



Continuing Disclosure Report

For the
year ended
December 31, 2013



City of
LONGMONT
Colorado

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September 25, 2014

In connection with the issuance of municipal securities, the City of Longmont has agreed to provide certain continuing disclosure for the benefit of the holders of such securities. The commitments to provide such disclosure, commonly referred to as “continuing disclosure undertakings”, have been undertaken in conformity with the requirements established by Rule 15c2-12 (the Rule) under the Securities Exchange Act of 1934. The Rule was in effect at the time of the issuance of the securities, and references to the Rule in this report are to Rule 12c2-12 in effect at the time of execution and delivery of each continuing disclosure undertaking. This report is meant to supplement and complement information found within the City of Longmont’s 2013 Comprehensive Annual Financial Report (CAFR) and is not intended to be viewed as a fully inclusive compliance document.

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

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

Sincerely,

A handwritten signature in blue ink, appearing to read "James M. Golden", is written over the word "Sincerely,".

James M. Golden
Director of Finance
City of Longmont

Reporting of Significant Events

As of December 31, 2013 the City of Longmont had outstanding three different types of obligations: Sales & Use Tax Revenue bonds, Enterprise Revenue Bonds and Loans. Information related to the disclosures made by the City can be found at the City's disclosure portal, also known as EMMA – Electronic Municipal Market Access, at www.emma.msrb.org.

Subsequent Events

The City of Longmont November 2013 election authorized the issuance of Electric and Broadband Bonds and Wastewater Bonds in 2014 and the June 2014 election authorized the issuance of Storm Drainage Bonds in 2014.

The 2014 Electric and Broadband Bonds were issued in April 2014 and the continuing disclosure tables as identified in the Official Statement are included in this report. Both the Wastewater and the Storm Drainage Bond issuances are in process.

On August 1, 2014 the City of Longmont issued \$19,525,000 of Tax-Exempt Certificates of Participation, Series 2014A and \$9,950,000 of Taxable Certificates of Participation, Series 2014B.

Statistical Disclosure

This Continuing Disclosure Report reflects each debt structure outstanding as of December 31, 2013 requiring annual reporting: (1) Sales and Use Tax Revenue Bonds and (2) Enterprise Bonds.

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

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

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

Summarized below is a listing, including the CUSIP 6-digit issuer number, of all obligations outstanding by type as of December 31, 2013.

Sales & Use Tax Revenue Bonds

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

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

Enterprise Bonds

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

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

Wastewater Revenue Refunding Bonds, Series 2013 – CUSIP #543098

Sales and Use Tax
Revenue Refunding Bonds
Series 2006

Pro-Forma Debt Service Coverage

<u>Year</u>	<u>Pledged Sales and Use Tax Revenues (1)</u>	<u>Maximum Annual Debt Service on the 2006 Bonds (2)</u>	<u>Coverage</u>
1995	\$ 13,584,927	\$ 2,897,550	4.69
1996	14,898,098	2,897,550	5.14
1997	16,627,320	2,897,550	5.74
1998	18,776,718	2,897,550	6.48
1999	20,299,652	2,897,550	7.01
2000	24,381,820	2,897,550	8.41
2001	26,260,919	2,897,550	9.06
2002	25,229,706	2,897,550	8.71
2003	25,292,326	2,897,550	8.73
2004	26,834,839	2,897,550	9.26
2005	27,250,464	2,897,550	9.40
2006	27,998,620	2,799,100	10.00
2007	28,532,328	2,799,100	10.19
2008	28,160,393	2,799,100	10.06
2009	26,067,179	2,799,100	9.31
2010	27,221,782	2,799,100	9.73
2011	28,823,947	2,799,100	10.30
2012	30,105,775	2,799,100	10.76
2013	31,951,254	2,799,100	11.41
2014 (3)	17,376,944 (3)	2,799,100	6.21

(1) Includes only the Pledged Sales and Use Tax Revenues imposed at a rate of 2.0%. See "City's Pledge of the Pledged Sales and Use Tax Revenues" and "REVENUES AVAILABLE FOR DEBT SERVICE" in the Official Statement related to the 2006 Bonds. See Table 1.1a for a description of changes to the 2006-2012 Pledged Sales and Use Tax Revenues. As a result of these changes, the figures presented here differ from those presented in prior annual financial filings.

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

(3) Represents Pledged Sales and Use Tax Revenues collected through May 31, 2014.

Comparative Disclosure Adjustments and Analysis

Related to Table 1.1

Pro-Forma Debt Service Coverage

	Pledged Sales and Use Tax Reported 1995 - 2013		Pledged Sales and Use Tax Reported 2014	
Year	Pledged Sales & Use Tax Collections	Adjustments	Pledged Sales & Use Tax Collections	(1)
1995	\$ 13,584,927	\$ -	\$ 13,584,927	
1996	14,898,098	-	14,898,098	
1997	16,627,320	-	16,627,320	
1998	18,776,718	-	18,776,718	
1999	20,299,652	-	20,299,652	
2000	24,381,820	-	24,381,820	
2001	26,260,919	-	26,260,919	
2002	25,229,706	-	25,229,706	
2003	25,292,326	-	25,292,326	
2004	26,834,839	-	26,834,839	
2005	27,250,464	-	27,250,464	
2006	27,985,292	13,328	27,998,620	
2007	28,494,697	37,631	28,532,328	
2008	28,222,355	(61,962)	28,160,393	(2)
2009	26,139,009	(71,830)	26,067,179	(3)
2010	27,014,780	207,002	27,221,782	
2011	28,660,031	163,916	28,823,947	
2012	30,105,774	1	30,105,775	

(1) Comparative data reflects accruals added to pledged collections previously reported for years 2006 through 2012 in order to conform to the City's most current financial statements.

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

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

Annual History of City Sales and Use Tax Collections

<u>Year</u>	<u>Sales Tax Collections</u>	<u>Percent Increase (Decrease)</u>	<u>Use Tax Collections</u>	<u>Percent Increase (Decrease)</u>	<u>Total City Sales & Use Tax Collections</u>	<u>Percent Increase (Decrease)</u>
1995	\$ 14,791,313	---	\$ 3,887,961	---	\$ 18,679,274	---
1996	16,077,627	8.70 %	4,407,257	13.36 %	20,484,884	9.67 %
1997	17,955,152	11.68 %	4,907,413	11.35 %	22,862,565	11.61 %
1998	20,027,757	11.54 %	5,790,230	17.99 %	25,817,987	12.93 %
1999	21,974,302	9.72 %	5,937,720	2.55 %	27,912,022	8.11 %
2000	25,609,889	16.54 %	7,915,113	33.30 %	33,525,002	20.11 %
2001 (1)	29,711,296	16.01 %	8,896,046	12.39 %	38,607,342	15.16 %
2002	29,268,352	(1.49) %	8,014,657	(9.91) %	37,283,009	(3.43) %
2003	29,646,403	1.29 %	8,077,110	0.78 %	37,723,513	1.18 %
2004	30,920,491	4.30 %	8,798,520	8.93 %	39,719,011	5.29 %
2005	31,767,568	2.74 %	8,459,373	(3.85) %	40,226,941	1.28 %
2006	33,451,047	5.30 %	7,846,915	(7.24) %	41,297,962 (4)	2.66 %
2007 (2)	39,519,208	18.14 %	7,201,121	(8.23) %	46,720,329 (4)	13.13 %
2008	39,027,017	(1.25) %	7,085,626	(1.60) %	46,112,643	(1.30) %
2009	37,013,856	(5.16) %	5,671,150	(19.96) %	42,685,006 (4)	(7.43) %
2010	38,265,468	3.38 %	6,310,198	11.27 %	44,575,666 (4)	4.43 %
2011	40,109,760	4.82 %	7,089,453	12.35 %	47,199,213 (4)	5.89 %
2012	41,378,361	3.16 %	7,919,845	11.71 %	49,298,206 (4)	4.45 %
2013	43,969,073	6.26 %	8,351,103	5.45 %	52,320,176	6.13 %
2014 (3)	18,240,253	n/a	4,136,241	n/a	22,376,494	n/a

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

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

(3) Represents Sales and Use Tax Revenues collected through May 31, 2014.

