

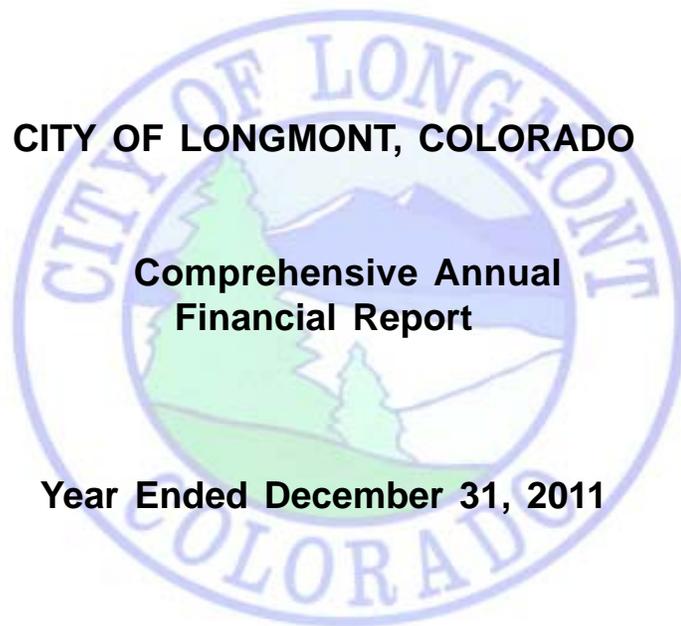


City of Longmont, Colorado

Comprehensive Annual Financial Report



For the Year Ended December 31, 2011



CITY OF LONGMONT, COLORADO

**Comprehensive Annual
Financial Report**

Year Ended December 31, 2011

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

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
YEAR ENDED DECEMBER 31, 2011**

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June 26, 2012



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, 2011, is hereby submitted in accordance with Colorado statutes and City charter provisions.

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

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

Profile of the City and Services

Longmont is thirty-five miles north of Denver, comprised of 22 plus square miles in the highly desirable northern front-range area. Incorporated in 1873 and chartered as a home rule city in 1961, Longmont is a full service, Council-Manager-governed municipality providing the following services to its 87,850 residents: public safety, highways and streets, culture and recreation, public improvements, planning and zoning, general administrative services; as well as sanitation, electric, storm drainage, water and sewer utilities and enterprises of telecommunications, golf and airport. The City is also financially accountable for the Downtown Development Authority which is reported separately within these financial statements, further explained in Note 1 of the financial statements section.

Factors Affecting Financial Condition

Local Economy. The City's economic picture was mixed in 2011 after it stabilized in 2010 with an increase in sales and use tax and small decline in building permits and primary jobs from the slowdown that began in 2008 with the national recession. Sales and use tax revenues increased in 2011 over 2010 and was greater than the total high sales and use tax revenue mark in 2007 by 1%. Residential building permit activity decreased slightly from 2010; however, the City issued 6 new commercial permits, 4 more than the prior year. Primary jobs decreased by .8%. The area unemployment rate was reported at 5.5% in December 2011, which was a slight reduction from 2010.

During 2011, sales and use tax activity increased 5.9% from 2010. Additionally, 28 building permits were issued for single family residences, 36 permits for condominiums/townhouse units, and 6 permits for commercial/industrial. The total value for permitted construction was \$82 million, an increase of 4% from 2010, though the total number of new construction permits decreased by 17%. In 2012, 28 single family, 6 condo/townhouse units and 2 commercial/industrial permits for new construction have been issued through March. The combination of sales and use tax for first quarter 2012 has increased by 3.2% from first quarter 2011.

The Longmont Area Economic Council's (LAEC) 2011 Annual Report reveals a net decrease of .8%, or 93 primary jobs lost during 2011. Seventy-two (72) of the 208 existing primary employers (35%) expanded in 2011 while 18 new primary employers became established in the Longmont area. The Longmont area experienced 11 closures/relocations and cutbacks by 47 companies. Longmont's primary employers represent a mixture of industries. Data from the LAEC report indicates that computer-related industries are the largest employers comprising 26% of the primary employees of the Longmont area. Other significant industry includes software (9%); aerospace (9%); food processing (5%); biotech (5%); measurement technology (2%); and plastic manufacturers (2%).

The City's economic environment has not been impacted as badly by the recession as other areas of the nation due to its desirable location and a well-balanced, diversified economic base. Growth related goals set forth in the City's Comprehensive Plan support growth and development that allows Longmont to become a sustainable community over the long-term—one that balances economic, environmental and community needs. With a population of 87,850, the City has reached approximately 78% of residential build out, and 43% of its job capacity build out in commercial and industrial development.

Major City Initiatives. The City continues its efforts to improve quality of life and long-term financial interests of the community. Significant accomplishments during 2011 included:

- Implemented phase one of communitywide branding project, "You Belong in Longmont"
- Implemented retooled Shop Longmont campaign, partnering with local retailers on a shopping bag promotion, "You (and your money) Belong in Longmont"
- Facilitated the selection process of artists' works for Shock Art and 5 artists were commissioned to paint electrical boxes in Longmont
- Hosted 16th annual Rhythm on the River event
- Supported the Boulder County Circles Campaign by serving on the Guiding Coalition and Big View Team to facilitate Circle Leaders' move from poverty to self-sufficiency
- Initiated Landlord Training Alliance
- Installed two new Xpress Self-Checkout stations in the Library, with 55% of items now checked out using 6 self-check stations
- Set museum records for attendance at 8,812 with the *John James Audubon: American Artist and Naturalist* exhibit
- Completed the construction and opened the new Sunset Pool Bathhouse
- Doubled the number of members in the Longmont Economic Gardening Initiative (LEGI)
- Initiated Human Resources and Accounting Technology Solution (HATS), an enterprise-wide project to replace the human resources and financial accounting legacy system
- Successfully negotiated a bargaining agreement with IAFF
- Conducted HERO survey to benchmark the City health management and wellness program strategic planning, increasing score by 27.5% overall
- Implemented an upgrade to Utility Billing Customer Information System
- Conducted LED streetlight pilot program using Energy Efficiency Community Block Grant (EECBG) funds
- Created the Be Ready Longmont program that promotes a self-sufficient community
- Hosted fire "Storytime at the Fire Station" on five dates over the summer
- Completed design for phase 1 of the Downtown Alleyscape Project
- Completed the Lykins Gulch/Airport Road underpass
- Completed an operational review and financial analysis of the City's golf operation

High priority City Council goals for 2012 are as follows:

- Economic Sustainability: Primary employer rebate/incentive system
- Economic Sustainability: Retail recruitment
- Envision a Connected City – Telecommunications: Upgrade community's telecommunications infrastructure to leverage competitive advantage
- St. Vrain River Corridor: Strategic vision, investment strategy and construction plan
- Education Collaboration: Promote education and partner with community educators
- Parks Planning and Renewal: Parks community-involved master plan
- Reducing Red Tape: Connect organization, reduce bureaucracy and communicate with Boards and Commissions

The City provides funding to LAEC for the purpose of economic development and business retention, particularly in terms of primary employers. Additional partnerships exist with Longmont Area Visitors Association (LAVA), Longmont Downtown Development Authority (LDDA), and Boulder Small Business Development Center (SBDC). The City enhanced the coordination of economic development activities within the city organization in 2009 by transforming the Community Development Department into the Department of Economic Development and devoting greater resources to economic development activities. At the same time the City is continuing to enhance the one stop Development Services Center which is designed to streamline the delivery of services. Elements of sound economic expansion such as transportation, utility infrastructure, recreation and cultural facilities, planning considerations, and managed growth continue to be high

priorities. A 2006 City-wide Strategic Plan, entitled Focus on Longmont, developed community-supported strategic policies intended to attain a balance of resources and expenditures that sustain Longmont's capacity to provide desired services as build out of the planning area is approached. The City continued to build on this effort during 2011. The City is confident that the effects of these efforts will enhance the quality of life within Longmont and protect long-term financial stability.

Capital Improvement Program.

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

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

Most of the projects are funded from business-type activities. Other major projects are in the Streets Fund, Transportation Community Investment Fee Fund, Public Building Community Investment Fee Fund, Park Improvement Fund and Public Improvement Fund. The five-year CIP includes funded projects, partially-funded and unfunded projects. A summary of the five-year plan for 2012–2016 is shown below. The projects detailed are funded primarily through business-type activity revenues, through sales and use tax revenues of the Street and Public Improvement governmental activities, and through growth-related community investment fees. Additionally, there are approximately one hundred (100) projects identified as unfunded with an estimated cost of \$188 million, some of which may never be realized as they are new services or enhanced services dependent upon new sources of revenue.

Category	Number of Projects	Amount Funded
Downtown Redevelopment	2	\$ 1,855,000
Drainage	2	4,935,250
Electric	6	5,391,200
Parks and Recreation	20	13,342,339
Public Buildings/Facilities	20	12,481,290
Transportation	12	43,885,000
Wastewater	4	7,771,259
Water	9	29,752,730
Telecommunication	2	724,731

Financial Policies.

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

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

Financial Management and Internal Controls

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

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

Cash management met full compliance with Colorado statutes and the City's investment policy which was last updated by the City Council in 2011. 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 2011 were in government agencies and securities. The fair value return on the investment portfolio during the year was .97% and the amount of income was \$1,612,400. This was \$13,600 less than during 2010, with the fair value rate of return dropping by 15%.

Colorado law grants governmental immunity to all governments, limiting the loss on any one general or automobile claim for negligence to \$150,000 per person, \$600,000 per occurrence. Longmont retains risk of \$300,000 per claim and purchases excess insurance with limits of \$2,000,000 for general and auto liability claims not covered by governmental immunity. The City retains risk for workers' compensation up to a limit of \$400,000 per general worker claim, \$500,000 per firefighter claim, \$500,000 per electrical worker claim and carries excess insurance beyond those limits. The City retains risk of \$25,000 for property losses and carries insurance up to \$75,000,000 for any one property loss occurrence except for \$100,000 retention for general flood and earth quake and \$500,000 retention for A zone flood losses. The City's risk management staff (4 $\frac{3}{4}$ full time positions) includes a Safety Officer for the purpose of loss control and prevention.

All benefitted City employees are covered by one or more of six pension plans. Most uniformed employees are covered by the Fire and Police Money Purchase Plans, two separate defined contribution plans. One active participant remains in the Fire Pension Plan and none in the Police Pension Plan at December 31, 2011. 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, 2011. An actuarial study on the Employee Pension Plan is performed annually with the last study performed as of January 1, 2011. 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, 2010. The City has been awarded a Certificate of Achievement for thirty-one (31) consecutive CAFRs. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR conforming to program standards. Such reports must satisfy both generally accepted accounting principles (GAAP) and applicable legal requirements.

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

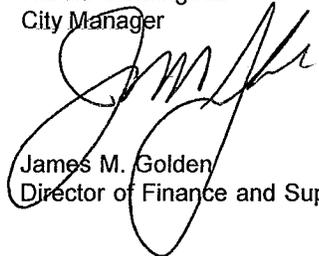
In addition, the City also received the GFOA's Distinguished Budget Presentation Award for its annual budget document for the fiscal year beginning January 1, 2011. To qualify for the Distinguished Budget Presentation Award, the City's budget document had to be judged proficient as a policy document, a financial plan, an operations guide, and a communications device.

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

Respectfully submitted,



Harold Dominguez
City Manager



James M. Golden
Director of Finance and Support Services

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Longmont
Colorado

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2010

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



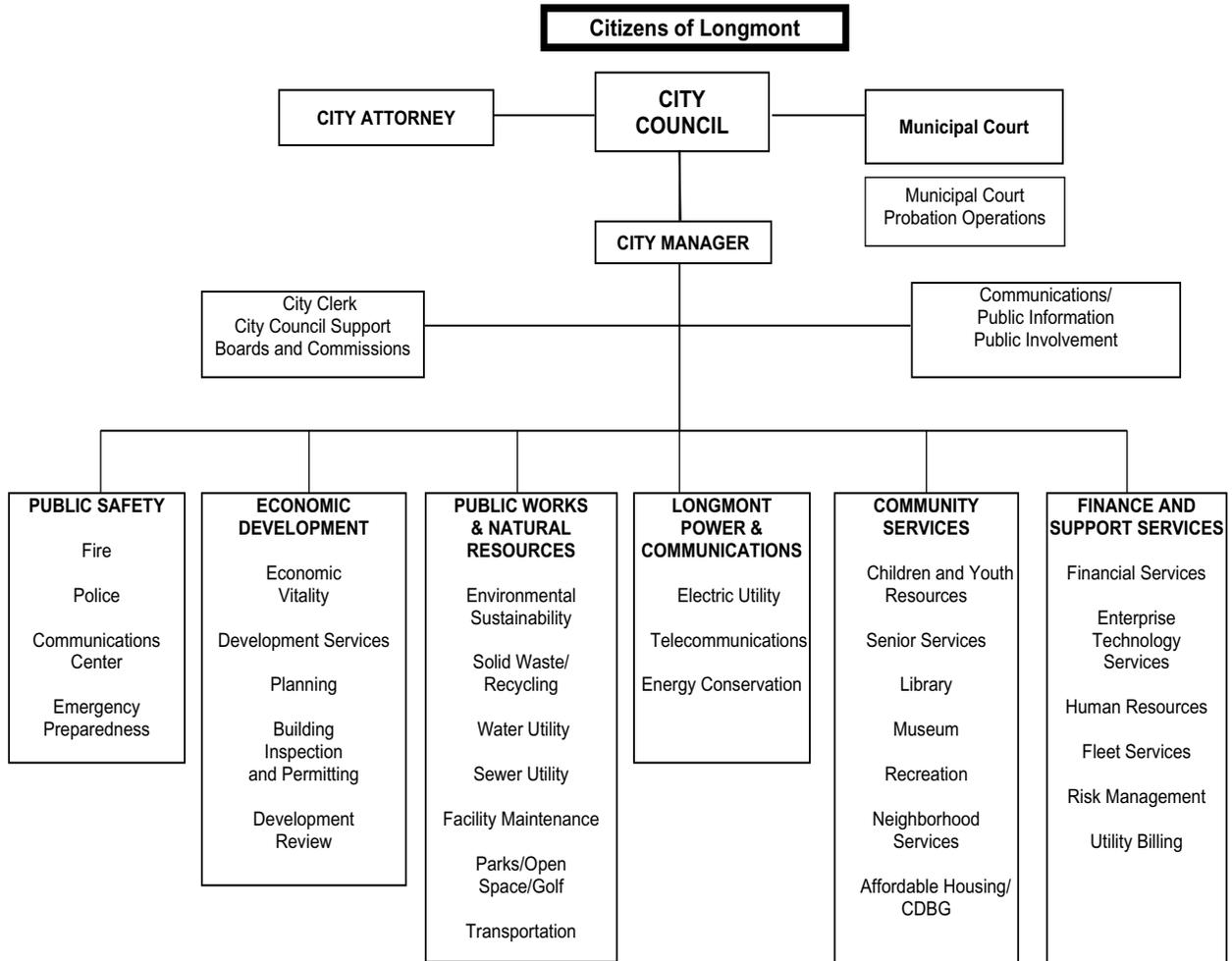
Linda C. Dandson

President

Jeffrey R. Enos

Executive Director

LONGMONT CITY GOVERNMENT - ORGANIZATIONAL CHART



OFFICIALS

City of Longmont, Colorado

CITY COUNCIL

Dennis Coombs
Mayor

Alex Sammoury

Gabe Santos

Brian Bagley

Katie Witt

Bonnie Finley

Sarah Levison

CITY MANAGER

Harold Dominguez

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



Independent Auditor's Report

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Longmont, Colorado, as of and for the year ended December 31, 2011, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Longmont, Colorado's management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Longmont, Colorado, as of December 31, 2011, and the respective changes in financial position and the cash flows, where applicable, thereof and the respective budgetary comparisons for the General Fund and the Streets System Maintenance and Improvement Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As explained in Note 26 to the basic financial statements, the City adopted GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, which changed its classifications of governmental funds' fund balances and restated the General Fund and aggregate remaining fund's beginning fund balances.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 6, 2012 on our consideration of the City of Longmont, Colorado's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 19 through 29, the Pension Plans Schedules of Funding Progress and Employer Contributions on pages 98 and 99 and the Retiree Health Insurance Plan Schedule of Funding Progress on page 100 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operations, 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 response 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.

Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the City of Longmont, Colorado's basic financial statements. The combining and individual nonmajor fund financial statements and other schedules, listed in the table of contents as supplementary information, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 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 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.

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying introductory, statistical sections and other schedules, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the 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 financial statements. The information has not been subjected to the auditing procedures applied in the audits of the financial statements. Accordingly, it is inappropriate to and we do not express an opinion on the supplementary information referred to above.

McGladrey LLP

Denver, Colorado
June 6, 2012

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, 2011, provides a narrative overview of its financial activities. Please consider the information presented here in conjunction with additional information we have furnished in our letter of transmittal, which starts on page 9 of this report.

