recreation	-	-	240,666	-	-	-
Municipal utility system	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
Debt service:						
Bond principal retired	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
Total expenditures	17,683	122,823	240,666	-	818,832	57,189
Excess of revenues over (under) expenditures	(16,176)	(8,535)	56,884	138,234	780,982	1,328,402
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	1,978	-	-	-
Transfers out	-	-	-	-	-	(1,928)
Total other financing sources (uses)	-	-	1,978	-	-	(1,928)
Excess of revenues and other sources over (under) Net change in fund balances	(16,176)	(8,535)	58,862	138,234	780,983	1,326,474
FUND BALANCES (DEFICITS), January 1	41,611	138,369	161,867	-	1,088,635	1,388,815
FUND BALANCES (DEFICITS), December 31	\$ 25,435	\$ 129,834	\$ 220,729	\$ 138,234	\$ 1,869,618	\$ 2,715,289

Electric Community Investment Fee	Water System Construction Reserve	Water Acquisition	Raw Water Storage Reserve	Sewer Construction
\$ -	\$ -	\$ -	\$ -	\$ -
1,111,381	4,882,751	-	-	2,459,528
-	-	-	-	67,226
-	-	1,000,095	-	-
-	-	-	-	-
19,382	114,313	30,422	2,214	27,595
-	-	-	-	-
-	-	-	-	-
1,130,763	4,997,064	1,030,517	2,214	2,554,349
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
393,840	1,025,844	42,455	-	-
-	-	-	-	-
-	-	-	-	-
393,840	1,025,844	42,455	-	-
-	-	-	-	-
736,923	3,971,220	988,062	2,214	2,554,349
-	-	-	-	-
-	(761)	-	-	(552,119)
-	(761)	-	-	(552,119)
736,923	3,970,459	988,062	2,214	2,002,230
3,120,234	20,245,897	5,231,668	411,688	4,140,579
\$ 3,857,157	\$ 24,216,356	\$ 6,219,730	\$ 413,902	\$ 6,142,809

**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES**
Nonmajor Governmental Funds
For the Year Ended December 31, 2016

	Library Services	Museum Services	Historic Preservation	Callahan House	Senior Services
REVENUES					
Taxes	\$ -	\$ -	-	\$ -	-
Licenses and permits	-	-	750	-	-
Developer/owner participation	-	-	-	-	-
Intergovernmental	23,187	31,149	-	-	-
Charges for services	-	111,867	-	64,922	240,033
Fines and forfeits	-	-	-	-	-
Investment income	425	287	217	178	1,521
Private grants	85,624	35,701	-	30	134,995
Miscellaneous	14,485	4,920	-	-	3,750
Total revenues	123,721	183,924	967	65,130	380,299
EXPENDITURES					
Current:					
General governmental	-	-	-	-	-
Public safety	-	-	-	-	-
Highways and streets	-	-	-	-	-
Culture and recreation	89,635	196,621	-	135,006	255,990
Municipal utility system	-	-	-	-	-
Capital Outlay	-	-	-	-	-
Debt service:					
Bond principal retired	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	89,635	196,621	-	135,006	255,990
Excess of revenues over (under) expenditures	34,086	(12,697)	967	(69,876)	124,309
OTHER FINANCING SOURCES (USES)					
Transfers in	-	9,000	-	81,606	-
Transfers out	(23,587)	-	-	-	(78,957)
Total other financing sources (uses)	(23,587)	9,000	-	81,606	(78,957)
Excess of revenues and other sources over (under) Net change in fund balances	10,499	(3,697)	967	11,730	45,352
FUND BALANCES (DEFICITS), January 1	154,646	13,975	10,893	21,272	229,573
FUND BALANCES (DEFICITS), December 31	\$ 165,145	\$ 10,278	\$ 11,860	\$ 33,002	\$ 274,925

Special Revenue Funds

Parks Grants & Donations	Affordable Housing	Open Space	Public Safety	Lodgers Tax	Probation Services	Park/Greenway Maintenance
\$ -	\$ -	\$ 3,776,469	\$ 6,136,761	\$ 369,731	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	658,274	335,674	-	-	1,456,794
-	163	-	70,039	-	-	1,888,247
-	-	-	-	-	48,581	-
3,479	23,969	43,647	5,453	362	492	14,892
2,601	-	-	-	-	-	-
-	144,050	61,511	11,382	-	-	-
6,080	168,182	4,539,901	6,559,309	370,093	49,073	3,359,933
-	882,937	-	-	-	36,298	-
-	-	-	6,540,361	-	-	-
-	-	-	-	-	-	-
75,780	-	1,433,404	142,897	363,730	-	1,368,127
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	1,170,000	-	-	-	-
-	-	998,814	-	-	-	-
75,780	882,937	3,602,218	6,683,258	363,730	36,298	1,368,127
(69,700)	(714,755)	937,683	(123,949)	6,363	12,775	1,991,806
60,469	677,315	77,400	-	-	-	527,756
-	-	(24,549)	(43,968)	-	-	(2,893)
60,469	677,315	52,851	(43,968)	-	-	524,863
(9,231)	(37,440)	990,534	(167,917)	6,363	12,775	2,516,669
631,519	943,876	7,246,451	1,570,310	117,541	86,617	1,922,314
\$ 622,288	\$ 906,436	\$ 8,236,985	\$ 1,402,393	\$ 123,904	\$ 99,392	\$ 4,438,983

(continued)

**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES**
Nonmajor Governmental Funds
For the Year Ended December 31, 2016

	Special Revenue Funds					TOTALS
	Traffic Safety	Museum Trust	Jones Foundation Trust	Longmont Urban Renewal Authority	Village at the Peaks	
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ 379,271	\$ 215,828	\$ 10,983,468
Licenses and permits	-	-	-	-	-	13,915,066
Developer/owner participation	-	-	-	-	-	1,580,441
Intergovernmental	-	-	-	-	-	10,497,030
Charges for services	9,441	29,866	-	-	-	3,459,579
Fines and forfeits	-	-	-	-	-	48,581
Investment income	95	378	329	592	1,079	428,670
Private grants	-	2,600	-	-	-	440,029
Miscellaneous	-	402	-	-	-	642,985
Total revenues	9,536	33,246	329	379,863	216,907	41,995,850
EXPENDITURES						
Current:						
General governmental	-	-	-	30,850	4,443	8,964,176
Public safety	9,527	-	-	-	-	6,690,394
Highways and streets	-	-	-	-	-	818,832
Culture and recreation	-	71,746	-	-	-	5,739,792
Municipal utility system	-	-	-	-	-	1,462,139
Capital Outlay	-	-	-	-	-	-
Debt service:						
Bond principal retired	-	-	-	-	-	1,170,000
Interest and fiscal charges	-	-	-	-	1,272,455	2,271,269
Total expenditures	9,527	71,746	-	30,850	1,276,898	27,116,602
Excess of revenues over (under) expenditures	9	(38,500)	329	349,013	(1,059,991)	14,879,248
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	979,834	2,417,981
Transfers out	-	(9,000)	-	(519,271)	-	(1,332,852)
Total other financing sources (uses)	-	(9,000)	-	(519,271)	979,834	1,085,129
Excess of revenues and other sources over (under) Net change in fund balances	9	(47,500)	329	(170,258)	(80,157)	15,964,377
FUND BALANCES (DEFICITS), January 1	17,815	88,639	61,233	175,966	83,630	62,127,567
FUND BALANCES (DEFICITS), December 31	\$ 17,824	\$ 41,139	\$ 61,562	\$ 5,708	\$ 3,473	\$ 78,091,944

Capital Projects Fund	Permanent Fund	Total Nonmajor Governmental Funds
Public Improvement Capital Projects	Mosher/Kanemoto Trust	
\$ 6,204,559	\$ -	\$ 17,188,027
-	-	13,915,066
-	-	1,580,441
2,822	-	10,499,852
-	-	3,459,579
-	-	48,581
21,276	6,246	456,192
41,000	-	481,029
929,030	-	1,572,015
<u>7,198,687</u>	<u>6,246</u>	<u>49,200,782</u>
-	-	8,964,176
-	-	6,690,394
-	-	818,832
-	-	5,739,792
-	-	1,462,139
2,482,886	-	2,482,886
2,255,000	-	3,425,000
485,508	-	2,756,777
<u>5,223,394</u>	<u>-</u>	<u>32,339,996</u>
1,975,293	6,246	16,860,786
441,989	-	2,859,970
(16,094)	-	(1,348,946)
425,895	-	1,511,024
2,401,188	6,246	18,371,811
3,277,576	1,161,397	66,566,540
<u>\$ 5,678,764</u>	<u>\$ 1,167,643</u>	<u>\$ 84,938,351</u>

CONSERVATION SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL
For the Year Ended December 31, 2016

	Final Budget	Actual	Variance From Final Budget
REVENUES			
Intergovernmental	\$ 800,000	\$ 1,012,988	\$ 212,988
Investment income	11,706	43,392	31,686
Miscellaneous	-	-	-
Total revenues	811,706	1,056,380	244,674
EXPENDITURES			
Culture and recreation	5,900,724	349,774	5,550,950
Net change in fund balance	(5,089,018)	706,606	5,795,624
FUND BALANCE, January 1	7,785,155	7,785,155	-
FUND BALANCE, December 31	\$ 2,696,137	\$ 8,491,761	\$ 5,795,624

PARK IMPROVEMENT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP) BASIS AND ACTUAL
For the Year Ended December 31, 2016

	Final Budget	Actual	Variance From Final Budget
REVENUES			
Licenses and permits	\$ 1,405,044	\$ 3,776,516	\$ 2,371,472
Investment income	24,269	33,788	9,519
Total revenues	1,429,313	3,810,304	2,380,991
EXPENDITURES			
Culture and recreation	1,267,459	1,016,416	251,043
Excess of revenues over expenditures	161,854	2,793,888	2,632,034
OTHER FINANCING (USES)			
Transfer in			
Transfer out	(62,320)	(70,832)	(8,512)
Total other financing (uses)	(62,320)	(70,832)	(8,512)
Net change in fund balance	99,534	2,723,056	2,623,522
FUND BALANCE, January 1	5,388,769	5,388,769	-
FUND BALANCE, December 31	\$ 5,488,303	\$ 8,111,825	\$ 2,623,522

GENERAL IMPROVEMENT DISTRICT #1 SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP) BASIS AND ACTUAL
For the Year Ended December 31, 2016

	Final Budget	Actual	Variance From Final Budget
REVENUES			
Taxes	\$ 112,871	\$ 105,408	\$ (7,463)
Investment income	600	894	294
Miscellaneous	-	196	196
<hr/>			
Total revenues	113,471	106,498	(6,973)
EXPENDITURES			
General government	121,710	103,804	17,906
<hr/>			
Net change in fund balance	(8,239)	2,694	10,933
<hr/>			
FUND BALANCE, January 1	91,527	91,527	-
<hr/>			
FUND BALANCE, December 31	\$ 83,288	\$ 94,221	\$ 10,933

COMMUNITY DEVELOPMENT BLOCK GRANT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP) BASIS AND ACTUAL
For the Year Ended December 31, 2016

	Final Budget	Actual	Variance From Final Budget
REVENUES			
Intergovernmental	\$ 48,203,114	\$ 6,792,641	\$ (41,410,473)
Investment income	-	36,743	36,743
Miscellaneous	298,327	374,192	75,865
Total revenues	48,501,441	7,203,576	(41,297,865)
EXPENDITURES			
General government	48,845,923	7,731,189	41,114,734
Net change in fund balance	(344,482)	(527,613)	(183,131)
FUND BALANCE, January 1	(693,162)	(693,162)	-
FUND BALANCE, December 31	\$ (1,037,644)	\$ 1,220,775	\$ (183,131)

DOWNTOWN PARKING SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP) BASIS AND ACTUAL
For the Year Ended December 31, 2016

	Final Budget	Actual	Variance From Final Budget
REVENUES			
Licenses and permits	\$ 80,000	\$ 93,070	\$ 13,070
Investment income	500	1,111	611
Miscellaneous	-	24,909	24,909
Total revenues	80,500	119,090	38,590
EXPENDITURES			
General government	132,812	102,695	30,117
Excess of revenues over (under) expenditures	(52,312)	16,395	68,707
OTHER FINANCING SOURCES			
Transfer in General Fund	11,190	2,623	(8,567)
Total other financing sources	11,190	2,623	(8,567)
Net change in fund balance	(41,122)	19,018	60,140
FUND BALANCE, January 1	185,047	185,047	-
FUND BALANCE, December 31	\$ 143,925	\$ 204,065	\$ 60,140

JUDICIAL WEDDING FEE SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP) BASIS AND ACTUAL
For the Year Ended December 31, 2016

	Final Budget	Actual	Variance From Final Budget
REVENUES			
Charges for services	\$ 2,300	\$ 1,525	\$ (775)
Investment income (loss)	-	91	91
Total revenues	2,300	1,616	(684)
EXPENDITURES			
General government	14,900	14,771	129
Excess of revenues (under) expenditures	(12,600)	(13,155)	(555)
OTHER FINANCING (USES)			
Transfer out			
General fund	(4,987)	(4,987)	-
Net change in fund balance	(17,587)	(18,142)	(555)
FUND BALANCE, January 1	24,598	24,598	-
FUND BALANCE, December 31	\$ 7,011	\$ 6,456	\$ (555)

POLICE SEIZURES SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP) BASIS AND ACTUAL
For the Year Ended December 31, 2016

	Final Budget	Actual	Variance From Final Budget
REVENUES			
Intergovernmental	\$ -	\$ 1,499	\$ 1,499
Investment income	-	8	8
Total revenues	-	1,507	1,507
EXPENDITURES			
Public safety	17,729	17,683	46
Net change in fund balance	(17,729)	(16,176)	1,553
FUND BALANCE, January 1	41,611	41,611	-
FUND BALANCE, December 31	\$ 23,882	\$ 25,435	\$ 1,553

PREVENTION/EDUCATION SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP) BASIS AND ACTUAL
For the Year Ended December 31, 2016

	Final Budget	Actual	Variance From Final Budget
REVENUES			
Charges for services	\$ 15,632	\$ 21,441	\$ 5,809
Intergovernmental	46,257	56,853	10,596
Investment income	-	803	803
Private grants/donations	25,559	35,191	9,632
<hr/>			
Total revenues	87,448	114,288	26,840
EXPENDITURES			
Public safety	159,957	122,823	37,134
<hr/>			
Net change in fund balance	(72,509)	(8,535)	63,974
<hr/>			
FUND BALANCE, January 1	138,369	138,369	-
<hr/>			
FUND BALANCE, December 31	\$ 65,860	\$ 129,834	\$ 63,974

YOUTH SERVICES SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP) BASIS AND ACTUAL
For the Year Ended December 31, 2016

	Final Budget	Actual	Variance From Final Budget
REVENUES			
Charges for services	\$ -	\$ 21,940	\$ 21,940
Intergovernmental	474,683	127,971	(346,712)
Investment income	-	1,164	1,164
Private grant	46,250	143,287	97,037
Miscellaneous	-	3,188	3,188
<hr/>			
Total revenues	520,933	297,550	(223,383)
EXPENDITURES			
Culture and recreation	521,183	240,666	280,518
Excess of revenues over (under) expenditures	(250)	56,884	57,134
<hr/>			
OTHER FINANCING SOURCES			
Transfer in	-	1,978	1,978
<hr/>			
Net change in fund balance	(250)	58,862	59,112
<hr/>			
FUND BALANCE, January 1	161,867	161,867	-
<hr/>			
FUND BALANCE, December 31	\$ 161,617	\$ 220,729	\$ 59,112

RECREATION BUILDINGS FEE SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP) BASIS AND ACTUAL
For the Year Ended December 31, 2016

	Final Budget	Actual	Variance From Final Budget
REVENUES			
Developer participation	\$ -	\$ 138,009	138,009
Investment income	-	225	225
<hr/>			
Total revenues	-	138,234	138,234
EXPENDITURES			
Culture and Rec	-	-	-
<hr/>			
Net change in fund balance	-	138,234	138,234
<hr/>			
FUND BALANCE, January 1	-	-	-
<hr/>			
FUND BALANCE, December 31	\$ -	\$ 138,234	138,234

TRANSPORTATION COMMUNITY INVESTMENT FEE SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP) BASIS AND ACTUAL
For the Year Ended December 31, 2016

	Final Budget	Actual	Variance From Final Budget
REVENUES			
Licenses and permits	\$ 295,554	\$ 1,591,070	1,295,516
Investment income	1,428	8,745	7,317
<hr/>			
Total revenues	296,982	1,599,815	1,302,833
EXPENDITURES			
Highways and streets	1,110,119	818,832	291,287
<hr/>			
Net change in fund balance	(813,137)	780,983	1,594,120
<hr/>			
FUND BALANCE, January 1	1,088,635	1,088,635	-
<hr/>			
FUND BALANCE, December 31	\$ 275,498	\$ 1,869,618	1,594,120

PUBLIC BUILDINGS COMMUNITY INVESTMENT FEE SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP) BASIS AND ACTUAL
For the Year Ended December 31, 2016

	Final Budget	Actual	Variance From Final Budget
REVENUES			
Developer participation	\$ 346,000	\$ 1,375,206	\$ 1,029,206
Investment income	3,000	10,385	7,385
Total revenues	349,000	1,385,591	1,036,591
EXPENDITURES			
General Government	302,133	57,189	244,944
Excess of revenues over expenditures	46,867	1,328,402	1,281,535
OTHER FINANCING (USES)			
Transfer out			
Art in Public Places fund	-	(1,928)	(1,928)
Net change in fund balance	46,867	1,326,474	1,279,607
FUND BALANCE, January 1	1,388,815	1,388,815	-
FUND BALANCE, December 31	\$ 1,435,682	\$ 2,715,289	\$ 1,279,607

**ELECTRIC COMMUNITY INVESTMENT FEE SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP) BASIS AND ACTUAL
For the Year Ended December 31, 2016**

	Final Budget	Actual	Variance From Final Budget
REVENUES			
Licenses and permits	\$ 325,500	\$ 1,111,381	\$ 785,881
Investment income	12,000	19,382	7,382
Total revenues	337,500	1,130,763	793,263
EXPENDITURES			
Municipal utility systems	824,688	393,840	430,849
Net change in fund balance	(487,188)	736,923	1,224,111
FUND BALANCE, January 1	3,120,234	3,120,234	-
FUND BALANCE, December 31	\$ 2,633,046	\$ 3,857,157	\$ 1,224,111

**WATER SYSTEM CONSTRUCTION RESERVE SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP) BASIS AND ACTUAL
For the Year Ended December 31, 2016**

	Final Budget	Actual	Variance From Final Budget
REVENUES			
Licenses and permits	\$ 1,162,900	\$ 4,882,751	\$ 3,719,851
Investment income	94,500	114,313	19,813
Total revenues	1,257,400	4,997,064	3,739,664
EXPENDITURES			
Municipal utility systems	1,695,140	1,025,844	669,296
Excess of revenues over (under) expenditures	(437,740)	3,971,220	4,408,960
OTHER FINANCING (USES)			
Transfer out			
Art in Public Places fund	(1,121)	(761)	360
Net change in fund balance	(438,861)	3,970,459	4,409,320
FUND BALANCE, January 1	20,245,897	20,245,897	-
FUND BALANCE, December 31	\$ 19,807,036	\$ 24,216,356	\$ 4,409,320

WATER ACQUISITION SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP) BASIS AND ACTUAL
For the Year Ended December 31, 2016

	Final Budget	Actual	Variance From Final Budget
REVENUES			
Charges for services	\$ 5,000	\$ 1,000,095	\$ 995,095
Investment income	21,800	30,422	8,622
<hr/>			
Total revenues	26,800	1,030,517	1,003,717
EXPENDITURES			
Municipal utility systems	150,000	42,455	107,545
<hr/>			
Net change in fund balance	(123,200)	988,062	1,111,262
<hr/>			
FUND BALANCE, January 1	5,231,668	5,231,668	-
<hr/>			
FUND BALANCE, December 31	\$ 5,108,468	\$ 6,219,730	\$ 1,111,262

RAW WATER STORAGE RESERVE SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP) BASIS AND ACTUAL
For the Year Ended December 31, 2016

	Final Budget	Actual	Variance From Final Budget
REVENUES			
Investment income	\$ 1,500	\$ 2,214	714
EXPENDITURES			
Municipal utility system	-	-	-
Net change in fund balance	1,500	2,214	714
FUND BALANCE, January 1	411,688	411,688	-
FUND BALANCE, December 31	\$ 413,188	\$ 413,902	714

SEWER CONSTRUCTION SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP) BASIS AND ACTUAL
For the Year Ended December 31, 2016

	Final Budget	Actual	Variance From Final Budget
REVENUES			
Licenses and permits	\$ 1,154,700	\$ 2,459,528	\$ 1,304,828
Developer participation	-	67,226	67,226
Investment income	3,600	27,595	23,995
Total revenues	1,158,300	2,554,349	1,396,049
EXPENDITURES			
Municipal utility systems	3,144,602	-	3,144,602
Excess of revenues over (under) expenditures	(1,986,302)	2,554,349	4,540,651
OTHER FINANCING (USES)			
Transfer out			
Sewer Fund	(552,119)	(552,119)	-
Art in Public Places fund	(31,733)	-	31,733
Total other financing (uses)	(583,852)	(552,119)	31,733
Net change in fund balance	(2,570,154)	2,002,230	4,572,384
FUND BALANCE, January 1	4,140,579	4,140,579	-
FUND BALANCE, December 31	\$ 1,570,425	\$ 6,142,809	\$ 4,572,384