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

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

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

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

Table 1.3

General Fund - Budget Summary and Comparison

	2013 Final Budget	Actual 2013	2014 Amended Budget	Actual 6/30/2014 (1)
REVENUES				
Taxes	\$ 47,663,104	\$ 49,064,566	\$ 49,787,556	\$ 28,907,198
Licenses and permits	863,619	1,262,587	969,932	815,304
Intergovernmental	1,181,794	1,043,373	1,035,535	338,978
Charges for services	12,449,825	12,869,133	5,560,819	3,269,039
Interfund transfers	2,689,837	3,010,267	6,669,342	3,366,411
Fines and forfeits	1,387,300	1,048,076	1,355,800	559,960
Interest earnings	130,000	8,213	89,000	36,582
Miscellaneous	2,135,784	299,480	154,023	153,025
Total Sources of Funds	<u>68,501,263</u>	<u>68,605,695</u>	<u>65,622,007</u>	<u>37,446,497</u>
EXPENDITURES				
General government	28,269,783	21,012,852	24,649,782	10,538,524
Public Safety	31,455,340	31,701,124	31,522,342	15,344,800
Culture and recreation	14,088,894	13,754,215	14,088,789	6,422,849
Total Expenditures	<u>73,814,017</u>	<u>66,468,191</u>	<u>70,260,913</u>	<u>32,306,173</u>
Excess of revenues of over (under) expenditures	(5,312,754)	2,137,504	(4,638,906)	5,140,324
OTHER FINANCING SOURCES (USES)				
Operating transfers out	-	-	(571,190)	(2,537)
Total other financing sources (uses)	-	-	(571,190)	(2,537)
Excess of revenues and other sources over (under) expenditures and other uses	(5,312,754)	2,137,504	(5,210,096)	5,137,787
BEGINNING FUND BALANCE	<u>5,316,596</u>	<u>15,486,280</u>	<u>16,628,075</u>	<u>16,628,075</u>
ENDING FUND BALANCE	<u>\$ 3,842</u>	<u>\$ 17,623,784</u>	<u>\$ 11,417,979</u>	<u>\$ 21,765,862</u>

(1) Source June 30, 2014 Interim, unaudited reports.

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

Public Improvement Fund - Budget Summary and Comparison

	2013 Final Budget	Actual 2013	2014 Amended Budget (1)	Actual at 6/30/2014 (1)
REVENUES				
Taxes	\$ 3,507,823	\$ 4,068,199	\$ 3,736,454	\$ 2,470,982
Intergovernmental	2,502,500	1,123,350	3,937,500	32,734
Transfers In	250,000	250,000	660,000	14,534
Interest earnings	14,742	(3,887)	10,000	11,753
Miscellaneous Revenue	2,357,859	-	1,542,269	215,245
Total Sources of Funds	<u>8,632,924</u>	<u>5,437,662</u>	<u>9,886,223</u>	<u>2,745,248</u>
EXPENDITURES				
Capital projects	<u>12,596,912</u>	<u>5,113,774</u>	<u>14,089,582</u>	<u>2,926,566</u>
Total Expenditures	<u>12,596,912</u>	<u>5,113,774</u>	<u>14,089,582</u>	<u>2,926,566</u>
Excess of revenues of over (under) expenditures	(3,963,988)	323,888	(4,203,359)	(181,318)
BEGINNING FUND BALANCE	<u>\$ 4,212,494</u>	<u>\$ 4,212,494</u>	<u>\$ 4,536,382</u>	<u>\$ 4,536,382</u>
ENDING FUND BALANCE	<u>\$ 248,506</u>	<u>\$ 4,536,382</u>	<u>\$ 333,023</u>	<u>\$ 4,355,064</u>

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

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

	Fiscal Year Ended December 31,				
	2009	2010	2011	2012	2013
REVENUE					
Taxes(2)	\$ 42,608,171	\$ 44,438,338	\$ 45,676,651	\$ 46,858,516	\$ 49,064,566
Licenses and permits	682,684	911,127	935,881	1,189,318	1,262,587
Intergovernmental	1,639,111	619,302	638,099	1,049,351	1,043,373
Charges for services	10,636,791	12,783,664	12,439,300	12,981,298	12,872,106
Fines and forfeits	1,375,927	1,442,613	1,365,678	1,426,776	1,048,076
Investment income	191,103	170,908	204,438	140,541	1,960
Miscellaneous income	150,542	119,482	339,354	265,343	299,480
Total revenue	<u>57,284,329</u>	<u>60,485,434</u>	<u>61,599,401</u>	<u>63,911,143</u>	<u>65,592,148</u>
EXPENDITURES					
Current					
General government	17,756,893	17,508,296	19,300,872	23,201,064	20,555,032
Public Safety	28,140,574	28,014,680	29,022,194	30,479,357	31,466,991
Culture and recreation	12,463,311	12,856,376	12,704,345	13,750,099	13,840,357
Total Expenditures	<u>58,360,778</u>	<u>58,379,352</u>	<u>61,027,411</u>	<u>67,430,520</u>	<u>65,862,380</u>
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	<u>(1,076,449)</u>	<u>2,106,082</u>	<u>571,990</u>	<u>(3,519,377)</u>	<u>(270,232)</u>
OTHER FINANCING SOURCES (USES)					
Lease proceeds	-	74,088	-	3,195,823	-
Operating transfers in	1,745,106	75,581	168,815	1,487,445	3,155,937
Operating transfers out	(191,814)	(191,328)	(1,039,053)	(686,158)	(709,622)
Total other financing sources (uses)	<u>1,553,292</u>	<u>(41,659)</u>	<u>(870,238)</u>	<u>3,997,110</u>	<u>2,446,315</u>
EXCESS OF REVENUE AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	<u>476,843</u>	<u>2,064,423</u>	<u>(298,248)</u>	<u>477,733</u>	<u>2,176,083</u>
FUND BALANCE, January 1	\$ 11,663,898	\$ 12,140,741	\$ 15,200,875	\$ 14,902,627	\$ 15,380,360
Adjustments to fund balance(3)	<u>-</u>	<u>995,711</u>	<u>-</u>	<u>-</u>	<u>-</u>
Restated fund balance	11,663,898	13,136,452	15,200,875	14,902,627	15,380,360
FUND BALANCE, December 31	<u>\$ 12,140,741</u>	<u>\$ 15,200,875</u>	<u>\$ 14,902,627</u>	<u>\$ 15,380,360</u>	<u>\$ 17,556,443</u>

(1) GAAP basis.

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

(3) Reflects reporting change in relation to the adoption of GASB Statement no. 54.

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

	Fiscal Year Ended Dec. 31,				
	2009	2010	2011	2012	2013
REVENUE					
Taxes(2)	\$ 3,316,107	\$ 3,581,110	\$ 4,261,032	\$ 3,999,340	\$ 4,068,199
Intergovernmental	-	32,587	-	-	-
Interest earnings	90,438	61,818	49,294	37,849	(3,887)
Private grants/donations	-	-	-	292,326	1,123,350
Miscellaneous	12,573	24,615	25,000	823	-
Total revenue	<u>3,419,118</u>	<u>3,700,130</u>	<u>4,335,326</u>	<u>4,330,338</u>	<u>5,187,662</u>
EXPENDITURES					
Capital projects	2,733,830	893,318	2,193,219	3,375,563	2,382,196
Debt service	2,674,997	2,674,623	2,683,810	2,666,125	2,718,925
Total Expenditures	<u>5,408,827</u>	<u>3,567,941</u>	<u>4,877,029</u>	<u>6,041,688</u>	<u>5,101,121</u>
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	<u>(1,989,709)</u>	<u>132,189</u>	<u>(541,703)</u>	<u>(1,711,350)</u>	<u>86,541</u>
OTHER FINANCING SOURCES (USES)					
Operating transfers in	-	-	850,000	266,300	250,000
Operating transfers out	(3,921)	(5,467)	(16,274)	(17,632)	(12,653)
Lease Purchase Proceeds	2,282,246	-	-	-	-
Total other financing sources (uses)	<u>2,278,325</u>	<u>(5,467)</u>	<u>833,726</u>	<u>248,668</u>	<u>237,347</u>
EXCESS OF REVENUE AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	<u>288,616</u>	<u>126,722</u>	<u>292,023</u>	<u>(1,462,682)</u>	<u>323,888</u>
FUND BALANCE, January 1	\$ 4,967,815	\$ 5,256,431	\$ 5,383,153	\$ 5,675,176	\$ 4,212,494
FUND BALANCE, December 31	<u>\$ 5,256,431</u>	<u>\$ 5,383,153</u>	<u>\$ 5,675,176</u>	<u>\$ 4,212,494</u>	<u>\$ 4,536,382</u>

(1) GAAP basis.