Financial Highlights

- The City's net assets of \$1.063 billion are divided between Governmental Activities (\$376 million) and Business-type Activities (\$687 million). Both types of activities increased net assets in 2011: business-type by \$14.5 million and governmental by \$6.5 million.
- At December 31, 2011, the City of Longmont's governmental funds balance sheet reported combined ending fund balances of over \$83 million, a \$2.5 million increase from the prior year. This statement combines 33 funds, including the City's General Fund and the Streets Systems Fund. The Streets Systems Fund showed the most significant increase in fund balance, \$3.1 million.
- The fund balance, within the governmental funds, is \$83.7 million. Most of that fund balance, \$69.1 million or 83%, is restricted for use for specific purposes as required by external parties. \$61.6 million of this \$69.1 million balance represents reserves built up for capital acquisitions or construction as follows: Water System Projects, \$18.9 million; Transportation Projects, \$11.7 million; Open Space acquisitions, \$11.1 million; Public Improvement Fund capital projects, \$5.7 million; Conservation Trust capital projects, \$4.9 million; and Parks capital projects, \$3.2 million. Additionally, \$3 million has been identified for emergencies.
- The unassigned fund balance for the General Fund, at the end of the current fiscal year was \$5.9 million, which was 10% of total General Fund expenditures.
- The City of Longmont's total debt decreased by \$4.8 million during 2011. This decrease was the result of \$4.8 million principal payments on existing debt.

Overview of the Financial Statements

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

City-wide Financial Statements. The city-wide financial statements are intended to provide readers with a broad overview of the City of Longmont's financial position, in a manner similar to private-sector business. The *statement of net assets* is essentially a balance sheet that combines all funds on a citywide basis. Changes in net assets 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 assets are reported as soon as the underlying event occurs, **regardless of the timing of the related cash flows**. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future years (e.g., uncollected taxes and earned but unused vacation leave.)

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

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

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

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

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

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

The City maintains 33 individual governmental funds. Information is presented separately in the governmental balance sheet and in the governmental statement of revenues, expenditures, and changes in fund balances for the General Fund, and the Streets Systems Fund, both of which meet the criteria to be considered major funds of the City under generally accepted accounting principles (GAAP). Financial information from the other 31 funds is combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* and individual fund statements elsewhere in this report.

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

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

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

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

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

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

The combining and individual fund statements earlier referenced in connection with non-major funds and internal service funds are presented immediately following the required supplementary information on pensions. Combining and individual fund statements and schedules can be found on pages 108-192 of this report.

CITY OF LONGMONT, COLORADO

REPORTING THE CITY AS A WHOLE
City-wide Financial Analysis
City-wide Statement of Net Assets

As highlighted earlier, net assets may serve over time as a useful indicator of a government's financial position. The City's combined net assets exceed \$1.063 billion at December 31, 2011. Governmental activities make up \$376 million of these assets, with business-type activities comprising \$687 million. Total net assets increased by \$21 million in 2011. The increase is comprised of the following:

- Governmental net assets increased by \$6.5 million primarily due to a net decrease in governmental activities transfers of \$3.5 million as well as an increase of \$2.6 million in sales and use taxes.
- Business-type net assets increased by \$14.5 primarily due to an increase of \$7.7 million in Water contributed capital and an increase in Storm Drainage contributed capital by \$2.7 million.

The largest portion (75%) of the City's net assets reflects its investments in capital assets (e.g., land, utility systems, buildings, machinery, and equipment), less any outstanding debt used to acquire those assets. These assets are used to provide services to citizens and thus are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it is important to note that the resources needed for debt repayment must be provided from other sources, since the capital assets themselves cannot be used to liquidate liabilities.

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

The City-wide Statement of Activities

Net Assets
as of December 31

	Governmental activities		Business-type activities		Total	
	2011	2010	2011	2010	2011	2010
Current and other assets	\$ 139,543,078	\$ 137,431,864	\$ 72,995,817	\$ 74,567,268	\$ 212,538,895	\$ 211,999,132
Capital assets	317,378,305	314,976,729	542,170,938	530,410,363	859,549,243	845,387,092
Investment in joint venture	-	-	120,540,034	117,533,185	120,540,034	117,533,185
Total assets	456,921,383	452,408,593	735,706,789	722,510,816	1,192,628,172	1,174,919,409
Long-term liabilities	53,956,132	57,204,686	39,554,590	41,719,956	93,510,722	98,924,642
Other liabilities	27,087,917	25,932,569	9,284,927	8,375,351	36,372,844	34,307,920
Total liabilities	81,044,049	83,137,255	48,839,517	50,095,307	129,883,566	133,232,562
Net Assets:	\$ 375,877,334	\$ 369,271,338	\$ 686,867,272	\$ 672,415,509	\$ 1,062,744,606	\$ 1,041,686,847
Invested in capital assets,						
net of related debt	\$ 275,902,207	\$ 270,382,692	\$ 521,558,060	\$ 507,056,869	\$ 797,460,267	\$ 777,439,561
Restricted	69,059,013	66,741,761	19,421,825	18,817,163	88,480,838	85,558,924
Unrestricted	30,916,114	32,146,885	145,887,387	146,541,477	176,803,501	178,688,362
Total net assets	\$ 375,877,334	\$ 369,271,338	\$ 686,867,272	\$ 672,415,509	\$ 1,062,744,606	\$ 1,041,686,847

Governmental Activities. Governmental activities increased the City's net assets by \$6.5 million. Most of this increase in governmental net assets was the result of a net decrease in governmental activities expenses for transfer. Also contributing to the increase was an increase in general revenues including sales and use taxes of \$2.6 million. This increase can be attributed to an increase in sales volume and not the result of a tax rate increase.

As detailed in Note 2A, program revenues are directly associated with a specific activity and account for \$28 million or 29% of total revenues related to governmental activities. General revenues, consisting primarily of taxes, are not generally associated directly with any operational governmental function. However, the City has sales and use taxes that are specifically earmarked for open space, streets, public safety and public improvement expenditures, and thus

CITY OF LONGMONT, COLORADO

are not available for any other governmental activities. The relationships between program revenues and expenditures for governmental activities are displayed on the following page.

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

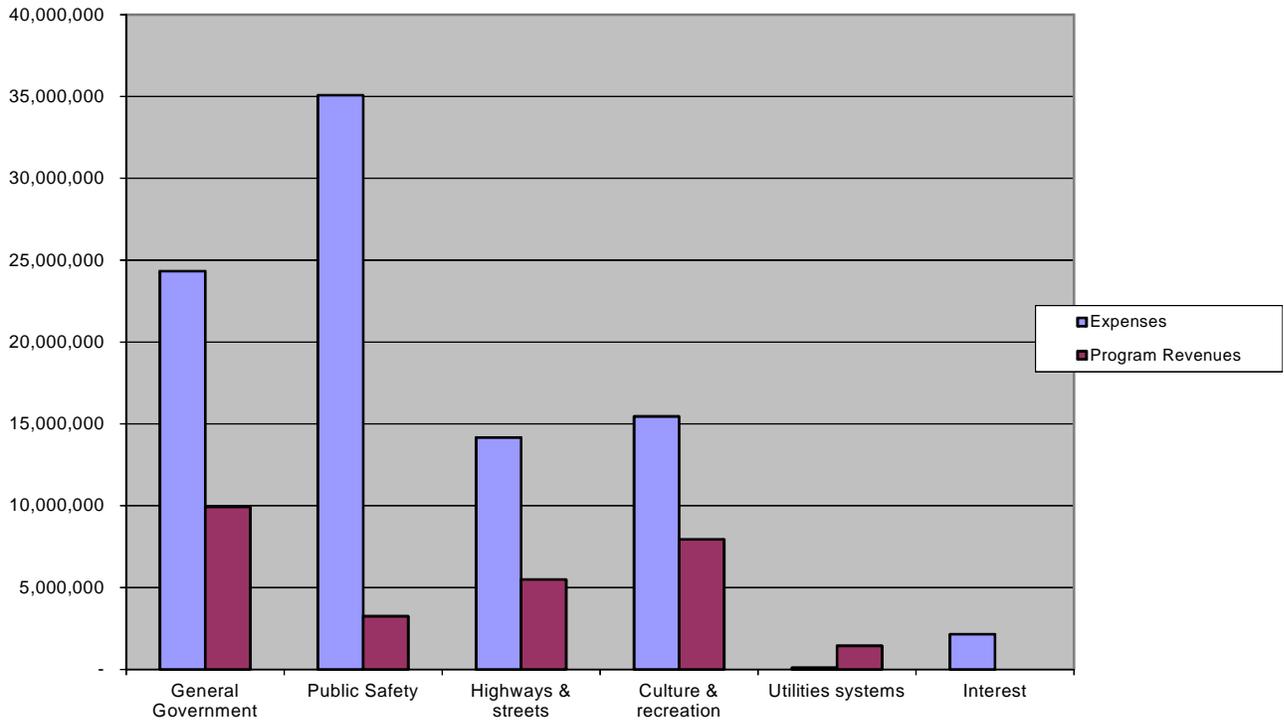
In order to understand the Governmental Funds in detail, the Statement of Revenues, Expenditures and Changes in Fund Balances, Exhibit 4 is useful. Major governmental funds are later analyzed in this discussion.

Change in Net Assets
(in thousands)

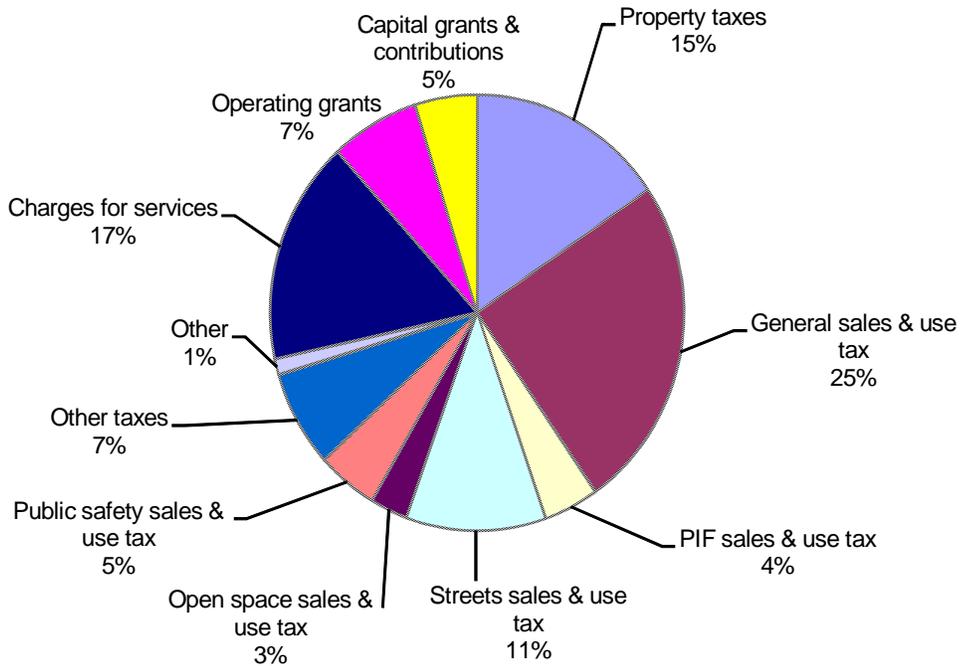
	Governmental activities		Business-type activities		Total	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Revenues:						
Program revenues:						
Charges for services	\$ 16,427	\$ 16,115	\$ 86,818	\$ 81,530	\$ 103,245	\$ 97,645
Operating grants & contributions	6,846	5,052	1,407	514	8,253	5,566
Capital grants & contributions	4,793	5,177	14,474	8,963	19,267	14,140
General revenues:						
Property taxes	15,281	15,357	-	-	15,281	15,357
Sales & use taxes	47,199	44,576	-	-	47,199	44,576
Other taxes	7,115	6,764	-	-	7,115	6,764
Other	1,172	1,261	794	1,090	1,966	2,351
Total revenues	<u>98,833</u>	<u>94,302</u>	<u>103,493</u>	<u>92,097</u>	<u>202,326</u>	<u>186,399</u>
Expenses:						
General government	24,378	21,238	-	-	24,378	21,238
Public Safety	35,174	33,562	-	-	35,174	33,562
Highways & streets	14,170	14,192	-	-	14,170	14,192
Culture & recreation	15,485	16,139	-	-	15,485	16,139
Municipal utilities systems	106	82	-	-	106	82
Interest on long-term debt	2,154	1,542	-	-	2,154	1,542
Sanitation	-	-	5,683	5,714	5,683	5,714
Golf	-	-	2,189	2,084	2,189	2,084
Electric	-	-	55,928	51,614	55,928	51,614
Telecommunications	-	-	219	195	219	195
Water	-	-	13,417	12,648	13,417	12,648
Sewer	-	-	8,625	8,691	8,625	8,691
Storm drainage	-	-	3,335	3,134	3,335	3,134
Airport	-	-	405	401	405	401
Total expenses	<u>91,467</u>	<u>86,755</u>	<u>89,801</u>	<u>84,481</u>	<u>181,268</u>	<u>171,236</u>
Excess before special items and transfers	7,366	7,547	13,692	7,616	21,058	15,163
Transfers	(760)	(4,248)	760	4,248	-	-
Increase in net assets	<u>\$ 6,606</u>	<u>\$ 3,299</u>	<u>\$ 14,452</u>	<u>\$ 11,864</u>	<u>\$ 21,058</u>	<u>\$ 15,163</u>
Net assets - January 1	369,271	365,972	672,416	660,552	1,041,687	1,026,524
Net assets - December 31	375,877	369,271	686,868	672,416	1,062,745	1,041,687

CITY OF LONGMONT, COLORADO

Expenses and Program Revenues - Governmental Activities

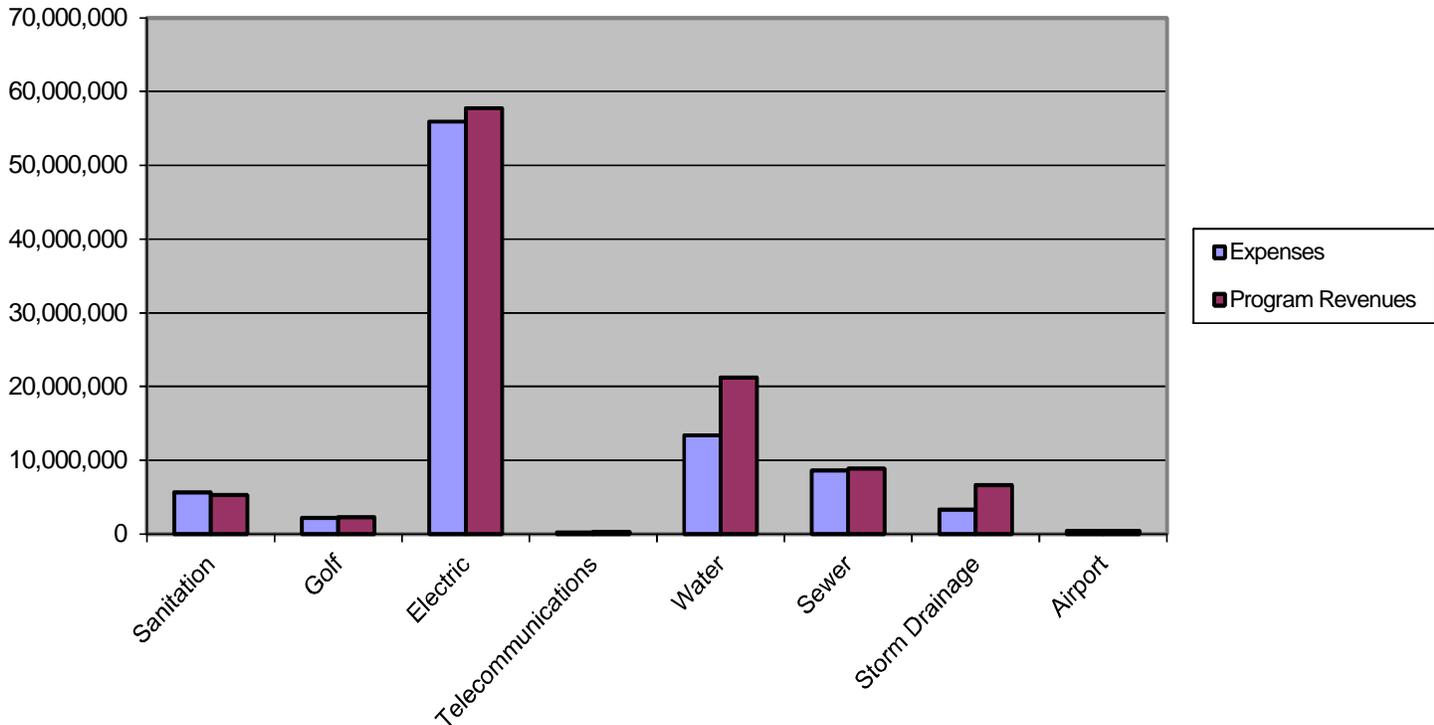


Revenues by Source Governmental Activities



Business-type Activities. Net assets increased by \$14.5 million from business-type activities. This increase can be attributed to an increase in contributed capital in the Water and Storm Drainage Funds.

Expenses and Program Revenues - Business-type Activities



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

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

Governmental funds. The focus of the City of Longmont’s *governmental funds* is to provide information on short-term inflows, outflows, and balances of *spendable* resources. This information is necessary to assess the City’s financing requirements. At December 31, unreserved 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 \$5,884,527 increased by more than \$36,000 from the prior year.