LIBRARY SERVICES SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP) BASIS AND ACTUAL
For the Year Ended December 31, 2016

	Final Budget	Actual	Variance From Final Budget
REVENUES			
Intergovernmental	\$ 43,164	\$ 23,187	(19,977)
Investment income	450	425	(25)
Private grants/donations	72,087	85,624	13,537
Miscellaneous	20,000	14,485	(5,515)
Total revenues	135,701	123,721	(11,980)
EXPENDITURES			
Culture and recreation	123,637	89,635	34,002
Excess revenues over expenditures	12,064	34,086	22,022
OTHER FINANCING (USES)			
Transfer out General fund	(23,587)	(23,587)	-
Net change in fund balance	(11,523)	10,499	22,022
FUND BALANCE, January 1	154,646	154,646	-
FUND BALANCE, December 31	\$ 143,123	\$ 165,145	22,022

MUSEUM SERVICES SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP) BASIS AND ACTUAL
For the Year Ended December 31, 2016

	Final Budget	Actual	Variance From Final Budget
REVENUES			
Intergovernmental	\$ 44,500	\$ 31,149	\$ (13,351)
Charges for services	125,637	111,867	(13,770)
Investment income	-	287	287
Private grants/donations	67,643	35,701	(31,942)
Miscellaneous	1,500	4,920	3,420
Total revenues	239,280	183,924	(55,356)
EXPENDITURES			
Culture and recreation	305,363	196,621	108,742
Excess revenues over (under) expenditures	(66,083)	(12,697)	53,386
OTHER FINANCING (USES)			
Transfer in	120,115	9,000	(111,115)
Total other financing sources	120,115 -	9,000 -	(111,115)
Net change in fund balance	54,032	(3,697)	(57,729)
FUND BALANCE, January 1	13,975	13,975	-
FUND BALANCE, December 31	\$ 68,007	\$ 10,278	(57,729)

HISTORICAL PRESERVATION SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP) BASIS AND ACTUAL
For the Year Ended December 31, 2016

	Final Budget	Actual	Variance From Final Budget
REVENUES			
Licenses and permits	\$ -	\$ 750	750
Investment income	-	217	217
<hr/>			
Total revenues	-	967	967
EXPENDITURES			
Culture and recreation	-	-	-
<hr/>			
Net change in fund balance	-	967	967
<hr/>			
FUND BALANCE, January 1	10,893	10,893	-
<hr/>			
FUND BALANCE, December 31	\$ 10,893	\$ 11,860	967

CALLAHAN HOUSE SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP) BASIS AND ACTUAL
For the Year Ended December 31, 2016

	Final Budget	Actual	Variance From Final Budget
REVENUES			
Charges for services	\$ 39,250	\$ 64,922	\$ 25,672
Investment income	200	178	(22)
Private grants/donations	-	30	30
Total revenues	39,450	65,130	25,680
EXPENDITURES			
Culture and recreation	133,734	135,006	(1,272)
Excess of revenues (under) expenditures	(94,284)	(69,876)	24,408
OTHER FINANCING SOURCES			
Transfer in			
General fund	81,606	81,606	-
Net change in fund balance	(12,678)	11,730	24,408
FUND BALANCE, January 1	21,272	21,272	-
FUND BALANCE, December 31	\$ 8,594	\$ 33,002	\$ 24,408

SENIOR SERVICES SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP) BASIS AND ACTUAL
For the Year Ended December 31, 2016

	Final Budget	Actual	Variance From Final Budget
REVENUES			
Charges for services	\$ 238,500	\$ 240,033	\$ 1,533
Investment income	-	1,521	1,521
Private grants/donations	275,000	134,995	(140,005)
Miscellaneous	5,500	3,750	(1,750)
Total revenues	519,000	380,299	(138,701)
EXPENDITURES			
Culture and recreation	423,438	255,990	167,448
Excess of revenues over expenditures	95,562	124,309	28,747
OTHER FINANCING (USES)			
Transfer out	(5,769)	(78,957)	(73,188)
Net change in fund balance	89,793	45,352	(44,441)
FUND BALANCE, January 1	229,573	229,573	-
FUND BALANCE, December 31	\$ 319,366	\$ 274,925	\$ (44,441)

PARKS GRANTS AND DONATIONS SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP) BASIS AND ACTUAL
For the Year Ended December 31, 2016

	Final Budget	Actual	Variance From Final Budget
REVENUES			
Intergovernmental	\$ 671,942	\$ -	(671,942)
Investment income	-	3,479	3,479
Private grants/donations	-	2,601	2,601
Total revenues	671,942	6,080	(665,862)
EXPENDITURES			
Culture and recreation	739,391	75,780	663,611
Excess of revenues (under) expenditures	(67,449)	(69,700)	(2,251)
OTHER FINANCING SOURCES(USES)			
Transfers in	60,000	60,469	469
Net change in fund balance	(7,449)	(9,231)	(1,782)
FUND BALANCE, January 1	631,519	631,519	-
FUND BALANCE, December 31	\$ 624,070	\$ 622,288	(1,782)

AFFORDABLE HOUSING SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP) BASIS AND ACTUAL
For the Year Ended December 31, 2016

	Final Budget	Actual	Variance From Final Budget
REVENUES			
Investment income	\$ -	23,969	\$ 23,969
Charges for services	-	163	163
Miscellaneous	125,000	144,050	19,050
<hr/>			
Total revenues	125,000	168,182	43,182
EXPENDITURES			
General government	1,059,333	882,937	176,396
<hr/>			
Excess of revenues (under) expenditures	(934,333)	(714,755)	219,578
<hr/>			
OTHER FINANCING SOURCES			
Transfer in			
General fund	577,315	677,315	100,000
<hr/>			
Total other financing sources	577,315	677,315	100,000
<hr/>			
Net change in fund balance	(357,018)	(37,440)	319,578
<hr/>			
FUND BALANCE, January 1	943,876	943,876	-
<hr/>			
FUND BALANCE, December 31	\$ 586,858	\$ 906,436	\$ 319,578

OPEN SPACE SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP) BASIS AND ACTUAL
For the Year Ended December 31, 2016

	Final Budget	Actual	Variance From Final Budget
REVENUES			
Taxes	\$ 3,696,377	\$ 3,776,469	\$ 80,092
Intergovernmental	5,321,967	658,274	(4,663,693)
Investment income	-	43,647	43,647
Miscellaneous	50,000	61,511	11,511
Total revenues	9,068,344	4,539,901	(4,528,443)
EXPENDITURES			
Current:			
Culture and Recreation	8,971,025	1,433,404	7,537,621
Debt Service:			
Bond principal retired	1,170,000	1,170,000	-
Interest and fiscal charges	998,814	998,814	-
Total expenditures	11,139,839	3,602,218	7,537,621
Excess of revenues over (under) expenditures	(2,071,495)	937,683	3,009,178
OTHER FINANCING SOURCES (USES)			
Transfer in			
Open Space Fund	-	77,400	77,400
Transfers out			
Art in Public Places Fund	(9,216)	(8)	9,208
General Fund	(41)	(41)	-
Fleet Fund	-	(24,500)	(24,500)
Total other financing sources (uses)	(9,257)	52,851	62,108
Net changes in fund balance	(2,080,752)	990,534	3,071,286
FUND BALANCE, January 1	7,246,451	7,246,451	-
FUND BALANCE, December 31	\$ 5,165,699	\$ 8,236,985	\$ 3,071,286

PUBLIC SAFETY SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP) BASIS AND ACTUAL
For the Year Ended December 31, 2016

	Final Budget	Actual	Variance From Final Budget
REVENUES			
Taxes	\$ 6,006,613	\$ 6,136,761	\$ 130,148
Intergovernmental	300,137	335,674	35,537
Charges for service	50,000	70,039	20,039
Investment income	12,929	5,453	(7,476)
Miscellaneous	-	11,382	11,382
Total revenues	6,369,679	6,559,309	189,630
EXPENDITURES			
Current:			
Public Safety	6,999,747	6,540,361	459,386
Culture and recreation	170,360	142,897	27,463
Total expenditures	7,170,107	6,683,258	486,849
Excess of revenues over (under) expenditures	(800,428)	(123,949)	676,479
OTHER FINANCING SOURCES (USES)			
Transfers out			
Art in Public Places fund	(138)	(10)	128
General Fund	(2,057)	(2,057)	-
Fleet Fund	-	(41,901)	(41,901)
Proceeds from Advance	367,026	-	(367,026)
Total other financing sources (uses)	364,831	(43,968)	(408,799)
Net changes in fund balance	(435,597)	(167,917)	267,680
FUND BALANCE, January 1	1,570,310	1,570,310	-
FUND BALANCE, December 31	\$ 1,134,713	\$ 1,402,393	\$ 267,680

LODGERS' TAX SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP) BASIS AND ACTUAL
For the Year Ended December 31, 2016

	Final Budget	Actual	Variance From Final Budget
REVENUES			
Taxes	\$ 363,730	\$ 369,731	\$ 6,001
Investment income	-	362	362
Total revenues	363,730	370,093	6,363
EXPENDITURES			
Culture and recreation	435,874	363,730	72,144
Excess of revenues over (under) expenditures	(72,144)	6,363	78,507
OTHER FINANCING (USES)			
Transfers out			
Art in Public Places fund	(726)	-	726
Net changes in fund balance	(72,870)	6,363	79,233
FUND BALANCE, January 1	117,541	117,541	-
FUND BALANCE, December 31	\$ 44,671	\$ 123,904	\$ 79,233

PROBATION SERVICES SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP) BASIS AND ACTUAL
For the Year Ended December 31, 2016

	Final Budget	Actual	Variance From Final Budget
REVENUES			
Fines and forfeits	\$ 70,000	\$ 48,581	\$ (21,419)
Investment income	400	492	92
<hr/>			
Total revenues	70,400	49,073	(21,327)
EXPENDITURES			
General government	95,399	36,298	59,101
<hr/>			
Net changes in fund balance	(24,999)	12,775	37,774
<hr/>			
FUND BALANCE, January 1	86,617	86,617	-
<hr/>			
FUND BALANCE, December 31	\$ 61,618	\$ 99,392	\$ 37,774

PARK/GREENWAY MAINTENANCE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP) BASIS AND ACTUAL
For the Year Ended December 31, 2016

	Final Budget	Actual	Variance From Final Budget
REVENUES			
Charges for service	\$ 1,820,476	\$ 1,888,247	\$ 67,771
Intergovernmental	3,549,526	1,456,794	(2,092,732)
Investment income	2,908	14,892	11,984
Total revenues	5,372,910	3,359,933	(2,012,977)
EXPENDITURES			
Culture and recreation	6,784,309	1,368,127	5,416,182
Excess of revenues (under) expenditures	(1,411,399)	1,991,806	3,403,205
OTHER FINANCING (USES)			
Transfers in			
Self insurance fund	-	527,756	527,756
Transfers out			
Art in Public Places fund	(16,356)	(2,893)	13,463
Total other financing sources (uses)	(16,356)	524,863	541,219
Net change in fund balance	(1,427,755)	2,516,669	3,944,424
FUND BALANCE, January 1	1,922,314	1,922,314	-
FUND BALANCE, December 31	\$ 494,559	\$ 4,438,983	\$ 3,944,424

TRAFFIC SAFETY SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP) BASIS AND ACTUAL
For the Year Ended December 31, 2016

	Final Budget	Actual	Variance From Final Budget
REVENUES			
Charges for services	\$ -	\$ 9,441	\$ 9,441
Investment income	-	95	95
<hr/>			
Total revenues	-	9,536	9,536
EXPENDITURES			
Public safety	11,594	9,527	2,067
<hr/>			
Net change in fund balance	(11,594)	9	11,603
FUND BALANCE, January 1	17,815	17,815	-
<hr/>			
FUND BALANCE, December 31	\$ 6,221	\$ 17,824	\$ 11,603

MUSEUM TRUST SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP) BASIS AND ACTUAL
For the Year Ended December 31, 2016

	Final Budget	Actual	Variance From Final Budget
REVENUES			
Charges for services	\$ 26,000	\$ 29,866	\$ 3,866
Investment income	-	378	378
Private grants/donations	20,000	2,600	(17,400)
Miscellaneous	-	402	402
<hr/>			
Total revenues	46,000	33,246	(12,754)
EXPENDITURES			
Culture and recreation	69,000	71,746	(2,746)
<hr/>			
Excess of revenues (under) expenditures	(23,000)	(38,500)	(15,500)
OTHER FINANCING (USES)			
Transfers out	(9,000)	(9,000)	-
<hr/>			
Net change in fund balance	(32,000)	(47,500)	(15,500)
<hr/>			
FUND BALANCE, January 1	88,639	88,639	-
<hr/>			
FUND BALANCE, December 31	\$ 56,639	\$ 41,139	\$ (15,500)

JONES FOUNDATION TRUST SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP) BASIS AND ACTUAL
For the Year Ended December 31, 2016

	Final Budget	Actual	Variance From Final Budget
REVENUES			
Investment income	\$ -	\$ 329	\$ 329
EXPENDITURES			
Culture and recreation	-	-	-
Net change in fund balance	-	329	329
FUND BALANCE, January 1	61,233	61,233	-
FUND BALANCE, December 31	\$ 61,233	\$ 61,562	\$ 329

LONGMONT URBAN RENEWAL AUTHORITY FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP) BASIS AND ACTUAL
For the Year Ended December 31, 2016

	Final Budget	Actual	Variance From Final Budget
REVENUES			
Taxes	\$ 1,111,920	\$ 379,271	\$ (732,649)
Investment income	-	592	592
Total revenues	1,111,920	379,863	(732,057)
EXPENDITURES			
General government	176,559	30,850	145,709
Excess of revenues over expenditures	935,361	349,013	(586,348)
OTHER FINANCING SOURCES			
Transfers out	(1,111,920)	(519,271)	592,649
Total other financing sources	(1,111,920)	(519,271)	592,649
Net change in fund balance	(176,559)	(170,258)	6,301
FUND BALANCE, January 1	175,966	175,966	-
FUND BALANCE, December 31	\$ (593)	\$ 5,708	\$ 6,301

VILLAGE AT THE PEAKS SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP) BASIS AND ACTUAL
For the Year Ended December 31, 2016

	Final Budget	Actual	Variance From Final Budget
REVENUES			
Taxes	\$ 160,535	\$ 215,828	\$ 55,293
Investment income	-	1,079	1,079
Total revenues	160,535	216,907	56,372
EXPENDITURES			
General government	62,100	4,443	57,657
Interest on lease payments	1,272,455	1,272,455	-
Total expenditures	1,334,555	1,276,898	57,657
Excess of revenues (under) expenditures	(1,174,020)	(1,059,991)	114,029
OTHER FINANCING SOURCES			
Transfers in	1,111,920	979,834	(132,086)
Total other financing sources	1,111,920	979,834	(132,086)
Net change in fund balance	(62,100)	(80,157)	(18,057)
FUND BALANCE, January 1	83,630	83,630	-
FUND BALANCE, December 31	\$ 21,530	\$ 3,473	(18,057)

MOSHER/KANEMOTO TRUST PERMANENT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP) BASIS AND ACTUAL
For the Year Ended December 31, 2016

	Final Budget	Actual	Variance From Final Budget
REVENUES			
Investment income	\$ -	\$ 6,246	\$ 6,246
EXPENDITURES			
Culture and recreation	-	-	-
Net change in fund balance	-	6,246	6,246
FUND BALANCE, January 1	1,161,397	1,161,397	-
FUND BALANCE, December 31	\$ 1,161,397	\$ 1,167,643	\$ 6,246

CAPITAL PROJECTS FUND

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

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

**PUBLIC IMPROVEMENT CAPITAL PROJECTS FUND
PROJECT-LENGTH SCHEDULE OF CONSTRUCTION PROJECTS
Beginning of Projects to December 31, 2016**

Project Number	Project	Appropriations	
		Prior	2016
TRANSFERS			
	DDA Building Permits	\$ 9,577	\$ -
	Art Transfers	48,046	-
		57,623	-
PUBLIC IMPROVEMENTS CAPITAL PROJECTS			
	Debt Service - Principal	27,015,230	2,255,000
	Debt Service - Interest	24,697,378	485,425
	Fiscal Charges	55,885	4,550
	Neighborhood Improvement Program	930,000	50,000
	Economic Development Incentives	37,748	-
	Recreation Center Front Desk/Gate	80,000	-
PRO150	Quail Campus Land	53,255	-
DRN044	Lefthand Creek Rehab	-	-
DRN039	St Vrain Channel Improvements	-	3,500,000
PRO188	Kanemoto Pump Station	525,000	-
PRO056	Park Bldg Rehab Replace	484,459	-
PRO102	Swimming and Wading Pool Improvements	5,194,365	327,000
PRO113	Park Irrigation Pumps	993,750	55,000
PRO121	Parks Ponds Dredging	49,490	-
PRO136	Parks Bridge Replacement	508,077	-
PRO185	Roosevelt Park Lot Expansion	-	-
PRO186	Sport Court Reconstruction	1,002,718	311,899
PRO190	Stephen Day Park Lighting	12,600	-
PBF001	Municipal Building Roof Improvements	3,590,949	580,825
PBF002	ADA Facility Improvements	1,240,820	212,000
PBF037	Fire Stations-Heat & Exhaust	977,389	93,850
PBF080	Municipal Building Boilers	918,788	235,000
PBF082	Municipal Buildings HVAC	3,379,486	270,000
PBF087	Municipal Training Center	80,800	-
PBF093	Civic Center Remodel	100,000	-
PBF109	Parking Lot Rehabilitation	895,337	-
PBF119	Municipal Buildings Carpet	1,451,940	-
PBF145	Specialized Equipment Replacement	1,607,334	337,586
PBF153	Museum Auditorium	5,542,269	15,000
PBF160	Muni Bldgs Auto Door Gate	50,000	10,000
PBF165	Muni Bldgs Emergency Genr	177,600	-
PBF181	UPS Repair/Replacement	211,614	-
PBF185	Rec Center Facility Imprvmt	136,350	-
PBF189	Muni Building Exterior Maintenance	95,800	11,000
PBF190	Muni Building Interior Maintenance	96,000	52,924
PBF200	Civic Center Rehabilitation	-	950,000
PBF207	Museum Collection Storage Facility	-	901,750
	Public Safety Radios	-	1,860,196
	Completed Projects	32,996,238	-
		115,188,669	12,519,005
CAPITAL PROJECTS FUND TOTAL		\$ 115,246,292	\$ 12,519,005

Transfers (to) from		Expenditures		Unexpended Balance
Other Projects	Fund Balance	Prior	2016	
\$ 48,225	\$ 236,489	\$ 276,941	\$ 17,350	\$ -
446,288	6,111	484,351	16,094	-
494,513	242,600	761,292	33,444	-
15,000	-	27,030,230	2,255,000	-
3,243	(915,493)	23,785,045	485,508	-
22,276	(14,454)	38,120	1,900	28,237
11,347	(50,000)	843,118	36,798	61,431
(15,231)	-	20,498	-	2,019
(43,954)	-	36,046	-	-
-	(4,759)	48,496	-	-
29,120	(15,312)	13,808	-	-
(3,284,127)	-	-	215,873	-
(6,135)	(480,908)	37,957	-	-
6,328	-	240,410	234,371	16,006
(101,675)	(423,505)	4,576,556	236,727	182,902
94,699	(54,850)	908,045	55,372	125,182
-	(881)	48,609	-	-
(61,263)	(95,021)	232,708	-	119,085
59,498	(9,311)	50,187	-	-
(18,808)	-	654,722	631,017	10,070
2,215	(656)	14,159	-	-
(43,144)	(470,972)	2,912,189	162,746	582,723
115,637	(25,000)	1,206,426	50,932	286,099
(13,034)	(71,995)	888,436	91,770	6,004
(48,858)	(195,512)	670,199	148,416	90,803
12,728	(258,369)	2,857,247	100,356	446,242
-	(80,800)	-	-	-
-	(97,115)	2,885	-	-
(46,910)	(90,155)	715,424	27,108	15,740
160	(166,743)	1,243,961	16,051	25,345
(132,326)	(90,975)	1,344,639	223,588	153,392
194,994	(1,692,367)	3,929,387	-	130,509
(2,339)	-	34,310	-	23,351
(973)	-	145,514	-	31,113
(1,463)	(62,620)	130,821	-	16,710
42,616	-	133,886	-	45,080
-	-	83,688	10,874	12,238
(729)	-	79,827	56,579	11,789
-	-	-	120,429	829,571
-	-	-	44,629	857,121
-	-	-	-	1,860,196
3,206,282	(12,580,431)	23,622,089	-	0
(4,826)	(17,948,204)	98,579,642	5,206,044	5,968,958
\$ 489,687	\$ (17,705,604)	\$ 99,340,934	\$ 5,239,488	\$ 5,968,958



The City of Longmont's blending structure, where four different raw water sources are received, metered and blended, then delivered to the forebay pond of the Nelson-Flanders water treatment plant.