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

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

Historical Pledged Revenues and Pro-Forma Debt Service Coverage

<u>Year</u>	<u>Open Space Sales and Use Tax Revenues (1)</u>	<u>Maximum Annual Debt Service on the 2010 Bonds (2)</u>	<u>Pro-Forma Coverage</u>
2005	\$2,727,251	\$2,268,205	1.20
2006	2,799,861	2,268,205	1.23
2007	2,853,231	2,268,205	1.26
2008	2,816,039	2,268,205	1.24
2009	2,606,718	2,268,205	1.15
2010	2,722,178	2,268,205	1.20
2011	2,882,395	2,268,205	1.27
2012	3,010,578	2,236,214	1.35
2013	3,195,124	2,236,214	1.43

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

(2) Represents the Maximum Annual Debt Service on the 2010 Bonds (\$2,236,214 in 2012). The City expects to receive a BAB credit in an amount equal to 35% of interest payable on the 2010B Bonds. The BAB credit has not been subtracted from the amounts shown.

Table 2.2

Annual History of Pledged Sales and Use Tax Collections

<u>Year</u>	<u>Open Space Sales Tax Collections</u>	<u>Percent Increase (Decrease)</u>	<u>Open Space Use Tax Collections</u>	<u>Percent Increase (Decrease)</u>	<u>Total City Sales & Use Tax Collections</u>	<u>Percent Increase (Decrease)</u>
2005	\$2,151,677	--	\$575,573	--	\$2,727,250	--
2006	2,267,867	5.40 %	531,994	(7.57) %	2,799,861	2.66 %
2007	2,409,631	6.25 %	443,600	(16.62) %	2,853,231	1.91 %
2008	2,385,798	(0.99) %	430,241	(3.01) %	2,816,039	(1.30) %
2009	2,260,388	(5.26) %	346,330	(19.50) %	2,606,718	(7.43) %
2010	2,336,822	3.38 %	385,356	11.27 %	2,722,178	4.43 %
2011	2,449,451	4.82 %	432,944	12.35 %	2,882,395	5.89 %
2012	2,526,923	3.16 %	483,655	11.71 %	3,010,578	4.45 %
2013	2,685,133	6.26 %	509,991	5.45 %	3,195,124	6.13 %
2014	1,423,760 (1)	-	313,943 (1)	-	1,737,703 (1)	-

(1) Includes collections through 6/30/14 (for sales made in January through May 2014).

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

	Fiscal Year Ended December 31,				
	2009	2010	2011	2012	2013
REVENUE					
Taxes(1)	\$ 2,606,718	\$ 2,722,178	\$ 2,882,395	\$ 3,010,578	\$ 3,195,124
Developer Participation	-	-	-	22,269	-
Intergovernmental	-	-	211,698	194,914	286,310
Private Grants	-	-	-	11,000	-
Investment income	43,599	50,191	47,304	39,570	5,787
Miscellaneous income	78,755	74,583	134,877	112,404	57,483
Total revenue	<u>2,729,072</u>	<u>2,846,952</u>	<u>3,276,274</u>	<u>3,390,735</u>	<u>3,544,704</u>
EXPENDITURES					
Current					
Culture and recreation	5,504,036 (2)	6,979,820 (2)	619,167 (2)	2,548,465 (2)	1,872,505
Debt Service					
Bond principal retired	1,100,000	-	1,060,000	1,145,000	1,150,000
Interest and fiscal charges	711,171	378,338	1,208,205	1,091,214	1,068,314
Bond issuance costs	-	408,421	-	-	-
Total Expenditures	<u>7,315,207</u>	<u>7,766,579</u>	<u>2,887,372</u>	<u>4,784,679</u>	<u>4,090,819</u>
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	<u>(4,586,135) (2)</u>	<u>(4,919,627) (2)</u>	<u>388,902 (2)</u>	<u>(1,393,944) (2)</u>	<u>(546,115)</u>
OTHER FINANCING SOURCES (uses)					
Transfers in:					
Street Fund	-	-	-	-	148,500
Fleet Fund	-	-	-	-	13,684
Transfers out:					
Art in public places fund	-	-	(163)	(1,274)	(7,218)
General Fund	-	-	-	(694)	(251)
Issuance of long-term debt	-	29,770,000	-	-	-
Premium on issuance of long-term debt	-	177,173	-	-	-
Payment to refunded bond escrow agent	-	(14,732,432)	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>15,214,741</u>	<u>(163)</u>	<u>(1,968)</u>	<u>154,715</u>
Net Changes in Fund Balance	<u>(4,586,135) (2)</u>	<u>10,295,114 (2)</u>	<u>388,739 (2)</u>	<u>(1,395,912) (2)</u>	<u>(391,400)</u>
FUND BALANCE, January 1	\$ 5,074,048	\$ 487,913	\$ 10,783,027	\$ 11,171,766	\$ 9,775,854
FUND BALANCE, December 31	<u>\$ 487,913</u>	<u>\$ 10,783,027</u>	<u>\$ 11,171,766</u>	<u>\$ 9,775,854</u>	<u>\$ 9,384,454</u>

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

(2) In 2009, includes expenditure of the loan from the Fleet Fund. For accounting purposes, the loan from the Fleet Fund is recorded as an interfund payable on the Open Space Fund balance sheet.

Open Space Fund - Budget to Actual Comparison

	Final Budget 2013	Actual 2013	Amended Budget 2014	Actual through 6/30/14(1)
REVENUES				
Sales tax	\$ 2,558,424	\$ 2,685,133	\$ 2,717,294	\$ 1,423,760
Use tax	439,715	509,991	476,257	313,943
Developer Participation	-	-	-	-
Interest income	62,679	5,787	21,067	13,975
Private Grants/donations	-	-	-	-
Miscellaneous	40,000	57,483	40,000	26,109
Intergovernmental	238,664	286,310	1,144,832	95,092
Total Revenue	<u>3,339,482</u>	<u>3,544,704</u>	<u>4,399,450</u>	<u>1,872,879</u>
EXPENDITURES				
Open Space Operations	7,454,996	1,872,505	6,692,769	1,704,348
Debt Service				
Interest and fiscal charges	1,068,314	1,068,314	1,045,314	522,657
Bond principal retired	1,150,000	1,150,000	1,160,000	-
Total Expenditures	<u>9,673,310</u>	<u>4,090,819</u>	<u>8,898,083</u>	<u>2,227,005</u>
Excess/Deficiency of Revenues Over (Under) Expenditures	(6,333,828)	(546,115)	(4,498,633)	(354,126)
OTHER FINANCING SOURCES (uses)				
Transfers in				
Street Fund	-	148,500	-	-
Fleet Fund	-	13,684	-	-
Transfers out				
Art in public places fund	(32,416)	(7,218)	-	-
General fund	(251)	(251)	-	-
Total other financing sources (uses)	<u>(32,667)</u>	<u>154,715</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	(6,366,495)	(391,400)	(4,498,633)	(354,126)
BEGINNING FUND BALANCE, January 1	\$ 9,775,854	\$ 9,775,854	\$ 9,384,454	\$ 9,384,454
ENDING FUND BALANCE, June 30	<u>\$ 3,409,359</u>	<u>\$ 9,384,454</u>	<u>\$ 4,885,821</u>	<u>\$ 9,030,328</u>

(1) Unaudited, interim information only.

Storm Drainage

Revenue Bonds

Series 2008

Five Year History of Storm Drainage Revenues

<u>Year</u>	<u>User Charge Revenues</u>	<u>Percentage Change</u>	<u>Plant Investment Fees</u>	<u>Percentage Change</u>	<u>Total</u>	<u>Percentage Change</u>
2009	3,428,994	0.22%	30,774	-62.80%	3,459,768	-1.27%
2010	3,420,656	-0.24%	120,618	291.95%	3,541,274	2.36%
2011	3,395,622	-0.73%	93,331	-22.62%	3,488,953	-1.48%
2012	3,835,699	12.96%	163,868	75.58%	3,999,567	14.64%
2013	4,027,152	4.99%	146,340	-10.70%	4,173,492	4.35%