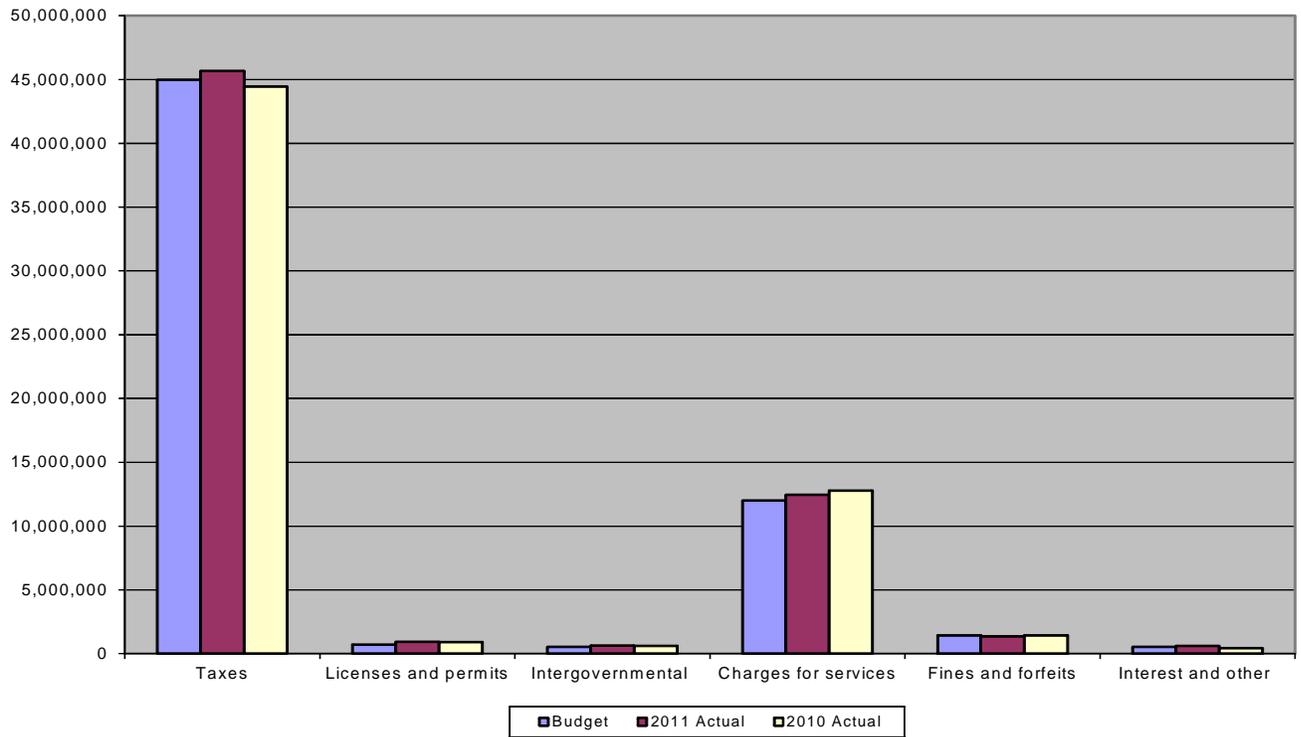
The 2011 General Fund budget was adopted without the use of fund balance to fund ongoing operating expenditures. Fund balance of \$3,390,355 was budgeted for the purpose of one-time expenditures or capital acquisitions. This practice was formally adopted by the City Council in 1989, and has been continued with the 2012 Budget which also uses fund balance only for the purpose of one-time expenditures or capital purchases. It includes \$3,518,567 for this purpose, reflected as *committed for subsequent year’s expenditures* on the December 31, 2011 balance sheet of the general fund and in Note 25.

The original budget in the general fund was \$63,078,845. Supplemental appropriations were primarily comprised of encumbrances and carryover of uncompleted capital projects for a final budget of \$65,082,358. Actual general fund expenditures totaled \$61,819,345, and other than department-specific savings targeting one-time expenditures, there were no significant budget to actual variations.

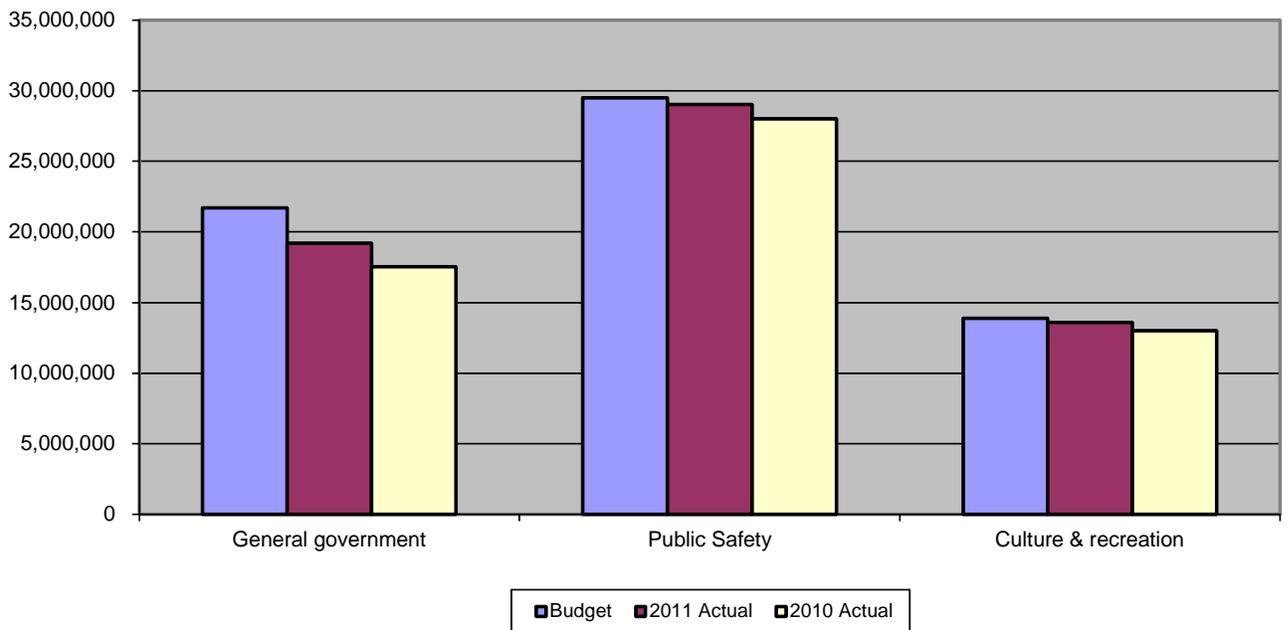
Revenues and other financing sources in the general fund totaled \$61,663,663 in 2011, an increase of 2%, or \$1,028,560, over 2010. While this change was relatively small, it is the result of one notable increase. The change was primarily

CITY OF LONGMONT, COLORADO

Budget and Actual Revenue by Source - General Fund



Budget and Actual Expenditures by Function - General Fund



driven by an increase in sales and use tax of \$922,000, or 4%. Lesser impacts were made by other revenue sources: franchise taxes increased by \$362,000, administrative reimbursements decreased by \$500,000 and court fines and forfeitures decreased by \$100,000. Investment earnings decreased in 2011 \$3,000 from 2010 and interest rates continue to be very low.

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 2011, the City reported a combined fund balance of \$83.7 million, of which \$5.9 million was unassigned, assigned or committed and available for spending at the City's discretion within the respective funds for all governmental funds. The remainder of the fund balance is restricted or unspendable and only available for spending for the purpose specifically identified by the restriction.

STREETS SYSTEM MAINTENANCE AND IMPROVEMENTS FUND

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

The Streets System Fund collected \$10.8 million of sales and use tax revenues in 2011, an increase of \$600,000 from 2010. At December 31, 2011, the fund balance of the fund was \$14 million. Of this amount \$40,000 is unspendable. The remaining is restricted specifically for the purpose of streets and highways expenditures. The total fund balance increased by \$3 million from 2010 in this fund. Sales and use tax contributed to this increase by \$564,000 based on an increase in taxable sales. In addition, intergovernmental revenues increased by \$2 million, included \$1.5 million increase in state grant revenues.

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, 2011, 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 by nearly \$680,000 in 2011. 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, and increased 98.43% in 2011. This allocation is described further in Note 4. A large portion of the fund's revenue (\$2.68 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 2011, but is included in this narrative discussion through management choice.

ELECTRIC UTILITY FUND

The City's electric utility increased operating revenues by 9% over 2010. The operating loss remained about the same in 2011 at \$2.1 million as compared to 2010. Operating revenue went up by \$4.3 million during 2011, resulting from a rate increase of 7.5% and a slight increase in power consumption. Operating expenses rose 9% overall with an 9% 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, and 8% in 2010. The fund remains in good financial condition with current assets exceeding current liabilities by \$6.5 million.

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

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

Operating data for the electric utility are contained in Exhibit 8 of the Financial Section. The revenue for the increase in the City's investment in Platte River Power Authority, a joint venture with the cities of Estes Park, Ft. Collins and Loveland, is recorded in the non-operating revenue (expense) section of the fund operating statement. It is the reason for the substantial difference between operating loss and change in net assets and amounted to \$2.6 million in 2005, \$3.9 million in 2006, \$5.4 in 2007, \$3.2 million in 2008, \$3.2 in 2009, \$1.1 million in 2010, and \$3 million in 2011. Net assets increased \$2 million in 2011 which was a result of the increase in contributed capital in 2011.

CITY OF LONGMONT, COLORADO

Electric Utility Fund

	2011	2010	2009	2008	2007
Operating revenues	\$ 53,838,044	\$ 49,440,782	\$ 44,507,482	\$ 44,020,481	\$ 44,829,165
Operating (loss)	(2,103,559)	(2,105,159)	(3,272,634)	(2,759,171)	(324,965)
Change in net assets	2,057,646	(210,595)	880,521	1,653,601	9,664,555

WATER UTILITY FUND

Operating revenues increased by 4% from 2010 as a result of increased water consumption during 2011. There was no increase in the monthly service charge during 2011. Operating income for 2011 was \$338,000 which represented a decrease of over \$340,000 from 2010. This decrease was substantially the net result of increased water sales and revenues as well as an increase in operating expenses of 7%. Unrestricted working capital in excess of \$27.6 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 assets over the past five years were caused by capital contributions from special revenue funds established to collect developer water-related developer fees. The increase in net assets in 2011 resulted primarily from \$7.9 million of capital contributions.

Water Utility Fund

	2011	2010	2009	2008	2007
Operating revenues	\$ 13,247,962	\$ 12,756,467	\$ 11,901,142	\$ 13,673,429	\$ 14,113,472
Operating income	338,466	681,030	(554,229)	1,408,176	2,511,041
Change in net assets	8,407,398	11,549,238	2,966,466	8,242,641	22,917,102

SEWER UTILITY FUND

A 7% rate increase raised operating revenues by 6% over 2010. Sewer rates are based upon winter water usage. The operating loss improved slightly over 2010, primarily due to increased revenues. The fund increased its unrestricted working capital by \$1.2 million by the end of 2011. The net assets increased by \$725,000, primarily due to an increase in operating revenues. Normally contributions of capital from the sewer construction fund have significant impact on the change of Sewer Fund net assets, but that normal impact was minimized by low development activity in 2011. The second phase of a five-year phased rate increase is effective January 1, 2010.

During 2010, the City issued \$13.4 million in long-term debt to provide for sewer system capital improvements projects.

Sewer Utility Fund

	2011	2010	2009	2008	2007
Operating revenues	\$ 8,240,989	\$ 7,836,470	\$ 7,416,039	\$ 7,117,989	\$ 7,168,557
Operating (loss)	(293,187)	(734,300)	(884,810)	(1,084,153)	(1,246,807)
Change in net assets	800,397	74,666	(454,664)	1,713,656	1,224,439

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 remained relatively flat during 2011. Operating income of just under \$60,000, a decrease from 2010, as operating expenses increased across the board. Debt in the amount of \$14.5 million was issued in 2008 for five major storm drainage construction projects, with \$6 million remaining to be spent at year end 2011. Operating data for the storm drainage utility is contained in Exhibit 8. Comparative data for the last five fiscal years is tabulated in the box on this page. The most recent rate increase occurred in 2007.

CITY OF LONGMONT, COLORADO

Storm Drainage Utility Fund

	2011	2010	2009	2008	2007
Operating revenues	\$ 3,395,622	\$ 3,420,656	\$ 3,428,994	\$ 3,421,596	\$ 3,386,711
Operating income	59,275	300,354	400,900	966,413	1,023,976
Change in net assets	3,376,915	468,867	531,057	1,386,436	1,471,027

GOLF/AIRPORT ENTERPRISE FUNDS

To identify and control the revenues and expenses attributable to golf course services and airport services, the Golf Enterprise Fund was created as of January 1, 1985, and the Airport Enterprise Fund was created as of January 1, 1987. The Golf Fund is funded through revenues derived from greens fees, season pass sales and other related revenues. The Airport Fund is funded through revenues from aircraft fees, airport land rentals and gasoline fees. Results from operations resulted in a net asset increase of about \$55,000 for the Golf Fund and an increase of \$35,000 for the Airport Fund. Budgetary comparison data for the Airport Fund can be found in Schedule D-7 and for the Golf Fund in Schedule D-5 in the Financial Section.

TELECOMMUNICATIONS UTILITY FUND

The Telecommunications Utility Enterprise Fund was established in 1997 for the purpose of providing municipal telecommunications services through revenues derived from related fees, lease payments and other charges. Construction of the fiber optic backbone was completed in 1998. An agreement with a service provider/partner in 2001 ended with a 2002 bankruptcy filing by that partner and receipt of \$900,000 in performance bond forfeitures in 2002. Revenues from service provider/partners totaled, \$141,149 in 2007, \$216,387 in 2008, \$234,185 in 2009, \$293,519 in 2010, and \$282,208 in 2011. The fund experienced operating losses for 2006 and 2007 and of \$41,680 and \$10,350 respectively. In 2008, 2009, 2010, and 2011, operations yielded operating income of \$50,168, \$70,056, \$102,846, and \$64,734, respectively. The gradual improvement since 2005 has been due to reduced operating expenses and moderate growth in operating revenues.

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, 2011, net of depreciation, equals \$859 million. This investment in capital assets includes land, buildings, utility systems, improvements to land, machinery and equipment, park facilities, and infrastructure. Additional information on the City's capital assets can be found in note 11 on pages 74-76 of this report, as well as in the transmittal letter.

Long-term Debt. As of December 31, 2011, the City of Longmont had total bonded debt outstanding of \$72,725,000. Of this amount \$1,185,000 comprises debt backed by the full faith and credit of the City, or general obligation debt. An additional amount of \$45,445,000 of the City of Longmont's debt represents revenue bonds secured solely by sales and use taxes. The final \$26,095,000 of debt represents revenue bonds backed by storm drainage and sewer revenues.

The legal debt margin as prescribed by City Charter is limited to 3% of the actual value of the taxable property. In 2011, this debt limit amounted to \$264,875,278. The total amount of debt applicable to the debt limit was \$1,185,000 leaving a legal debt margin of \$263,690,278. Additional information on the City's long-term debt can be found in Note 9 on pages 68-71.

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

Impacts on Future Years

Budget amendments are made by ordinance on a routine, periodic basis and are in compliance with Colorado statutes and the City charter. Note 2-D-7 illustrates the comparison of original and final budgets for all funds requiring a budget. Reported budget amendments were primarily for encumbrances and uncompleted capital projects. The 2011 budget amendments will have no significant impact on future services.

CITY OF LONGMONT, COLORADO

The 2012 balanced budget was approved by City Council as required by Colorado law and was filed with the State by January 30.