NONMAJOR ENTERPRISE FUNDS

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

**COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS
December 31, 2016**

	Sanitation	Golf	Airport	TOTALS
ASSETS				
Current assets:				
Equity in pooled cash & cash equivalents	\$ 2,680,053	\$ 1,545,041	\$ 309,603	\$ 4,534,697
Cash and cash equivalents	262,955	-	-	262,955
Accounts receivable (net of allowance for doubtful accounts)	798,038	750	960	799,748
Grants receivable	16,331	-	233,125	249,456
Loans receivable	-	-	-	-
Accrued interest receivable	5,789	3,718	564	10,071
Advance to other funds	-	-	-	-
Prepaid expenses	283,343	-	-	283,343
Total current assets	4,046,509	1,549,509	544,252	6,140,270
Property, plant and equipment:				
Land and water rights	559,413	8,323,594	3,137,747	12,020,754
Construction in progress	1,739,234	238,598	278,102	2,255,934
Buildings	1,424,083	1,799,210	124,362	3,347,655
Improvements (other than buildings)	222,728	952,415	3,942,337	5,117,480
Equipment	3,090,031	161,540	7,994	3,259,565
Total property and equipment	7,035,489	11,475,357	7,490,542	26,001,388
Less - accumulated depreciation	3,733,357	1,363,529	1,579,617	6,676,503
Net property and equipment	3,302,132	10,111,828	5,910,925	19,324,885
Total assets	7,348,641	11,661,337	6,455,177	25,465,155
DEFERRED OUTFLOW OF RESOURCES				
City Contributions Subsequent to the Measurement Date	85,511	38,378	6,338	130,227
Investment Earnings less than Expected	442,170	194,405	25,355	661,930
Actual experience less than expected experience	19,417	8,537	1,113	29,067
Total deferred outflows of resources	547,098	241,320	32,806	821,224
Total assets and deferred outflows of resources	\$ 7,895,739	\$ 11,902,657	\$ 6,487,983	\$ 26,286,379

(continued)

COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS
December 31, 2016

	Sanitation	Golf	Airport	TOTALS
LIABILITIES AND NET POSITION				
Current liabilities:				
Payable from current assets:				
Accounts payable	\$ 354,909	\$ 11,717	\$ 6,813	\$ 373,439
Construction contracts payable	238,238	1,517	257,842	497,597
Accrued liabilities	60,569	25,626	4,144	90,339
Accrued sick and vacation - current portion	14,737	18,775	782	34,294
Advances from other funds - current portion	-	177,054	-	177,054
Total current liabilities	668,453	234,689	269,581	1,172,723
Long-term liabilities:				
Net other post employment benefit obligation	9,412	4,878	673	14,963
Net pension liability	604,070	266,226	35,206	905,502
Accrued sick and vacation	83,511	106,394	4,434	194,339
Advances from other funds	-	765,097	-	765,097
Net long-term liabilities	696,993	1,142,595	40,313	1,879,901
Total liabilities	1,365,446	1,377,284	309,894	3,052,624
Net position:				
Net investment in capital assets	3,063,894	10,111,828	5,653,083	18,828,805
Unrestricted	3,466,399	413,545	525,006	4,404,950
Total net position	6,530,293	10,525,373	6,178,089	23,233,755
Total liabilities and net position	\$ 7,895,739	\$ 11,902,657	\$ 6,487,983	\$ 26,286,379

**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
NONMAJOR ENTERPRISE FUNDS
Year Ended December 31, 2016**

	Sanitation	Golf	Airport	TOTALS
OPERATING REVENUES				
Charges for services	\$ 6,561,590	\$ 2,568,982	\$ 429,141	\$ 9,559,713
OPERATING EXPENSES				
Administration	270,412	157,674	147,176	575,262
Transmission/distribution	-	-	-	-
Maintenance/development	-	1,841,015	97,703	1,938,718
Trash collection	5,417,895	-	-	5,417,895
Landfill	7,335	-	-	7,335
Depreciation	58,533	138,081	249,651	446,265
Administrative fees	601,254	160,862	129,001	891,117
Total operating expenses	6,355,429	2,297,632	623,531	9,276,592
Operating income (loss)	206,161	271,350	(194,390)	283,121
NON-OPERATING REVENUES (EXPENSES)				
Investment income (loss)	14,368	8,693	1,378	24,439
Miscellaneous	66,077	5	29,106	95,188
Intergovernmental	380,079	-	-	380,079
Interest expense	-	(9,161)	-	(9,161)
Net non-operating revenues (expenses)	460,524	(463)	30,484	490,545
Change in net position before transfers and capital contributions	666,685	270,887	(163,906)	773,666
CAPITAL CONTRIBUTIONS		-	282,350	282,350
TRANSFERS				
Transfers In	-	-	-	-
Transfers out	(14,613)	(9,840)	(41)	(24,494)
Change in net position	652,072	261,047	118,403	1,031,522
TOTAL NET POSITION-January 1	5,878,221	10,264,326	6,059,686	22,202,233
TOTAL NET POSITION-December 31	\$ 6,530,293	\$ 10,525,373	\$ 6,178,089	\$ 23,233,755

COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
For the Year Ended December 31, 2016

	Sanitation	Golf	Airport	TOTALS
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers	\$ 6,968,516	\$ 2,568,237	\$ 457,287	\$ 9,994,040
Cash paid to suppliers	(4,085,253)	(987,722)	(258,633)	(5,331,608)
Cash paid to employees	(2,178,091)	(1,120,337)	(103,210)	(3,401,638)
Net cash provided by operating activities	705,172	460,178	95,444	1,260,794
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES				
Transfers in	-	-	-	-
Transfers out	(4,796)	(9,840)	(41)	(14,677)
Advances from other funds	-	0	-	-
Repayment of advances	-	(175,062)	-	(175,062)
Net cash (used) by non-capital financing activities	(4,796)	(184,902)	(41)	(189,739)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition and construction of capital assets	(597,825)	(302,998)	(10,847)	(911,670)
Lease/loan interest paid	-	(9,161)	-	(9,161)
Contributed capital received	-	-	49,225	49,225
Net cash provided (used) by capital and related financing activities	(597,825)	(312,159)	38,378	(871,606)
CASH FLOWS FROM INVESTING ACTIVITIES				
Investment income received (paid)	14,520	9,145	1,317	24,982
Net cash provided by investing activities	14,520	9,145	1,317	24,982
Net increase (decrease) in cash and cash equivalents	117,071	(27,738)	135,098	224,431
CASH AND CASH EQUIVALENTS, January 1	2,825,937	1,572,779	174,505	4,573,221
CASH AND CASH EQUIVALENTS, December 31	\$ 2,943,008	\$ 1,545,041	\$ 309,603	\$ 4,797,652

(continued)

**COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
For the Year Ended December 31, 2016**

	Sanitation	Golf	Airport	TOTALS
RECONCILIATION OF NET OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES				
Net operating income (loss)	\$ 206,161	\$ 271,350	\$ (194,390)	\$ 283,121
Adjustments to reconcile net operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	58,533	138,081	249,651	446,265
Miscellaneous income (expense)	66,076	5	29,106	95,187
Intergovernmental operating income	380,079	-	-	380,079
Change in assets and liabilities:				
(Increase) decrease in accounts receivable	(22,913)	(750)	(960)	(24,623)
(Increase) decrease in intergovernmental receivable	(16,317)	-	-	(16,317)
(Increase) decrease in prepaid expense	(280,307)	-	-	(280,307)
Increase (decrease) in deferred outflow- Contributions after the measurement date	2,571	348	(1,287)	1,632
Increase (decrease) in accounts payable	266,278	6,648	5,603	278,529
Increase (decrease) in accrued liabilities	(10,306)	(2,769)	511	(12,564)
Increase (decrease) in accrued sick and vacation - current portion	(2,115)	7,283	(3,081)	2,087
Increase (decrease) in net pension liability	102,137	44,906	5,857	152,900
Increase (decrease) in accrued sick and vacation - long-term portion	(44,705)	(4,924)	4,434	(45,195)
Increase (decrease) in deposits/unearned revenue			-	-
Total adjustments	499,011	188,828	289,834	977,673
Net cash provided by operating activities	\$ 705,172	\$ 460,178	\$ 95,444	\$ 1,260,794
RECONCILIATION OF CASH AND CASH EQUIVALENTS PER STATEMENT OF CASH FLOWS TO THE STATEMENT OF NET POSITION				
Per Statement of net position:				
Equity in pooled cash and cash equivalents	\$ 2,943,008	\$ 1,545,041	\$ 309,603	\$ 4,797,652
Cash and Cash Equivalents per statement of cash flows	\$ 2,943,008	\$ 1,545,041	\$ 309,603	\$ 4,797,652
NON-CASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES				
The following non-cash transactions occurred during 2016:				
Capital assets additions	(9,817)	-	-	(9,817)
Capital Assets transferred to other funds	9,817	-	-	9,817
Change in contracts payable for purchase of capital assets	14,770	64,400	257,842	337,012
Actual experience less than expected experience	19,417	8,537	1,113	29,067
Investment earnings less than expected	312,933	135,537	16,125	464,595
Total non-cash transactions	\$ 347,120	\$ 208,474	\$ 275,080	\$ 830,674

**SANITATION ENTERPRISE FUND
SCHEDULE OF REVENUES AND EXPENSES -
BUDGET (LEGAL BASIS) AND ACTUAL
For the Year Ended December 31, 2016**

	Budget	Actual	Variance From Budget
REVENUES			
Charges for services	\$ 6,327,600	\$ 6,561,590	\$ 233,990
Intergovernmental	3,178,429	380,079	(2,798,350)
Investment income	12,950	14,368	1,418
Miscellaneous	46,000	66,077	20,077
Transfers in	-	-	-
Total revenues	9,564,979	7,022,114	(2,542,865)
EXPENSES			
Administration	287,845	273,031	14,814
Landfill operations	7,000	7,335	(335)
Trash removal	3,927,416	4,155,183	(227,767)
Special trash pickup	1,650,672	1,002,934	647,738
Curbside recycling	828,685	866,210	(37,525)
Total operations	6,701,618	6,304,693	396,925
Capital outlay	4,620,705	602,780	4,017,925
Total expenses	11,322,323	6,907,473	4,414,850
Excess of revenues over (under) expenses	\$ (1,757,344)	114,641	\$ 1,871,985
RECONCILIATION TO NET (LOSS) (GAAP BASIS)			
Add: Additions to plant and equipment			
Capital outlay		602,780	
Less: Depreciation		58,533	
Vehicle transfers		6,817	
		65,350	
Net income (GAAP basis)		\$ 652,071	

GOLF ENTERPRISE FUND
SCHEDULE OF REVENUES AND EXPENSES -
BUDGET (LEGAL BASIS) AND ACTUAL
For the Year Ended December 31, 2016

	Budget	Actual	Variance From Budget
REVENUES			
Charges for services	\$ 2,582,045	\$ 2,568,982	\$ (13,063)
Investment income	12,968	8,693	(4,275)
Miscellaneous	-	5	5
Total revenues	2,595,013	2,577,680	(17,333)
EXPENSES			
Administration	351,237	328,376	22,861
Course maintenance/development	1,908,672	1,841,015	67,657
Total operations	2,259,909	2,169,391	90,518
Debt service	194,658	184,223	10,435
Capital outlay	543,811	238,598	305,213
Total expenses	2,998,378	2,592,212	406,166
Excess of revenues (under) expenses	\$ (403,365)	(14,532)	\$ 388,833
RECONCILIATION TO NET INCOME (GAAP BASIS)			
Add: Additions to plant and equipment			
Capital outlay		238,598	
Principal payments capital leases		175,062	
		413,660	
Less: Depreciation		138,081	
Net income (GAAP basis)		\$ 261,047	

AIRPORT ENTERPRISE FUND
SCHEDULE OF REVENUES AND EXPENSES -
BUDGET (LEGAL BASIS) AND ACTUAL
For the Year Ended December 31, 2016

	Budget	Actual	Variance From Budget
REVENUES			
Charges for services	\$ 358,950	\$ 429,141	\$ 70,191
Intergovernmental	267,508	282,350	14,842
Investment income	-	1,378	1,378
Miscellaneous	44,000	29,106	(14,894)
Total revenues	670,458	741,975	71,517
EXPENSES			
Administration	272,913	276,218	(3,305)
Maintenance	95,014	97,703	(2,689)
Total operations	367,927	373,921	(5,994)
Capital outlay	306,074	268,690	37,384
Total expenses	674,001	642,611	31,390
Excess of revenue over (under) expenses	\$ (3,543)	99,364	\$ 102,907
RECONCILIATION TO NET INCOME (GAAP BASIS)			
Add: Capital outlay		268,690	
Less: Depreciation		249,651	
Net income (GAAP basis)		\$ 118,403	

MAJOR ENTERPRISE FUNDS

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

ELECTRIC AND BROADBAND ENTERPRISE FUND
SCHEDULE OF REVENUES AND EXPENSES -
BUDGET (LEGAL BASIS) AND ACTUAL
For the Year Ended December 31, 2016

	Budget	Actual	Variance From Budget
REVENUES			
Charges for services	\$ 72,162,708	\$ 68,768,327	\$ (3,394,381)
Intergovernmental	25,454	10,203	(15,251)
Investment income	50,000	152,111	102,111
Miscellaneous	97,125	125,792	28,667
Aid to underground installation	1,435,000	2,998,943	1,563,943
Other sales	96,000	82,026	(13,974)
Transfers in	127,246	15,974	(111,272)
Total revenues	73,993,533	72,153,376	(1,840,157)
EXPENSES			
Administration	5,932,198	5,474,888	457,310
Power purchased	47,429,132	47,131,953	297,179
Distribution	11,060,103	11,229,462	(169,359)
Franchise fee	5,225,476	5,109,626	115,850
Total operations	69,646,909	68,945,929	700,980
Debt service	1,472,013	1,325,342	146,671
Capital outlay	32,061,101	30,703,938	1,357,163
Total expenses	103,180,023	100,975,209	2,204,814
Excess of revenues (under) expenses	\$ (29,186,490)	(28,821,833) \$	364,657
RECONCILIATION TO NET INCOME (GAAP BASIS)			
Add: Additions to plant and equipment			
Capital outlay		30,703,938	
Capitalized salaries and expenses		1,356,261	
Capitalized interest		1,252,494	
Capital contributions		393,839	
		33,706,532	
		33,706,532	
Less: Depreciation		3,019,109	
Vehicle transfers		68,112	
		3,087,221	
Net income (GAAP basis)		\$ 1,797,478	

**WATER ENTERPRISE FUND
SCHEDULE OF REVENUES AND EXPENSES -
BUDGET (LEGAL BASIS) AND ACTUAL
For the Year Ended December 31, 2016**

	Budget	Actual	Variance From Budget
REVENUES			
Charges for services	\$ 15,496,496	\$ 16,271,251	\$ 774,755
System development fees	581,400	679,491	98,091
Development fee surcharge	376,700	1,093,656	716,956
Intergovernmental	8,942,162	930,469	(8,011,693)
Investment income	60,500	120,229	59,729
Miscellaneous	75,000	216,656	141,656
Transfer in	-	383,596	383,596
Total revenues	25,532,258	19,695,348	(5,836,911)
EXPENSES			
Administration	4,156,472	4,124,586	(44,230)
Water resources	3,123,717	2,161,977	906,039
Transmission/distribution	2,290,736	2,100,925	166,123
Treatment plant	2,925,182	2,615,436	255,218
Total operations	12,496,107	11,002,924	1,283,151
Debt service	1,184,710	1,349,924	(165,214)
Capital outlay	18,527,246	6,833,028	11,694,217
Total expenses	32,208,063	19,185,876	12,812,155
Excess of revenue over (under) expenses	\$ (6,675,805)	509,472	\$ 6,975,244
RECONCILIATION TO NET INCOME (GAAP BASIS)			
Add: Additions to plant and equipment			
Capital outlay		6,833,028	
Capitalized salaries		158,082	
Capital contributions		4,754,353	
		11,745,463	
Principal retired		1,039,304	
		12,784,767	
Less: Depreciation		3,727,753	
Vehicle transfers		4,555	
		3,732,308	
Net income (GAAP basis)		\$ 9,561,931	

SEWER ENTERPRISE FUND
SCHEDULE OF REVENUES AND EXPENSES -
BUDGET (LEGAL BASIS) AND ACTUAL
For the Year Ended December 31, 2016

	Budget	Actual	Variance From Budget
REVENUES			
Charges for services	\$ 13,791,300	\$ 13,432,618	\$ (358,682)
Intergovernmental	2,997,263	1,641,549	(1,355,714)
Investment income	28,000	192,270	164,270
Miscellaneous	3,000	55,279	52,279
Transfers in	552,119	552,119	-
Total revenues	17,371,682	15,873,835	(1,497,847)
EXPENSES			
Administration	2,755,826	2,866,433	(110,607)
Sewer collection system	1,748,943	1,592,200	156,743
Sewer disposal plant	4,181,768	4,045,224	136,544
Total operations	8,686,537	8,503,857	182,680
Debt service	3,870,833	3,439,545	431,288
Capital outlay	39,164,970	20,122,949	19,042,021
Total expenses	51,722,340	32,066,351	19,655,989
Excess of revenues (under) expenses	\$ (34,350,658)	(16,192,516)	\$ 18,158,142
RECONCILIATION TO NET INCOME (GAAP BASIS)			
Add: Additions to plant and equipment			
Capital outlay		20,122,949	
Capitalized salaries		132,452	
Capital contributions		608,787	
Capitalized interest		1,759,758	
		22,623,946	
Principal retired		1,545,000	
		24,168,946	
Less: Depreciation		3,010,430	
Vehicle transfers		3,644	
		3,014,074	
Net income (GAAP basis)		\$ 4,962,356	

**STORM DRAINAGE ENTERPRISE FUND
SCHEDULE OF REVENUES AND EXPENSES -
BUDGET (LEGAL BASIS) AND ACTUAL
For the Year Ended December 31, 2016**

	Budget	Actual	Variance From Budget
REVENUES			
Charges for services	\$ 6,655,300	\$ 6,730,428	\$ 75,128
Plant investment fee	177,693	527,748	350,055
Intergovernmental	13,747,770	1,177,585	(12,570,185)
Investment income	17,139	147,345	130,206
Miscellaneous	33,122	146,215	113,093
Proceeds from issuance of bonds	100,000	-	(100,000)
Total revenues	20,731,024	8,729,321	(12,001,703)
EXPENSES			
Administration	1,394,531	1,484,747	(90,216)
Engineering	2,064,490	1,334,109	730,381
Maintenance	1,030,521	800,269	230,252
Total operations	4,489,542	3,619,125	870,417
Debt service	2,536,369	2,322,013	214,356
Capital outlay	28,736,451	6,994,653	21,741,798
Total expenses	35,762,362	12,935,791	22,826,571
Excess of revenues over (under) expenses	\$ (15,031,338)	(4,206,470)	\$ 10,824,868
RECONCILIATION TO NET INCOME (GAAP BASIS)			
Add: Additions to plant and equipment			
Capital outlay		6,994,653	
Capitalized salaries		71,059	
Capitalized interest		836,591	
Capital contributions		288,168	
		8,190,471	
Principal retired		1,360,000	
		9,550,471	
Less: Depreciation		1,601,643	
Vehicle transfers		5,466	
		1,607,109	
Net income (GAAP basis)		\$ 3,736,892	

INTERNAL SERVICE FUNDS

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

COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
December 31, 2016

	Warehouse	Fleet	Self-Insurance
ASSETS			
Current assets:			
Equity in pooled cash & cash equivalents	\$ -	\$ 11,916,385	\$ 3,157,278
Accounts receivable	-	-	-
Accrued interest receivable	-	26,624	7,460
Inventory of materials and supplies	6,889,264	477,061	-
Advance to other funds	-	4,159,373	-
Restricted equity in pooled cash & cash equivalents	-	-	-
Prepaid expenses	-	1,630,566	304,685
Total current assets	6,889,264	18,210,009	3,469,423
Loan receivable-component unit	-	146,000	-
Property, plant and equipment:			
Land and water rights	-	401,495	-
Construction in progress	-	3,002,292	-
Buildings	-	1,532,152	-
Improvements (other than buildings)	-	220,811	-
Equipment	-	39,701,954	-
Total property and equipment	-	44,858,704	-
Less - accumulated depreciation	-	24,781,573	-
Net property, plant and equipment	-	20,077,131	-
Total assets	6,889,264	38,433,140	3,469,423
DEFERRED OUTFLOWS OF RESOURCES			
City contributions subsequent to the measurement date	-	66,371	-
Investment earnings less than expected	-	324,172	-
Actual experience less than expected experience	-	14,235	-
Total deferred outflows of resources	-	404,778	-
Total assets and deferred outflows of resources	\$ 6,889,264	\$ 38,837,918	\$ 3,469,423
LIABILITIES AND NET POSITION			
Current liabilities:			
Accounts payable	\$ 221,640	\$ 26,487	\$ 12,704
Accrued liabilities	-	46,989	-
Due to other funds	6,667,624	-	-
Claims payable - current portion	-	-	83,187
Accrued sick and vacation - current portion	-	26,936	-
Total current liabilities	6,889,264	100,412	95,891
Long-term liabilities:			
Net pension liability	-	441,907	-
Net other post employment benefit obligation	-	7,051	-
Claims payable	-	-	413,912
Accrued sick and vacation	-	152,635	-
Net long-term liabilities	-	601,593	413,912
Total liabilities	6,889,264	702,005	509,803
Net position:			
Invested in capital assets	-	20,077,131	-
Restricted for workers' compensation	-	-	-
Restricted for long-term disability	-	-	-
Unrestricted	-	18,058,782	2,959,620
Total net position	-	38,135,913	2,959,620
Total liabilities and net position	\$ 6,889,264	\$ 38,837,918	\$ 3,469,423