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

	2012 Final Budget	Actual 2012	2013 Final Budget	Actual 2013	Budget 2014
REVENUES					
Charges for services	\$ 3,751,958	\$ 3,835,700	\$ 3,739,242	\$ 4,027,152	\$ 6,339,805
Plant investment fee	37,187	163,868	25,070	146,340	94,827
Intergovernmental	2,387,268	2,516,937	1,225,000	33,992	7,810,040
Investment income	34,739	16,276	33,457	(13,883)	20,683
Miscellaneous	30,600	32,116	31,212	44,432	31,836
Proceeds from long-term loan	-	-	2,600,000	-	-
Total revenues	<u>6,241,752</u>	<u>6,564,897</u>	<u>7,653,981</u>	<u>4,238,033</u>	<u>14,297,191</u>
EXPENSES					
Administration	682,766	574,583	716,848	620,673	2,168,041
Maintenance/Development	1,540,378	1,277,328	2,424,817	1,339,914	4,202,515
Administrative Fees	421,171	421,171	452,283	452,283	420,772
Total operations	<u>2,644,315</u>	<u>2,273,082</u>	<u>3,593,948</u>	<u>2,412,870</u>	<u>6,791,328</u>
Debt service	1,086,406	1,103,442	1,083,532	1,184,654	1,083,757
Capital outlay	8,810,796	5,030,554	6,861,432	4,771,090	8,117,110
Total expenses	<u>12,541,517</u>	<u>8,407,078</u>	<u>11,538,912</u>	<u>8,368,614</u>	<u>15,992,195</u>
Excess of revenues (under) expenses	<u>\$ (6,299,765)</u>	<u>\$ (1,842,181)</u>	<u>\$ (3,884,931)</u>	<u>\$ (4,130,581)</u>	<u>\$ (1,695,004)</u>
RECONCILIATION TO NET INCOME (GAAP BASIS)					
Add: Additions to plant and equipment					
Capital outlay		\$ 5,030,554		\$ 4,771,090	
Capitalized salaries		58,147		44,119	
Capitalized interest		522,694		511,174	
Capital contributions		-		138,279	
		<u>5,611,395</u>		<u>5,464,662</u>	
Principal retired		<u>565,000</u>		<u>565,000</u>	
		6,176,395		6,029,662	
Less: Depreciation		1,253,769		1,340,628	
Impairment loss		-		6,343,272 (1)	
		<u>1,253,769</u>		<u>7,683,900</u>	
Net income (GAAP basis)		<u>\$ 3,080,445</u>		<u>\$ (5,784,819)</u>	

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

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

	Fiscal Year Ended December 31,				
	2009	2010	2011	2012	2013
OPERATING REVENUES					
Charges for services	\$ 3,428,994	\$ 3,420,656	\$ 3,395,622	\$ 3,835,700	\$ 4,027,152
OPERATING EXPENSES					
Administration	811,830	900,119	966,516	1,021,242	1,184,587
Maintenance/Development	922,958	745,619	780,133	716,653	674,955
Depreciation	890,542	956,836	1,126,588	1,253,769	1,340,628
Administrative fees	402,764	517,728	463,110	421,171	452,283
Total operating expenses	<u>3,028,094</u>	<u>3,120,302</u>	<u>3,336,347</u>	<u>3,412,835</u>	<u>3,652,453</u>
Operating income (loss)	<u>400,900</u>	<u>300,354</u>	<u>59,275</u>	<u>422,865</u>	<u>374,699</u>
NON-OPERATING REVENUES (EXPENSES)					
Investment income	91,893	55,580	30,573	16,276	(13,883)
Miscellaneous	60,976	42,464	48,175	32,116	44,432
Intergovernmental	14,281	4,059	483,063	2,516,937	33,992
Interest	(51,142)	(16,895)	(6,414)	(9,094)	(2,581)
Gain (loss) on disposal of assets	(20,856)	-	-	-	-
Bond/Loan issuance expense	(6,653)	(6,653)	(6,654)	(6,654)	(105,899)
Net non-operating revenues	<u>88,499</u>	<u>78,555</u>	<u>548,743</u>	<u>2,549,581</u>	<u>(43,939)</u>
Change in net position before transfers and capital contributions	<u>489,399</u>	<u>378,909</u>	<u>608,018</u>	<u>2,972,446</u>	<u>330,760</u>
CAPITAL CONTRIBUTIONS	48,274	120,618	2,781,729	163,868	284,619
SPECIAL ITEM					
Impairment loss	-	-	-	-	(6,343,272) (1)
TRANSFERS					
Transfers in	-	7,121	-	-	-
Transfers out	(6,616)	(37,781)	(12,832)	(55,869)	(56,926)
Change in net position	531,057	468,867	3,376,915	3,080,445	(5,784,819)
TOTAL NET POSITION - January 1	<u>\$41,763,483</u>	<u>\$ 42,294,540</u>	<u>\$ 42,763,407</u>	<u>\$46,140,322</u>	<u>\$ 49,220,767</u>
TOTAL NET POSITION-December 31	<u>\$42,294,540</u>	<u>\$ 42,763,407</u>	<u>\$ 46,140,322</u>	<u>\$49,220,767</u>	<u>\$ 43,435,948</u>

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

Pro-Forma Debt Service Coverage (1)

<u>Year</u>	<u>User Charge Revenues (2)</u>	<u>Plant Investment Fees</u>	<u>Total</u>	<u>Maximum Annual Debt Service on the 2008 Bonds (3)</u>	<u>Coverage</u>
2008	3,421,596	82,717	3,504,313	1,112,925	3.15
2009	3,428,994	30,774	3,459,768	1,112,925	3.11
2010	3,420,656	120,618	3,541,274	1,112,925	3.18
2011	3,395,622	93,331	3,488,953	1,112,925	3.13
2012	3,835,699	163,868	3,999,567	1,112,925	3.59
2013	4,027,152	146,340	4,173,492	1,112,925	3.75

(1) Includes only storm drainage user charge revenues and storm drainage plant investment fees, and does not include developer participation, investment income or miscellaneous income See "Pledged Revenues" above and "FINANCIAL INFORMATION CONCERNING THE STORM DRAINAGE SYSTEM - Storm Drainage Fees."

(2) Revenues increased in User Charge revenues due in part to a rate increase as described in "THE STORM DRAINAGE - Fees." Also see "Storm Drainage Fees" above.

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

Electric and Broadband Utility

Enterprise Revenue Bonds

Series 2014

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

	2009	2010	2011	2012	2013	Budgeted 2014
Gross Pledged Revenues						
<u>Electric System</u>						
Charges for services	\$44,507,482	\$49,440,782	\$53,838,044	\$57,182,388	\$60,870,571	\$ 66,057,550
Electric Aid to Construction (1)	692,952	384,005	464,804	680,804	1,245,959	700,000
Other (2)	212,343	243,359	271,240	214,835	130,370	249,800
	<u>45,412,777</u>	<u>50,068,146</u>	<u>54,574,088</u>	<u>58,078,027</u>	<u>62,246,900</u>	<u>67,007,350</u>
<u>Broadband System</u>						
Charges for services	234,185	293,519	282,208	290,774	316,941	494,000
Other (3)	16,393	197,787	37,185	8,671	1,806	278,533
	<u>250,578</u>	<u>491,306</u>	<u>319,393</u>	<u>299,445</u>	<u>318,747</u>	<u>772,533</u>
Total Gross Pledged Revenues	<u>45,663,355</u>	<u>50,559,452</u>	<u>54,893,481</u>	<u>58,377,472</u>	<u>62,565,647</u>	<u>67,779,883</u>
Operation and Maintenance Expenses (4)						
Electric System	42,379,051	45,360,028	49,436,713	50,834,779	53,099,447	54,951,143
Broadband System	103,284	125,040	138,080	316,445	576,460	2,027,009
Total O&M Expenses	<u>42,482,335</u>	<u>45,485,068</u>	<u>49,574,793</u>	<u>51,151,224</u>	<u>53,675,907</u>	<u>56,978,152</u>
Net Pledged Revenues	\$3,181,020	\$5,074,384	\$5,318,688	\$7,226,248	\$8,889,740	\$10,801,731
Combined Maximum Annual Principal and Interest Requirements (5)	\$3,717,013	\$3,717,013	\$3,717,013	\$3,717,013	\$3,717,013	\$3,717,013
Pro-Forma Coverage	0.86x	1.37x	1.43x	1.94x	2.12x	2.41x

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

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

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

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

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

(5) Represents the Combined Maximum Annual Principal and Interest Requirements payable on the 2014 Bonds (\$3,717,013 in 2017 and 2019). See "DEBT SERVICE REQUIREMENTS."

Source: Derived from the City's audited financial statements for 2009-2013 and the 2014 Budget.