Contacting the City's Financial Management

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

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



CITY OF LONGMONT, COLORADO

Exhibit 1

STATEMENT OF NET ASSETS

December 31, 2011

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	
ASSETS				
Current assets:				
Equity in pooled cash & cash equivalents	\$ 96,102,675	\$ 42,479,824	\$ 138,582,499	\$ 8,199,900
Cash and cash equivalents	111,565	-	111,565	43,141
Receivables (net of allowance for uncollectibles):	21,023,940	10,920,931	31,944,871	1,190,233
Internal balances	1,188,638	(1,188,638)	-	-
Inventory of materials and supplies	2,554,244	-	2,554,244	-
Prepaid expenses	3,317,222	200	3,317,422	5,414
Total current assets	124,298,284	52,212,317	176,510,601	9,438,688
Noncurrent assets:				
Loan receivable-component unit	146,000	-	146,000	-
Net pension asset	2,904,586	1,189,934	4,094,520	-
Unamortized bond/lease issuance costs	745,938	447,649	1,193,587	-
Capital Assets				
Land and water rights	96,719,300	189,710,239	286,429,539	443,018
Construction in progress	11,729,001	7,899,133	19,628,134	181,521
Depreciable buildings, property, and equipment, net	208,930,004	344,561,566	553,491,570	866,214
Restricted equity in pooled cash & cash equivalents	1,804,933	2,551,132	4,356,065	-
Restricted cash & cash equivalents	9,643,337	16,594,785	26,238,122	-
Investment in joint venture	-	120,540,034	120,540,034	-
Total noncurrent assets	332,623,099	683,494,472	1,016,117,571	1,490,753
Total assets	\$ 456,921,383	\$ 735,706,789	\$ 1,192,628,172	\$ 10,929,441
LIABILITIES				
Current liabilities:				
Accounts payable and accrued expenses	\$ 5,513,682	\$ 5,591,894	\$ 11,105,576	\$ 9,494
Accrued interest	913,680	330,249	1,243,929	-
Unearned revenues	13,706,203	340,651	14,046,854	1,163,925
Deposits	2,593,828	821,519	3,415,347	-
Current portion of long-term obligations	4,360,524	2,200,614	6,561,138	11,521
Total current liabilities	27,087,917	9,284,927	36,372,844	1,184,940
Noncurrent liabilities:				
Loan payable-primary government	-	-	-	146,000
Noncurrent portion of long-term obligations	53,956,132	39,554,590	93,510,722	-
Total noncurrent liabilities	53,956,132	39,554,590	93,510,722	146,000
Total liabilities	81,044,049	48,839,517	129,883,566	1,330,940
NET ASSETS				
Invested in capital assets, net of related debt	275,902,207	521,558,060	797,460,267	1,490,753
Restricted for:				
Construction/acquisition/debt service	46,746,063	18,860,825	65,606,888	6,090,752
Community development projects	962,087	-	962,087	-
Transportation improvements	14,573,596	-	14,573,596	-
Public safety	2,608,907	-	2,608,907	-
Permanent fund				
Expendable	501,264	-	501,264	-
Nonexpendable	644,576	-	644,576	-
Statutory emergency requirement	3,022,520	-	3,022,520	117,614
Workers' Compensation	-	561,000	561,000	-
Unrestricted	30,916,114	145,887,387	176,803,501	1,899,382
Total net assets	375,877,334	686,867,272	1,062,744,606	9,598,501
Total liabilities and net assets	\$ 456,921,383	\$ 735,706,789	\$ 1,192,628,172	\$ 10,929,441

CITY OF LONGMONT, COLORADO

STATEMENT OF ACTIVITIES
For The Year Ended December 31, 2011

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
PRIMARY GOVERNMENT				
Governmental activities:				
General Government	\$ 24,377,612	\$ 8,342,658	\$ 1,456,672	\$ 130,215
Public Safety	35,173,865	1,266,512	1,984,117	-
Highways & Streets	14,171,432	785,188	3,177,756	1,527,591
Culture & Recreation	15,484,551	6,032,378	227,274	1,692,350
Municipal utilities systems	105,992	-	-	1,443,066
Interest and Fiscal charges on long-term debt	2,153,318	-	-	-
Total governmental activities	91,466,770	16,426,736	6,845,819	4,793,222
Business-type Activities				
Sanitation	5,683,344	5,235,308	30,566	-
Golf	2,188,918	2,262,563	-	-
Electric	55,928,077	53,924,965	336,328	3,471,651
Telecommunications	218,722	282,208	-	10,774
Water	13,417,307	13,247,962	325,386	7,656,264
Sewer	8,625,100	8,249,362	231,326	376,694
Storm Drainage	3,334,858	3,395,622	483,063	2,781,729
Airport	405,307	220,441	-	176,824
Total business-type activities	89,801,633	86,818,431	1,406,669	14,473,936
Total Primary Government	\$ 181,268,403	\$ 103,245,167	\$ 8,252,488	\$ 19,267,158
Component unit:				
Downtown Development Authority	\$ 683,639	\$ 110,714	\$ 2,000	\$ -

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

 Total General Revenues & Transfers

 Change in Net Assets

 Net Assets - Beginning January 1

 Net Assets - Ending December 31

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

Net (Expense) Revenue and Changes in Net Assets				
Primary Government				
Governmental Activities	Business-type Activities	Total	Component Unit	
\$ (14,448,067)	\$ -	\$ (14,448,067)	\$ -	
(31,923,236)	-	(31,923,236)	-	
(8,680,897)	-	(8,680,897)	-	
(7,532,549)	-	(7,532,549)	-	
1,337,074	-	1,337,074	-	
(2,153,318)	-	(2,153,318)	-	
(63,400,993)	-	(63,400,993)	-	
-	(417,470)	(417,470)	-	
-	73,645	73,645	-	
-	1,804,867	1,804,867	-	
-	74,260	74,260	-	
-	7,812,305	7,812,305	-	
-	232,282	232,282	-	
-	3,325,556	3,325,556	-	
-	(8,042)	(8,042)	-	
-	12,897,403	12,897,403	-	
(63,400,993)	12,897,403	(50,503,590)	-	
-	-	-	(570,925)	
15,280,446	-	15,280,446	1,233,974	
24,562,915	-	24,562,915	-	
4,261,032	-	4,261,032	-	
10,808,980	-	10,808,980	-	
2,882,395	-	2,882,395	-	
4,683,891	-	4,683,891	-	
257,566	-	257,566	-	
180,436	-	180,436	-	
6,677,207	-	6,677,207	-	
1,150,812	415,164	1,565,976	73,648	
21,280	379,225	400,505	-	
(759,971)	759,971	-	-	
70,006,989	1,554,360	71,561,349	1,307,622	
6,605,996	14,451,763	21,057,759	736,697	
369,271,338	672,415,509	1,041,686,847	8,861,804	
\$ 375,877,334	\$ 686,867,272	\$ 1,062,744,606	\$ 9,598,501	

CITY OF LONGMONT, COLORADO

BALANCE SHEET
GOVERNMENTAL FUNDS
 December 31, 2011

	General	Streets Systems	Other Governmental Funds	TOTAL Governmental Funds
ASSETS				
Equity in pooled cash & cash equivalents	\$ 13,276,163	\$ 13,666,911	\$ 44,243,190	\$ 71,186,264
Cash and cash equivalents	54,158	-	57,407	111,565
Receivables (net of allowance for uncollectibles):				
Taxes	16,398,031	1,218,097	1,422,074	19,038,202
Miscellaneous	714,998	-	-	714,998
Grants	69,600	9,047	128,332	206,979
Loans	60,892	1,517	11,875	74,284
Fees	308,080	-	642	308,722
Accrued interest	51,975	42,224	147,125	241,324
Due from other funds	2,107,654	-	-	2,107,654
Due from other governments	50,531	309,650	443	360,624
Prepaid items	100,190	38,493	6,853	145,536
Restricted assets:				
Equity in pooled cash and cash equivalents	-	-	1,243,933	1,243,933
Cash and cash equivalents	-	-	9,643,337	9,643,337
Total assets	\$ 33,192,272	\$ 15,285,939	\$ 56,905,211	\$ 105,383,422

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

**BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2011**

	General	Streets Systems	Other Governmental Funds	TOTAL Governmental Funds
LIABILITIES				
Accounts payable	\$ 892,507	\$ 890,492	\$ 1,313,350	\$ 3,096,349
Construction contracts payable	67,494	339,678	488,512	895,684
Accrued liabilities	1,103,063	61,154	86,634	1,250,851
Deferred revenue	13,634,753	-	165,753	13,800,506
Deposits	2,591,828	2,000	-	2,593,828
Total liabilities	18,289,645	1,293,324	2,054,249	21,637,218
FUND BALANCES				
Nonspendable	161,082	40,010	18,451	219,543
Restricted	3,025,111	13,952,605	52,083,888	69,061,604
Committed	4,978,762	-	2,748,623	7,727,385
Assigned	853,145	-	-	853,145
Unassigned	5,884,527	-	-	5,884,527
Total fund balances	14,902,627	13,992,615	54,850,962	83,746,204
Total liabilities and fund balances	\$ 33,192,272	\$ 15,285,939	\$ 56,905,211	\$ 105,383,422

(continued)

CITY OF LONGMONT, COLORADO

Reconciliation of the Balance Sheet

to the Statement of Net Assets

December 31, 2011

Total Governmental Fund Balances		\$	83,746,204
Amounts reported for governmental activities in the statement of net assets are different because:			
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.			307,357,219
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.			
Adjustment of deferred revenue	94,303		
Unamortized debt issuance expense	745,938		
Net pension asset	<u>2,825,366</u>		
			3,665,607
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 assets.			39,161,337
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.			(57,683,544)
Internal service fund allocated to business type activities			<u>(369,489)</u>
Net assets of governmental activities		\$	<u><u>375,877,334</u></u>

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

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS**
Year Ended December 31, 2011

	General	Streets Systems	Other Governmental Funds	TOTAL Governmental Funds
REVENUES				
Taxes	\$ 45,676,651	\$ 11,740,195	\$ 12,178,022	\$ 69,594,868
Licenses and permits	935,881	33,202	1,883,760	2,852,843
Developer/owner participation	-	353,078	281,873	634,951
Intergovernmental	638,099	4,873,206	4,147,140	9,658,445
Charges for services	12,439,300	-	310,335	12,749,635
Fines and forfeits	1,365,678	-	95,627	1,461,305
Investment income	204,438	117,852	550,139	872,429
Miscellaneous	339,354	223,397	869,699	1,432,450
Total revenues	61,599,401	17,340,930	20,316,595	99,256,926
EXPENDITURES				
Current:				
General government	19,300,872	-	2,537,462	21,838,334
Public safety	29,022,194	-	6,432,013	35,454,207
Highways and streets	-	14,201,301	1,000,000	15,201,301
Culture and recreation	12,704,345	-	3,461,870	16,166,215
Municipal utility systems	-	-	452,416	452,416
Capital projects	-	-	2,193,219	2,193,219
Debt service:				
Principal retired	-	-	2,840,000	2,840,000
Interest and fiscal charges	-	-	2,112,015	2,112,015
Total expenditures	61,027,411	14,201,301	21,028,995	96,257,707
Excess of revenues over (under) expenditures	571,990	3,139,629	(712,400)	2,999,219
OTHER FINANCING SOURCES (USES)				
Transfers in	168,815	-	1,039,053	1,207,868
Transfers out	(1,039,053)	(1,157)	(657,263)	(1,697,473)
Total other financing sources (uses)	(870,238)	(1,157)	381,790	(489,605)
Net change in fund balances	(298,248)	3,138,472	(330,610)	2,509,614
FUND BALANCES, January 1, as restated	15,200,875	10,854,143	55,181,572	81,236,590
FUND BALANCES, December 31	\$ 14,902,627	\$ 13,992,615	\$ 54,850,962	\$ 83,746,204

(continued)

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

CITY OF LONGMONT, COLORADO

Exhibit 4
(continued)

Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balances
of Governmental Funds
to the Statement of Activities
For the Year Ended December 31, 2011

Net change in fund balances - total governmental funds	\$ 2,509,614
Amounts reported for governmental activities in the statement of activities (Exhibit 2) are different because:	
Contributions of capital assets increase net assets in the statement of activities, but do not appear in the governmental funds because they are not financial resources.	1,090,014
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.	1,841,812
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(1,813,866)
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	3,130,132
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.	(152,210)
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.	260,280
Change in internal service funds allocated to business-type activities	<u>(259,780)</u>
Change in net assets of governmental activities	<u>\$ 6,605,996</u>

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL -
GENERAL (LEGAL BASIS) FUND
Year Ended December 31, 2011**

	Budget		Actual (Legal Basis)	Variance From Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 44,966,536	\$ 44,966,536	\$ 45,676,651	\$ 710,115
Licenses and permits	713,865	713,865	935,881	222,016
Intergovernmental	231,279	531,575	638,099	106,524
Charges for services	11,917,291	11,992,932	12,439,604	446,672
Fines and forfeits	1,436,300	1,436,300	1,365,678	(70,622)
Investment income	312,000	312,000	167,558	(144,442)
Miscellaneous	55,900	131,551	339,354	207,803
Total revenues	59,633,171	60,084,759	61,562,825	1,478,066
EXPENDITURES				
Current:				
General government	20,737,503	21,705,213	19,194,348	2,510,865
Public safety	28,993,063	29,491,780	29,022,194	469,586
Culture & recreation	13,348,279	13,885,365	13,602,803	282,562
Total expenditures	63,078,845	65,082,358	61,819,345	3,263,013
Excess of revenues over (under) expenditures	(3,445,674)	(4,997,599)	(256,520)	4,741,079
OTHER FINANCING SOURCES				
Transfers in	55,319	88,072	100,838	12,766
Total other financing sources	55,319	88,072	100,838	12,766
Net changes in fund balances	(3,390,355)	(4,909,527)	(155,682)	4,753,845
FUND BALANCE, January 1, as restated	9,286,663	15,200,875	15,200,875	-
FUND BALANCE, December 31	\$ 5,896,308	\$ 10,291,348	15,045,193	\$ 4,753,845
RECONCILIATION TO GAAP BASIS				
Activities reported within the General Fund				
Total revenues			36,880	
Total expenditures			(249,469)	
Total other financing sources			70,023	
Revenues and other financing sources (under) expenditures			(142,566)	
FUND BALANCE, December 31 (GAAP BASIS)			\$ 14,902,627	

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

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
ART IN PUBLIC PLACES SUBFUND OF THE GENERAL FUND
Year Ended December 31, 2011

	Original Budget	Final Budget	Actual	Variance From Final Budget
REVENUES				
Investment income	\$ -	-	\$ 2,941	\$ 2,941
EXPENDITURES				
Culture and recreation	115,789	139,789	112,267	27,522
Excess of revenues over (under) expenditures	(115,789)	(139,789)	(109,326)	30,463
OTHER FINANCING SOURCES				
Transfers in				
General fund	-	-	2,046	2,046
Sanitation fund	-	-	73	73
Golf fund	-	-	694	694
Electric fund	3,000	3,000	2,331	(669)
Water fund	56,105	56,105	14,051	(42,054)
Water construction fund	-	-	2,131	2,131
Sewer fund	97,069	97,069	2,517	(94,552)
Sewer construction fund	-	-	72	72
Storm drainage fund	2,700	2,700	11,675	8,975
Public improvement fund	21,693	21,693	16,274	(5,419)
Parks improvement fund	-	-	9,424	9,424
Public building CIF fund	-	-	2,267	2,267
Open space fund	-	-	163	163
Public safety fund	-	-	6,305	6,305
Component unit	13,075	13,075	-	(13,075)
Total other financing sources	193,642	193,642	70,023	(123,619)
Net change in fund balance	77,853	53,853	(39,303)	(93,156)
FUND BALANCE, January 1	308,307	340,193	340,193	-
FUND BALANCE, December 31	\$ 386,160	394,046	\$ 300,890	\$ (93,156)

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

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
STREETS SYSTEMS FUND
Year Ended December 31, 2011

	Budgeted Amounts		Actual	Variance From Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 11,229,291	\$ 11,229,291	\$ 11,740,195	\$ 510,904
Licenses and permits	15,000	15,000	33,202	18,202
Developer/owner participation	250,000	250,000	353,078	103,078
Intergovernmental	3,097,102	3,898,220	4,873,206	974,986
Investment income	195,000	195,000	117,852	(77,148)
Miscellaneous	98,500	111,500	223,397	111,897
Total revenues	14,884,893	15,699,011	17,340,930	1,641,919
EXPENDITURES				
Highways and streets	16,303,068	21,831,567	14,201,301	7,630,266
Excess of revenues over (under) expenditures	(1,418,175)	(6,132,556)	3,139,629	9,272,185
OTHER FINANCING SOURCES (USES)				
Transfers out				
Electric fund	(1,157)	(1,157)	(1,157)	-
Total other financing sources (uses)	(1,157)	(1,157)	(1,157)	-
Net changes in fund balance	(1,419,332)	(6,133,713)	3,138,472	9,272,185
FUND BALANCE, January 1	5,257,680	10,854,143	10,854,143	-
FUND BALANCE, December 31	\$ 3,838,348	\$ 4,720,430	\$ 13,992,615	\$ 9,272,185

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

CITY OF LONGMONT, COLORADO

STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
December 31, 2011

ASSETS	Electric	Water	Sewer
Current assets:			
Equity in pooled cash & cash equivalents	\$ 4,038,190	\$ 27,194,083	\$ 6,552,596
Accounts receivable (net of allowance for uncollectibles)	6,963,447	847,701	986,481
Intergovernmental receivable	294,256	-	-
Loans receivable	35,765	20,859	1,880
Interest receivable	8,456	82,062	21,760
Inventory of materials and supplies	-	-	-
Advance to other funds, current portion	-	-	-
Prepaid expenses	-	-	-
Total unrestricted current assets	11,340,114	28,144,705	7,562,717
Restricted assets:			
Bond debt service:			
Equity in pooled cash & cash equivalents	-	-	1,675,904
Interest receivable	-	-	3,863
Workers' Compensation			
Equity in pooled cash & cash equivalents	-	-	-
Storm drainage/Sewer construction:			
Equity in pooled cash & cash equivalents	-	-	50,814
Cash and cash equivalents	-	-	10,835,181
Interest receivable	-	-	161
Total restricted current assets	-	-	12,565,923
Total current assets	11,340,114	28,144,705	20,128,640
Noncurrent assets:			
Net pension asset	400,240	402,311	137,174
Loan receivable-component unit	-	-	-
Unamortized bond/lease/loan issuance costs	-	126,480	208,617
Capital assets:			
Land and water rights	890,284	170,473,235	3,135,108
Buildings	8,857,205	69,025,430	61,734,746
Improvements (other than buildings)	79,285,673	154,974,852	61,343,856
Equipment	2,112,174	1,748,075	2,059,980
Construction in progress	438,909	4,234,529	1,595,429
Total capital assets	91,584,245	400,456,121	129,869,119
Less - accumulated depreciation	45,282,839	61,974,885	40,187,637
Net capital assets	46,301,406	338,481,236	89,681,482
Investment in joint venture	120,540,034	-	-
Total noncurrent assets	167,241,680	339,010,027	90,027,273
Total assets	\$ 178,581,794	\$ 367,154,732	\$ 110,155,913