Employee Benefit	Workers' Compensation Insurance	Unemployment Insurance	TOTALS
\$ 6,600,987	\$ 1,078,161	\$ 396,715	\$ 23,149,526
-	861	-	861
13,599	8,189	832	56,704
-	-	-	7,366,325
-	-	-	4,159,373
-	2,577,190	-	2,577,190
6,000	96,082	-	2,037,333
6,620,586	3,760,483	397,547	39,347,312
-	-	-	146,000
-	-	-	401,495
-	-	-	3,002,292
-	-	-	1,532,152
-	-	-	220,811
-	-	-	39,701,954
-	-	-	44,858,704
-	-	-	24,781,573
-	-	-	20,077,131
6,620,586	3,760,483	397,547	59,570,443
-	-	-	66,371
-	-	-	324,172
-	-	-	14,235
-	-	-	404,778
\$ 6,620,586	\$ 3,760,483	\$ 397,547	\$ 59,975,221
\$ -	\$ 24,810	\$ 4,713	\$ 290,354
-	-	-	46,989
-	-	-	6,667,624
-	545,406	-	628,593
-	-	-	26,936
-	570,216	4,713	7,660,496
-	-	-	441,907
-	-	-	7,051
-	1,801,758	-	2,215,670
-	-	-	152,635
-	1,801,758	-	2,817,263
-	2,371,974	4,713	10,477,759
-	-	-	20,077,131
-	2,577,190	-	2,577,190
325,000	-	-	325,000
6,295,586	(1,188,681)	392,834	26,518,141
6,620,586	1,388,509	392,834	49,497,462
\$ 6,620,586	\$ 3,760,483	\$ 397,547	\$ 59,975,221

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
December 31, 2016

	Warehouse	Fleet	Self- Insurance
OPERATING REVENUES			
Charges for services	\$ -	\$ 8,517,483	\$ 1,406,707
Warehouse sales	9,779,064	-	-
Contributions	-	-	-
Total operating revenues	9,779,064	8,517,483	1,406,707
OPERATING EXPENSES			
Administration	-	-	27,767
Cost of sales/premiums	9,779,064	-	387,467
Fleet services	-	3,327,731	-
Depreciation	-	4,010,405	-
Administrative fees	-	275,298	112,206
Benefit payments	-	-	-
Claims	-	-	721,339
Total operating expenses	9,779,064	7,613,434	1,248,779
Operating income (loss)	-	904,049	157,928
NON-OPERATING REVENUES			
Investment income (loss)	-	90,922	20,824
Miscellaneous	-	46,548	1,145
Gain on disposal of assets	-	723,912	-
Net non-operating revenues	-	861,382	21,969
Income (loss) before transfers	-	1,765,431	179,897
SPECIAL ITEM-insurance recoveries			
TRANSFERS			
Transfers in	-	435,373	-
Transfers out	-	(6,851)	(849,287)
Net operating transfers	-	428,522	(849,287)
Change in net position	-	2,193,953	(669,390)
TOTAL NET POSITION-January 1	-	35,941,960	3,629,010
TOTAL NET POSITION-December 31	\$ -	\$ 38,135,913	\$ 2,959,620

Employee Benefit	Workers' Compensation Insurance	Unemployment Insurance	TOTALS
\$ 10,326,481	\$ 2,002,990	\$ 113,240	\$ 22,366,901
-	-	-	9,779,064
2,987,484	-	-	2,987,484
<hr/>	<hr/>	<hr/>	<hr/>
13,313,965	2,002,990	113,240	35,133,449
<hr/>	<hr/>	<hr/>	<hr/>
119,796	74,368	-	221,931
12,409,449	115,098	-	22,691,078
-	-	-	3,327,731
-	-	-	4,010,405
-	129,421	-	516,925
461,896	-	-	461,896
-	1,609,738	44,347	2,375,424
<hr/>	<hr/>	<hr/>	<hr/>
12,991,141	1,928,625	44,347	33,605,390
<hr/>	<hr/>	<hr/>	<hr/>
322,824	74,365	68,893	1,528,059
<hr/>	<hr/>	<hr/>	<hr/>
30,713	18,818	1,961	163,238
117,129	457	-	165,279
-	-	-	723,912
<hr/>	<hr/>	<hr/>	<hr/>
147,842	19,275	1,961	1,052,429
<hr/>	<hr/>	<hr/>	<hr/>
470,666	93,640	70,854	2,580,488
<hr/>	<hr/>	<hr/>	<hr/>
-	-	-	-
<hr/>	<hr/>	<hr/>	<hr/>
-	-	-	435,373
-	-	-	(856,138)
<hr/>	<hr/>	<hr/>	<hr/>
-	-	-	(420,765)
<hr/>	<hr/>	<hr/>	<hr/>
470,666	93,640	70,854	2,159,723
<hr/>	<hr/>	<hr/>	<hr/>
6,149,920	1,294,869	321,980	47,337,739
<hr/>	<hr/>	<hr/>	<hr/>
\$ 6,620,586	\$ 1,388,509	\$ 392,834	\$ 49,497,462

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
Year Ended December 31, 2016

	Warehouse	Fleet	Self-Insurance
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers	\$ 9,779,064	\$ 8,564,031	\$ 1,407,852
Cash paid to suppliers	(9,779,064)	(2,147,159)	(541,588)
Cash paid to employees	-	(1,587,232)	-
Claims/Benefits paid	-	-	(426,717)
Net cash provided by operating activities	-	4,829,640	439,547
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES			
Repayment of advances	-	305,062	-
Advances to other funds	-	(2,227,222)	-
Loan to discretely presented component unit	-	(368,987)	-
Loan repayments from discretely presented component unit	-	368,987	-
Transfers out	-	(6,851)	(849,287)
Net cash (used) by non-capital financing activities	-	(1,929,011)	(849,287)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition and construction of capital assets	-	(3,800,803)	-
Proceeds from sale of equipment	-	150,914	-
Net cash (used) by capital and related financing activities	-	(3,649,889)	-
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment income received	-	94,933	21,483
Net cash provided by investing activities	-	94,933	21,483
Net increase (decrease) in cash and cash equivalents	-	(654,327)	(388,257)
CASH AND CASH EQUIVALENTS - January 1	-	12,570,712	3,545,535
CASH AND CASH EQUIVALENTS - December 31	\$ -	\$ 11,916,385	\$ 3,157,278

Employee Benefit	Workers' Compensation Insurance	Unemployment Insurance	TOTALS
\$ 13,431,094 (12,991,145)	\$ 2,002,586 (323,493)	\$ 113,240 (7,230)	\$ 35,297,867 (25,789,679)
-	-	-	(1,587,232)
-	(1,547,568)	(40,909)	(2,015,194)
439,949	131,525	65,101	5,905,762
-	-	-	305,062
-	-	-	(2,227,222)
-	-	-	(368,987)
-	-	-	368,987
-	-	-	(856,138)
-	-	-	(2,778,298)
-	-	-	(3,800,803)
-	-	-	150,914
-	-	-	(3,649,889)
30,548	18,576	1,868	167,408
30,548	18,576	1,868	167,408
470,497	150,101	66,969	(355,017)
6,130,490	3,505,250	329,746	26,081,733
\$ 6,600,987	\$ 3,655,351	\$ 396,715	\$ 25,726,716

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
Year Ended December 31, 2016

	Warehouse	Fleet	Self-Insurance
Reconciliation of net operation income to net cash provided (used) by operating activities			
Net operating income	\$ -	\$ 904,049	\$ 157,928
Adjustments to reconcile net operating income (loss) to net cash provided (used) by operating activities			
Depreciation	-	4,010,405	-
Miscellaneous income	-	46,548	1,145
Change in assets and liabilities:			
(Increase) decrease in accounts receivable	-	-	-
(Increase) decrease in inventory of materials and supplies	151,414	(38,114)	-
(Increase) decrease in prepaid expenses	-	550	(26,852)
Increase (decrease) in deferred outflow-Contributions after the measurement date	-	(1,795)	-
Increase (decrease) in accounts payable	(141,795)	(182,909)	12,704
Increase (decrease) in accrued liabilities	-	77	-
Increase (decrease) in due to other funds	(9,619)	-	-
Increase (decrease) in accrued sick and vacation - current portion	-	8,155	-
Increase (decrease) in claims payable - current portion	-	-	(44,831)
Increase (decrease) in net pension liability	-	74,880	-
Increase (decrease) in claims payable - long-term portion	-	-	339,453
Increase (decrease) in accrued sick and vacation - long-term portion	-	7,794	-
Total adjustments	-	3,925,591	281,619
Net cash provided by operating activities	\$ -	\$ 4,829,640	\$ 439,547
NON-CASH INVESTING, CAPITAL AND FINANCING ACTIVITIES			
The following non-cash transactions occurred during 2016:			
Transfer of assets from other funds	\$ -	\$ 435,373	\$ -
Capital asset deletions	-	11,875,593	-
Actual experience less than expected experience	-	14,235	-
Investment earnings less than expected	-	232,494	-

Employee Benefit	Workers' Compensation Insurance	Unemployment Insurance	TOTALS
\$ 322,824	\$ 74,365	\$ 68,893	\$ 1,528,059
-	-	-	4,010,405
117,129	457	-	165,279
-	(861)	-	(861)
-	-	-	113,300
-	(20,757)	-	(47,059)
-	-	-	(1,795)
-	16,151	(3,792)	(299,641)
(4)	-	-	73
-	-	-	(9,619)
-	-	-	8,155
-	(144,483)	-	(189,314)
-	-	-	74,880
-	206,653	-	546,106
-	-	-	7,794
117,125	57,160	(3,792)	4,377,703
\$ 439,949	\$ 131,525	\$ 65,101	\$ 5,905,762

\$ -	\$ -	\$ -	\$ 435,373
-	-	-	11,875,593
-	-	-	14,235
-	-	-	232,494

**FLEET INTERNAL SERVICE FUND
SCHEDULE OF REVENUES AND EXPENSES -
BUDGET (LEGAL) BASIS AND ACTUAL
Year Ended December 31, 2016**

	Budget	Actual	Variance From Final Budget
REVENUES			
Charges for services	\$ 8,511,248	\$ 8,517,483	\$ 6,235
Investment income	71,325	90,922	19,597
Miscellaneous	450,000	770,460	320,460
Total revenues	9,032,573	9,378,865	346,292
EXPENSES			
Operations:			
Personal services	1,483,680	1,538,683	(55,003)
Operating & maintenance	2,403,472	2,064,346	339,126
Transfers out	5,090	6,851	(1,761)
Total operations	3,892,242	3,609,880	282,362
Capital outlay	5,630,162	4,308,494	1,321,668
Total expenses	9,522,404	7,918,374	1,604,030
Excess of revenues over (under) expenses	\$ (489,831)	1,460,491	\$ 1,950,322
RECONCILIATION TO NET INCOME (GAAP BASIS)			
Add: Additions to plant and equipment			
Capital outlay		4,308,494	
Property and equipment transferred from other funds		435,373	
		4,743,867	
Less: Depreciation		4,010,405	
Net income (GAAP basis)		\$ 2,193,953	

FIDUCIARY FUNDS

PENSION TRUST FUNDS

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

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

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

POST-EMPLOYMENT BENEFITS TRUST FUND

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

**COMBINING STATEMENT OF NET POSITION
FIDUCIARY FUNDS
December 31, 2016**

Employee Retirement Plans

	Employee Pension	Fire Pension	Police Pension	Total Pension Trust Funds	OPEB Trust	Total Fiduciary Funds
ASSETS						
Equity in pooled cash & cash equivalents	\$ 105,525	\$ 13,611	\$ 11,152	\$ 130,288	-	\$ 130,288
Cash and cash equivalents	1,703,159	37,271	18,092	1,758,522	2,630,089	4,388,611
Investments						
Common stock	42,118,118	921,683	447,399	43,487,200	-	43,487,200
Mutual funds	91,602,780	2,004,571	973,050	94,580,401	-	94,580,401
					-	
Total Assets	\$ 135,529,582	\$ 2,977,136	\$ 1,449,693	\$ 139,956,411	\$ 2,630,089	\$ 142,586,500
LIABILITIES						
Accounts payable	\$ 48,297	\$ 724	\$ 1,302	\$ 50,323	-	\$ 50,323
Total Liabilities	48,297	724	1,302	50,323	-	50,323
NET POSITION						
Held in trust for pension and OPEB benefits	\$ 135,481,285	\$ 2,976,412	\$ 1,448,391	\$ 139,906,088	\$ 2,630,089	\$ 142,536,177

**COMBINING STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUNDS
For the Year Ended December 31, 2016**

Employee Retirement Plans

	Employee Pension	Fire Pension	Police Pension	Total Pension Trust Funds	OPEB Trust	Total Fiduciary Funds
ADDITIONS						
Contributions						
Employer	\$ 2,657,003	\$ -	\$ -	\$ 2,657,003	\$ 429,208	\$ 3,086,211
Plan members	2,122,119	-	-	2,122,119	-	2,122,119
Total Contributions	4,779,122	-	-	4,779,122	429,208	5,208,330
Investment income						
Net appreciation in fair value of investments	7,039,534	164,615	83,437	7,287,586	-	7,287,586
Interest	2,276,060	52,325	26,245	2,354,630	1,098	2,355,728
Dividends	644,731	14,902	7,499	667,132	-	667,132
Less investment expense	(326,144)	(5,876)	(10,081)	(342,101)	-	(342,101)
Net investment gain	9,634,181	225,966	107,100	9,967,247	1,098	9,968,345
Total additions	14,413,303	225,966	107,100	14,746,369	430,306	15,176,675
DEDUCTIONS						
Benefits	6,401,450	299,817	225,120	6,926,387	-	6,926,387
Refunds of contributions	252,660	-	-	252,660	-	252,660
Administrative expense	136,639	3,184	1,610	141,433	4,362	145,795
Total deductions	6,790,749	303,001	226,730	7,320,480	4,362	7,324,842
Net increase (decrease)	7,622,554	(77,035)	(119,630)	7,425,889	425,944	7,851,833
NET POSITION HELD IN TRUST FOR						
PENSION AND OPEB BENEFITS, January 1	127,858,731	3,053,447	1,568,021	132,480,199	2,204,145	134,684,344
December 31	\$ 135,481,285	\$ 2,976,412	\$ 1,448,391	\$ 139,906,088	\$ 2,630,089	\$ 142,536,177

DOWNTOWN DEVELOPMENT AUTHORITY COMPONENT UNIT

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

**DOWNTOWN DEVELOPMENT AUTHORITY COMPONENT UNIT
COMBINING BALANCE SHEET
December 31, 2016**

	General	Special Revenue	Debt Service	Capital Projects	Totals
ASSETS					
Equity in pooled cash & cash equivalents	\$ 232,297	\$ 1,214,339	\$ 3,045,903	\$ 1,303,670	\$ 5,796,209
Cash and cash equivalents	-	73,779	-	-	73,779
Receivables (net of allowance for uncollectibles):					
Taxes	178,473	-	667,502	-	845,975
Accrued interest	461	2,543	6,405	2,986	12,395
Due from other governments	164	-	-	-	164
Total Assets	\$ 411,395	\$ 1,290,661	\$ 3,719,810	\$ 1,306,656	\$ 6,728,522
LIABILITIES					
Accounts payable	\$ 907	\$ 1,525	\$ 5,459	\$ 3,527	\$ 11,418
Construction contracts payable	-	-	-	42,006	42,006
Accrued liabilities	5,410	2,371	-	-	7,781
Total liabilities	6,317	3,896	5,459	45,533	61,205
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property taxes	178,473	-	667,502	-	845,975
Total deferred inflows of resources	178,473	-	667,502	-	845,975
FUND BALANCES					
Fund balances:					
Restricted	5,626	5,099	21,233	313	32,271
Committed	-	1,281,666	3,025,616	1,260,810	5,568,092
Unassigned	220,979	-	-	-	220,979
Total fund balance	226,605	1,286,765	3,046,849	1,261,123	5,821,342
Total liabilities, deferred inflows of resources and fund balances	\$ 411,395	\$ 1,290,661	\$ 3,719,810	\$ 1,306,656	\$ 6,728,522

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	6,188,976
Long-term liabilities, including compensated absences, are not due and payable in the current period and therefore are not reported in the funds.	(39,786)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	(146,000)
Net position of component unit	<u>\$ 11,824,532</u>

DOWNTOWN DEVELOPMENT AUTHORITY COMPONENT UNIT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
Year Ended December 31, 2016

	General	Special Revenue	Debt Service	Capital Projects	Totals
REVENUES					
Taxes	\$ 185,926	\$ -	\$ 691,086	\$ -	\$ 877,012
Intergovernmental	-	31,445	-	-	31,445
Investment income	1,587	5,338	16,667	10,428	34,020
Charges for service	-	154,625	-	-	154,625
Donations	-	5,000	-	-	5,000
Miscellaneous	27	-	-	-	27
Total revenues	187,540	196,408	707,753	10,428	1,102,129
EXPENDITURES					
Current:					
General government	195,657	359,291	-	939,825	1,494,773
Debt service:					
Principal retired	-	-	368,987	-	368,987
Interest and fiscal charges	-	-	1,212	-	1,212
Total expenditures	195,657	359,291	370,199	939,825	1,864,972
Excess of revenues over (under) expenditures	(8,117)	(162,883)	337,554	(929,397)	(762,843)
OTHER FINANCING SOURCES (USES)					
Proceeds from advance	-	300,000	-	68,987	368,987
Transfers in	47,500	-	-	-	47,500
Transfers out	-	(2,500)	-	(45,000)	(47,500)
Total other financing sources (uses)	47,500	297,500	-	23,987	368,987
Net changes in fund balances	39,383	134,617	337,554	(905,410)	(393,856)
FUND BALANCES, January 1	187,222	1,152,148	2,709,295	2,166,533	6,215,198
FUND BALANCE, December 31	\$ 226,605	\$ 1,286,765	\$ 3,046,849	\$ 1,261,123	\$ 5,821,342

Net change in fund balance - component unit \$ (393,856)

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

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

684,277

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

Loan proceeds	368,987
Principal repayments on loans	(368,987)

Net adjustment to fund balance

-

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in component unit funds.