Electric System User Charges - 2014

Rate Description	Charges	Rates
Residential Rates		
Residential Energy	Customer Charge	\$10.4000
	0-750 kwh	\$0.0755
	751-1500 kwh	\$0.0823
	1501 kwh and above	\$0.0930
Residential Demand	Customer Charge	\$15.4000
	kwh	\$0.0431
	max kw	\$5.7500
Residential Generation	Customer Charge	\$22.4000
	kwh below average	\$0.0590
	kwh above average	\$0.0755
Renewable	kwh	\$ 0.0296

Commercial Rates

Commercial Energy	Customer Charge	\$16.4000
	kwh	\$ 0.0780
Commercial Demand	Customer Charge	\$42.3000
	kwh	\$0.0431
	max kw	\$12.0000
Commercial Energy Generation	Customer Charge	\$53.5000
	kwh below average	\$0.0561
	kwh above average	\$0.0780
Commercial Demand Generation	Customer Charge	\$42.3000
	kwh	\$0.0431
	max kw	\$12.0000

Unmetered Energy Rates

Unmetered 1-49 watt	Customer Charge	\$ 6.80
Unmetered 50-149 watt	Customer Charge	\$ 8.00
Unmetered 150-249 watt	Customer Charge	\$ 10.50
Unmetered 250 & over	Customer Charge	\$ 12.40
Power Supply	Customer Charge	\$ 43.00

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

Source: Longmont Power and Communications, City of Longmont.

History of Electric System Customers

Year	Electric Customers	% Change
2003	33,069	n/a
2004	33,992	2.8%
2005	34,779	2.3%
2006	35,454	1.9%
2007	35,750	0.8%
2008	36,231	1.3%
2009	36,383	0.4%
2010	36,683	0.8%
2011	36,809	0.3%
2012	37,107	0.8%
2013	37,360	0.7%

Source: Longmont Power and Communications, City of Longmont.

Electric System Customer Information by Customer Type

	2009	2010	2011	2012	2013
Electric Sales in MWH					
Residential	291,446	313,853	312,726	314,664	309,764
Commercial	329,634	344,546	347,587	352,736	348,984
Industrial	147,045	132,790	138,502	126,753	118,885
Total	768,125	791,189	798,815	794,153	777,633
Electric Revenue (in 000s)					
Residential	\$ 18,710	\$ 21,953	\$ 23,648	\$ 25,512	\$ 27,088
Commercial	18,776	20,917	22,598	24,151	25,884
Industrial	6,817	6,611	7,426	7,321	7,366
Total	\$ 44,303	\$ 49,481	\$ 53,672	\$ 56,984	\$ 60,338
Average Customer Accounts					
Residential-inside City limits	32,928	33,230	33,346	33,644	33,766
Residential-outside City limits	821	823	827	830	827
	33,749	34,053	34,173	34,474	34,593
Commercial-inside City limits	2,492	2,494	2,497	2,500	2,523
Commercial-outside City limits	130	126	127	124	119
	2,622	2,620	2,624	2,624	2,642
Industrial-inside City limits	10	8	10	8	9
Industrial-outside City limits	0	0	0	0	0
	10	8	10	8	9
Contract-inside City limits	1	1	1	0	0
Contract-outside City limits	1	1	1	1	1
	2	2	2	1	1
Total Average Accounts	36,383	36,683	36,809	37,107	37,245
Average Use per Customer					
Residential - Annual	8,636	9,217	9,151	9,128	8,955
Residential - Monthly	720	768	763	761	746
Annual Peak Demand (MW)					
Summer Peak	163	172	175	182	178
Winter Peak	133	127	131	123	129

Source: Longmont Power and Communications, City of Longmont.

Largest Electric System Customers - 2013

Customer Number	Total 2013 kWh	Total kW	Total 2013 Revenue	Percent of Total 2013 Revenue(1)
125046	35,007,179	59,530	\$ 2,216,222	3.64%
126902	29,554,560	51,890	1,858,753	3.05%
127015	17,162,569	75,877	1,678,868	2.76%
264674	27,158,400	44,290	1,603,568	2.63%
231353	12,761,698	25,381	821,049	1.35%
126234	11,379,025	24,693	731,930	1.20%
369001	8,517,928	19,434	621,128	1.02%
241379	7,699,448	15,706	601,640	0.99%
332917	9,761,760	15,183	596,994	0.98%
125672	9,513,258	17,206	556,358	0.91%
Total	168,515,825	349,190	\$ 11,286,510	18.54%

(1) Based on total Electric System charges for service of \$60,870,572 for 2013.

Source: Longmont Power and Communications, City of Longmont.

History of Broadband System Customers by Customer Class

<u>Customer Class</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Residential (1)	0	0	0	0	25
Commercial (1)	0	0	0	0	24
Fiber Lease	9	8	8	9	9
Colocation	6	4	4	4	5
Conduit Lease	1	1	1	1	1
Total	16	13	13	14	64

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

Source: Longmont Power and Communications, City of Longmont.

History of Broadband System Revenues by Customer Class

<u>Customer Class</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Residential (1)	-	-	-	-	\$ 1,096
Commercial (1)	-	-	-	-	19,612
Fiber Lease	\$ 203,953	\$ 263,445	\$ 251,254	\$ 262,031	261,928
Colocation	29,126	28,968	29,827	27,582	30,220
Conduit Lease	1,106	1,106	1,127	1,161	1,183
Total	\$ 234,185	\$ 293,519	\$ 282,208	\$ 290,774	\$ 314,039

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

Source: Longmont Power and Communications, City of Longmont.

Budget Summary and Comparison - Electric and Broadband Fund

	2013	2013	2014
	<u>Budget</u>	<u>Actual</u>	<u>Budget</u>
REVENUES			
Electric charges for services	\$ 62,606,000	\$ 60,870,571	\$ 66,057,550
Electric aid to underground construction	1,125,000	1,245,959	700,000
Electric intergovernmental revenue	-	3,702	25,040
Electric interest income	50,000	(8,729)	20,000
Electric miscellaneous	211,000	139,099	229,800
Electric operating transfers in	19,224	30,947	53,738
Broadband charges for services	522,100	316,941	494,000
Broadband aid to underground construction	562,500	49,019	200,000
Broadband interest income	15,000	1,499	278,533
Broadband miscellaneous	-	307	-
Bond proceeds	-	-	7,438,538
Total Revenue	<u>\$ 65,110,824</u>	<u>\$ 62,649,315</u>	<u>\$ 75,497,199</u>
EXPENSES			
Electric distribution	\$ 4,318,122	\$ 4,366,421	\$ 4,409,879
Electric engineering	1,741,476	1,330,505	1,138,531
Electric purchased power	44,940,162	43,744,408	44,661,906
Electric administration	3,311,881	3,243,101	2,706,319
Electric franchise fee	4,965,360	4,833,188	4,992,704
Electric meter reading	379,424	351,607	370,321
Electric warehouse	449,500	446,848	414,087
Electric customer services and marketing	311,614	216,701	268,158
Electric energy services	946,741	757,221	981,942
Electric capital outlay	2,358,925	819,033	2,654,488
Broadband administration	421,489	596,465	1,653,173
Broadband franchise fee	-	-	11,910
Broadband distribution	206,449	191,119	294,877
Broadband engineering	-	-	78,959
Broadband debt service	-	-	886,049
Broadband capital outlay	976,416	142,376	7,500,000
Total Expenses	<u>\$ 65,327,559</u>	<u>\$ 61,038,993</u>	<u>\$ 73,023,303</u>
Excess of Revenues over (under)			
Expenditures	<u>\$ (216,735)</u>	<u>\$ 1,610,322</u>	<u>\$ 2,473,896</u>

Source: Derived from the 2013 and 2014 Budgets and the audited 2013 financial statements provided by the City of Longmont.

Wastewater

Enterprise Revenue Bonds

Series 2010A Tax-Exempt
&
Series 2010B Taxable

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

<u>Fiscal Year</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Gross Pledged Revenues					
Charges for services	\$ 7,416,039	\$ 7,836,470	\$ 8,240,989	\$ 8,634,634	\$ 9,740,105
System development fees	96,975	277,085	380,154	783,174	765,285
Developer participation	3,133	146,647	8,592	-	60
Other income	4,241	3,552	5,527	9,184	65,906
Interest earnings	183,098	168,769	117,574	73,249	67,280
BAB Credit on 2010B Bonds (2)	-	64,964	174,530	174,530	168,247
Total	<u>7,703,486</u>	<u>8,497,487</u>	<u>8,927,366</u>	<u>9,674,771</u>	<u>10,806,883</u>
Operation and Maintenance Expenses (3)	<u>5,994,889 (6)</u>	<u>6,274,255</u>	<u>6,213,740</u>	<u>6,420,819</u>	<u>7,498,334</u>
Net Pledged Revenues	\$ 1,708,597	\$ 2,223,232	\$ 2,713,626	\$ 3,253,952	\$ 3,308,549
Actual Debt Service Paid (4)	\$ 209,085	\$ 417,786	\$ 1,041,896	\$ 1,063,995	\$ 1,190,917
Coverage	8.17x	5.32x	2.60x	3.06x	2.78x
Combined Maximum Annual					
Principal and Interest Requirements (5)	1,650,358	1,650,358	1,650,358	1,650,358	1,650,358
Pro-Forma Coverage	1.03x	1.34x	1.64x	1.96x	2.00x

(1) Derived from the City's audited financial statements for 2009 through 2013, with the exception that investment gains and losses are excluded.