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

Storm Drainage	Other Enterprise Funds	TOTALS	Governmental Activities- Internal Service Funds
323,277 \$	4,371,678 \$	42,479,824 \$	24,916,411
428,535	641,241	9,867,405	-
483,063	79,486	856,805	-
1,418	1,337	61,259	5,352
3,651	14,829	130,758	73,455
-	-	-	2,554,244
-	-	-	1,558,127
200	-	200	3,171,686
1,240,144	5,108,571	53,396,251	32,279,275
824,414	-	2,500,318	-
680	-	4,543	-
-	-	-	561,000
-	-	50,814	-
5,759,604	-	16,594,785	-
-	-	161	-
6,584,698	-	19,150,621	561,000
7,824,842	5,108,571	72,546,872	32,840,275
68,939	181,270	1,189,934	79,220
-	-	-	146,000
112,552	-	447,649	-
6,889,129	8,322,483	189,710,239	47,767
618,421	3,307,875	143,543,677	1,928,436
53,463,206	6,600,664	355,668,251	153,524
249,352	3,112,703	9,282,284	35,521,113
1,370,059	260,207	7,899,133	-
62,590,167	21,603,932	706,103,584	37,650,840
10,627,708	5,859,577	163,932,646	27,629,754
51,962,459	15,744,355	542,170,938	10,021,086
-	-	120,540,034	-
52,143,950	15,925,625	664,348,555	10,246,306
59,968,792 \$	21,034,196 \$	736,895,427 \$	43,086,581

(continued)

CITY OF LONGMONT, COLORADO

STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
December 31, 2011

	Electric	Water	Sewer
LIABILITIES AND FUND EQUITY			
Current liabilities:			
Payable from current assets:			
Accounts payable	\$ 3,646,564	\$ 253,214	\$ 235,739
Construction contracts payable	1,160	4,977	4,313
Accrued liabilities	320,000	81,124	41,801
Due to other funds	-	-	-
Accrued sick and vacation - current portion	66,805	58,358	24,862
Unearned revenue	-	-	-
Advances from other funds - current portion	-	-	-
Loans payable - current portion	-	972,966	154,746
Claims payable - current portion	-	-	-
Accrued interest	-	190,026	5,662
Customer deposits	817,319	4,200	-
Total current liabilities (payable from current assets)	4,851,848	1,564,865	467,123
Payable from restricted assets:			
Accounts payable	-	-	27,384
Construction contracts payable	-	-	10,334
Accrued interest	-	-	89,860
Bonds payable - current portion	-	-	345,000
Total current liabilities (payable from restricted assets)	-	-	472,578
Total current liabilities	4,851,848	1,564,865	939,701
Long-term liabilities:			
Loan payable	-	12,169,192	-
Long-term construction liability	-	626,362	6,720
Claims payable	-	-	-
Accrued sick and vacation	495,872	469,619	204,658
Net other post employment benefit obligation	20,045	13,902	10,414
Advances from other funds	-	-	-
Bonds payable	-	-	12,800,589
Net long-term liabilities	515,917	13,279,075	13,022,381
Total liabilities	5,367,765	14,843,940	13,962,082
Net assets:			
Invested in capital assets, net of related debt	46,301,406	324,712,716	89,285,350
Restricted for construction	-	-	10,839,693
Restricted for debt service	-	-	1,589,907
Restricted for workers' compensation	-	-	-
Restricted for long-term disability	-	-	-
Unrestricted	126,912,623	27,598,076	(5,521,119)
Total net assets	173,214,029	352,310,792	96,193,831
Total liabilities and net assets	\$ 178,581,794	\$ 367,154,732	\$ 110,155,913

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

CITY OF LONGMONT, COLORADO

Exhibit 7
(continued)

	Storm Drainage	Other Enterprise Funds	TOTALS	Governmental Activities- Internal Service Funds
\$	319,350	\$ 189,606	\$ 4,644,473	\$ 253,619
	255,303	26,556	292,309	-
	18,957	48,985	510,867	24,324
	-	-	-	2,107,654
	4,459	23,418	177,902	8,250
		340,651	340,651	-
		159,782	159,782	-
		-	1,127,712	-
		-	-	511,713
		-	195,688	-
		-	821,519	-
	598,069	788,998	8,270,903	2,905,560
	59,901	-	87,285	-
	46,626	-	56,960	-
	44,701	-	134,561	-
	550,000	-	895,000	-
	701,228	-	1,173,806	-
	1,299,297	788,998	9,444,709	2,905,560
	-	-	12,169,192	-
	-	-	633,082	-
	-	-	-	893,663
	43,116	199,485	1,412,750	122,106
	3,133	8,559	56,053	3,915
	-	1,398,345	1,398,345	-
	12,482,924	-	25,283,513	-
	12,529,173	1,606,389	40,952,935	1,019,684
	13,828,470	2,395,387	50,397,644	3,925,244
	45,514,233	15,744,355	521,558,060	10,021,086
	5,650,832	-	16,490,525	-
	780,393	-	2,370,300	-
	-	-	-	561,000
	-	-	-	325,000
	(5,805,136)	2,894,454	146,078,898	28,254,251
	46,140,322	18,638,809	686,497,783	39,161,337
\$	59,968,792	\$ 21,034,196	736,895,427	\$ 43,086,581

369,489

\$ 686,867,272

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

Net assets business-type activities

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
For the Year Ended December 31, 2011**

	Electric	Water	Sewer
OPERATING REVENUES			
Charges for services	\$ 53,838,044	\$ 13,247,962	\$ 8,240,989
Warehouse sales	-	-	-
Contributions	-	-	-
Total operating revenues	53,838,044	13,247,962	8,240,989
OPERATING EXPENSES			
Administration	2,568,226	3,449,563	1,040,939
Purchased power/cost of sales/premiums	39,680,959	-	-
Transmission/distribution	5,423,808	1,803,524	855,620
Maintenance/development	-	-	-
Trash collection	-	-	-
Landfill	-	-	-
Treatment/disposal	-	2,446,932	3,280,425
Fleet services	-	-	-
Depreciation	2,232,334	3,749,349	2,320,436
Administrative fees	1,763,720	1,197,244	695,756
Franchise fee	4,272,556	262,884	341,000
Benefit payments	-	-	-
Claims	-	-	-
Total operating expenses	55,941,603	12,909,496	8,534,176
Operating income (loss)	(2,103,559)	338,466	(293,187)
NON-OPERATING REVENUES (EXPENSES)			
Investment income	27,355	240,299	73,240
Miscellaneous	156,964	93,043	5,457
Intergovernmental	336,328	325,386	231,326
Other sales	86,921	-	-
Interest expense	-	(463,514)	(48,535)
Gain on disposal of assets	-	-	8,373
Amortization of bond/note issuance expense	-	(10,919)	(19,653)
Equity in net income from Joint Venture	3,006,849	-	-
Net non-operating revenues	3,614,417	184,295	250,208
Change in net assets before transfers and capital contributions	1,510,858	522,761	(42,979)
CAPITAL CONTRIBUTIONS	537,446	7,920,688	386,050
TRANSFERS			
Transfers in	45,173	8,075	462,156
Transfers out	(35,831)	(44,126)	(4,830)
Change in net assets	2,057,646	8,407,398	800,397
TOTAL NET ASSETS-January 1	171,156,383	343,903,394	95,393,434
TOTAL NET ASSETS- December 31	\$ 173,214,029	\$ 352,310,792	\$ 96,193,831

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

			Governmental
Storm	Other		Activities-
Drainage	Enterprise	Totals	Internal Service
	Funds		Funds
\$ 3,395,622	\$ 8,000,520	\$ 86,723,137	\$ 16,122,665
-	-	-	916,293
-	-	-	2,343,514
<u>3,395,622</u>	<u>8,000,520</u>	<u>86,723,137</u>	<u>19,382,472</u>
966,516	545,772	8,571,016	362,095
-	-	39,680,959	10,145,041
-	15,096	8,098,048	-
780,133	1,912,846	2,692,979	-
-	5,044,931	5,044,931	-
-	68	68	-
-	-	5,727,357	-
-	-	-	3,480,747
1,126,588	415,861	9,844,568	2,785,810
463,110	804,998	4,924,828	492,187
-	23,203	4,899,643	-
-	-	-	385,911
-	-	-	2,259,358
<u>3,336,347</u>	<u>8,762,775</u>	<u>89,484,397</u>	<u>19,911,149</u>
<u>59,275</u>	<u>(762,255)</u>	<u>(2,761,260)</u>	<u>(528,677)</u>
30,573	43,697	415,164	278,383
48,175	75,586	379,225	81,549
483,063	30,566	1,406,669	-
-	-	86,921	89,873
(6,414)	(21,327)	(539,790)	-
-	-	8,373	263,094
(6,654)	-	(37,226)	-
-	-	3,006,849	-
<u>548,743</u>	<u>128,522</u>	<u>4,726,185</u>	<u>712,899</u>
608,018	(633,733)	1,964,925	184,222
2,781,729	187,598	11,813,511	-
-	-	515,404	103,900
(12,832)	(4,238)	(101,857)	(27,842)
<u>3,376,915</u>	<u>(450,373)</u>	<u>14,191,983</u>	<u>260,280</u>
<u>42,763,407</u>	<u>19,089,182</u>	<u>672,305,800</u>	<u>38,901,057</u>
<u>\$ 46,140,322</u>	<u>\$ 18,638,809</u>	<u>686,497,783</u>	<u>\$ 39,161,337</u>

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.

259,780
\$ 14,451,763

Change in net assets of business-type activities

CITY OF LONGMONT, COLORADO

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended December 31, 2011

	Electric	Water	Sewer
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers	\$ 53,319,485	\$ 13,449,938	\$ 8,368,677
Cash paid to suppliers	(48,151,404)	(5,292,313)	(3,550,431)
Cash paid to employees	(5,031,972)	(3,890,199)	(2,556,615)
Claims/Benefits paid	-	-	-
Net cash provided (used) by operating activities	136,109	4,267,426	2,261,631
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES			
Transfers in	45,173	8,075	462,156
Transfers out	(35,831)	(44,126)	(4,830)
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	9,342	(36,051)	457,326
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition and construction of capital assets	(1,752,815)	(4,511,109)	(1,702,009)
Bond/loan/lease principal paid	-	(962,135)	(483,578)
Bond/loan/lease interest paid	-	(251,550)	(558,318)
Proceeds from sale of equipment	-	-	8,373
Contributed capital received	464,804	363,470	-
Net cash (used) by capital and related financing activities	(1,288,011)	(5,361,324)	(2,735,532)
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment income received	34,121	286,947	80,028
Net cash provided by investing activities	34,121	286,947	80,028
Net increase (decrease) in cash and cash equivalents	(1,108,439)	(843,002)	63,453
CASH AND CASH EQUIVALENTS, January 1	5,146,629	28,037,085	19,051,042
CASH AND CASH EQUIVALENTS, December 31	\$ 4,038,190	\$ 27,194,083	\$ 19,114,495

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

	Storm Drainage	Other Enterprise Funds	TOTALS	Governmental Activities- Internal Service Funds
\$	3,438,822	\$ 8,467,661	\$ 87,044,583	\$ 19,489,062
	(811,000)	(5,790,690)	(63,595,838)	(13,277,861)
	(1,046,632)	(2,716,618)	(15,242,036)	(1,140,088)
		-	-	(2,424,802)
	1,581,190	(39,647)	8,206,709	2,646,311
	-	-	515,404	-
	(12,832)	(4,238)	(101,857)	(27,842)
	-	-	-	(1,134,149)
	-	-	-	1,134,149
	-	-	-	(180,800)
	-	-	-	95,133
	-	85,667	85,667	-
	(12,832)	81,429	499,214	(113,509)
	(1,971,160)	(338,568)	(10,275,661)	(5,030,420)
	(530,000)	-	(1,975,713)	-
	(553,630)	(21,327)	(1,384,825)	-
	-	-	8,373	311,005
	93,331	144,289	1,065,894	70,000
	(2,961,459)	(215,606)	(12,561,932)	(4,649,415)
	37,199	52,391	490,686	333,229
	37,199	52,391	490,686	333,229
	(1,355,902)	(121,433)	(3,365,323)	(1,783,384)
	8,263,197	4,493,111	64,991,064	27,260,795
\$	6,907,295	4,371,678	\$ 61,625,741	\$ 25,477,411

(continued)

CITY OF LONGMONT, COLORADO

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS

For the Year Ended December 31, 2011

	Electric	Water	Sewer
RECONCILIATION OF NET OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Net operating income (loss)	\$ (2,103,559)	\$ 338,466	\$ (293,187)
Adjustments to reconcile net operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	2,232,334	3,749,349	2,320,436
Miscellaneous income	243,885	93,043	5,457
Intergovernmental operating income	336,328	95,000	202,530
Change in assets and liabilities:			
(Increase) decrease in accounts receivable	(915,969)	16,363	(52,299)
(Increase) decrease in loans receivable	(29,893)	(17,226)	(715)
(Increase) decrease in intergovernmental receivable	(241,615)	-	-
(Increase) decrease in inventory of materials	-	-	-
(Increase) decrease in prepaid expenses	-	570	-
(Increase) decrease in net pension asset	7,397	7,314	1,107
Increase (decrease) in accounts payable	460,598	(47,768)	64,057
Increase (decrease) in accrued liabilities	38,142	(1,926)	(1,093)
Increase (decrease) in deferred revenue	-	-	-
Increase (decrease) in accrued sick and vacation - current portion	12,657	8,198	(3,106)
Increase (decrease) in claims payable - current portion	-	-	-
Increase (decrease) in net other post employment benefit obligation	(207)	(129)	(79)
Increase (decrease) in accrued sick and vacation - long-term portion	37,199	28,602	18,523
Increase (decrease) in deposits/unearned revenue	58,812	(2,430)	-
Total adjustments	2,239,668	3,928,960	2,554,818
Net cash provided (used) by operating activities	\$ 136,109	\$ 4,267,426	\$ 2,261,631
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	\$ 4,038,190	\$ 27,194,083	\$ 6,552,596
Restricted equity in pooled cash and cash equivalents	-	-	1,726,718
Restricted cash and cash equivalents	-	-	10,835,181
Cash and Cash Equivalents per statement of cash flow s	\$ 4,038,190	\$ 27,194,083	\$ 19,114,495
NON-CASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES			
The following non-cash transactions occurred during 2010:			
Contributed capital from developers	\$ -	\$ 6,889,000	\$ 376,694
Contributed capital from other funds	72,642	668,218	9,356
Equity in net income from joint venture	3,006,849	-	-
Investment in joint venture	(3,006,849)	-	-
Capitalized interest	-	-	533,069
Transfers of assets from other funds	-	-	-
Change in contracts payable for purchase of capital assets	(1,160)	58,715	(14,647)
Amortization of bond premium/discount	-	7,547	8,845
Bond premium/discount	-	(7,547)	(8,845)
(Gain)/Loss on sale of assets	-	-	-
Intergovernmental revenue	-	230,386	56,796
Debt service expense	-	(230,386)	(56,796)
Amortization of bond issue expense	-	(10,919)	(19,653)
Bond issuance expense	-	10,919	19,653

CITY OF LONGMONT, COLORADO

Exhibit 9
(continued)

Storm Drainage	Other Enterprise Funds	Totals	Governmental Activities- Internal Service Funds
\$ 59,275	\$ (762,255)	\$ (2,761,260)	\$ (528,677)
1,126,588	415,861	9,844,568	2,785,810
48,175	75,586	466,146	101,422
483,063	30,566	1,147,487	-
(4,975)	32,249	(924,631)	-
(1,418)	(476)	(49,728)	(4,162)
(483,063)	(11,911)	(736,589)	-
-	-	-	137,551
80	-	650	57,566
905	4,377	21,100	1,404
356,712	(179,335)	654,264	1,447
(478)	4,311	38,956	1,027
-	-	-	(93,872)
251	(4,910)	13,090	(4,983)
-	-	-	185,152
(41)	(86)	(542)	(38)
(3,884)	15,725	96,165	6,664
-	340,651	397,033	-
1,521,915	722,608	10,967,969	3,174,988
\$ 1,581,190	\$ (39,647)	\$ 8,206,709	\$ 2,646,311
\$ 323,277	\$ 4,371,678	\$ 42,479,824	\$ 24,916,411
6,584,018	-	8,310,736	561,000
-	-	10,835,181	-
\$ 6,907,295	\$ 4,371,678	\$ 61,625,741	\$ 25,477,411
\$ 2,688,398	\$ -	\$ 9,954,092	\$ -
-	-	750,216	-
-	-	3,006,849	-
-	-	(3,006,849)	-
542,653	-	1,075,722	-
-	-	-	103,900
209,527	18,062	270,497	-
3,128	-	19,520	-
(3,128)	-	(19,520)	-
-	-	-	(47,911)
-	-	287,182	-
-	-	(287,182)	-
(6,654)	-	(37,226)	-
6,654	-	37,226	-

STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
December 31, 2011

	Employee Retirement Plans
<hr/>	
ASSETS	
Equity in pooled cash & cash equivalents	\$ 110,730
Cash and cash equivalents	2,626,804
Investments	
Common Stock	64,942,048
Corporate bonds	37,163,682
<hr/>	
Total Assets	\$ 104,843,264
<hr/>	
LIABILITIES	
Accounts payable	\$ 61,387
<hr/>	
Total Liabilities	61,387
<hr/>	
NET ASSETS	
Held in trust for pension & OPEB benefits	\$ 104,781,877
<hr/>	

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

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
Year Ended December 31, 2011

	Employee Retirement Plans
ADDITIONS	
Contributions	
Employer	\$ 2,294,654
Plan members	1,610,127
Total Contributions	3,904,781
Investment income	
Net depreciation in fair value of investments	(4,513,144)
Interest	2,514,588
Dividends	496,251
Less investment expense	(348,777)
Net investment (loss)	(1,851,082)
Total additions	2,053,699
DEDUCTIONS	
Benefits	4,245,046
Refunds of contributions	86,010
Administrative expense	39,113
Total deductions	4,370,169
Net decrease	(2,316,470)
NET ASSETS HELD IN TRUST FOR PENSION AND OPEB BENEFITS, January 1	107,098,347
December 31	\$ 104,781,877

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

CITY OF LONGMONT, COLORADO

NOTES TO FINANCIAL STATEMENTS
December 31, 2011

NOTE 1 - REPORTING ENTITY

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

Blended Component Units

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

Longmont Urban Renewal Authority (LURA) – On January 10, 2006, City Council created LURA, authorized to exercise powers and carry out duties provided in the Colorado Urban Renewal Law to remedy deterioration of land use, environment and structures. The Longmont City Council members govern LURA as the ex-officio commission. While 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 remained financially inactive at December 31, 2010, and no separate financial statements are issued.