(7,491)

Change in net position of component unit activities

\$ 282,930

DOWNTOWN DEVELOPMENT AUTHORITY COMPONENT UNIT
COMBINING BALANCE SHEET
SPECIAL REVENUE FUNDS
December 31, 2016

	Downtown Development Bldg Permit	Downtown Development CDBG Grant	Downtown Development Façade Improvement	Art and Entertainment	Totals
ASSETS					
Equity in pooled cash & cash equivalents	\$ 159,930	\$ -	775,000	\$ 279,409	\$ 1,214,339
Cash and cash equivalents	-	-	-	73,779	73,779
Receivables (net of allowance for uncollectibles):					
Accrued interest	312	-	1,314	917	2,543
Total assets	\$ 160,242	\$ -	776,314	\$ 354,105	\$ 1,290,661
LIABILITIES					
Accounts payable	\$ -	\$ -	-	\$ 1,525	\$ 1,525
Accrued liabilities	-	-	-	2,371	2,371
Total liabilities	-	-	-	3,896	3,896
FUND BALANCE					
Fund balances:					
Restricted	1,782	-	77	3,240	5,099
Committed	158,460	-	776,237	346,969	1,281,666
Total fund balance	160,242	-	776,314	350,209	1,286,765
Total liabilities and fund balance	\$ 160,242	\$ -	776,314	\$ 354,105	\$ 1,290,661

DOWNTOWN DEVELOPMENT AUTHORITY COMPONENT UNIT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
SPECIAL REVENUE FUNDS
Year Ended December 31, 2016

	Downtown Development Bldg Permit	Downtown Development CDBG Grant	Downtown Development Façade Improvement	Art and Entertainment	Totals
REVENUES					
Intergovernmental	\$ -	\$ 26,445	\$ -	\$ 5,000	\$ 31,445
Investment income	725	7	2,563	2,043	5,338
Charges for service	58,670	-	-	95,955	154,625
Donations	-	-	-	5,000	5,000
Total revenues	59,395	26,452	2,563	107,998	196,408
EXPENDITURES					
General Governmental	36,880	56,163	-	266,248	359,291
Excess of revenues over (under) expenditures	22,515	(29,711)	2,563	(158,250)	(162,883)
OTHER FINANCING SOURCES (USES)					
Proceeds from advance	-	-	300,000	-	300,000
Transfers out	(2,500)	-	-	-	(2,500)
Total other financing sources (uses)	(2,500)	-	300,000	-	297,500
Net changes in fund balances	20,015	(29,711)	302,563	(158,250)	134,617
FUND BALANCES, January 1	140,227	29,711	473,751	508,459	1,152,148
FUND BALANCES, December 31	\$ 160,242	\$ -	\$ 776,314	\$ 350,209	\$ 1,286,765

DOWNTOWN DEVELOPMENT AUTHORITY COMPONENT UNIT
DOWNTOWN DEVELOPMENT AUTHORITY GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL
December 31, 2016

	Budget	Actual	Variance From Final Budget
REVENUES			
Taxes	\$ 161,254	\$ 185,926	\$ 24,672
Investment income	900	1,587	687
Miscellaneous	-	27	27
Total revenues	162,154	187,540	25,386
EXPENDITURES			
General government	218,287	195,657	22,630
Excess of revenues (under) expenditures	(56,133)	(8,117)	48,016
OTHER FINANCING SOURCES			
Transfers in	47,500	47,500	-
Net changes in fund balances	(8,633)	39,383	48,016
FUND BALANCE, January 1	187,222	187,222	-
FUND BALANCE, December 31	\$ 178,589	\$ 226,605	\$ 48,016

DOWNTOWN DEVELOPMENT AUTHORITY COMPONENT UNIT
BUILDING PERMIT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL
Year Ended December 31, 2016

	Budget	Actual	Variance From Final Budget
REVENUES			
Investment income	\$ -	\$ 725	\$ 725
Charges for service	30,000	58,670	28,670
Total revenues	30,000	59,395	29,395
EXPENDITURES			
General government	105,124	36,880	68,244
Excess of revenues over (under) expenditures	(75,124)	22,515	97,639
OTHER FINANCING SOURCES (USES)			
Transfers out	(2,500)	(2,500)	-
Net changes in fund balances	(77,624)	20,015	97,639
FUND BALANCE, January 1	140,227	140,227	-
FUND BALANCE, December 31	\$ 62,603	\$ 160,242	\$ 97,639

**DOWNTOWN DEVELOPMENT AUTHORITY COMPONENT UNIT
CDBG GRANT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL
Year Ended December 31, 2016**

	Budget	Actual	Variance From Final Budget
REVENUES			
Intergovernmental	\$ -	\$ 26,445	\$ 26,445
Investment income	-	7	7
Total revenues	-	26,452	26,452
EXPENDITURES			
General government	60,000	56,163	3,837
Excess of revenues (under) expenditures	(60,000)	(29,711)	30,289
FUND BALANCE, January 1	29,711	29,711	-
FUND BALANCE, December 31	\$ (30,289)	\$ -	\$ 30,289

**DOWNTOWN DEVELOPMENT AUTHORITY COMPONENT UNIT
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL
Year Ended December 31, 2016**

	Budget	Actual	Variance From Final Budget
REVENUES			
Taxes	\$ 688,492	\$ 691,086	\$ 2,594
Investment income	-	16,667	16,667
Total revenues	688,492	707,753	19,261
EXPENDITURES			
Principal retired	368,987	368,987	-
Interest and fiscal charges	5,000	1,212	3,788
Total expenditures	373,987	370,199	3,788
Net changes in fund balances	314,505	337,554	23,049
FUND BALANCE, January 1	2,709,295	2,709,295	-
FUND BALANCE, December 31	\$ 3,023,800	\$ 3,046,849	\$ 23,049

**DOWNTOWN DEVELOPMENT AUTHORITY COMPONENT UNIT
CONSTRUCTION CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL
Year Ended December 31, 2016**

	Budget	Actual	Variance From Final Budget
REVENUES			
Investment income	\$ 68,987	\$ 10,428	\$ (58,559)
Donations	60,000	-	(60,000)
Total revenues	128,987	10,428	(118,559)
EXPENDITURES			
General government	2,149,707	939,825	1,209,882
Excess of revenues (under) expenditures	(2,020,720)	(929,397)	1,091,323
OTHER FINANCING SOURCES (USES)			
Loan proceeds	-	68,987	68,987
Transfers out	-	(45,000)	(45,000)
Total other financing sources (uses)	-	23,987	23,987
Net changes in fund balances	(2,020,720)	(905,410)	1,115,310
FUND BALANCE, January 1	2,166,533	2,166,533	-
FUND BALANCE, December 31	\$ 145,813	\$ 1,261,123	\$ 1,115,310

**DOWNTOWN DEVELOPMENT AUTHORITY COMPONENT UNIT
 FAÇADE IMPROVEMENT PROGRAM
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
 BUDGET (GAAP BASIS) AND ACTUAL
 Year Ended December 31, 2016**

	Budget	Actual	Variance From Final Budget
REVENUES			
Investment income	\$ -	\$ 2,563	\$ 2,563
Total revenues	-	2,563	2,563
EXPENDITURES			
General government	300,000	-	300,000
Excess of revenues over (under) expenditures	(300,000)	2,563	302,563
OTHER FINANCING SOURCES			
Proceeds from advance	300,000	300,000	-
Total other financing sources	300,000	300,000	-
Net changes in fund balances	-	302,563	302,563
FUND BALANCE, January 1	473,751	473,751	-
FUND BALANCE, December 31	\$ 473,751	\$ 776,314	\$ 302,563

**DOWNTOWN DEVELOPMENT AUTHORITY COMPONENT UNIT
ARTS AND ENTERTAINMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL
Year Ended December 31, 2016**

	Budget	Actual	Variance From Final Budget
REVENUES			
Intergovernmental revenue	\$ 13,000	\$ 5,000	\$ (8,000)
Charges for service	26,500	95,955	69,455
Donations	23,000	5,000	(18,000)
Investment income	-	2,043	2,043
Total revenues	62,500	107,998	45,498
EXPENDITURES			
General government	295,350	266,248	29,102
Excess of revenues (under) expenditures	(232,850)	(158,250)	74,600
FUND BALANCE, January 1	508,459	508,459	-
FUND BALANCE, December 31	\$ 275,609	\$ 350,209	\$ 74,600



Opening celebration for the Sunset Street bridge, which was rebuilt after having been washed away in the 2013 flood

**STATISTICAL SCHEDULES
INDEX**

December 31, 2016

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

Financial Trends..... 214

These schedules contain trend information to ease understanding of the City's financial position and changes over time.

- Net Position by Component
- Changes in Net Position
- Fund Balances - Governmental Funds
- Changes in Fund Balances - Governmental Funds

Revenue Capacity..... 222

These schedules contain information to understand the City's most significant local revenue sources, property tax and sales and use tax.

- Assessed and Estimated Actual Value of Taxable Property
- Property Tax Rates and Tax Levies - Direct and Overlapping Governments
- Principal Property Taxpayers
- Property Tax Levies and Collections
- Sales and Use Tax Revenue by Type of Industry
- Direct and Overlapping Sales Tax Rates
- Principal Sales and Use Taxpayers

Debt Capacity..... 236

These schedules offer demographic and economic indicators to help understand the socioeconomic environment within which the City operates.

- Ratios of Outstanding Debt by Type
- Ratio of Net General Obligation Bonded Debt to Assessed Value and Net Bonded Debt Per Capita
- Direct and Overlapping Governmental Activities Debt
- Legal Debt Margin Information
- Pledged Revenue Bond/Loan Coverage

Operating Information 243

These schedules contain service and infrastructure data to enhance understanding of the services provided by the City.

- Demographic and Economic Statistics
- Principal Employers
- Full-time Equivalent Employees by Function/Program
- Operating Indicators by Function/Program
- Capital Assets Statistics by Function

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

	2007	2008	2009	2010
Governmental activities				
Net investment in capital assets	\$ 255,023,291	\$ 258,841,455	\$ 268,747,804	\$ 270,382,692
Restricted	63,286,907	67,045,402	56,858,647	66,741,761
Unrestricted	41,253,598	36,524,738	40,365,372	32,146,885
Total governmental activities net position	\$ 359,563,796	\$ 362,411,595	\$ 365,971,823	\$ 369,271,338
Business-type activities				
Net investment in capital assets	\$ 481,563,714	\$ 489,038,783	\$ 493,511,315	\$ 507,056,869
Restricted	-	-	9,167,995	18,817,163
Unrestricted	161,368,686	167,593,678	157,873,139	146,541,477
Total business-type activities net position	\$ 642,932,400	\$ 656,632,461	\$ 660,552,449	\$ 672,415,509
Primary government				
Net investment in capital assets	\$ 736,587,005	\$ 747,880,238	\$ 762,259,119	\$ 777,439,561
Restricted	63,286,907	67,045,402	66,026,642	85,558,924
Unrestricted	202,622,284	204,118,416	198,238,511	178,688,362
Total primary government net position	\$1,002,496,196	\$1,019,044,056	\$1,026,524,272	\$1,041,686,847

2011	2012	2013	2014	2015	2016
\$ 275,902,207	\$ 281,989,606	\$ 280,876,469	\$ 274,626,844	\$ 289,135,313	\$ 304,616,626
69,059,013	67,157,981	75,323,135	97,314,176	81,806,810	95,386,575
30,916,114	31,926,358	35,810,330	23,991,124	11,517,574	9,767,415
<u>\$ 375,877,334</u>	<u>\$ 381,073,945</u>	<u>\$ 392,009,934</u>	<u>\$ 395,932,144</u>	<u>\$ 382,459,697</u>	<u>\$ 409,770,616</u>
\$ 521,558,060	\$ 524,809,966	\$ 520,033,029	\$ 529,204,937	\$ 572,508,835	\$ 588,305,281
19,421,825	14,472,701	9,662,221	1,904,853	2,286,609	2,038,868
145,887,387	35,837,666	39,832,309	53,727,320	50,026,092	51,986,051
<u>\$ 686,867,272</u>	<u>\$ 575,120,333</u>	<u>\$ 569,527,559</u>	<u>\$ 584,837,110</u>	<u>\$ 624,821,536</u>	<u>\$ 642,330,200</u>
\$ 797,460,267	\$ 806,799,572	\$ 800,909,498	\$ 803,831,781	\$ 861,644,148	\$ 892,921,907
88,480,838	81,630,682	84,985,356	99,219,029	84,093,419	97,425,443
176,803,501	67,764,024	75,642,639	77,718,444	61,543,666	61,753,466
<u>\$1,062,744,606</u>	<u>\$ 956,194,278</u>	<u>\$ 961,537,493</u>	<u>\$ 980,769,254</u>	<u>\$1,007,281,233</u>	<u>\$1,052,100,816</u>

CHANGES IN NET POSITION LAST TEN FISCAL YEARS

	2007	2008	2009	2010
Expenses				
Governmental activities:				
General government	\$ 20,762,868	\$ 25,433,222	\$ 18,772,527	\$ 21,237,772
Public Safety	29,163,736	31,049,011	32,842,216	33,562,076
Highways & Streets	15,006,093	14,947,947	17,180,057	14,191,614
Culture & Recreation	15,884,722	15,665,711	16,073,099	16,138,524
Municipal utilities systems	117,429	100,345	174,499	82,033
Interest and fiscal charges on long-term debt	2,001,277	1,949,198	2,302,996	1,542,188
Total governmental activities expenses	<u>\$ 82,936,125</u>	<u>\$ 89,145,434</u>	<u>\$ 87,345,394</u>	<u>\$ 86,754,207</u>
Business-type activities:				
Sanitation	\$4,899,295	\$5,500,624	\$5,358,336	\$5,713,703
Golf	2,255,648	2,286,369	2,185,459	2,084,456
Electric	45,154,130	46,779,652	47,780,116	51,614,473
Telecommunications	151,499	166,219	164,129	194,834
Water	12,149,962	12,799,254	12,975,167	12,648,106
Sewer	8,496,031	8,277,407	8,368,101	8,690,949
Storm Drainage	2,362,745	2,533,933	3,085,889	3,134,594
Airport	242,715	291,899	328,375	400,939
Total business-type activities expenses	<u>\$ 75,712,025</u>	<u>\$ 78,635,357</u>	<u>\$ 80,245,572</u>	<u>\$ 84,482,054</u>
Total primary government expenses	<u>\$ 158,648,150</u>	<u>\$ 167,780,791</u>	<u>\$ 167,590,966</u>	<u>\$ 171,236,261</u>
Program Revenues				
Governmental activities:				
Charges for services				
General Government	\$ 6,700,035	\$ 6,993,588	\$ 6,965,851	\$ 8,324,058
Public Safety	1,448,170	1,297,757	1,039,975	1,223,119
Highways & Streets	771,687	706,732	649,631	620,595
Culture & Recreation	4,097,691	4,681,964	5,171,304	5,947,012
Municipal utilities systems	-	-	-	-
Operating grants and contributions	7,425,910	5,147,423	5,770,130	5,051,949
Capital grants and contributions	7,637,432	3,495,473	7,124,956	5,177,181
Total governmental activities program revenues	<u>\$ 28,080,925</u>	<u>\$ 22,322,937</u>	<u>\$ 26,721,847</u>	<u>\$ 6,343,914</u>
Business-type activities:				
Charges for services				
Sanitation	\$ 5,116,877	\$ 5,169,059	\$ 5,105,311	\$ 5,265,217
Golf	2,581,174	2,597,381	2,460,988	2,220,975
Electric	44,952,976	44,201,753	44,547,396	49,487,659
Telecommunications	144,884	216,387	238,663	293,519
Water	14,185,321	13,748,106	11,936,337	12,757,083
Sewer	7,174,708	7,121,233	7,352,469	7,846,470
Storm Drainage	3,398,017	3,434,723	3,469,114	3,420,656
Airport	238,652	251,284	251,376	239,006
Operating grants and contributions	458,608	327,993	547,269	513,732
Capital grants and contributions	27,666,764	8,740,582	6,394,173	8,962,852
Total business-type activities program revenues	<u>\$ 105,917,981</u>	<u>\$ 5,808,501</u>	<u>\$ 82,303,096</u>	<u>\$ 91,007,169</u>
Total primary government program revenues	<u>\$ 133,998,906</u>	<u>\$ 108,131,438</u>	<u>\$ 109,024,943</u>	<u>\$ 117,351,083</u>
Net (Expenses)/Revenue				
Governmental activities	\$ (54,855,200)	\$ (66,822,497)	\$ (60,623,547)	\$ (60,410,293)
Business-type activities	30,205,956	7,173,144	2,057,524	6,525,115
Total primary government net expense	<u>\$ (24,649,244)</u>	<u>\$ (59,649,353)</u>	<u>\$ (58,566,023)</u>	<u>\$ (53,885,178)</u>
General Revenues and Other Changes in Net Position				
Governmental activities:				
Taxes				
Property taxes	\$ 14,578,798	\$ 15,493,699	\$ 15,539,641	\$ 15,357,141
General government sales and use taxes	24,252,480	24,207,871	22,751,072	23,640,672
Public improvement sales and use taxes	4,279,848	3,952,522	3,316,107	3,581,110
Streets sales and use taxes	10,699,626	10,560,147	9,775,192	10,208,168
Open space sales and use taxes	2,853,231	2,816,040	2,606,718	2,722,178
Public safety sales and use taxes	4,635,144	4,576,063	4,235,917	4,423,539
Urban Renewal sales and use taxes	-	-	-	-
Lodgers taxes	-	307,877	244,527	263,041
Cigarette taxes	212,223	199,546	185,093	185,916
Franchise taxes	4,831,536	4,849,024	5,269,452	6,314,911
Investment income	6,584,535	6,369,843	1,526,527	1,241,858
Miscellaneous	5,062	57,837	16,433	19,354
Gain (loss) from Impairment	-	-	-	-
Transfers	(4,004,935)	(3,720,173)	(1,282,904)	(4,248,080)
Total governmental activities	<u>\$ 68,927,548</u>	<u>\$ 69,670,296</u>	<u>\$ 64,183,775</u>	<u>\$ 63,709,808</u>
Business-type activities:				
Miscellaneous	\$ -	\$ -	\$ -	\$ 589,572
Investment income	2,696,171	2,806,744	579,560	500,293
Transfers	4,004,935	3,720,173	1,282,904	4,248,080
Gain (loss) from Impairment	-	-	-	-
Total business-type activities	<u>\$ 6,701,106</u>	<u>\$ 6,526,917</u>	<u>\$ 1,862,464</u>	<u>\$ 337,945</u>
Total primary government	<u>\$ 75,628,654</u>	<u>\$ 76,197,213</u>	<u>\$ 66,046,239</u>	<u>\$ 9,047,753</u>
Change in Net Position				
Governmental activities	\$ 14,072,348	\$ 2,847,799	\$ 3,560,228	\$ 3,299,515
Business-type activities	36,907,062	13,700,061	3,919,988	11,863,060
Total primary government	<u>\$ 50,979,410</u>	<u>\$ 16,547,860</u>	<u>\$ 7,480,216</u>	<u>\$ 15,162,575</u>

2011	2012	2013	2014	2015	2016
\$ 24,377,612	\$ 24,309,220	\$ 23,402,845	\$ 39,410,084	\$ 52,629,760	\$ 41,120,838
35,173,865	36,268,842	37,546,039	38,416,984	38,796,540	39,569,020
14,171,432	15,852,244	16,881,092	22,589,058	12,518,752	29,738,598
15,484,551	17,284,703	17,127,905	13,883,071	14,922,444	8,786,156
105,992	55,025	48,260	45,871	109,431	159,595
2,153,318	2,186,966	2,488,204	2,405,958	2,921,678	2,933,731
\$ 91,466,770	\$ 95,957,000	\$ 97,494,345	\$ 116,751,026	\$ 121,898,605	\$ 122,307,938
\$ 5,683,344	\$ 5,731,916	\$ 5,716,575	\$ 5,713,661	\$ 5,306,091	\$ 5,988,048
2,188,918	2,041,225	2,076,148	2,325,070	2,155,951	2,250,256
55,928,077	57,649,118	60,237,764	62,428,256	65,458,384	70,336,083
218,722	393,902	801,013	-	-	-
13,417,307	13,814,391	14,226,561	15,740,172	13,407,301	14,657,099
8,625,100	8,881,680	10,267,292	10,813,201	10,801,047	11,045,867
3,334,858	3,405,295	3,755,498	4,420,557	4,148,107	5,191,222
405,307	437,068	515,668	556,171	563,520	621,332
\$ 89,801,633	\$ 92,354,595	\$ 97,596,519	\$ 101,997,088	\$ 101,840,401	\$ 110,089,907
\$ 181,268,403	\$ 188,311,595	\$ 195,090,864	\$ 218,748,114	\$ 223,739,006	\$ 232,397,845
\$ 8,342,658	\$ 8,212,442	\$ 8,745,048	\$ 9,025,285	\$ 8,896,582	\$ 9,664,229
1,266,512	1,551,831	1,636,769	1,900,659	2,555,145	3,438,026
785,188	740,477	787,118	838,087	1,345,104	1,164,918
6,032,378	6,362,496	6,043,561	6,866,923	7,295,109	7,314,628
	-	-	-	697,560	1,000,095
6,845,819	6,241,265	6,021,175	9,266,563	9,391,420	14,462,257
4,793,222	6,479,562	8,247,611	13,506,619	18,191,498	25,510,915
\$ 28,065,777	\$ 29,588,073	\$ 31,481,282	\$ 41,404,136	\$ 48,372,419	\$ 62,555,068
\$ 5,235,308	\$ 5,676,335	\$ 5,676,697	\$ 6,152,091	\$ 6,168,889	\$ 6,561,590
2,262,563	2,640,817	2,357,757	2,452,630	2,576,473	2,568,982
53,924,965	57,233,475	60,957,632	63,884,921	65,300,201	68,850,353
282,208	290,774	316,941	-	-	-
13,247,962	14,513,221	12,735,470	12,981,041	14,230,955	16,271,251
8,249,362	8,634,634	9,740,105	11,686,986	13,085,133	13,432,618
3,395,622	3,835,700	4,027,152	6,579,550	6,644,935	6,730,428
220,441	258,643	277,449	288,089	403,334	429,141
1,406,669	3,342,077	562,042	5,919,672	3,046,578	4,139,885
14,473,936	3,447,605	4,321,616	7,160,769	5,200,782	10,324,791
\$ 102,699,036	\$ 99,873,281	\$ 100,972,861	\$ 117,105,749	\$ 116,657,280	\$ 129,309,039
\$ 130,764,813	\$ 129,461,354	\$ 132,454,143	\$ 158,509,885	\$ 165,029,699	\$ 191,864,107
\$ (63,400,993)	\$ (66,368,927)	\$ (66,013,063)	\$ (75,346,890)	\$ (73,526,187)	\$ (59,752,870)
12,897,403	7,518,686	3,376,342	15,108,661	14,816,879	19,219,132
\$ (50,503,590)	\$ (58,850,241)	\$ (62,636,721)	\$ (60,238,229)	\$ (58,709,308)	\$ (40,533,738)
\$ 15,280,446	\$ 14,760,834	\$ 14,766,570	\$ 14,946,758	\$ 15,424,266	\$ 17,821,402
24,562,915	26,106,434	27,883,056	29,890,913	30,834,514	31,180,859
4,261,032	3,999,340	4,068,199	4,471,068	4,544,053	6,204,559
10,808,980	11,289,666	11,981,718	12,885,741	13,266,963	14,161,758
2,882,395	3,010,577	3,195,124	3,436,196	3,537,857	3,776,469
4,683,891	4,892,188	5,192,082	5,583,826	5,749,017	6,136,761
-	-	-	-	5,749,017	379,271
257,566	283,947	346,352	364,767	365,300	369,731
180,436	171,029	147,338	157,523	156,535	160,933
6,677,207	6,874,941	7,342,848	7,678,732	7,780,475	7,697,786
1,150,812	787,171	16,428	985,788	721,565	834,596
21,280	5,908	9,633	15,656	-	-
-	-	714,300	-	-	-
(759,971)	(616,497)	1,285,404	(1,147,868)	(68,436)	(1,660,336)
\$ 70,006,989	\$ 71,565,538	\$ 76,949,052	\$ 79,269,100	\$ 82,312,109	\$ 87,063,789
\$ 379,225	\$ 371,403	\$ 389,865	\$ (1,408,853)	\$ 2,700,196	\$ 639,131
415,164	286,509	(63,402)	461,875	450,849	636,394
759,971	616,497	(1,285,404)	1,147,868	68,436	1,660,336
-	-	(8,010,175)	-	-	-
\$ 1,554,360	\$ 1,274,409	\$ (8,969,116)	\$ 200,890	\$ 3,219,481	\$ 2,935,861
\$ 71,561,349	\$ 72,839,947	\$ 67,979,936	\$ 79,469,990	\$ 85,531,590	\$ 89,999,650
\$ 6,605,996	\$ 5,196,611	\$ 10,935,989	\$ 3,922,210	\$ 8,785,922	\$ 27,310,919
14,451,763	8,793,095	(5,592,774)	15,309,551	18,036,360	22,154,993
\$ 21,057,759	\$ 13,989,706	\$ 5,343,215	\$ 19,231,761	\$ 26,822,282	\$ 49,465,912