(2) Beginning in 2010, the BAB Credit is also included in Gross Pledged Revenues.

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

(4) Includes debt service paid on a loan from the Colorado Water Resources and Power Development Authority in 2009-2013 and debt service on the Prior Bonds beginning in 2010.

(5) Represents the estimated Combined Maximum Annual Principal and Interest Requirements payable on the CWRPDA Loan and the 2010 Bonds (\$1,088,658 in 2016).

(6) Correction to previously reported disclosure statements to include the full year 2009 expenses.

Residential and Small Commercial System Development Fee Schedules - 2014

<u>Meter Size</u>	Residential <u>SDF</u>	Small Commercial <u>SDF</u>
5/8 inch	\$ 4,550	\$ 5,870
3/4 inch	6,830	8,800
1 inch	11,380	14,670
1.5 inches	-	29,350
2 inches	-	46,960
3 inches	-	93,910

History of Wastewater System Development Fees

<u>Year</u>	<u>Total Number of Connections</u>	<u>Total System Development Fees</u>
2008	26,044	\$288,158
2009	26,147	\$96,975
2010	26,013	\$277,085
2011	25,875	\$380,154
2012	25,965	\$783,174
2013	26,091	\$765,285
2014 (1)	26,165	\$667,832

(1) Taps and fees collected through June 30, 2014.

History of User Connections by Customer Type

<u>Year</u>	<u>Residential Connections</u>	<u>Commercial/ Industrial Connections</u>	<u>Contract Connection</u>	<u>Other/Out of City Users</u>	<u>Total Connections</u>	<u>% Change in Connections</u>
2008	24,435	1,521	1	87	26,044	--
2009	24,507	1,547	1	92	26,147	0.4%
2010	24,537	1,410	1	66	26,014	-0.5%
2011	24,515	1,311	1	48	25,875	-0.5%
2012	24,562	1,309	0	94	25,965	0.3%
2013	24,679	1,330	0	82	26,091	0.5%
2014 (1)	24,751	1,331	0	83	26,165	0.3%

(1) As of June 30, 2014.

History of Charges for Service by Category

<u>Year</u>	<u>Residential Service Charges</u>	<u>Commercial/ Industrial Service Charges</u>	<u>Other Industrial Charges (1)</u>	<u>Special Tap/ Contract Revenues</u>	<u>Miscellaneous Revenues (2)</u>	<u>Total Revenues</u>	<u>Percent Change in Revenues</u>
2008	\$5,436,825	\$ 1,113,443	\$ 246,565	\$ 329,322	\$ (8,166)	\$7,117,989	--
2009	5,844,437	1,206,730	285,927	19,068	59,877	7,416,039	4.2%
2010	6,216,671	1,275,971	244,465	68,749	30,617	7,836,473	5.7%
2011	6,459,187	1,384,300	260,554	62,618	74,330	8,240,989	5.2%
2012 (3)	6,846,158	1,490,467	286,632	10,609	766	8,634,632	4.8%
2013	7,935,973	1,697,791	19,269	3,121	83,951	9,740,105	12.8%
2014 (4)	4,643,957	1,016,905	6,768	1,353	9,010	5,677,993	--

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

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

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

(4) Through June 30, 2014.

Budget Summary and Comparison - Sewer Fund

	2013 Revised Budget	2013 YTD (through 6/30/13) (1)	2014 Revised Budget	2014 YTD (through 6/30/14) (1)
REVENUE				
Operating Revenue				
Charges for services (2)	\$ 9,528,800	\$ 4,776,041	\$ 11,582,300	\$ 5,689,496
Non-Operating Revenue				
Interest income	67,500	22,768	36,300	32,026
Intergovernmental	174,530	87,265	159,346	80,982
Bond Proceeds	-	7,982,128	28,341,340	-
Grant Awards	-	-	2,018,482	-
Miscellaneous	1,500	39,825	1,500	1,102
Operating transfers in	328,152	-	701,271	-
Total non-operating revenue	<u>571,682</u>	<u>8,131,986</u>	<u>31,258,239</u>	<u>114,110</u>
Total revenue	<u><u>\$ 10,100,482</u></u>	<u><u>\$ 12,908,027</u></u>	<u><u>\$ 42,840,539</u></u>	<u><u>\$ 5,803,606</u></u>
APPLICATION OF REVENUE				
Operating Expense				
Director administration	245,928	110,742	266,089	128,505
Administration	869,257	370,445	1,228,934	410,840
Industrial pretreatment	143,812	53,712	159,543	54,613
Collection system	1,133,794	408,059	1,206,296	367,821
Treatment plant	3,088,258	1,353,450	3,034,241	1,282,597
Water quality lab	516,254	215,198	558,035	246,142
Instrumentation & control	232,775	122,994	236,190	89,430
Administrative service	768,009	384,003	753,720	376,860
Franchise equivalency	381,212	190,604	463,352	231,674
Bad debt expense	2,000	(348)	2,000	1,029
Emergency Event	-	-	519,136	729,553
Total operating expenses	<u>7,381,299</u>	<u>3,208,859</u>	<u>8,427,536</u>	<u>3,919,064</u>
Capital Expense	<u>21,357,019</u>	<u>3,009,086</u>	<u>45,539,140</u>	<u>2,529,714</u>
Non-Operating Expenses				
Transfers to other funds	407,387	244,211	411,800	52,283
Debt Requirements	<u>1,640,758</u>	<u>177,419</u>	<u>2,032,100</u>	<u>259,536</u>
Total expenses	<u><u>\$ 30,786,463</u></u>	<u><u>\$ 6,639,575</u></u>	<u><u>\$ 56,410,576</u></u>	<u><u>\$ 6,760,597</u></u>
Additions To (Deductions From) Operating Reserves	<u>(20,685,981)</u>	<u>6,268,452</u>	<u>(13,570,037)</u>	<u>(956,991)</u>
Total Application of Revenue	<u><u>\$ 10,100,482</u></u>	<u><u>\$ 12,908,027</u></u>	<u><u>\$ 42,840,539</u></u>	<u><u>\$ 5,803,606</u></u>

(1) Unaudited, interim information only.

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

Budget Summary and Comparison - Sewer Construction Fund

	2013 Revised Budget	2013 YTD (through 6/30/13) (1)	2014 Revised Budget	2014 YTD (through 6/30/14) (1)
Sources of Funds				
Beginning Working Capital (fund balance) (2)	\$ 1,810,065	\$ 1,810,065	\$ 2,243,768	\$ 2,243,768
Connection fee	-	45	-	80
System development fee	430,900	259,932	612,800	667,832
Developer participation	-	60	-	-
Interest Income	17,000	4,520	20,000	5,781
Total Sources of Funds	<u>2,257,965</u>	<u>2,074,622</u>	<u>2,876,568</u>	<u>2,917,461</u>
Expenses				
Capital Expense	65,516	1,942	11,805	-
Non-capital expense (3)	2,500	-	2,500	-
Transfers out	330,429	-	370,101	-
Total Expenses	<u>398,445</u>	<u>1,942</u>	<u>384,406</u>	<u>-</u>
Ending Working Capital	<u>\$ 1,859,520</u>	<u>\$ 2,072,680</u>	<u>\$ 2,492,162</u>	<u>\$ 2,917,461</u>

(1) Unaudited, interim information only.