Discretely Presented Component Units

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

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

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

A. City-wide and Fund Financial Statements

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

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

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

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

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

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

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

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

CITY OF LONGMONT, COLORADO

NOTES TO FINANCIAL STATEMENTS
December 31, 2011

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

fund's principal ongoing operations. The principal operating revenues of all the enterprise and internal service funds are charges to customers for sales and services. The Water Fund also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administration expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The City reports the following major proprietary funds:

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

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

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

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

Additionally, the City reports the following fund types:

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

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

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both City-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. The City has elected not to choose the *option* of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation.

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

C. Assets, Liabilities and Net Assets or Equity

1. Deposits and Investments

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

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

2. Receivables and payables

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

All trade and property tax receivables, including those for DDA, are shown net of an allowance for uncollectibles. The allowance for uncollectible utility accounts receivable is based on a three year average and approximates 2%. The property tax receivable allowance is 2% of outstanding property taxes at December 31, 2011.

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

3. Inventories and prepaid items

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

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

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

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

4. Restricted Assets

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

5. Capital Assets

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

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included in the capitalized value of assets constructed. In 2011, there was \$542,653 of interest incurred and included in the capital costs of the Storm Drainage Fund and \$533,069 of interest incurred and included in the capital costs of the Sewer Fund.

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

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

6. Deferred and unearned revenues

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

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

7. Compensated absences

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

8. Long-term obligations

In the City-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statements of net assets. Bond premiums and discounts, as well as issuance costs are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

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

9. Fund Balance

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

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

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

Committed: Amounts which can be used only for specific purposes pursuant to constraints formally imposed by the City Council through ordinance or resolution approved prior to year end. Those committed amounts cannot be used for any other purpose unless the City Council removes or changes the specified use by taking the same action it employed to commit those amounts.

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.

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.

The General Fund has a minimum unrestricted fund balance of two to three months expenditures. The Streets Systems Fund has a minimum fund balance requirement of 6% of the fund's operating budget. The Public Safety Fund has a minimum fund balance requirement of 8% of the fund's operating budget.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

10. Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt, 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 assets invested in capital assets, net of related debt for business-type activities, excludes unspent debt proceeds of \$16,645,760. Net assets are reported as restricted when there are limitations imposed on their use through enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulation of other governments. Net assets restricted by enabling legislation include \$962,087 for community development projects, \$14,573,596 for transportation improvements, \$2,608,907 for public safety projects, and \$3,022,520 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. Investment in Joint Venture

The Electric Enterprise Fund reports its interest in the Platte River Power Authority as a joint venture and its share of the equity of Platte River is disclosed on the balance sheet as an "Investment in Joint Venture." Increases (decreases) in the investment are reported as non-operating revenue (expense) on the statement of revenues, expenses and changes in net assets. The increase (decrease) may not necessarily be equal to the City's share of net income reported in the joint venture footnote (see Note 22) because the residual interest of the City varies each year based on payments to the Authority for electric power.

13. Use of Estimates

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

D. Budgetary Information

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

1. By September 1, the City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and related financing sources.
2. Public hearings are conducted during City Council meetings to obtain citizen comments.
3. By December 15, the budget is legally enacted through passage of an ordinance.
4. The City Manager is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the City Council.
5. Budgets are legally adopted as a management control device during the year for the General Fund, Special Revenue Funds, (except for the Library Trust Subfund of the General Fund, Historical Preservation Fund, Air Quality Control Subfund of the General Fund, Jones Trust Fund and Subdividers Escrow Subfund of the General

CITY OF LONGMONT, COLORADO

NOTES TO FINANCIAL STATEMENTS
December 31, 2011

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.
- Equity in net income from Joint Venture is not budgeted.
- Principal retired is budgeted as operating expenses of the funds.

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

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

CITY OF LONGMONT, COLORADO

NOTES TO FINANCIAL STATEMENTS
December 31, 2011

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Fund	Original Appropriation	Supplemental Appropriations	Amended Appropriations
General Fund	\$ 63,078,845	\$ 2,003,513	\$ 65,082,358
Art in Public Places Subfund	115,789	24,000	139,789
Special Revenue Funds:			
Streets System Fund	16,304,225	5,528,499	21,832,724
Conservation Fund	135,000	128,808	263,808
Park Improvement Fund	640,000	2,820,080	3,460,080
General Improvement			
District #1 Fund	95,907	20,132	116,039
Community Development Fund	1,137,230	1,314,526	2,451,756
Downtown Parking Fund	124,312	360,132	484,444
Judicial Wedding Fee Fund	2,319	1,000	3,319
Police Seizures Fund	-	36,657	36,657
Police Prevention/Education Fund	-	148,029	148,029
Youth Services Fund	6,000	56,172	62,172
Transportation Community			
Investment Fee Fund	850,000	155,000	1,005,000
Public Buildings Community			
Investment Fee Fund	276,344	217,328	493,672
Electric Community			
Investment Fee Fund	100,000	115,000	215,000
Water System Construction			
Reserve Fund	3,843,273	1,215,067	5,058,340
Water Acquisition Fund	300,000	35,287	335,287
Raw Water Fund	10,000	-	10,000
Sewer Construction Fund	515,776	28,784	544,560
Library Services Fund	71,000	41,253	112,253
Museum Services Fund	88,851	41,947	130,798
Callahan House Fund	76,521	-	76,521
Senior Services Fund	163,115	26,750	189,865
Parks Grants & Donations Fund	-	721,877	721,877
Affordable Housing Fund	606,465	921,182	1,527,647
Open Space Sales Tax Fund	5,535,410	571,369	6,106,779
Public Safety	4,697,455	2,120,776	6,818,231
Lodgers Tax Fund	258,699	29,380	288,079
Probation Services Fund	79,752	-	79,752
Museum Trust Fund	19,000	11,000	30,000
Capital Projects Funds:			
Public Improvement Fund	8,278,880	25,000	8,303,880
Enterprise Funds:			
Sanitation Fund	5,842,815	143,813	5,986,628
Golf Fund	2,521,246	26,452	2,547,698
Electric Fund	55,861,102	1,467,513	57,328,615
Telecommunications Fund	505,166	-	505,166
Water Fund	16,714,079	6,208,139	22,922,218
Sewer Fund	18,462,625	2,065,018	20,527,643
Storm Drainage Fund	4,189,274	9,814,707	14,003,981
Airport Fund	300,850	334,000	634,850
Fleet Internal Service Fund	8,672,176	1,343,942	10,016,118
Component Unit-DDA			
Development Authority			
Operations	243,590	38,347	281,937
Debt Service	617,923	3,053,149	3,671,072
Capital Construction	437,500	2,979,847	3,417,347
Building permit	22,500	-	22,500
CDBG Grant	-	8,754	8,754
Marketing	146,000	95,412	241,412
Façade Improvement	-	1,300,000	1,300,000
Arts and Entertainment	-	440,416	440,416
	\$ 221,947,014	\$ 48,038,057	\$ 269,985,071

CITY OF LONGMONT, COLORADO

NOTES TO FINANCIAL STATEMENTS
December 31, 2011

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 assets

The governmental fund balance sheet includes a reconciliation between *fund balance-total governmental funds and net assets-governmental activities* as reported in the government-wide statement of net assets. 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 \$57,683,544 difference are as follows:

Bonds Payable	\$46,630,000
Less: Deferred charge on refunding (to be amortized as interest expense)	(1,342,713)
Less: Issuance discount (to be amortized as interest expense)	(3,408)
Issuance premium (to be amortized against interest expense)	1,067,802
Accrued interest payable	913,680
Capital leases payable	4,767,754
Net other post employment benefit obligation	173,982
Compensated absences	<u>5,476,447</u>
 Net adjustment to reduce <i>fund balance-total governmental funds to arrive at net assets-governmental activities</i>	 <u><u>\$57,683,544</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 assets 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 \$1,841,812 difference are as follows:

Capital outlay	\$15,133,327
Depreciation expense	<u>(13,291,515)</u>
 Net adjustment to decrease <i>net changes in fund balances-total governmental funds to arrive at changes in net assets of governmental activities</i>	 <u><u>\$ 1,841,812</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 assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.” The details of this \$3,130,132 difference are as follows:

CITY OF LONGMONT, COLORADO
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2011

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

Revenue bond debt	\$	1,140,000
General obligation debt		1,700,000
Payments of capital leases		290,132
Net adjustments to decrease net changes in fund balances-total governmental funds to arrive at changes in net assets of governmental activities	\$	3,130,132

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 \$152,210 difference are as follows:

Compensated absences	\$	(253,991)
Accrued interest		109,492
Net pension obligation decrease		70,145
Other post employment benefits increase		1,653
Amortization of deferred charge on refunding		(132,021)
Amortization of issuance costs		(78,444)
Amortization of bond discount		(1,668)
Amortization of bond premium		132,624
Net adjustment to increase net changes in fund balances-total governmental funds to arrive at changes in net assets of governmental activities	\$	(152,210)

NOTE 4 - PROPERTY TAX AND SALES AND USE TAX

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

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

Sales and Use Tax:

A 3.275% tax is imposed on the sale or use of all tangible personal property in the City except for certain specified exemptions. The City administers the collection of such taxes from licensed businesses. The 3.275% is allocated as follows in 2011:

Earmarked Sales and Use Tax

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

General Sales Tax

- General Fund 2.000%

General Use Tax

- General Fund 0.032%
- Public Improvements Capital Projects Fund 1.968%

CITY OF LONGMONT, COLORADO

NOTES TO FINANCIAL STATEMENTS
December 31, 2011

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 assets relating to deposits and investments are as follows:

	Total
Statement of Net Assets:	
Equity in pooled cash and cash equivalents-primary government	\$ 138,582,499
Equity in pooled cash and cash equivalents-restricted	4,356,065
Cash and cash equivalents-primary government	111,565
Cash and cash equivalents-restricted	26,238,122
	\$ 169,288,251

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, 2011, the City's deposits had a bank balance of \$17,280,149 with a corresponding book balance of \$19,500,183.

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

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

NOTE 5 - DEPOSITS AND INVESTMENTS

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

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

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

Interest Rate Risk – The City minimizes the risk that fair value of securities in the portfolio will fall due to changes in general interest rates, by: Structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities prior to maturity. This is accomplished by investing operating funds and non-operating funds in shorter term securities (with a maximum of no more than five years), mutual funds and local investment pools. Weighted average market duration as of December 31, 2011 was 1.57 years. The City's investment policy does not otherwise limit interest rate risk.

As of December 31, 2011, the City had the following investments

Investment Type	Fair Value	Weighted Average Market Duration (in years)	S & P Rating	% of Portfolio
U.S. Treasuries	\$ 43,663,396	2.38	n/a	25.01
U.S. Instrumentality-FHLB	32,279,528	0.55	AA+	18.49
U.S. Instrumentality-FNMA	30,039,848	1.52	AA+	17.21
U.S. Instrumentality-FHLMC	23,281,876	2.35	AA+	13.34
U.S. Instrumentality-FFCB	13,203,429	1.02	AA+	7.56
Commercial Paper	4,996,167	0.16	A-1+	2.86
Money Market Funds	12,246,921	n/a	AAA	7.01
Local Investment Pools	<u>14,872,881</u>	n/a	AAA	8.52
Total fair value	<u>\$ 174,584,046</u>			
Portfolio duration		1.57		
Percentage of Portfolio				100.00

The value of the pooled investments includes \$110,730 and \$8,199,900 of pooled cash and cash equivalents of the Fiduciary Funds and the discretely presented component unit, respectively.

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

CITY OF LONGMONT, COLORADO

NOTES TO FINANCIAL STATEMENTS
December 31, 2011

NOTE 5 - DEPOSITS AND INVESTMENTS

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 4.5% per year. The plan's investment guidelines are based upon an investment horizon of greater than 5 years and a targeted risk tolerance of -15.2% 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 32% in both Domestic Large Cap Value and Domestic Large Cap Growth, 7% in Domestic Small and Mid Cap, 15% in International Equity, 28% in Domestic Fixed Income and 4% in High Yield Credit, 2% in Commodities, 4% in Global REITs and 8% in Corporate Loans. As of December 31, 2011 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 4.5% 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 2011, the actual return for the plan was a loss of 0.99% while the targeted rate of return was 6.00%.

As of December 31, 2011, the Fiduciary Funds had the following investments.

Employee, Police and Fire Pension Plans:

Employee, Police and Fire Pension Plans:				
Investment Type		Fair Value	% of Portfolio	Rating
Domestic Equities	\$	41,046,310	39.42%	Not available
International Equities		14,355,136	13.79%	Not available
Domestic Fixed Income		29,421,794	28.26%	Not available
Corporate Loans		8,601,307	8.25%	Not available
High Yield Credit		4,216,311	4.05%	Not available
Commodities		1,932,165	1.86%	Not available
Global REIT'S		4,396,762	4.22%	Not available
Cash & Cash Equivalents		153,942	0.15%	Not available
Total	\$	<u>104,123,727</u>	100.00%	

OPEB Trust Fund:

OPEB Trust Fund:				
Investment Type		Fair Value	% of Portfolio	Rating
Cash & Cash Equivalents		608,806	100.00%	Not available
Total	\$	<u>608,806</u>	100.00%	

NOTE 6 - DONOR-RESTRICTED ENDOWMENTS

The City is the recipient of two nonexpendable trusts for which the corpora are as follows: \$629,576 Mosher Trust for library purposes and \$15,000 Kanemoto Trust for Kanemoto Park purposes. Net appreciation on these investments are available for expenditure upon appropriation by City Council in the amounts of \$496,628 and \$4,636, respectively. City Financial Policy requires that the interest earnings on these endowments be expended on the recommendation of the related advisory board.

NOTE 7 - LEASED PROPERTY UNDER CAPITAL LEASES

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

The following is an analysis of the equipment and facilities under capital leases by activity and fund, and by type as of December 31, 2011:

Governmental Activities	
Terry St. Fire Station	3,180,836
Energy Equipment Lease	2,053,227
Cannon Copier	74,088
Total Governmental Activities	\$ 5,308,151

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, 2011:

Governmental Activities			
Year	Principal	Interest	Total
2012	\$ 312,301	\$ 230,707	\$ 543,008
2013	336,101	214,505	550,606
2014	365,169	196,912	562,081
2015	386,693	177,968	564,661
2016	409,018	158,972	567,990
2017-2021	2,231,853	459,772	2,691,625
2021-2026	726,619	51,335	777,954
Total	4,767,754	1,490,171	6,257,925

NOTE 8 - PRIOR-YEAR DEFEASANCE OF DEBT

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 on included in the City's financial statements. As of December 31, 2011, \$11,920,000 of the Series 2001 Sales and Use Tax Revenue Bonds outstanding are considered defeased.