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

	2007	2008	2009	2010 (a)
General Fund				
Nonspendable	\$ -	\$ -	\$ -	\$ 211,490
Restricted	-	-	-	3,436,907
Committed				4,698,499
Assigned	-	-	-	995,711
Unassigned	-	-	-	5,858,268
Reserved	4,506,632	5,095,369	4,075,650	-
Unreserved	7,476,103	6,568,529	8,065,091	-
Total general fund	<u>\$ 11,982,735</u>	<u>\$ 11,663,898</u>	<u>\$ 12,140,741</u>	<u>\$ 15,200,875</u>
All Other Governmental Funds				
Nonspendable	\$ -	\$ -	\$ -	\$ 48,596
Restricted	-	-	-	62,458,573
Committed	-	-	-	3,528,546
Assigned	-	-	-	-
Unassigned	-	-	-	-
Reserved	32,353,892	32,476,928	26,385,055	-
Unreserved, reported in:				
Special revenue funds	31,070,480	30,664,909	27,193,080	-
Capital projects funds	4,889,877	4,967,815	4,033,587	-
Total all other governmental funds	<u>\$ 68,314,249</u>	<u>\$ 68,109,652</u>	<u>\$ 57,611,722</u>	<u>\$ 66,035,715</u>

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

2011	2012	2013	2014	2015	2016
\$ 161,082	\$ 327,709	\$ 204,490	\$ 150,911	\$ 152,075	\$ 302,380
3,025,111	3,224,558	3,345,167	4,397,047	3,559,526	3,943,296
4,978,762	4,785,126	6,232,102	6,206,280	4,224,470	4,527,777
853,145	889,790	928,368	1,000,109	2,221,764	2,391,669
5,884,527	6,153,177	6,846,316	6,563,798	8,468,460	8,619,008
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 14,902,627</u>	<u>\$ 15,380,360</u>	<u>\$ 17,556,443</u>	<u>\$ 18,318,145</u>	<u>\$ 18,626,295</u>	<u>\$ 19,784,130</u>
\$ 58,461	\$ 39,718	\$ 38,963	\$ 688,654	\$ 697,200	\$ 698,720
66,036,493	63,894,630	69,569,526	90,105,866	77,459,016	89,517,773
2,748,623	2,219,873	3,144,472	3,684,420	3,097,417	2,922,371
-	-	-	-	-	-
-	(84,392)	(307,976)	-	(693,162)	(1,220,775)
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 68,843,577</u>	<u>\$ 66,069,829</u>	<u>\$ 72,444,985</u>	<u>\$ 94,478,940</u>	<u>\$ 80,560,471</u>	<u>\$ 91,918,089</u>

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

	2007	2008	2009	2010
Revenues				
Taxes	\$ 66,342,886	\$ 66,962,789	\$ 63,923,719	\$ 66,696,676
Licenses and permits	6,319,585	2,785,437	1,519,378	3,149,131
Developer/owner participation	2,032,823	629,496	2,533,001	1,143,047
Intergovernmental	7,613,336	5,649,691	7,530,226	5,354,292
Charges for services	10,386,406	10,572,260	10,914,591	13,070,916
Fines and forfeits	796,912	1,140,815	1,479,993	1,551,177
Investment income	5,019,535	4,899,613	1,148,839	915,661
Other revenues	756,318	1,260,921	862,381	756,224
Total revenues	<u>\$ 99,267,801</u>	<u>\$ 93,901,022</u>	<u>\$ 89,912,128</u>	<u>\$ 92,637,124</u>
Expenditures				
General government	\$20,945,076	\$ 24,066,704	\$19,772,116	\$ 19,157,561
Public safety	28,989,750	32,278,720	34,855,013	33,073,119
Highways and streets	17,553,984	15,407,398	17,685,686	13,345,985
Culture and recreation	15,055,606	15,526,255	21,097,271	22,624,470
Municipal utility systems	1,855,661	4,231,950	1,689,899	3,707,650
Capital outlay	3,101,154	1,524,043	2,733,830	893,318
Interest on lease payments	-	-	-	-
Debt Service				
Principal retired	2,530,000	2,620,000	2,725,000	1,690,000
Bond issuance costs	-	-	-	408,421
Interest and fiscal charges	1,962,756	1,919,846	1,761,168	1,362,961
Total expenditures	<u>\$ 91,993,987</u>	<u>\$ 97,574,916</u>	<u>\$ 102,319,983</u>	<u>\$ 96,263,485</u>
Excess of revenues over (under) expenditures	\$ 7,273,814	\$ (3,673,894)	\$ (12,407,855)	\$ (3,626,361)
Other Financing Sources (Uses)				
Proceeds from leases	\$ -	\$ -	\$ -	\$ 74,088
Transfers in	1,349,500	822,968	1,990,519	669,210
Transfers out	(3,145,133)	(832,508)	(1,885,997)	(847,551)
Issuance of certificates of participation	-	-	-	-
Premium on issuance of COPs	-	-	-	-
Payment to bond refunding escrow agent	-	-	-	(14,732,432)
Proceeds from issuance of long-term debt	-	3,160,000	2,282,246	29,770,000
Premium on issuance of long-term debt	-	-	-	177,173
Total other financing sources (uses)	<u>\$ (1,795,633)</u>	<u>\$ 3,150,460</u>	<u>\$ 2,386,768</u>	<u>\$ 15,110,488</u>
Net change in fund balances	<u>\$ 478,181</u>	<u>\$ (523,434)</u>	<u>\$ (10,021,087)</u>	<u>\$ 11,484,127</u>
Debt service as a percentage of noncapital expenditures	6%	6%	6%	3%

2011	2012	2013	2014	2015	2016
\$ 9,594,868	\$ 71,388,956	\$ 74,923,287	\$ 79,415,524	\$ 81,658,981	\$ 87,889,529
2,852,843	5,140,350	4,580,507	7,172,900	8,226,038	16,840,035
634,951	1,233,382	1,261,004	1,262,254	628,376	1,692,735
9,658,445	6,563,036	6,759,018	10,801,693	14,081,297	20,074,184
12,749,635	13,327,419	13,317,119	14,928,434	16,609,514	17,756,019
1,461,305	1,523,237	1,116,600	1,279,841	1,124,622	949,580
872,429	603,458	8,256	753,871	565,227	671,358
1,432,450	1,395,962	2,787,902	2,401,080	1,607,323	2,421,344
<u>\$ 9,256,926</u>	<u>\$ 101,175,800</u>	<u>\$ 104,753,693</u>	<u>\$ 118,015,597</u>	<u>\$ 124,501,378</u>	<u>\$ 148,294,784</u>
\$ 21,838,334	\$ 25,480,536	\$ 22,090,958	\$ 37,776,012	\$ 51,653,312	\$ 40,148,151
35,454,207	36,097,088	37,310,096	38,657,499	39,290,571	40,479,061
15,201,301	17,659,757	13,699,379	19,695,403	20,975,175	31,515,507
16,166,215	18,572,576	17,122,413	22,219,018	14,285,410	13,563,601
452,416	841,556	379,386	564,272	564,370	1,462,139
2,193,219	3,375,563	2,382,196	3,201,073	4,699,351	2,482,886
-	-	-	424,151	1,272,455	-
2,840,000	2,975,000	3,130,000	3,225,000	3,320,000	3,425,000
-	-	-	-	-	-
2,112,015	1,927,339	1,807,239	1,703,339	1,595,739	2,765,961
<u>\$ 96,257,707</u>	<u>\$ 106,929,415</u>	<u>\$ 97,921,667</u>	<u>\$ 127,465,767</u>	<u>\$ 137,656,383</u>	<u>\$ 135,842,306</u>
\$ 2,999,219	\$ (5,753,615)	\$ 6,832,026	\$ (9,450,170)	\$ (13,155,005)	\$ 12,452,478
\$ -	\$ 3,195,823	\$ -	\$ -	\$ -	\$ -
1,207,868	1,953,999	3,874,917	3,841,432	1,410,012	3,290,585
(1,697,473)	(1,692,222)	(2,155,704)	(2,421,669)	(1,865,325)	(3,227,611)
-	-	-	29,475,000	-	-
-	-	-	1,351,064	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ (489,605)</u>	<u>\$ 3,457,600</u>	<u>\$ 1,719,213</u>	<u>\$ 32,245,827</u>	<u>\$ (455,313)</u>	<u>\$ 62,974</u>
<u>\$ 2,509,614</u>	<u>\$ (2,296,015)</u>	<u>\$ 8,551,239</u>	<u>\$ 22,795,657</u>	<u>\$ (13,610,318)</u>	<u>\$ 12,515,452</u>
6%	6%	5%	5%	4%	5%

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

FISCAL YEAR (a)	REAL PROPERTY		PERSONAL PROPERTY			TOTAL		RATIO OF TOTAL ASSESSED VALUE/ TOTAL ESTIMATED ACTUAL VALUE	TOTAL DIRECT TAX RATE (MILs)
	ASSESSED VALUE	ESTIMATED ACTUAL VALUE	ASSESSED VALUE	ESTIMATED ACTUAL VALUE	ASSESSED VALUE	ESTIMATED ACTUAL VALUE (a)	ESTIMATED ACTUAL VALUE		
2007	\$ 893,196,710	\$ 8,038,869,685	\$ 108,692,820	\$ 374,799,870	\$1,001,889,530	\$8,413,669,555	11.91	(b)	13.42
2008	964,428,140	8,592,074,025	112,164,150	386,769,608	1,076,592,290	8,978,843,633	11.99	(b)	13.42
2009	977,820,570	8,699,987,296	107,780,920	371,654,356	1,085,601,490	9,071,641,652	11.97	(b)	13.42
2010	981,368,440	8,428,256,374	112,986,090	389,601,388	1,094,354,530	8,817,857,762	12.41	(b)	13.42
2011	985,108,469	8,457,768,723	103,526,022	356,980,221	1,088,634,491	8,814,748,944	12.35	(b)	13.42
2012	940,246,709	8,108,353,367	107,629,550	371,135,305	1,047,876,259	8,479,488,672	12.36	(b)	13.42
2013	942,230,839	8,127,437,767	103,430,610	356,657,178	1,045,661,449	8,484,094,945	12.32	(b)	13.42
2014	938,236,967	8,141,817,112	111,665,173	385,051,965	1,049,902,140	8,526,869,077	12.31	(b)	13.42
2015	945,981,003	8,215,683,207	129,677,536	447,163,687	1,075,658,539	8,662,846,894	12.42	(b)	13.42
2016	1,158,549,023	10,016,696,586	82,981,945	286,145,268	1,241,530,968	10,302,841,854	12.05	(b)	14.42

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

(b) For tax levy years 2006 through 2014, collection years 2007 through 2015, residential property was assessed at 7.96% of actual value while commercial property remained at 29% of actual value.

Source: Boulder and Weld counties assessors' offices



Longmont Public Library

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

LEVY YEAR	COLLECTION YEAR	GENERAL FUND	COMPONENT UNIT SPECIAL REVENUE FUNDS	COMPONENT UNIT (DEBT SERVICE)
2006	2007	13.420	10.108	81.934
2007	2008	13.420	10.108	81.680
2008	2009	13.420	10.108	90.764
2009	2010	13.420	10.108	91.337
2010	2011	13.420	10.108	92.884
2011	2012	13.420	10.108	93.661
2012	2013	13.420	10.108	100.201
2013	2014	13.420	11.798	100.201
2014	2015	13.420	11.798	99.869
2015	2016	13.420	11.798	97.885
2006	2007	\$13,445,358	\$243,486	\$ 830,000
2007	2008	14,461,571	180,854	987,419
2008	2009	14,568,772	183,782	1,138,267
2009	2010	14,504,735	137,562	1,226,379
2010	2011	14,441,941	144,963	1,141,317
2011	2012	13,902,245	134,350	1,274,966
2012	2013	13,885,060	130,809	1,098,513
2013	2014	13,993,740	255,392	713,523
2014	2015	14,324,084	248,022	830,098
2015	2016	16,661,345	284,889	913,426

NOTES TO THIS SCHEDULE

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

SCHOOL DISTRICT	BOULDER COUNTY	ST. VRAIN LEFT-HAND WATER	NO. COLO. WATER CONS.	LONGMONT RURAL FIRE
TAX	RATES (a)			
38.035	22.467	0.214	1.000	8.137
37.798	22.467	0.197	1.000	7.937
46.285	23.067	0.194	1.000	11.747
46.268	23.667	0.184	1.000	11.747
46.837	24.645	0.184	1.000	11.747
47.614	24.645	0.184	1.000	11.747
53.500	24.645	0.184	1.000	11.747
53.679	25.120	0.184	1.000	11.747
53.679	24.794	0.184	1.000	11.747
53.887	22.624	0.156	1.000	11.747
TAX	LEVIES			
\$ 76,054,018	\$112,630,364	\$287,231	\$ 4,593,229	\$2,621,708
82,991,157	124,745,065	285,477	5,062,766	2,802,166
103,735,943	129,119,905	283,148	5,146,619	4,265,886
109,750,435	137,564,655	269,174	5,347,290	4,609,169
109,549,655	142,564,068	267,964	5,322,753	4,390,298
111,206,275	138,085,156	254,892	5,164,277	4,216,529
129,967,590	139,022,459	254,801	5,173,950	4,186,954
129,522,650	144,037,143	257,152	5,273,967	4,118,852
128,536,897	143,254,180	259,171	5,346,845	4,174,499
157,064,037	155,177,134	253,106	6,364,089	4,777,662

(a) Figure represents a specific mill levy.

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

Taxpayer	2016			2007		
	2016 Assessed Value	Rank	Percentage of Total Assessed Value	2007 Assessed Value	Rank	Percentage of Total Assessed Value
Amgen Inc	\$19,691,183	1	1.84%	\$35,984,390	1	3.59%
Longmont Diagonal Investments LP	16,496,453	2	1.39			
Xilinx Inc	14,977,575	3	1.28	8,808,540	5	0.88
Seagate Technology LLC	14,116,624	4	1.17	22,066,420	3	2.20
NMMS Twin Peaks LLC	13,785,174	5	0.00			
Ramco-Gershenson Properties LP	12,678,508	6	1.03			
Hub Properties Trust	12,584,957	7	0.77			
Public Service CO of Colorado	11,083,051	8	1.03			
Seagate Technology	9,260,661	9	0.86			
DigitalGlobe, Inc	8,271,012	10	0.77			
Circle Capital LLC				22,625,540	2	2.26
Maxtor Corporation				9,347,630	4	0.93
Longmont Square Plaza				8,848,540	6	0.88
Longmont Springcrest LLC				8,808,740	7	0.88
Longmont Sandstone LLC				8,808,740	8	0.88
Longmont Woodhaven LLC				8,808,740	9	0.88
Twin Peaks Mall				8,351,770	10	0.83
Total Taxable Assessed Value of 10 Largest Taxpayers	\$ 144,028,249		13.39	\$ 142,459,050		14.22
Total Taxable Assessed Value of Other Taxpayers	931,630,290		86.61	859,430,480		85.78
Total Taxable Assessed Value All Taxpayers	<u>\$1,075,658,539</u>		100%	<u>\$1,001,889,530</u>		100%

Source: Boulder County and Weld County assessors' offices



City Council booth at the annual Rhythm on the River festival

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

LEVY YEAR	COLLECTION YEAR	TOTAL TAX LEVY	CURRENT TAX COLLECTIONS	PERCENT OF LEVY COLLECTED	DELINQUENT TAX COLLECTIONS
2006	2007	\$ 13,445,358	\$ 13,286,992	98.8	\$ 9,040
2007	2008	14,461,571	14,274,137	98.7	(21,130) (b)
2008	2009	14,568,772	14,398,968	98.8	3,587
2009	2010	14,512,552	14,297,043	98.5	(204) (b)
2010	2011	14,497,504	14,263,350	98.4	(7,257) (b)
2011	2012	13,921,660	13,709,639	98.5	(3,527) (b)
2012	2013	13,864,802	13,712,024	98.9	(20,700) (b)
2013	2014	13,986,967	13,800,707	98.7	(11,229) (b)
2014	2015	14,324,084	14,112,717	98.5	(11,567) (b)
2015	2016	16,661,345	16,323,756	98.0	(10,133) (b)

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

LEVY YEAR	COLLECTION YEAR	TOTAL COMPONENT UNITS LEVY	CURRENT COMPONENT UNITS COLLECTIONS	PERCENT OF LEVY COLLECTED	DELINQUENT COMPONENT UNITS COLLECTIONS
2006	2007	\$ 1,073,486	\$ 1,017,953	94.8	\$ 390
2007	2008	1,168,273	1,139,951	97.6	(3,538) (b)
2008	2009	1,322,049	1,305,319	98.7	15,317
2009	2010	1,363,941	1,394,925	102.3	1,388
2010	2011	1,286,280	1,323,392	102.9	(8,302) (b)
2011	2012	1,409,316	1,268,133	90.0	856
2012	2013	1,229,322	1,230,435	100.1	(2,539) (b)
2013	2014	968,915	753,346	77.8	(5,686) (b)
2014	2015	1,078,120	850,589	78.9	(2,551) (b)
2015	2016	1,198,315	958,911	80.0	(4,099) (b)

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

	TOTAL TAX COLLECTIONS	COLLECTIONS AS % OF CURRENT LEVY	OUTSTANDING DELINQUENT TAXES (a)
\$	13,296,032	98.9	-
	14,253,007	98.6	-
	14,402,555	98.9	-
	14,296,839	98.5	-
	14,256,093	98.3	-
	13,706,112	98.5	-
	13,691,324	98.7	-
	13,789,478	98.6	-
	14,101,150	98.4	-
	16,313,622	97.9	-

	TOTAL COMPONENT UNITS COLLECTIONS	COLLECTIONS AS % OF CURRENT LEVY	OUTSTANDING DELINQUENT COMPONENT UNITS (a)
\$	1,018,343	94.9	-
	1,136,413	97.3	-
	1,320,636	99.9	-
	1,396,313	102.4	-
	1,315,091	102.2	-
	1,268,989	90.0	-
	1,227,896	99.9	-
	747,660	77.2	-
	848,039	78.7	-
	954,811	79.7	-

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

Fiscal Year	Apparel	Automotive	Food	Home Furnishings	General	Lodging	Lumber
2007	\$ 839,213	\$ 3,430,684	\$ 11,790,777	\$ 1,523,002	\$ 8,291,250	\$ 596,018	\$ 4,604,885
2008	811,706	3,076,830	12,351,545	1,487,700	8,102,502	575,018	4,153,626
2009	769,069	2,807,423	12,088,918	1,437,616	7,720,534	448,409	3,217,098
2010	746,975	2,945,326	12,476,116	1,373,172	7,942,717	473,031	3,761,323
2011	774,340	3,067,736	13,003,218	1,477,811	8,152,274	461,948	3,485,393
2012	815,281	3,303,338	14,000,534	1,461,608	8,232,207	509,432	4,629,605
2013	832,078	3,627,934	15,242,816	1,444,851	8,210,791	608,842	4,916,728
2014	836,095	3,838,379	16,233,232	1,587,417	8,119,395	652,703	5,818,483
2015	949,499	4,159,892	17,203,836	1,570,836	8,251,006	649,678	7,442,208
2016	1,000,550	4,425,931	18,313,769	1,713,204	9,473,372	678,460	8,918,363

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

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

Professional	Public Utility	Unclassified	Home Occupation	Manufacturing	Motor Vehicle Use Tax	Accrual(1)	Total Sales and Use Tax(2)	Total Direct Tax Rate
\$ 990,158	\$ 4,156,688	\$ 5,023,128	\$ 149,529	\$ 2,285,236	\$ 2,495,494	\$ 544,267	46,720,329	3.275
904,306	4,425,770	4,785,132	154,285	2,927,119	2,458,566	(101,463)	46,112,642	3.275
1,155,241	4,327,560	4,253,903	139,145	2,266,143	2,053,947	-	42,685,006	3.275
1,246,112	4,611,287	4,890,472	133,207	1,835,299	2,140,629	-	44,575,666	3.275
1,763,230	4,931,980	5,260,810	153,155	2,280,349	2,386,969	-	47,199,213	3.275
1,152,575	4,878,682	4,889,490	165,709	2,575,958	2,683,787	-	49,298,206	3.275
1,154,604	5,019,774	5,533,752	153,548	2,635,130	2,939,328	-	52,320,176	3.275
1,612,227	5,156,841	6,242,788	206,783	2,816,419	3,146,983	-	56,267,745	3.275
1,579,979	4,961,207	5,062,575	209,384	2,290,516	3,601,790	-	57,932,406	3.275
1,314,501	4,921,292	5,698,977	256,459	1,457,168	3,667,630	-	61,839,677	3.275

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

Fiscal Year	City Direct Rate	Overlapping Rates					Total Direct & Overlapping Sales Tax Rate
	City of Longmont	State of Colorado	Boulder County	Regional Transportation District	Scientific and Cultural Facilities District	Metropolitan Sports Stadium District	
2007	3.275	2.900	0.650	1.000	0.100	0.100	8.025
2008	3.275	2.900	0.650	1.000	0.100	0.100	8.025
2009	3.275	2.900	0.650	1.000	0.100	0.100	8.025
2010	3.275	2.900	0.650	1.000	0.100	0.100	8.025
2011	3.275	2.900	0.800	1.000	0.100	0.100	8.175
2012	3.275	2.900	0.800	1.000	0.100	0.000	8.075
2013	3.275	2.900	0.800	1.000	0.100	0.000	8.075
2014	3.275	2.900	0.800	1.000	0.100	0.000	8.075
2015	3.275	2.900	0.985	1.000	0.100	0.000	8.260
2016	3.275	2.900	0.985	1.000	0.100	0.000	8.260

Sources: City of Longmont sales and use tax reports



The St. Vrain Supply Canal delivers water from Carter Lake to the Little Thompson River, St. Vrain Creek and Boulder Creek and Reservoir.