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

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

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

	Year Ended December 31,				
	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Operating Revenues					
Charges for services	\$ 7,416,039	\$ 7,836,470	\$ 8,240,989	\$ 8,634,634	\$ 9,740,105
Operating Expenses					
Administration (1)	806,142	921,756	1,040,939	973,097	968,953
Transmission/distribution (1)	999,618	905,219	855,620	969,029	1,684,493
Treatment/disposal	3,206,187	3,340,403	3,280,425	3,350,871	3,695,667
Depreciation	2,305,960	2,296,515	2,320,436	2,399,391	2,575,516
Administrative fees (2)	664,074	784,377	695,756	778,370	768,009
Franchise fee (3)	318,868	322,500	341,000	349,452	381,212
Total operating expenses	<u>8,300,849</u>	<u>8,570,770</u>	<u>8,534,176</u>	<u>8,820,210</u>	<u>10,073,850</u>
Operating Income (Loss)	(884,810)	(734,300)	(293,187)	(185,576)	(333,745)
Non-Operating Revenues (Expenses)					
Investment income (loss)	47,658	72,225	73,240	59,309	(7,727)
Miscellaneous	4,435	3,677	5,457	8,588	65,861
Intergovernmental	98,504	140,186	231,326	200,009	194,686
Interest expense	(65,403)	(65,999)	(48,535)	(25,294)	(1,354)
Gain (Loss) on disposal of assets	(68,005)	10,000	8,373	-	-
Bond/loan issuance expenses	(1,849)	(11,493)	(19,653)	(18,882)	(189,734)
Total non-operating revenues	<u>15,340</u>	<u>148,596</u>	<u>250,208</u>	<u>223,730</u>	<u>61,732</u>
Change in net assets before transfers and capital contributions	(869,470)	(585,704)	(42,979)	38,154	(272,013)
Capital Contributions	218,014	266,369	386,050	25,360	295,352
Special Item					
Impairment loss	-	-	-	-	(925,375)
Transfers					
Transfers in	200,973	405,891	462,156	361,149	382,377
Transfers out (1)	(4,181)	(11,890)	(4,830)	(126,218)	(327,319)
Change in net position	(454,664)	74,666	800,397	298,445	(846,978)
Total Net Position - January 1 (4)	95,773,432	95,318,768	95,393,434	96,193,831	96,492,276
Total Net Position - December 31 (4)	<u>\$ 95,318,768</u>	<u>\$ 95,393,434</u>	<u>\$ 96,193,831</u>	<u>\$ 96,492,276</u>	<u>\$ 95,645,298</u>

- (1) Beginning in 2009, the "Administration" category includes the Sewer Fund's share of warehouse expenses and technical and surveying expenses and the "Transmission/Distribution" category includes the Sewer Fund's share of meter reading and construction inspection expenses. Amounts attributable to those expenses previously were included in the "Transfers out" category.
- (2) Represents a payment to the General Fund to cover the cost of general services provided to the Sewer Fund.
- (3) Current City financial policies require the Sewer Fund to pay the General Fund a 4% franchise fee.
- (4)"Net Position" includes the value of all assets attributable to the Sewer Fund, not just those acquired during the year presented.

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

	Year Ended December 31,				
	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Revenues					
Licenses and permits (1)	\$ 96,743	\$ 277,028	\$ 379,979	\$ 783,770	\$ 765,285
Developer/owner participation	3,133	146,647	8,592	-	60
Investment income (loss)	26,099	17,467	14,433	10,788	(3,092)
Miscellaneous	40	165	245	-	45
Total revenues	<u>126,015</u>	<u>441,307</u>	<u>403,249</u>	<u>794,558</u>	<u>762,298</u>
Expenditures					
Current:					
Municipal utility system	<u>159,844</u>	<u>260,623</u>	<u>9,356</u>	<u>25,360</u>	<u>442</u>
Excess of Revenues Over (Under) Expenditures					
	<u>(33,829)</u>	<u>180,684</u>	<u>393,893</u>	<u>769,198</u>	<u>761,856</u>
Other Financing Sources (Uses)					
Transfers out (2)	<u>(203,781)</u>	<u>(258,735)</u>	<u>(462,228)</u>	<u>(361,216)</u>	<u>(328,152)</u>
Net change in fund balance	(237,610)	(78,051)	(68,335)	407,982	433,704
Fund Balance - January 1	<u>1,786,079</u>	<u>1,548,469</u>	<u>1,470,418</u>	<u>1,402,083</u>	<u>1,810,065</u>
Fund Balance - December 31	<u><u>\$1,548,469</u></u>	<u><u>\$1,470,418</u></u>	<u><u>\$1,402,083</u></u>	<u><u>\$1,810,065</u></u>	<u><u>\$2,243,769</u></u>

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

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

Wastewater
Enterprise Revenue Bonds
Series 2013

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

<u>Fiscal Year</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Gross Pledged Revenues					
Charges for services	\$ 7,416,039	\$ 7,836,470	\$ 8,240,989	\$ 8,634,634	\$ 9,740,105
System development fees	96,975	277,085	380,154	783,174	765,285
Developer participation	3,133	146,647	8,592	-	60
Other income	4,241	3,552	5,527	9,184	65,906
Interest earnings	183,098	168,769	117,574	73,249	67,280
BAB Credit on 2010B Bonds (2)	-	64,964	174,530	174,530	168,247
Total	<u>7,703,486</u>	<u>8,497,487</u>	<u>8,927,366</u>	<u>9,674,771</u>	<u>10,806,883</u>
Operation and Maintenance Expenses (3)	<u>5,994,889 (6)</u>	<u>6,274,255</u>	<u>6,213,740</u>	<u>6,420,819</u>	<u>7,498,334</u>
Net Pledged Revenues	\$ 1,708,597	\$ 2,223,232	\$ 2,713,626	\$ 3,253,952	\$ 3,308,549
Actual Debt Service Paid (4)	\$ 209,085	\$ 417,786	\$ 1,041,896	\$ 1,063,995	\$ 1,190,917
Coverage	8.17x	5.32x	2.60x	3.06x	2.78x
Combined Maximum Annual Principal and Interest Requirements (5)	1,650,358	1,650,358	1,650,358	1,650,358	1,650,358
Pro-Forma Coverage	1.03x	1.34x	1.64x	1.96x	2.00x

(1) Derived from the City's audited financial statements for 2009 through 2013, with the exception that investment gains and losses are excluded.

(2) Beginning in 2010, the BAB Credit is also included in Gross Pledged Revenues.

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

(4) Includes debt service paid on a loan from the Colorado Water Resources and Power Development Authority in 2009-2013 and debt service on the Prior Bonds beginning in 2010.

(5) Represents the estimated Combined Maximum Annual Principal and Interest Requirements payable on the CWRPDA Loan and the 2010 Bonds (\$1,088,658 in 2016).

(6) Correction to previously reported disclosure statements to include the full year 2009 expenses.

History of Wastewater System Development Fees

<u>Year</u>	<u>Total Number of Connections</u>	<u>Total System Development Fees</u>
2008	26,044	\$288,158
2009	26,147	\$96,975
2010	26,013	\$277,085
2011	25,875	\$380,154
2012	25,965	\$783,174
2013	26,091	\$765,285
2014 (1)	26,165	\$667,832

(1) Taps and fees collected through June 30, 2014.

History of User Connections by Customer Type

<u>Year</u>	<u>Residential Connections</u>	<u>Commercial/ Industrial Connections</u>	<u>Contract Connection</u>	<u>Other/Out of City Users</u>	<u>Total Connections</u>	<u>% Change in Connections</u>
2008	24,435	1,521	1	87	26,044	--
2009	24,507	1,547	1	92	26,147	0.4%
2010	24,537	1,410	1	66	26,014	-0.5%
2011	24,515	1,311	1	48	25,875	-0.5%
2012	24,562	1,309	0	94	25,965	0.3%
2013	24,679	1,330	0	82	26,091	0.5%
2014 (1)	24,751	1,331	0	83	26,165	0.3%

(1) As of June 30, 2014.

History of Charges for Service by Category

<u>Year</u>	<u>Residential Service Charges</u>	<u>Commercial/ Industrial Service Charges</u>	<u>Other Industrial Charges (1)</u>	<u>Special Tap/ Contract Revenues</u>	<u>Miscellaneous Revenues (2)</u>	<u>Total Revenues</u>	<u>Percent Change in Revenues</u>
2008	\$5,436,825	\$ 1,113,443	\$ 246,565	\$ 329,322	\$ (8,166)	\$7,117,989	--
2009	5,844,437	1,206,730	285,927	19,068	59,877	7,416,039	4.2%
2010	6,216,671	1,275,971	244,465	68,749	30,617	7,836,473	5.7%
2011	6,459,187	1,384,300	260,554	62,618	74,330	8,240,989	5.2%
2012 (3)	6,846,158	1,490,467	286,632	10,609	766	8,634,632	4.8%
2013	7,935,973	1,697,791	19,269	3,121	83,951	9,740,105	12.8%
2014 (4)	4,643,957	1,016,905	6,768	1,353	9,010	5,677,993	--

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

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

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

(4) Through June 30, 2014.