CITY OF LONGMONT, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2011

NOTE 9 - LONG-TERM DEBT

Changes in long-term liabilities

Long-term liability activity for the year end December 31, 2011, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Bonds Payable:					
General Obligation Bonds	\$ 2,325,000	\$ -	\$ (1,140,000)	\$ 1,185,000	\$ 1,185,000
Revenue Bond	47,145,000	-	(1,700,000)	45,445,000	1,790,000
Amortization of refunding loss	(1,474,734)	-	132,021	(1,342,713)	-
Amortization of discount/premium	1,195,350	-	(130,956)	1,064,394	-
Total bonds payable	49,190,616	-	(2,838,935)	46,351,681	2,975,000
Capital Leases	5,057,886	-	(290,132)	4,767,754	312,301
Claims (see Note 14)	1,220,224	2,113,415	(1,928,263)	1,405,376	511,713
Net OPEB Obligation	179,588	177,897	(179,588)	177,897	-
Compensated Absences	5,346,341	4,968,398	(4,700,791)	5,613,948	561,510
Governmental activity long-term liabilities	\$ 60,994,655	\$ 7,259,710	\$ (9,937,709)	\$ 58,316,656	\$ 4,360,524
Business-type Activities:					
Revenue Bonds Payable	\$ 26,900,000	\$ -	\$ (805,000)	\$ 26,095,000	\$ 895,000
Amortization of premium	95,486	-	(11,973)	83,513	-
Compensated Absences	1,481,397	1,120,988	(1,011,733)	1,590,652	177,902
Loans payable	14,381,439	-	(1,170,489)	13,210,950	1,127,712
Amortization of discount/premium	87,588	-	(1,634)	85,954	-
Net OPEB Obligation	56,595	56,053	(56,595)	56,053	-
Construction contracts	857,751	-	(224,669)	633,082	-
	\$ 43,860,256	\$ 1,177,041	\$ (3,282,093)	\$ 41,755,204	\$ 2,200,614
Component Unit :					
Loans payable - primary government	\$ 146,000	\$ 2,502,149	\$ (2,502,149)	\$ 146,000	\$ -
Compensated Absences	4,653	9,652	(2,784)	11,521	11,521
	\$ 150,653	\$ 2,511,801	\$ (2,504,933)	\$ 157,521	\$ 11,521

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

CITY OF LONGMONT, COLORADO
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2011

NOTE 9 - LONG-TERM DEBT (continued)

A. Governmental Activities:

General Obligation Bonds:

\$9,335,000 2002 Civic Center refunding bonds due in annual installments of \$1,110,000 to \$1,185,000 through November 15, 2012; interest rates range from 3.3% to 3.5% (unamortized premium of \$3,480). \$ 1,185,000

Revenue Bonds:

\$17,375,000 2006 Sales and Use Tax Revenue Refunding Bonds due in annual installments of \$645,000 to \$2,705,000 through May 15, 2019; interest rates range from 4.0 to 6.0 percent (unamortized premium of \$873,330). Total principal and interest remaining to be paid is \$20,684,013 and is expected to require less than 10% of pledged revenue. Total payment in 2011 was \$1,463,575 and pledged revenue was \$28,823,947. \$ 16,735,000

\$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 \$187,584). Total principal and interest remaining to be paid is \$23,161,311 and is expected to require less than 65% of pledged revenue. Total payment in 2011 was \$1,663,352 and pledged revenue was \$2,882,395. 18,270,000

\$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 \$17,351,730 and is expected to require less than 10% of pledged revenue. Total payment in 2011 was \$393,154 and pledged revenue was \$2,882,395. 10,440,000

\$ 45,445,000

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

Year Ending	General Obligation		Revenue Bonds			City Total
	Principal	Interest	Principal	Interest	Subsidy	
December 31						
2012	1,185	41	1,790	1,886	(195)	\$ 4,707
2013	-	-	3,130	1,807	(195)	4,742
2014	-	-	3,225	1,703	(195)	4,733
2015	-	-	3,320	1,596	(195)	4,721
2016	-	-	3,425	1,484	(195)	4,714
2017-2021	-	-	13,665	5,218	(975)	17,908
2022-2026	-	-	6,535	3,500	(975)	9,060
2027-2031	-	-	7,245	2,025	(708)	8,562
2032-2033	-	-	3,110	255	(89)	3,276
	\$ 1,185	\$ 41	\$ 45,445	\$ 19,474	\$ (3,722)	\$ 62,423

CITY OF LONGMONT, COLORADO
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2011

NOTE 9 - LONG-TERM DEBT (continued)

The following is a summary of changes in governmental activity long-term debt (other than bonded debt) for the City of Longmont for the year ended December 31, 2011.

Capital Lease

Lease obligations per Note 7. Payable from

General Fund and Public Safety Fund \$ 4,767,754

Net Other Post Employment Benefit Obligation

Implicit Subsidy for blended rate retiree healthcare \$ 177,897

Accrued Sick and Vacation

Accrual of compensated absences per Note 2-C7.

Payable from revenues of the General Fund,

Streets Fund, Community Development Fund, Public Safety Fund and Fleet Fund \$ 5,613,948

B. Business-type Activities

The following is a summary of changes in proprietary long-term debt (other than bonded debt) for the City of Longmont for the year ended December 31, 2011:

Revenue Bonds:

\$14,540,000 2008 Storm Drainage Revenue Bonds for the purpose of storm drainage system replacements and improvements including Lykins Gulch Drainage way, State Highway 66 Regional drainage improvements, Spring Gulch #2 Drainage, and Left Hand Creek bridge replacement at South Pratt Parkway. Future customer fees net of certain operating expenses, are expected to exceed the annual payments by 33%. Total principal and interest paid in 2011 was \$1,083,631 compared to net pledged fees of \$1,264,611. Due in installments of \$520,000 to \$1,065,000 through December 1, 2028; interest rates range from 3.0 to 4.5 percent (unamortized premium of \$52,924). \$ 12,980,000

\$2,300,000 2010A Sewer Revenue Bonds for the purpose of wastewater system improvements. Future customer fees net of certain operating expenses, are expected to exceed the annual payments by 38%. Total principal and interest paid in 2011 was \$321,000 compared to net pledged fees of \$2,105,946. Due in installments of \$275,000 to \$570,000 through November 1, 2015 with an interest rate of 2 percent (unamortized premium of \$30,589). 2,025,000

\$11,090,000 2010B Sewer Revenue Bonds for the purpose of wastewater system improvements. Future customer fees net of certain operating expenses, are expected to exceed the annual payments by 38%. Total principal and interest paid in 2011 was \$324,127 compared to net pledged fees of \$2,105,946. Due in installments of \$590,000 to \$935,000 through November 1, 2030; interest rates range from 3.1 to 5.2 percent with a 35% interest rate subsidy under the Build America Bonds program. 11,090,000

\$ 26,095,000

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

Year Ending	Revenue Bonds			City	Total
	Principal	Interest	Interest Subsidy		
December 31					
2012	\$ 895	\$ 1,076	\$ (175)	\$ 1,796	
2013	1,115	1,051	(175)	1,991	
2014	1,145	1,020	(175)	1,990	
2015	1,175	988	(175)	1,988	
2016	1,220	953	(175)	1,998	
2017-2021	6,755	4,047	(759)	10,043	
2022-2026	8,170	2,504	(505)	10,169	
2027-2030	5,620	605	(162)	6,063	
	<u>\$ 26,095</u>	<u>\$ 12,244</u>	<u>\$ (2,301)</u>	<u>\$ 36,038</u>	

Accrued Sick and Vacation

Accrual of compensated absences per Note 2-C7.

Payable from the Enterprise Funds \$ 1,590,652

CITY OF LONGMONT, COLORADO
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2011

NOTE 9 - LONG-TERM DEBT (continued)

Loans Payable

\$3,500,000 from the Colorado Water Resources and Power Authority for an ammonia removal system at the wastewater treatment plant. The loan is to be repaid from the revenues of the Sewer Fund. Annual installments of \$266,851 continue through August 1, 2012, at an interest rate of 4.17 percent (less unamortized discount of \$4,091). \$ 158,837

\$14,998,044 from the Colorado Water Resources and Power Authority for the construction of a water treatment plant to be repaid from the revenues of the Water Fund. Annual installments vary from \$1,354,967 to \$1,356,206 through August 1, 2023 at 3.11% (plus unamortized premium of \$90,045). 13,052,113

\$ 13,210,950

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

Year Ending December 31	Principal	Interest	Total
2012	\$ 1,132	\$ 482	\$ 1,614
2013	990	427	1,417
2014	1,006	398	1,404
2015	1,017	369	1,386
2016	1,039	332	1,371
2017-2021	5,534	1,078	6,612
2022-2023	2,493	139	2,632
Total	<u>\$ 13,211</u>	<u>\$ 3,225</u>	<u>\$ 16,436</u>

Net Other Post Employment Benefit Obligation

Implicit Subsidy for blended rate retiree healthcare \$ 56,053

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. \$ 633,082

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 12/31/13. Interest rate equal to City's annual rate of return, 1.29% in 2011; \$15,793 interest accrued at 12/31/11 \$ 146,000

Accrual of compensated absences per Note 2-C7. \$ 11,521

CITY OF LONGMONT, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2011

NOTE 10 - ADJUSTMENTS TO CONVERT LEGAL BASIS TO GAAP BASIS

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

	General Fund	Sanitation Enterprise Fund	Golf Enterprise Fund
Excess of revenues over (under) expenditures - Legal basis	\$ (256,520)	\$ (553,968)	\$ 240,836
Add:			
Transfers out not included as an increase of legal basis expenditures	1,041,099	-	-
Additions to plant and equip- ment included as legal basis expenditures	-	78,576	69,422
Principal retired included as legal basis expenditures	-	-	70,000
Capitalized salaries/expenses included in legal basis expenditures	-	-	-
Capitalized interest included in legal basis expenditures	-	-	-
Capital contributions not included as legal revenues	-	-	-
Property and equipment transferred from other funds	-	-	-
Gain on disposal of assets	-	-	-
Equity in net income from joint venture	-	-	-
Revenues from funds Consolidated with the General Fund	36,880	-	-
Less:			
Depreciation	-	(176,654)	(64,636)
Advance proceeds included as legal basis revenues	-	-	(260,400)
Expenditures from funds consolidated with the General fund	(249,469)	-	-
Excess of revenues over (under) expenditures - GAAP basis	\$ 571,990		
Change in net assets - GAAP basis		\$ (652,046)	\$ 55,222

CITY OF LONGMONT, COLORADO
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2011

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

Electric Enterprise Fund	Telecom- munications Enterprise Fund	Water Enterprise Fund	Sewer Enterprise Fund	Storm Drainage Enterprise Fund	Airport Enterprise Fund	Fleet Internal Service Fund
\$ (543,487)	\$ 151,763	\$ (597,110)	\$ 112	\$ (1,019,180)	\$ (47,867)	\$ 1,702,908
-	-	-	-	-	-	-
1,160,291	9,329	4,039,868	1,633,026	1,719,918	201,162	2,199,571
-	-	961,909	483,579	530,000	-	-
593,685	6,635	194,863	76,624	41,714	-	-
-	-	-	533,069	542,653	-	-
72,642	-	7,557,217	386,050	2,688,398	-	-
-	-	-	-	-	-	103,900
-	-	-	8,373	-	-	263,094
3,006,849	-	-	-	-	-	-
-	-	-	-	-	-	-
(2,232,334)	(56,191)	(3,749,349)	(2,320,436)	(1,126,588)	(118,380)	(2,785,810)
-	-	-	-	-	-	-
-	-	-	-	-	-	-
\$ 2,057,646	\$ 111,536	\$ 8,407,398	\$ 800,397	\$ 3,376,915	\$ 34,915	\$ 1,483,663

CITY OF LONGMONT, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2011

NOTE 11 - CHANGES IN CAPITAL ASSETS

	Beginning Balance	Additions	Deletions
Governmental activities:			
Capital assets, not being depreciated:			
Land and water rights	\$ 96,694,060	\$ 25,240	\$ -
Construction in progress	8,508,997	11,498,200	-
Total capital assets, not being depreciated	<u>105,203,057</u>	<u>11,523,440</u>	<u>-</u>
Capital assets, being depreciated:			
Buildings	79,976,393	2,431,660	-
Improvements other than buildings	302,117,527	1,564,796	-
Equipment	45,953,340	3,055,916	(1,471,770)
Equipment under capital leases	74,088	-	-
Total capital assets, being depreciated	<u>428,121,348</u>	<u>7,052,372</u>	<u>(1,471,770)</u>
Less accumulated depreciation for:			
Buildings	(23,055,950)	(1,919,500)	-
Improvements other than buildings	(158,865,231)	(10,195,169)	-
Equipment	(36,419,086)	(3,962,656)	1,374,859
Equipment under capital leases	(7,409)	-	-
Total accumulated depreciation	<u>(218,347,676)</u>	<u>(16,077,325)</u>	<u>1,374,859</u>
Total capital assets, being depreciated, net	<u>209,773,672</u>	<u>(9,024,953)</u>	<u>(96,911)</u>
Governmental activities capital assets, net	<u>\$ 314,976,729</u>	<u>\$ 2,498,487</u>	<u>\$ (96,911)</u>

	Beginning Balance	Additions	Deletions
Business-type activities:			
Capital assets, not being depreciated:			
Land and water rights	\$ 182,821,239	\$ 6,889,000	\$ -
Construction in progress	7,239,387	4,962,454	-
Total capital assets, not being depreciated	<u>190,060,626</u>	<u>11,851,454</u>	<u>-</u>
Capital assets, being depreciated:			
Buildings	143,291,237	252,440	-
Improvements other than buildings	342,108,292	9,257,251	-
Equipment	9,038,287	243,997	-
Total capital assets, being depreciated	<u>494,437,816</u>	<u>9,753,688</u>	<u>-</u>
Less accumulated depreciation for:			
Buildings	(40,574,269)	(2,786,180)	-
Improvements other than buildings	(105,598,220)	(6,680,680)	-
Equipment	(7,915,589)	(377,708)	-
Total accumulated depreciation	<u>(154,088,078)</u>	<u>(9,844,568)</u>	<u>-</u>
Total capital assets, being depreciated, net	<u>340,349,738</u>	<u>(90,880)</u>	<u>-</u>
Business-type activities capital assets, net	<u>\$ 530,410,364</u>	<u>\$ 11,760,574</u>	<u>\$ -</u>

CITY OF LONGMONT, COLORADO
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2011

NOTE 11 - CHANGES IN CAPITAL ASSETS

Transfers	Ending Balance
\$ -	\$ 96,719,300
(8,278,196)	11,729,001
<u>(8,278,196)</u>	<u>108,448,301</u>
1,704,156	84,112,209
6,478,202	310,160,525
95,838	47,633,324
-	74,088
<u>8,278,196</u>	<u>441,980,146</u>
-	(24,975,450)
-	(169,060,400)
-	(39,006,883)
-	(7,409)
<u>-</u>	<u>(233,050,142)</u>
<u>8,278,196</u>	<u>208,930,004</u>
<u>\$ -</u>	<u>\$317,378,305</u>

Transfers	Ending Balance
\$ -	\$189,710,239
(4,302,708)	7,899,133
<u>(4,302,708)</u>	<u>197,609,372</u>
-	143,543,677
4,302,708	355,668,251
-	9,282,284
<u>4,302,708</u>	<u>508,494,212</u>
-	(43,360,449)
-	(112,278,900)
-	(8,293,297)
<u>-</u>	<u>(163,932,646)</u>
<u>4,302,708</u>	<u>344,561,566</u>
<u>\$ -</u>	<u>\$542,170,938</u>

CITY OF LONGMONT, COLORADO

NOTES TO FINANCIAL STATEMENTS
December 31, 2011

NOTE 11 - CHANGES IN CAPITAL ASSETS (continued)

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

Governmental activities:	
General government	\$ 4,924,994
Public safety	705,096
Highway and streets	8,798,374
Culture and recreation	<u>1,648,861</u>
Total depreciation expense - governmental activities	<u>\$ 16,077,325</u>
Business-type activities:	
Sanitation	\$ 176,654
Golf	64,636
Electric	2,232,334
Telecommunications	56,191
Water	3,749,349
Sewer	2,320,436
Storm drainage	1,126,588
Airport	<u>118,380</u>
Total depreciation expense - business-type activities	<u>\$ 9,844,568</u>

Discretely presented component units

	Beginning Balance	Additions	Deletions	Ending Balance
Downtown development authority:				
Capital assets, not being depreciated:				
Land and water rights	\$ 443,018	\$ -	\$ -	\$ 443,018
Construction in progress	30,247	151,274	-	181,521
Total capital assets, not being depreciated	<u>473,265</u>	<u>151,274</u>	<u>-</u>	<u>624,539</u>
Capital assets, being depreciated:				
Buildings	82,455	-	-	82,455
Improvements other than buildings	3,114,245	-	-	3,114,245
Equipment	2,542	-	-	2,542
Total capital assets, being depreciated	<u>3,199,242</u>	<u>-</u>	<u>-</u>	<u>3,199,242</u>
Less accumulated depreciation for:				
Buildings	(32,309)	(1,757)	-	(34,066)
Improvements other than buildings	(2,089,575)	(208,967)	-	(2,298,542)
Equipment	(377)	(43)	-	(420)
Total accumulated depreciation	<u>(2,122,261)</u>	<u>(210,767)</u>	<u>-</u>	<u>(2,333,028)</u>
Total capital assets, being depreciated, net	<u>1,076,981</u>	<u>(210,767)</u>	<u>-</u>	<u>866,214</u>
Downtown development authority capital assets, net	<u>\$ 1,550,246</u>	<u>\$ (59,493)</u>	<u>\$ -</u>	<u>\$ 1,490,753</u>

NOTE 12 - INFORMATION FOR ENTERPRISE FUNDS

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

Information for the year ended December 31, 2011, is as follows.