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

	Fiscal Year			
	2007	2008	2009	2010
Aggregate top ten filers ⁽¹⁾	\$14,231,545	\$14,314,666	\$12,735,201	\$13,768,827
Aggregate all other filers ⁽²⁾	<u>32,488,784</u>	<u>31,797,977</u>	<u>29,949,805</u>	<u>30,806,839</u>
Total sales and use tax ⁽³⁾	<u>\$46,720,329</u>	<u>\$46,112,643</u>	<u>\$42,685,006</u>	<u>\$44,575,666</u>
Top ten filers as a percentage of total tax	30.46%	31.04%	29.84%	30.89%

(1) Colorado state statutes and City of Longmont ordinances prohibit disclosure of individual sales and use tax returns; therefore, the current year top 10 filers are listed in alphabetical order as follows: Boulder County, City of Longmont Building Permits, City of Longmont Utilities, Home Depot #1521, King Soopers #102, King Soopers #80, King Soopers #42, Target Stores, Wal-Mart Supercenter #5370, Wal-Mart Supercenter #905.

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

(3) Corrected totals for 2006 through 2012.

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

Fiscal Year					
2011	2012	2013	2014	2015	2016
\$14,396,809	\$15,894,438	\$17,214,271	\$18,298,951	\$19,916,128	\$21,056,860
<u>32,802,404</u>	<u>33,403,768</u>	<u>35,105,905</u>	<u>37,968,794</u>	<u>38,016,277</u>	<u>40,782,817</u>
<u>\$47,199,213</u>	<u>\$49,298,206</u>	<u>\$52,320,176</u>	<u>\$56,267,745</u>	<u>\$57,932,405</u>	<u>\$61,839,677</u>
30.50%	32.24%	32.90%	32.52%	34.38%	34.05%

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

Fiscal Year	Governmental Activities				Business-Type Activities			Total Primary Government	(1)	(1)
	General Obligation Bonds	Sales & Use Tax Revenue Bonds	Certificates of Participation	Capital Leases	Revenue Bonds	Loans Payable	Capital Leases		% of Personal Income	Per Capita
2007	\$ 5,505,000	\$ 35,500,000	\$ -	\$ 6,218,945	\$ -	\$ 17,321,395	\$ 2,753,556	\$ 67,298,896	1.7%	785
2008	4,480,000	33,905,000	-	8,800,964	14,540,000	16,438,464	2,346,180	80,510,608	1.9%	934
2009	3,425,000	32,235,000	-	10,277,050	14,030,000	15,536,963	1,919,455	77,423,468	1.9%	897
2010	2,325,000	47,145,000	-	5,057,886	26,900,000	14,381,439	-	95,809,325	2.1%	1,095
2011	1,185,000	45,445,000	-	4,767,754	26,095,000	13,210,950	-	90,703,704	2.0%	1,032
2012	-	43,655,000	-	5,438,502	25,200,000	12,079,147	-	86,372,649	1.9%	983
2013	-	41,328,020	-	5,028,388	32,386,910	11,144,353	-	89,887,671	1.9%	996
2014	-	37,979,360	30,801,939	4,578,024	92,888,721	10,132,504	-	176,380,548	3.2%	1,900
2015	-	34,535,700	30,744,039	4,125,942	123,640,956	9,109,599	-	202,156,236	3.7%	2,177
2016	-	30,987,040	30,686,139	3,673,527	121,273,507	8,064,581	-	194,684,794	3.4%	2,073

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

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

FISCAL YEAR	POPULATION (a)	ASSESSED VALUE (b)	GROSS BONDED DEBT (c)	LESS: DEBT PAYABLE FROM ENTERPRISE REVENUES	NET GOVERNMENTAL GENERAL OBLIGATION BONDED DEBT	RATIO OF NET G/O BONDED DEBT TO ASSESSED VALUE	NET G/O BONDED DEBT PER CAPITA
2007	85,762	\$ 1,001,889,530	\$ 5,505,000	\$ -	5,505,000	0.0055	\$64.19
2008	86,194	1,076,592,290	4,480,000	-	4,480,000	0.0042	\$51.98
2009	86,303	1,085,601,490	3,425,000	-	3,425,000	0.0032	\$39.69
2010	87,461	1,094,937,000	2,325,000	-	2,325,000	0.0021	\$26.58
2011	87,850	1,092,774,821	1,185,000	-	1,185,000	0.0011	\$13.49
2012	87,854	1,049,322,989	-	-	-	-	-
2013	90,219	1,044,151,855	-	-	-	-	-
2014	91,911	1,049,397,474	-	-	-	-	-
2015	92,852	1,075,658,539	-	-	-	-	-
2016	93,933	1,241,530,968	-	-	-	-	-

(a) Bureau of Census; City of Longmont Department of Planning & Development Services

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

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

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
As of December 31, 2016

Governmental Unit	Direct Debt Outstanding	Percentage Applicable To City of Longmont (a)	Estimated Share of Overlapping Debt
Overlapping:			
St. Vrain Valley School District ¹	\$ 555,565,000	45.11%	\$ 250,615,372
Northern Colorado Water Conservancy District ²	3,929,311	7.14%	<u>280,553</u>
Subtotal, overlapping debt			250,895,925
City of Longmont	69,405,681	100.00%	<u>69,405,681</u>
Total Direct & Overlapping Debt			<u><u>\$ 320,301,606</u></u>

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

Sources:

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



Annual dog swim at Roosevelt Activity Pool

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

	Fiscal Year				
	2007	2008	2009	2010	2011
Debt Limit	\$ 252,410,087	\$ 269,365,309	\$ 272,149,250	\$ 264,574,063	\$ 264,875,278
Total net debt applicable to limit	<u>5,505,000</u>	<u>4,480,000</u>	<u>3,425,000</u>	<u>2,325,000</u>	<u>1,185,000</u>
Legal debt margin	<u>\$ 246,905,087</u>	<u>\$ 264,885,309</u>	<u>\$ 268,724,250</u>	<u>\$ 262,249,063</u>	<u>\$ 263,690,278</u>
Total net debt applicable to the limit as a percentage of debt limit	2.18%	1.66%	1.26%	0.88%	0.45%

Legal Debt Margin Calculation for Fiscal Year 2016:

Estimated actual value	<u>\$10,302,841,854</u>
Debt limit (3% of actual value)	309,085,256
Debt applicable to limit:	
General Obligation Bonds	<u>-</u>
Legal Debt Margin	\$ 309,085,256

	Fiscal Year				
	2012	2013	2014	2015	2016
\$	254,458,859	\$ 254,406,723	\$ 255,775,308	\$ 259,885,407	\$ 309,085,256
	-	-	-	-	-
\$	<u>254,458,859</u>	<u>\$ 254,406,723</u>	<u>\$ 255,775,308</u>	<u>\$ 259,885,407</u>	<u>\$ 309,085,256</u>
	0.00%	0.00%	0.00%	0.00%	0.00%

PLEDGED REVENUE BOND/LOAN COVERAGE
Last Ten Fiscal Years

FISCAL YEAR	GROSS RESOURCES (a)	EXPENSES (b)	AVAILABLE FOR DEBT SERVICE (c)	PRINCIPAL	INTEREST	TOTAL	COVERAGE
ELECTRIC AND BROADBAND UTILITY ENTERPRISE REVENUE BONDS							
2014	\$ 65,730,394	\$ 55,139,339	\$ 10,591,055	\$ -	\$ 887,296	\$ 887,296	11.94
2015	67,255,962	58,287,237	8,968,725	-	1,472,013	1,472,013	6.09
2016	72,048,067	62,548,155	9,499,912	-	1,472,013	1,472,013	6.45
SEWER REVENUE BONDS/LOANS							
2007	\$ 8,752,680	\$ 6,269,116	\$ 2,483,564	\$ 193,945	\$ 86,212	\$ 280,157	8.86
2008	7,850,829	6,287,988	1,562,841	197,401	75,946	273,347	5.72
2009	7,706,486	5,944,889	1,761,597	200,973	65,403	266,376	6.61
2010	7,912,372	6,286,145	1,626,227	204,672	256,277 (e)	460,949	3.53
2011	8,319,686	6,218,570	2,101,116	483,579	587,113 (e)	1,070,692	1.96
2012	8,702,531	6,547,037	2,155,494	503,838	564,636	1,068,474	2.02
2013	9,798,239	7,825,653	1,972,586	550,000	640,917	1,190,917	1.66
2014	11,802,513	8,267,822	3,534,691	870,000	778,608	1,648,608	2.14
2015	13,566,991	8,208,256	5,358,735	885,000	761,208	1,646,208	3.26
2016	13,753,574	8,375,048	5,378,526	1,545,000	2,083,517	3,628,517	1.48
WATER BONDS/LOANS							
2007	\$ 19,591,353	\$ 8,044,452	\$ 11,546,901	\$ 660,528	\$ 536,612	\$ 1,197,140	9.65
2008	17,232,818	8,881,027	8,351,791	685,530	523,082	1,208,612	6.91
2009	12,859,723	8,615,808	4,243,915	700,528	508,877	1,209,405	3.51
2010	13,467,464	8,436,911	5,030,553	950,853	489,439	1,440,292	3.49
2011	13,581,304	9,204,273	4,377,031	961,909	463,514	1,425,423	3.07
2012	14,797,928	10,012,087	4,785,841	989,550	456,063	1,445,613	3.31
2013	12,874,408	10,544,246	2,330,162	989,551	221,680	1,211,231	1.92
2014	13,515,192	11,440,503	2,074,689	1,006,135	181,883	1,188,018	1.75
2015	14,912,596	9,926,790	4,985,806	1,017,191	166,740	1,183,931	4.21
2016	16,608,135	10,849,396	5,758,739	1,039,304	145,405	1,184,709	4.86
STORM DRAINAGE BONDS							
2008	\$ 3,913,485	\$ 1,894,255	\$ 2,019,230	\$ -	\$ 424,710 (e)	\$ 424,710	4.75
2009	3,612,637	2,144,168	1,468,469	510,000	577,519 (e)	1,087,519	1.35
2010	3,646,439	2,201,247	1,445,192	520,000	561,431 (e)	1,081,431	1.34
2011	3,474,370	2,222,591	1,251,779	530,000	545,019 (e)	1,075,019	1.16
2012	3,884,092	2,214,935	1,669,157	565,000	536,406	1,101,406	1.52
2013	4,057,701	2,368,751	1,688,950	565,000	518,531	1,083,531	1.56
2014	6,709,092	3,010,205	3,698,887	1,885,000	498,756	2,383,756	1.55
2015	6,843,956	2,622,197	4,221,759	2,615,000	1,219,803	3,834,803	1.10
2016	7,023,989	3,553,532	3,470,457	1,360,000	1,059,351	2,419,351	1.43
OPEN SPACE SALES AND USE TAX REVENUE BONDS							
	Open Space Sales and Use Tax Revenues		Maximum Annual Debt Service on Bonds			Coverage	
2007	\$ 2,853,231		\$ 1,848,000			1.54	
2008	2,816,040		1,848,000			1.52	
2009	2,606,718		1,848,000			1.41	
2010	2,722,178		2,056,507 (d)			1.32	
2011	2,882,395		2,056,507			1.40	
2012	3,010,578		2,041,300 (f)			1.47	
2013	3,195,124		2,023,400			1.58	
2014	3,436,196		2,010,400			1.71	
2015	3,537,857		1,992,200			1.78	
2016	3,776,469		1,973,899			1.91	
SALES AND USE TAX REFUNDING REVENUE BONDS							
	Pledged Sales and Use Tax Revenues		Maximum Annual Debt Service on Bonds			Coverage	
2007	\$ 28,532,328		\$ 2,799,100			10.19	
2008	28,160,393 (g)		2,799,100			10.06	
2009	26,067,719		2,799,100			9.31	
2010	27,221,782		2,799,100			9.73	
2011	28,823,947		2,799,100			10.30	
2012	30,105,775		2,799,100			10.76	
2013	31,951,254		2,799,100			11.41	
2014	34,361,981		2,799,100			12.28	
2015	35,369,621		2,799,100			12.64	
2016	36,845,157		2,799,100			13.16	

DEMOGRAPHIC AND ECONOMIC STATISTICS
Last Ten Fiscal Years

Fiscal Year	(1) Population	Personal Income (thousands of dollars)	(3) Per Capita Income	(1) Median Age	(4) School Enrollment	(2) Unemployment Rate (%)
2007	85,762	\$ 4,144,363	\$ 48,324	34.3	24,582	3.7
2008	86,194	4,165,239	48,324	34.3	25,751	5.0
2009	86,303	4,549,808	52,719	34.3	26,724	6.0
2010	87,461	4,153,435	47,489	34.4	27,379	6.8
2011	87,850	4,453,731	50,697	36.6	28,109	6.1
2012	87,854	4,559,008	51,893	35.9	29,382	5.5
2013	90,219	4,851,256	53,772	35.6	30,195	4.4
2014	91,911	5,052,164	54,968	36.0	31,076	3.1
2015	92,852	5,443,634	58,627	36.5	31,777	2.6
2016	93,933	5,656,645	60,220	36.6	32,171	2.2

Source: (1) City of Longmont Department of Planning & Development Services

(2) U.S. Bureau of Labor Statistics

(3) U.S. Bureau of Economic Analysis

(4) St. Vrain Valley School District Data Specialist

(5) U.S. Census Bureau

NOTES TO PLEDGED REVENUE BOND/LOAN COVERAGE on previous page

- (a) Gross resources include operating revenues, sales and use tax, miscellaneous revenue and interest income. Also included are annexation fees, plant investment fees, system development fees, developer participation, and cash received in lieu of water, which are classified as capital contributions under generally accepted accounting principles, and bond proceeds.
- (b) Expenses include all operating expenses except depreciation. Also included are operating transfers to other funds.
- (c) Gross resources in column (2) minus expenses in column (3).
- (d) Open Space Sales and Use Tax Revenue Bonds were partially refunded in 2010. Amount reported is net of BABs subsidy.
- (e) Interest restated to eliminate capitalization as previously reported.
- (f) Restated the maximum annual debt service on bonds to tie to the debt table in the Official Statement. Amount reported is net of BABs subsidy.
- (g) The 2009-2013 previously reported CAFR tables overstated the accrual reduction for 2008 as (\$698,377). The correct accrual reduction was (\$61,962). This correction increases the 2008 pledged revenues by \$636,415 to \$28,160,393 for 2008.
- (h) Correction to tie the maximum annual debt service for the Series 2006 Sales and Use Tax Refunding Bonds to the Official Statement and the Continuing Disclosure Tables.

PRINCIPAL EMPLOYERS
Current Fiscal Year and Ten Years Ago

Employer	2016			2007		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
St. Vrain Valley Schools	4,727	1	9.6%	4,143	1	9.4%
Seagate Technology	1,539	2	3.1%	1,605	2	3.6%
Longmont United Hospital	1,273	3	2.6%	1,297	3	2.9%
City of Longmont	818	4	1.7%	816	5	1.9%
West Safety Svcs Division	746	5	1.5%			0.0%
Circle Graphics	631	6	1.3%			0.0%
DigitalGlobe	514	7	1.0%			0.0%
Federal Aviation Administration	445	8	0.9%	428	9	1.0%
McLane Western	433	9	0.9%	545	8	1.2%
Crocs	351	10	0.7%			0.0%
Amgen				809	6	1.8%
Butterball, LLC				920	4	2.1%
Intrado				693	7	1.6%
Xilinx				400	10	0.9%
Total	11,477		23.3%	11,656		26.4%

Source: Longmont Economic Development Partnership
Bureau of Labor Statistics

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

<u>Function/Program</u>	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Government										
City Administration	37	35	36	30	31	31	40	41	42	0
Mayor and Council										7
City Manager										7
City Attorney										7
Human Resources										8
Municipal Court										9
Shared Services & Finance	82	81	80	86	88	88	81	81	80	85
Public Safety										296
Police	174	179	185	173	171	171	171	171	174	0
Fire	91	97	96	92	91	91	91	91	91	0
Shared	21	22	23	30	29	31	31	32	33	0
External Services										145
Parks, Open Space and Public Works	79	80	78	75	59	59	59	58	58	0
Planning	13	11	11	14	14	14	14	13	13	0
Development and Building Inspection	15	13	12	11	13	12	12	12	14	0
Library	41	39	39	39	37	37	37	37	37	0
Museum	8	8	8	7	7	7	7	7	8	0
Recreation	22	21	22	21	21	21	21	23	34	0
Senior Services	7	7	7	7	7	7	7	8	8	0
Children and Youth Services	8	7	6	6	8	8	8	8	9	0
Community Services Administration	10	12	12	11	12	13	13	16	16	0
Public Works and Natural Resources	176	169	163	157	169	168	167	165	165	224
Power and Communications	70	71	70	73	73	73	73	73	92	99
Total	854	850	846	832	829	831	832	836	873	887

Source: City of Longmont Budget Office

Note: Updated Schedule 19 to align with adopted budget. Realignment has occurred over several years. In 2013, Shared Services and Finance replaced Support Services.