Budget Summary and Comparison - Sewer Fund

	2013 Revised Budget	2013 YTD (through 6/30/13) (1)	2014 Revised Budget	2014 YTD (through 6/30/14) (1)
REVENUE				
Operating Revenue				
Charges for services (2)	\$ 9,528,800	\$ 4,776,041	\$ 11,582,300	\$ 5,689,496
Non-Operating Revenue				
Interest income	67,500	22,768	36,300	32,026
Intergovernmental	174,530	87,265	159,346	80,982
Bond Proceeds	-	7,982,128	28,341,340	-
Grant Awards	-	-	2,018,482	-
Miscellaneous	1,500	39,825	1,500	1,102
Operating transfers in	328,152	-	701,271	-
Total non-operating revenue	<u>571,682</u>	<u>8,131,986</u>	<u>31,258,239</u>	<u>114,110</u>
Total revenue	<u>\$ 10,100,482</u>	<u>\$ 12,908,027</u>	<u>\$ 42,840,539</u>	<u>\$ 5,803,606</u>
APPLICATION OF REVENUE				
Operating Expense				
Director administration	245,928	110,742	266,089	128,505
Administration	869,257	370,445	1,228,934	410,840
Industrial pretreatment	143,812	53,712	159,543	54,613
Collection system	1,133,794	408,059	1,206,296	367,821
Treatment plant	3,088,258	1,353,450	3,034,241	1,282,597
Water quality lab	516,254	215,198	558,035	246,142
Instrumentation & control	232,775	122,994	236,190	89,430
Administrative service	768,009	384,003	753,720	376,860
Franchise equivalency	381,212	190,604	463,352	231,674
Bad debt expense	2,000	(348)	2,000	1,029
Emergency Event	-	-	519,136	729,553
Total operating expenses	<u>7,381,299</u>	<u>3,208,859</u>	<u>8,427,536</u>	<u>3,919,064</u>
Capital Expense	<u>21,357,019</u>	<u>3,009,086</u>	<u>45,539,140</u>	<u>2,529,714</u>
Non-Operating Expenses				
Transfers to other funds	407,387	244,211	411,800	52,283
Debt Requirements	<u>1,640,758</u>	<u>177,419</u>	<u>2,032,100</u>	<u>259,536</u>
Total expenses	<u>\$ 30,786,463</u>	<u>\$ 6,639,575</u>	<u>\$ 56,410,576</u>	<u>\$ 6,760,597</u>
Additions To (Deductions From) Operating Reserves	<u>(20,685,981)</u>	<u>6,268,452</u>	<u>(13,570,037)</u>	<u>(956,991)</u>
Total Application of Revenue	<u>\$ 10,100,482</u>	<u>\$ 12,908,027</u>	<u>\$ 42,840,539</u>	<u>\$ 5,803,606</u>

(1) Unaudited, interim information only.

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

Budget Summary and Comparison - Sewer Construction Fund

	2013 Revised Budget	2013 YTD (through 6/30/13) (1)	2014 Revised Budget	2014 YTD (through 6/30/14) (1)
Sources of Funds				
Beginning Working Capital (fund balance) (2)	\$ 1,810,065	\$ 1,810,065	\$ 2,243,768	\$ 2,243,768
Connection fee	-	45	-	80
System development fee	430,900	259,932	612,800	667,832
Developer participation	-	60	-	-
Interest Income	17,000	4,520	20,000	5,781
Total Sources of Funds	<u>2,257,965</u>	<u>2,074,622</u>	<u>2,876,568</u>	<u>2,917,461</u>
Expenses				
Capital Expense	65,516	1,942	11,805	-
Non-capital expense (3)	2,500	-	2,500	-
Transfers out	330,429	-	370,101	-
Total Expenses	<u>398,445</u>	<u>1,942</u>	<u>384,406</u>	<u>-</u>
Ending Working Capital	<u>\$ 1,859,520</u>	<u>\$ 2,072,680</u>	<u>\$ 2,492,162</u>	<u>\$ 2,917,461</u>

(1) Unaudited, interim information only.

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

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

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

	Year Ended December 31,				
	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Operating Revenues					
Charges for services	\$ 7,416,039	\$ 7,836,470	\$ 8,240,989	\$ 8,634,634	\$ 9,740,105
Operating Expenses					
Administration (1)	806,142	921,756	1,040,939	973,097	968,953
Transmission/distribution (1)	999,618	905,219	855,620	969,029	1,684,493
Treatment/disposal	3,206,187	3,340,403	3,280,425	3,350,871	3,695,667
Depreciation	2,305,960	2,296,515	2,320,436	2,399,391	2,575,516
Administrative fees (2)	664,074	784,377	695,756	778,370	768,009
Franchise fee (3)	318,868	322,500	341,000	349,452	381,212
Total operating expenses	<u>8,300,849</u>	<u>8,570,770</u>	<u>8,534,176</u>	<u>8,820,210</u>	<u>10,073,850</u>
Operating Income (Loss)	(884,810)	(734,300)	(293,187)	(185,576)	(333,745)
Non-Operating Revenues (Expenses)					
Investment income (loss)	47,658	72,225	73,240	59,309	(7,727)
Miscellaneous	4,435	3,677	5,457	8,588	65,861
Intergovernmental	98,504	140,186	231,326	200,009	194,686
Interest expense	(65,403)	(65,999)	(48,535)	(25,294)	(1,354)
Gain (Loss) on disposal of assets	(68,005)	10,000	8,373	-	-
Bond/loan issuance expenses	(1,849)	(11,493)	(19,653)	(18,882)	(189,734)
Total non-operating revenues	<u>15,340</u>	<u>148,596</u>	<u>250,208</u>	<u>223,730</u>	<u>61,732</u>
Change in net assets before transfers and capital contributions	(869,470)	(585,704)	(42,979)	38,154	(272,013)
Capital Contributions	218,014	266,369	386,050	25,360	295,352
Special Item					
Impairment loss	-	-	-	-	(925,375)
Transfers					
Transfers in	200,973	405,891	462,156	361,149	382,377
Transfers out (1)	(4,181)	(11,890)	(4,830)	(126,218)	(327,319)
Change in net position	(454,664)	74,666	800,397	298,445	(846,978)
Total Net Position - January 1 (4)	95,773,432	95,318,768	95,393,434	96,193,831	96,492,276
Total Net Position - December 31 (4)	<u>\$ 95,318,768</u>	<u>\$ 95,393,434</u>	<u>\$ 96,193,831</u>	<u>\$ 96,492,276</u>	<u>\$ 95,645,298</u>

- (1) Beginning in 2009, the "Administration" category includes the Sewer Fund's share of warehouse expenses and technical and surveying expenses and the "Transmission/Distribution" category includes the Sewer Fund's share of meter reading and construction inspection expenses. Amounts attributable to those expenses previously were included in the "Transfers out" category.
- (2) Represents a payment to the General Fund to cover the cost of general services provided to the Sewer Fund.
- (3) Current City financial policies require the Sewer Fund to pay the General Fund a 4% franchise fee.
- (4)"Net Position" includes the value of all assets attributable to the Sewer Fund, not just those acquired during the year presented.

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

	Year Ended December 31,				
	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Revenues					
Licenses and permits (1)	\$ 96,743	\$ 277,028	\$ 379,979	\$ 783,770	\$ 765,285
Developer/owner participation	3,133	146,647	8,592	-	60
Investment income (loss)	26,099	17,467	14,433	10,788	(3,092)
Miscellaneous	40	165	245	-	45
Total revenues	<u>126,015</u>	<u>441,307</u>	<u>403,249</u>	<u>794,558</u>	<u>762,298</u>
Expenditures					
Current:					
Municipal utility system	<u>159,844</u>	<u>260,623</u>	<u>9,356</u>	<u>25,360</u>	<u>442</u>
Excess of Revenues Over (Under) Expenditures					
	<u>(33,829)</u>	<u>180,684</u>	<u>393,893</u>	<u>769,198</u>	<u>761,856</u>
Other Financing Sources (Uses)					
Transfers out (2)	<u>(203,781)</u>	<u>(258,735)</u>	<u>(462,228)</u>	<u>(361,216)</u>	<u>(328,152)</u>
Net change in fund balance	(237,610)	(78,051)	(68,335)	407,982	433,704
Fund Balance - January 1	<u>1,786,079</u>	<u>1,548,469</u>	<u>1,470,418</u>	<u>1,402,083</u>	<u>1,810,065</u>
Fund Balance - December 31	<u><u>\$1,548,469</u></u>	<u><u>\$1,470,418</u></u>	<u><u>\$1,402,083</u></u>	<u><u>\$1,810,065</u></u>	<u><u>\$2,243,769</u></u>

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

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