OPERATING INDICATORS BY FUNCTION/PROGRAM
Last Ten Fiscal Years

<u>Function/Program</u>	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Police										
DUI Arrests	381	317	270	288	268	329	243	256	281	376
Traffic Violations	9,438	9,261	10,524	11,132	9,163	8,903	6,984	7,748	5,821	6,230
Case Clearance Rate	75%	68%	65%	42%	44%	40%	39%	40%	40%	48%
Fire										
Emergency Responses	3,681	6,638	6,772	7,007	6,788	7,918	8,262	8,279	6,574	9,983
Inspections	704	1,206	1,429	1,336	277	2,360	1,538	1,916	1,595	3,857
Fires Extinguished	161	228	72	156	102	190	202	152	138	218
Call Response Time										
< 5 mins	71%	75%	51%	0%	67%	47%	50%	58%	61%	60%
> 5 mins	29%	25%	49%	0%	33%	53%	50%	42%	39%	40%
Public Works										
Streets Resurfaced (miles)	7.09	8.10	10.54	8.75	8.90	15.90	10.86	14.10	13.95	16.38
Parks and Recreation										
Library										
Total Circulation	998,040	1,041,788	1,081,428	1,125,345	1,086,394	1,195,726	1,262,198	1,209,723	1,235,696	967,026
Total Items Added	23,379	24,330	22,170	22,933	19,502	18,084	18,837	16,694	15,733	17,603
Patron Visits	326,289	458,469	580,767	531,139	584,119	650,526	611,262	621,074	508,424	600,174
Museum										
Total People Served	63,700	71,831	71,443	70,009	71,077	62,024	65,137	47,177	60,414	62,652
Golf										
Rounds of Golf	105,800	100,488	96,108	89,517	88,607	100,958	87,620	90,402	90,963	92,410
Water										
New connections	350	116	506	-	62	330	116	140	281	545
Water main breaks	40	23	23	25	26	38	30	29	16	26
Average daily consumption (mgd)	16.33	15.95	13.66	14.51	15.53	15.45	13.49	13.12	13.37	14.20
Wastewater										
Average daily sewage treatment (mgd)	8.21	7.63	7.31	7.22	6.97	6.71	7.21	6.91	7.24	7.12
Power and Communications										
Customers	35,906	36,231	36,383	36,683	36,809	37,107	37,360	37,751	38,229	38,508
Meter Reading Accuracy	99.93%	99.94%	99.94%	99.90%	99.90%	99.90%	99.90%	99.90%	99.97%	99.96%

Source: Various City of Longmont departments

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

CAPITAL ASSETS STATISTICS BY FUNCTION
Last Ten Fiscal Years

<u>Function/Program</u>	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol vehicles	66	68	70	63	63	62	62	62	73	73
Fire										
Stations	5	5	5	5	5	6	6	6	6	6
Public Works										
Streets (miles)	315	315	319	319	330	330	330	334	337	337
Traffic Signals	7,109	7,204	7,228	7,228	7,355	7,402	7,415	7,467	7,480	7,534
Parks and Recreation										
Parks	44	44	44	44	44	47	47	47	47	46
Park, trail and open space acreage	3,727	3,727	5,213	5,213	5,213	4,676	4,715	4,719	4,719	4,715
Libraries	1	1	1	1	1	1	1	1	1	1
Number of volumes	300,093	295,723	292,299	283,758	277,279	270,176	267,769	266,082	267,769	274,542
Museum	1	1	1	1	1	1	1	1	1	1
Swimming Pools	5	5	5	5	5	5	4	4	4	4
Golf Courses	3	3	3	3	3	3	3	3	3	3
Water										
Water mains (miles)	439	441	442	441	443	443	443	447	450	452
Water connections	25,919	26,035	26,541	-	26,603	26,933	27,049	27,189	27,470	27,768
Wastewater										
Sanitary sewer (miles)	325	328	328	326	328	328	329	331	333	335
Wastewater connections	25192	25795	26147	-	25,875	26,067	26,132	26,163	26,455	26,919
Power and Communications										
Substations	7	7	7	7	7	7	7	7	7	7

Source: Various City of Longmont departments

CITY OF LONGMONT, COLORADO

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended December 31, 2016

	Federal CFDA Number	Pass-through Grantor's Number	Program or Award Amount	Expenditures passed through to Subrecipients	Federal Expenditures
Department of Housing and Urban Development					
Community Development					
2014	14.218	14-MC-08-0011	\$ 580,094	\$ 49,869	\$ 354,492
2015	14.218	15-MC-08-0011	587,833	396,606	406,448
2016	14.218	16-MC-08-0011	603,958	86,070	251,244
					1,012,184
<i>Passed through the Colorado Department of Local Affairs</i>					
CDBG-DR Longmont Resiliency for All	14.269	CDBG-DR-P16-012	77,000		5,843
CDBG-DR Grant (Down Payment & Temporary Rental Assistance)	14.269	#14-082	307,911		263
CDBG-DR Grant (Housing Repairs)	14.269	#14-082A	3,494,161		134,215
CDBG-DR Grant (Resiliency Planning)	14.269	B-13-DS-08-0001	100,000		100,000
CDBG-DR Grant (Boulder County Collaborative)	14.269	#84365	46,416,338	4,289,169	6,026,682
CDBG-DR Resiliency Planning Grant	14.269	P15-053	125,000		112,735
CDBG-DR Resiliency Staffing Grant	14.269	P15-052	377,799		241,265
CDBG-DR Aquatic Restoration of Button Rock Preserve are of the North St, Vrain Creek	14.269	CDBG-DR-WI 15-120	150,000		-
CDBG-DR Lake Huron and Left Hand Creek	14.269	DRDR1-60-BCC-01	838,779		821,976
CDBG-DR Resiliency Unmet Needs Grant	14.269	P15-054	156,413		69,888
					7,512,867
Total Community Development Block Grant					8,525,051
<i>Passed through the City of Boulder, Colorado</i>					
HOME Consortium Grant 2014	14.239	M-14-DC-08-0202	237,976		-
HOME Consortium Grant 2015	14.239	M-15-DC-08-0202	244,627		2,848
HOME Consortium Grant 2016	14.239	M-16-DC-08-0202	18,315		8,437
Total HOME Grants					11,285
TOTAL Department of Housing and Urban Development					8,536,336
US Department of Justice					
Eq. Sharing Agreement - Asset Forfeiture Program (Justice Seizure Fund)	16.922	CO0070400	6,055		6,055
<i>Passed through the Colorado Department of Public Safety</i>					
JAG - Project Pinwheel (year 3)	16.738	2011-DJ-BX-2126	23,822		23,822
JAG - Project Pinwheel (year 4)	16.738	2016-MU-BX-0115	21,440		-
JAG - Rest. Practices in in Schools Training and Technical Asst. (year 3)	16.738	2015-MU-BX-0390	52,200		51,885
JAG - Rest. Practices in in Schools Training and Technical Asst. (year 4)	16.738	2016-MU-BX-0115	46,980		-
JAG - Coordinated Response & Assist. to Domestic Violence Crime Victims	16.738	2015-MU-BX-0390	12,488		9,577
JAG - Coordinated Response & Assist. to Domestic Violence Crime Victims	16.738	2016-MU-BX-0115	11,240		2,393
JAG - Domestic and Dating Violence Prevention and Education (year 2)	16.738	2015-MU-BX-0390	12,286		9,743
JAG - Domestic and Dating Violence Prevention and Education (year 3)	16.738	2016-MU-BX-0115	11,058		2,778
<i>Passed through the City of Boulder</i>					
Edward Byrne Grant Award IGA with City of Boulder - Project Coordinator	16.738	2014-DJ-BX-0944	25,384		519
Edward Byrne Grant Award IGA with City of Boulder - Project Coordinator	16.738	2015-H2633-CO-DJ	21,286		18,356
Edward Byrne Grant Award IGA with City of Boulder - Project Coordinator	16.738	2016-H3000-CO-DJ	25,994		-
					119,073
<i>Passed through the City of Colorado Springs, Colorado</i>					
Internet Crimes Against Children	16.543	2015-MC-FX-2030	4,016		3,724
Internet Crimes Against Children	16.543	2015-MC-FX-K030	3,950		-
					3,724
St. Vrain Family Center - S.A.F.E. Services Program Grant	16.527	2013-FL-AX-K001	382,607		67,288
<i>Passed through the Colorado Department of Public Safety</i>					
Victims of Crime Act - VOCA	16.575	2015-VA-GX-0040	39,007		39,007
Victims of Crime Act - VOCA	16.575	2015-VA-GX-0040	39,007		-
					39,007
Total US Department of Justice					235,147

CITY OF LONGMONT, COLORADO

	Federal CFDA Number	Pass-through Grantor's Number	Program or Award Amount	Expenditures passed through to Subrecipients	Federal Expenditures
US Fish and Wildlife					
<i>Subgrant from the State of Colorado Department of Natural Resources</i>					
Fishing is Fun	15.605	15-FIF-71319	20,000		-
Total US Fish and Wildlife					-
US Department of Transportation					
<i>Passed through the Colorado Department of Transportation</i>					
Reconstruction of Main Street Grant (Ken Pratt & 3rd Ave.)	20.205	13-HA4-54179	1,890,000		532,328
CDOT- Hover Street Underpass	20.205	16-HA4-ZH-00118	2,581,000		1,777,706
					2,310,034
FAA Grant- Rehabilitate Taxiways/ Apron	20.106	3-08-0040-014-2015	46,634		9,764
<i>Passed through the Colorado Department of Transportation</i>					
FAA Grant - Vance Brand Airport Rehabilitate Taxiways/Apron design only	20.106	16-HAV-ZL-00287	253,429		220,856
					230,620
<i>Passed through the Colorado Department of Transportation</i>					
Click It or Ticket	20.616		6,000		5,688
Total US Department of Transportation					2,546,342
US Department of the Treasury					
Eq. Sharing Agreement - Treasury Forfeiture Prog. (Treasury Seizure Fd)	21.000	CO0070400	11,627		11,627
Total US Department of Treasury					11,627
USDA Forest Services					
<i>Passed through Colorado State University</i>					
CO State Forest Service - Button Rock Forest Stewardship	10.664	5314113-2BLB	37,800		29,425
Total USDA Forest Services					29,425
US Department of Homeland Security					
<i>Passed through the Colorado Department of Public Safety- Homeland Security</i>					
Emergency Management Performance Grant (2017)	97.042	16EM-17-128	46,000		-
Emergency Management Performance Grant (2016)	97.042	16EM-16-128	46,000		34,500
Emergency Management Performance Grant (2015)	97.042	15EM-15-128	46,000		11,500
					46,000
<i>Passed through the Colorado Department of Public Safety- Homeland Security</i>					
Pre-disaster Mitigation (PDM) Grant - FEMA	97.047	12PDM15LMT	3,000,000		2,466,669
<i>Passed through the Colorado Department of Public Safety- Homeland Security</i>					
FEMA - Federal Emergency Management Award	97.036	DR-4229-CO	242,790		133,898
FEMA - Federal Emergency Management Award	97.036	DR-4145-CO	42,024,741		2,346,165
FEMA - Federal Emergency Management Award (HMGP)	97.036	DR-4145-CO	1,401,671		-
					2,480,063
Total US Department of Homeland Security					4,992,732
Total Federal Assistance					\$ 16,351,609

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended December 31, 2016**

NOTE 1: BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of the City of Longmont under programs of the federal government for the year ended December 31, 2016. The information in this Schedule is presented in accordance with the requirements of 2 CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the City.

NOTE 2: BASIS OF ACCOUNTING

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

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended December 31, 2016**

NOTE 3: PAYMENTS TO SUBRECIPIENTS

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

Program Title	Federal CFDA Number	Amount Provided to Sub-recipients
Community Development Block Grant	14.218	\$ 532,545
CDBG-DR Grant (Boulder County Collaborative)	14.269	4,289,169
		<u>\$ 4,821,714</u>

NOTE 4: INDIRECT COST RATE

The City has elected to use the 10% de minimus cost rate for the CDBG Disaster Recovery Grants, but has elected not to use the de minimus cost rate for the CDBG Entitlement grant.

NOTE 5: INSURANCE

Expenditures offset by insurance proceeds were not included as Federal expenditures on the Schedule of Expenditures of Federal Awards.

Expenses offset by insurance proceeds were as follows:

97.036 FEMA - Federal Emergency Management Award DR 4145-CO	<u>\$ 949,494</u>
	<u>\$ 949,494</u>

NOTE 6: PROGRAM INCOME

Program income for the year ended December 31, 2016 is as follows:

12.239 HOME Consortium	\$ 17,951
14.218 CDBG	64,651
	<u>\$ 64,651</u>

NOTE 7: LOANS AND LOAN GUARANTEES

CDBG Loan Balances outstanding at 12/31/2016:

CDBG- Entitlement Grant	\$ 1,251,974
CDBG- Disaster Recovery	2,405,036
HOME Consortium Fund	<u>205,726</u>
	3,862,736
Less: Allowance for uncollectible	<u>(2,841,612)</u>
	<u>\$ 1,021,124</u>

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended December 31, 2016**

NOTE 8: PRIOR YEAR EXPENSES INCLUDED AS 2016 SEFA EXPENDITURES

	<u>Year Incurred</u>	<u>Amount</u>
14.269 CDBG-DR Grant (Resiliency Planning)	2015	\$ 83,428
14.269 CDBG-DR Resiliency Unmet Needs Grant	2014	\$ 69,888
97.036 FEMA - Federal Emergency Management Award DR 4145-CO	2014	\$ 461
	2015	6,284
		<u>\$ 6,745</u>

NOTE 9: PRIOR YEAR OVERREPORTED EXPENSES

Expenses listed below were reported as Federal expenditures in prior years. The amounts listed below have subsequently been deemed ineligible for Federal reimbursement:

	<u>Year Reported</u>	<u>Amount</u>
97.036 FEMA - Federal Emergency Management Award DR 4145-CO	2013	\$ 37,182
97.036 FEMA - Federal Emergency Management Award DR 4145-CO	2014	54,190
97.036 FEMA - Federal Emergency Management Award DR 4145-CO	2015	32,006
		<u>\$ 123,378</u>

NOTE 10: PRIOR YEAR RECLASSIFICATION

Expenses totaling \$90,156 were reported as December 31, 2015 Federal expenditures under CFDA number 97.047; Pre-disaster Mitigation (PDM) Grant- FEMA. These expenditures were actually Federal Highway Administration funds and should have been reported under CFDA number 20.205.

CDBG expenditures in prior years included expenses paid for by program income.

	<u>Year Reported</u>	<u>Amount</u>
14.218 CDBG- 14-MC-08-0011	2014	\$ 55,574
14.218 CDBG- 15-MC-08-0011	2015	54,841
		<u>\$ 110,415</u>

NOTE 11: UNREPORTED PRIOR YEAR EXPENDITURES

The City of Lonmont's participation in the Equitable Sharing Agreement with the U.S. Department of Justice- Asset Forfeiture Program was not included in the December 31, 2015 Schedule of Expenditures of Federal Awards.

Prior year Equitable Sharing expenditures not reported were as follows:

16.922 Eq. Sharing Agreement - Asset Forfeiture Program (Justice Seizure Fund)	2015	\$ 19,599
21.000 Eq. Sharing Agreement - Treasury Forfeiture Prog. (Treasury Seizure Fd)	2015	97
		<u>\$ 19,696</u>



Barn at Sandstone Ranch Nature Area



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

Honorable Mayor and City Council
City of Longmont
Longmont, Colorado

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Longmont, as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the City of Longmont's basic financial statements, and have issued our report thereon dated June 13, 2017.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as finding 2016-001 that we consider to be a significant deficiency.

Honorable Mayor and City Council
City of Longmont

Compliance and Other Matters

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

City of Longmont's Response to Finding

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

Purpose of this Report

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



CliftonLarsonAllen LLP

Greenwood Village, Colorado
June 13, 2017



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

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

Report on Compliance for Each Major Federal Program

We have audited the City of Longmont's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City of Longmont's major federal programs for the year ended December 31, 2016. The City of Longmont's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

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

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

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

Other Matters

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

Opinion on Each Major Federal Program

In our opinion, the City of Longmont complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal programs for the year ended December 31, 2016.

Report on Internal Control Over Compliance

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

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

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

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

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Longmont as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the City of Longmont's basic financial statements. We issued our report thereon dated June 13, 2017, which contained unmodified opinions on those financial statements.

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.



CliftonLarsonAllen LLP

Greenwood Village, Colorado
June 13, 2017

**CITY OF LONGMONT, COLORADO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2016**

Section I – Summary of Auditors’ Results

Financial Statements

1. Type of auditors’ report issued: Unmodified
2. Internal control over financial reporting:
- Material weakness(es) identified? _____ yes x no
 - Significant deficiency(ies) identified? x yes _____ none reported
3. Noncompliance material to financial statements noted? _____ yes x no

Federal Awards

1. Internal control over major federal programs:
- Material weakness(es) identified? _____ yes x no
 - Significant deficiency(ies) identified? _____ yes x none reported
2. Type of auditors’ report issued on compliance for major federal programs: Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? _____ yes x no

Identification of Major Federal Programs

CFDA Number(s)	Name of Federal Program or Cluster
20.205	Highway Planning and Construction
97.036	Disaster Grants- Public Assistance (Presidentially Declared Grants)
97.047	Pre-Disaster Mitigation (PDM) Grant - FEMA

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

Auditee qualified as low-risk auditee? _____ yes x no

**CITY OF LONGMONT, COLORADO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2016**

Section II – Financial Statement Findings

Finding 2016 – 001 Capital Assets

Significant Deficiency

Criteria: Accurate recording of capital asset purchases are critical to proper reporting of capital assets. This includes depreciation expense and accumulated depreciation.

Condition: Through current year review of capital asset balance, including accumulated depreciation, it was identified that the accumulated depreciation balance associated with the Water Fund was materially misstated as of December 31, 2015.

Cause: During 2015, the City implemented a new information technology system to account for capital asset transactions. Reports generated by the information technology system excluded depreciation from being correctly calculated related to the Water Fund.

Effect: The City's capital asset balance as of December 31, 2015 reported by the Water Fund was overstated as a result of the accumulated depreciation balance not being calculated correctly. This resulted in a prior period adjustment during fiscal year 2016.

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

Views of responsible officials and planned corrective actions:

The City has established procedures to review and ensure the capital assets in the new information technology system are recorded properly within governmental activities and business-type activities, and will continue to review the asset listings on a regular basis to ensure accuracy.

Section III – Findings and Questioned Costs – Major Federal Programs

Our audit did not disclose any matters required to be reported in accordance with 2 CFR 200.516(a).

**CITY OF LONGMONT, COLORADO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2016**

Section IV – Prior Year Financial Statement Findings

Finding 2015 – 001 Capital Assets

Summary: Through implementation of the new technology system during fiscal year 2015, material misstatements were noted related to the capital asset balances as of December 31, 2014, which resulted in prior period adjustments during fiscal year 2015.

Status: The City has continued to improve the process and controls surrounding the new technology system used to track capital assets. As identified in finding 2016-001, a prior period adjustment was made related to capital asset balances in 2016.

Finding 2015 – 002 Grant Receivables and Revenue

Summary: During 2015, the City did not properly account for grant activity between the general fund and the street improvement fund. This resulted in material audit adjustments to correct state grant accounts receivables and revenues between the two funds.

Status: No such issues were identified during 2016. Appears implemented.

Finding 2015 – 003 Grant Receivables and Unearned Revenue

Summary: The City inadvertently recorded grant receivables and unearned revenue at a one-hundred percent reimbursement rate. It was determined the reimbursement rate was only eighty three percent of eligible expenditures which resulted in an overstated of \$282,227.

Status: No such issues were identified during 2016. Appears implemented.

Finding 2015 – 004 Segregation of Duties with Programmers' Access

Summary: The City had granted programmers update access due to limited resources and knowledge of the application which resulted in programmers having the ability to execute, update, and read production programs and data files.

Status: No such issues were identified during 2016. Appears implemented.

**CITY OF LONGMONT, COLORADO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2016**

Section IV – Prior Year Financial Statement Findings

Finding 2015 – 005 Override of Security Settings

Summary: Two domain administrator accounts in Active Directory did not require passwords to authenticate the City's security. The City subsequently changed access for the two accounts noted to require a password.

Status: No such issues were identified during 2016. Appears implemented.

Section V – Prior Year Findings and Questioned Costs – Major Federal Programs

There were no findings required to be reported in accordance with 2 CFR 200.516(a) for the fiscal year ended December 31, 2015.

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

LOCAL HIGHWAY FINANCE REPORT	City or County:	City of Longmont
	YEAR ENDING :	December 2016

This Information From The Records Of (example - City of _ or County of City of Longmont)	Prepared By:	Ben MacDonald
	Phone:	(303) 774-3578

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

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT	ITEM	AMOUNT
A. Receipts from local sources:		A. Local highway disbursements:	
1. Local highway-user taxes		1. Capital outlay (from page 2)	19,528,959
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	10,261,030
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	1,412,736
2. General fund appropriations	3,280,333	b. Snow and ice removal	783,389
3. Other local imposts (from page 2)	15,237,026	c. Other	0
4. Miscellaneous local receipts (from page 2)	935,055	d. Total (a. through c.)	2,196,125
5. Transfers from toll facilities	0	4. General administration & miscellaneous	957,642
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	2,463,038
a. Bonds - Original Issues	0	6. Total (1 through 5)	35,406,794
b. Bonds - Refunding Issues	0	B. Debt service on local obligations:	
c. Notes	0	1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	0
7. Total (1 through 6)	19,452,414	b. Redemption	0
B. Private Contributions	1,810,645	c. Total (a. + b.)	0
C. Receipts from State government		2. Notes:	
(from page 2)	3,580,471	a. Interest	0
D. Receipts from Federal Government		b. Redemption	0
(from page 2)	3,549,069	c. Total (a. + b.)	0
E. Total receipts (A.7 + B + C + D)	28,392,599	3. Total (1.c + 2.c)	0
		C. Payments to State for highways	0
		D. Payments to toll facilities	0
		E. Total disbursements (A.6 + B.3 + C + D)	35,406,794

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

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

V. LOCAL ROAD AND STREET FUND BALANCE

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	13,993,932	28,392,599	35,406,794	6,979,737	0

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT		STATE: Colorado	
		YEAR ENDING (mm/yy): December 2016	
II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL			
ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assessments	0	a. Interest on investments	60,915
b. Other local imposts:		b. Traffic Fines & Penalties	0
1. Sales Taxes	14,161,759	c. Parking Garage Fees	0
2. Infrastructure & Impact Fees	78,045	d. Parking Meter Fees	0
3. Liens	0	e. Sale of Surplus Property	2,364
4. Licenses	0	f. Charges for Services	0
5. Specific Ownership &/or Other	997,222	g. Other Misc. Receipts	871,776
6. Total (1. through 5.)	15,237,026	h. Other	0
c. Total (a. + b.)	15,237,026	i. Total (a. through h.)	935,055
	(Carry forward to page 1)		(Carry forward to page 1)
ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes	2,872,007	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	
a. State bond proceeds		b. FEMA	1,560,696
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	309,913	d. Federal Transit Admin	1,603,102
d. Other (Specify) - DOLA Grant	0	e. U.S. Corps of Engineers	
e. Other (Specify) - Grnts/Rehab Pjct	398,551	f. Other Federal	385,271
f. Total (a. through e.)	708,464	g. Total (a. through f.)	3,549,069
4. Total (1. + 2. + 3.f)	3,580,471	3. Total (1. + 2.g)	
			(Carry forward to page 1)
III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL			
	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs	0	35,053	35,053
b. Engineering Costs	0	403,899	403,899
c. Construction:			
(1). New Facilities	0	0	0
(2). Capacity Improvements	0	15,572,765	15,572,765
(3). System Preservation	0	3,517,242	3,517,242
(4). System Enhancement & Operation	0	0	0
(5). Total Construction (1) + (2) + (3) + (4)	0	19,090,007	19,090,007
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	19,528,959	19,528,959
			(Carry forward to page 1)
Notes and Comments:			



Public Works and Natural Resources Open House