	Sanitation	Golf	Electric	Telecom- munications	Water	Sewer	Storm Drainage	Airport	Total
Operating revenue	\$ 5,235,308	\$ 2,262,563	\$ 53,838,044	\$ 282,208	\$ 13,247,962	\$ 8,240,989	\$ 3,395,622	\$ 220,441	\$ 86,723,137
Depreciation expense	176,654	64,636	2,232,334	56,191	3,749,349	2,320,436	1,126,588	118,380	9,844,568
Operating income (loss)	(708,182)	65,445	(2,103,559)	64,734	338,466	(293,187)	59,275	(184,252)	(2,761,260)
Transfers:									
Transfers In	-	-	45,173	-	8,075	462,156	-	-	515,404
Transfers Out	(1,230)	(1,851)	(35,831)	(1,157)	(44,126)	(4,830)	(12,832)	-	(101,857)
Equity in net income from joint venture	-	-	3,006,849	-	-	-	-	-	3,006,849
Change in net assets	(652,046)	55,222	2,057,646	111,536	8,407,398	800,397	3,376,915	34,915	14,191,983
Current capital - contributions	-	-	537,446	10,774	7,920,688	386,050	2,781,729	176,824	11,813,511
Plant, property & equipment:									
Additions	78,576	69,422	1,753,976	15,964	4,234,731	2,242,719	2,304,285	201,162	10,900,835
Net working capital	2,790,099	265,884	6,488,266	1,017,348	26,579,840	19,188,939	6,525,545	246,242	63,102,163
Investment in joint venture	-	-	120,540,034	-	-	-	-	-	120,540,034
Total assets	5,557,149	8,289,284	178,581,794	2,710,537	367,154,732	110,155,913	59,968,792	4,477,226	736,895,427
Bonds & other long-term liabilities	97,972	1,489,659	515,917	352	13,279,075	13,022,381	12,529,173	18,406	40,952,935
Total net assets	5,233,475	6,608,851	173,214,029	2,368,948	352,310,792	96,193,831	46,140,322	4,427,535	686,497,783

CITY OF LONGMONT, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2011

NOTE 13 - OPERATING LEASE

In 2003, the City leased exclusive surface rights to McIntosh Reservoir with the intention of creating a district park linking Dawson Park, Flanders Park and Boulder County's Lohr Open Space. The cancelable operating lease was extended through 2012, with an additional five year extension period, which if exercised would terminate on December 31, 2017. Total cost of this recreational purpose lease for 2011 was \$57,000. The future minimum lease payments as of December 31, 2011 are as follows:

<u>Year Ending December 31</u>	<u>Amount</u>
2012	\$57,000
2013	57,000

NOTE 14 - RISK MANAGEMENT

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

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

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

All funds of the City participate in these programs and make payments to the appropriate risk retention internal service fund based on actuarial estimates of the amounts needed to pay prior- and current-year claims and to establish a reserve for catastrophic losses. The claims liability of \$1,405,376 reported in these funds at December 31, 2011 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 2010 and 2011 were:

<u>Fund</u>	<u>Beginning Claims Liability</u>	<u>Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>Year end Claims Liability</u>
2010				
Self Insurance	\$ 491,577	\$ 332,465	\$ 252,366	\$ 571,676
Employee Benefit	91,441	-	91,441	-
Workers Compensation	235,989	875,761	559,518	552,232
Dental Trust	-	738,425	642,109	96,316
	<u>\$ 819,007</u>	<u>\$ 1,946,651</u>	<u>\$ 1,545,434</u>	<u>\$ 1,220,224</u>
2011				
Self Insurance	\$ 571,676	\$ 198,804	\$ 561,494	\$ 208,986
Workers Compensation	552,232	1,232,391	689,717	1,094,906
Dental Trust	96,316	682,220	677,052	101,484
	<u>\$ 1,220,224</u>	<u>\$ 2,113,415</u>	<u>\$ 1,928,263</u>	<u>\$ 1,405,376</u>

NOTE 15 - OTHER REQUIRED INDIVIDUAL FUND DISCLOSURES

A. Interfund receivable and payable balances at December 31, 2011 were:

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Governmental:		
General	\$ 2,107,654	\$ -
Nonmajor Enterprise		
Golf (Advances)	-	1,558,127
Internal Service:		
Fleet (Advances)	1,558,127	
Warehouse	-	2,107,654
	<u>\$ 3,665,781</u>	<u>\$ 3,665,781</u>

NOTE 16 - INTERFUND TRANSACTIONS

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

A. Administrative Fee - The Enterprise Funds, the Street System, Open Space and General Improvement District #1 Special Revenue Funds, the Self Insurance, Workers Compensation Insurance, and Fleet Internal Service Funds make monthly payments to the General Fund for administrative expenses. The charge is approved by the City Council as part of the appropriation process, and is calculated to cover ETS, accounting, billing, purchasing and other administrative functions performed and/or paid by the General Fund on behalf of the above mentioned funds. The total administrative fees paid by Enterprise Funds to the General Fund were \$549,321 by the Sanitation Fund, \$160,990 by the Golf Fund, \$1,763,720 by the Electric Fund, \$1,039 by the Telecommunications Fund, \$1,197,244 by the Water Fund, \$695,756 by the Sewer Fund, \$463,110 by the Storm Drainage Fund and \$93,648 by the Airport Fund. Total administrative fees paid by Special Revenue Funds in 2011 were \$930,153 by the Street System Fund, \$183,855 by the Open Space Fund, \$645 by the Probation services Fund, \$925 by the Affordable Housing Fund, \$304 by the Art in Public Places Fund, \$6,147 by the Public Safety Sales Tax Fund and \$12,097 by the General Improvement District #1 Fund. Total 2011 administrative fees paid to the General Fund by Internal Service funds were \$109,719 by the Self Insurance Fund, \$164,127 by the Workers' Compensation Insurance Fund, and \$231,108 by the Fleet Fund. The Downtown Development Authority component unit paid \$1,315 in 2011 for administrative fees.

B. Franchise Fee - The Electric Fund, Telecommunications Fund, Water Fund and the Sewer Fund pay an annual franchise fee to the General Fund for the exclusive right to provide electric, telecommunications, water and sewer service (respectively) within the City of Longmont. The Electric Fund fee is 8% of the current year revenues of the Electric Fund, or \$4,272,556 in 2011. The Telecommunications fee approximates 5% of the prior year actual revenue, or \$23,203 in 2011. The Water Fund franchise fee approximates 2% of the Fund's current year budgeted revenues, or \$262,884 in 2011. The Sewer Fund franchise fee approximates 4% of the Fund's current year budgeted revenues, or \$341,000 in 2011.

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

D. Fleet Lease Charges - The Fleet Internal Service Fund charges all operating departments a fleet lease charge for vehicle operating, maintenance, and replacement costs. The charge is approved by the City Council as part of the appropriation process and is based on each department's actual vehicle usage and needs. The total payments included in the accompanying financial statements in 2011 were \$2,602,173 by the General Fund, \$955,250 by the Street System Fund, \$2,021,612 by the Sanitation Fund, \$236,086 by the Golf Fund, \$548,824 by the Electric Fund, \$352,907 by the Water Fund, \$204,543 by the Sewer Fund, \$175,598 by the Storm Drainage Fund, \$1,641 by the Airport Fund, \$245,267 by the Public Safety Sales Tax Special Revenue Fund and \$14,762 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 2011 were \$103,900 from the Public Safety Sales Tax Special Revenue Fund.

CITY OF LONGMONT, COLORADO
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2011

NOTE 16 - 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 2011 were \$73 from the Sanitation Fund, \$694 from the Golf Fund, \$2,331 from the Electric Fund, \$14,051 from the Water Fund, \$2,517 from the Sewer Fund, \$11,675 from the Storm Drainage Fund, \$2,046 from the General Fund, \$16,274 from the Public Improvement Fund, \$72 from the Sewer Construction Fund, \$2,131 from the Water Construction Fund, \$9,424 from the Park Improvement Fund, \$2,267 from the Public Buildings Community Investment Fee Fund, \$163 from the Open Space Fund, and \$6,305 from the Public Safety Sales Tax Fund. This fund is consolidated with the General Fund for reporting purposes.

G DDA Building Permits - An amount equal to the revenues from building permits issued in the DDA area is transferred to the Component Unit DDA Building Permit Special Revenue fund by the primary government funds receiving the revenues. The amounts of such transfers during 2011 were \$13,011 from the General Fund, \$20 from the Electric Fund, \$15 from the Sewer Fund, and \$4,977 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 2011 from each fund were:

	Self- Insurance	Employee Benefit	Workers' Compensation Insurance	Unemployment Insurance	Dental Trust
General Fund	\$ 434,827	\$ 4,308,968	\$ 402,238	\$ 79,768	\$ 159,639
Component Unit					
Downtown Development					
Authority Special					
Revenue Fund	-	19,202	-	356	711
Probation Services					
Special Revenue Fund	152	7,531	22	139	279
Community Development					
Special Revenue Fund	294	14,697	42	272	544
Affordable Housing					
Special Revenue Fund	240	11,502	34	213	426
Streets System Special					
Revenue Fund	77,210	319,691	33,514	5,924	11,846
Callahan House Special					
Revenue Fund	134	5,683	140	105	210
Art in Public Places					
Special Revenue Fund	440	3,588	10	66	133
Open Space Special					
Revenue Fund	963	16,606	384	308	615
Public Safety Sales Tax					
Special Revenue Fund	13,388	352,885	18,529	6,530	13,080
Sanitation Enterprise Fund	64,938	152,497	51,068	2,828	5,647
Golf Enterprise Fund	19,162	79,766	3,676	1,479	2,955
Electric Enterprise Fund	140,886	632,194	30,812	11,707	23,416
Telecommunications Fund	5,148	21,318	60	395	788
Water Enterprise Fund	44,006	395,048	48,118	7,313	14,634
Sewer Enterprise Fund	77,908	241,042	34,930	4,461	8,928
Storm Drainage Enterprise					
Fund	15,942	124,907	4,231	2,312	4,624
Airport Enterprise Fund	592	10,598	33	196	393
Fleet Internal Service Fund	3,770	116,565	22,159	2,159	4,315
TOTAL	\$ 900,000	\$ 6,834,288	\$ 650,000	\$ 126,531	\$ 253,183

CITY OF LONGMONT, COLORADO
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2011

NOTE 16 - INTERFUND TRANSACTIONS (continued)

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

- General Improvement District #1 Special Revenue Fund paid \$19,560 to the Component Unit DDA General Fund for administrative services.
- Downtown Parking Improvement Special Revenue Fund paid \$16,137 to the component unit DDA Special Revenue Fund for administrative costs.
- The General Fund paid \$22,800 to the Component Unit DDA Special Revenue Fund to fund specific projects.
- The General Fund transferred \$18,748 to the Callahan House Special Revenue Fund to fund operations.
- The General Fund transferred \$30,678 to the Downtown Parking Special Revenue Fund to provide a secondary funding source for operations.
- The Electric Enterprise Fund transferred \$23,000 to the General Fund to fund a tree planting project, \$5,000 to the General Fund to assist in the funding of the ice rink, \$5,000 to assist in the funding of Longmont Lights and \$500 to assist in the funding of the Cinco De Mayo celebration.
- The Water Enterprise Fund transferred \$230,226 and the Sewer Enterprise Fund transferred \$76,742 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 \$462,156 to the Sewer Fund to pay current debt service on the sewer loan.
- The Library Special Revenue Fund transferred \$30,752 to the General Fund to fund book purchases.
- The Water Enterprise Fund transferred \$30,075, the Sewer Enterprise Fund transferred \$2,313, the Sanitation Enterprise Fund transferred \$1,157, the Golf Enterprise Fund transferred \$1,157, the Telecommunications Enterprise Fund transferred \$1,157, the Storm Drainage Enterprise Fund transferred \$1,157 the Fleet Internal Service Fund transferred \$1,157 and the Streets Special Revenue Fund transferred \$1,157 to the Electric Enterprise Fund to fund their shares of warehouse administrative costs.
- The General Fund transferred \$139,627 to the Affordable Housing Fund to fund operating expenses.
- The Lodgers Tax Special Revenue Fund transferred \$22,500 to the General Fund to assist in the funding of the Downtown Concert Series.
 The General Fund transferred \$42,302, the Sewer Enterprise Fund transferred \$133,675, the Storm Drainage Enterprise Fund transferred \$116,754 and the Streets Special Revenue Fund transferred \$174,286 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 \$163,764, the Sewer Enterprise Fund transferred \$70,185 and the Storm Drainage Enterprise Fund transferred \$140,369 to the Streets Special Revenue Fund to fund their shares of construction inspection costs. These transfers were reclassified as a reduction of expenses to the receiving fund and an increase in expenses to the funds paying for the services.
- The Water Enterprise Fund transferred \$200,172, the Sewer Enterprise Fund transferred \$123,655, the Sanitation Enterprise Fund transferred \$34,125, and the Streets Systems Special Revenue Fund transferred \$4,077 to the Storm Drainage Enterprise Fund to fund their shares of regulatory compliance costs. These transfers were reclassified as a reduction of expenses to the receiving fund and an increase in expenses to the funds paying for the services.
- The Fleet Internal Service Fund transferred \$5,843 to the Electric Enterprise Fund and \$8,075 to the Water Enterprise Fund to reimburse the funds for sales of vehicles used in their funds..
- The Employee Benefit Trust Internal Service Fund transferred \$236,180 to the OPEP Trust Fund to assist in the funding of the OPEB liability.
- The Judicial Wedding Special Revenue fund transferred \$1,319 to the General fund to assist in offsetting costs.
- The Component Unit DDA Debt Service Fund transferred \$60,423 to the Component Unit DDA General Fund for operations.
- The Component Unit DDA Building Permits Special Revenue Fund transferred \$2,500 to the Component Unit DDA General Fund for administrative services.

Primary Government

Transfers from	Transfers to:							Total
	General Fund	Nonmajor Governmental Funds	Electric Fund	Water Fund	Sewer Fund	Internal Service Funds		
General Fund	\$ -	\$ 1,039,053	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,039,053
Streets Systems Fund	-	-	1,157	-	-	-	-	1,157
Nonmajor Governmental Funds	91,207	-	-	-	462,156	103,900	-	657,263
Electric Fund	35,831	-	-	-	-	-	-	35,831
Water Fund	14,051	-	30,075	-	-	-	-	44,126
Sewer Fund	2,517	-	2,313	-	-	-	-	4,830
Storm Drainage Fund	11,675	-	1,157	-	-	-	-	12,832
Nonmajor Enterprise Funds	767	-	3,471	-	-	-	-	4,238
Internal Service Funds	12,767	-	7,000	8,075	-	-	-	27,842
	\$ 168,815	\$ 1,039,053	\$ 45,173	\$ 8,075	\$ 462,156	\$ 103,900	\$ -	\$ 1,827,172

CITY OF LONGMONT, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2011

NOTE 17 - OTHER POSTEMPLOYMENT BENEFITS

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

Contributions. The contribution requirements of plan members and the City are established and may be amended by the City Manager. Plan members receiving benefits contributed 100% of their total premiums, through their required contribution of \$335 per month for HMO retiree-only coverage, \$684 per month for HMO retiree plus one coverage, or \$1,341 for HMO retiree plus family coverage. Those respective monthly rates for the POS option were: \$429, \$875, and \$1,716. The required contribution is based on projected pay as you go financing. The City contributes \$0 towards the premium payments. The implicit subsidy for the blended rates requires the City make contributions adequate to finance that implicit subsidy on a sound actuarial basis. An actuarial study is performed biennially using the entry age actuarial cost method. The most recent annual study for the Retiree Health Insurance Plan was performed as of January 1, 2010.

Annual OPEB Cost and Net OPEB Obligation. The City's annual other postemployment benefit (OPEB) cost is calculated based on the annual required contribution of the City (ARC), and amount actuarially determined in accordance with GASB 45. The ARC represents a funding level that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liability over a period not to exceed 30 years. Following table shows the components of the City's annual OPEB cost for the year ended December 31, 2011, the amount actually contributed to the plan, and changes in the City's OPEB obligation.

Normal Cost with Interest	\$	147,018
Amortization of Unfunded AAL		
Over 30 years		91,140
Annual Required Contribution (ARC)		<u>238,158</u>
Interest on NOPEBO		9,447
ARC Adjustment		<u>(13,658)</u>
Annual OPEB Cost		233,947
Contributions Made		<u>(236,180)</u>
Net OPEB Obligation Change		<u>(2,233)</u>
Net OPEB 12/31/10		<u>236,183</u>
Net OPEB 12/31/11	\$	<u>233,950</u>

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

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
12/31/09	\$ 205,076	40.2%	\$373,317
12/31/10	236,183	158.0	236,183
12/31/11	233,947	101.0	233,950

Funded Status. As of the most recent actuarial valuation date, January 1, 2010, the funded ratio was 18.6%. The actuarial accrued liability for these implicit benefits was \$2,012,348, and the actuarial value of assets was \$373,319, leaving the unfunded actuarial accrued liability (UAAL) at \$1,639,029. The covered payroll (annual payroll of active employees covered by the plan) was \$53 million, and the ratio of the UAAL to the covered payroll was 3.07 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,

CITY OF LONGMONT, COLORADO
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2011

NOTE 17 - OTHER POSTEMPLOYMENT BENEFITS

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, 2010, the entry age actuarial cost method was used. The actuarial assumptions included a 4.0% investment rate of return, and an annual health care cost trend rate of 9.6% for 2010, decreasing approximately 0.4% each year until 6.5% in year 2017 and after. Both rates include a 3.5% inflation factor. The UAAL is being amortized as a level dollar amount of projected payroll on an open basis. The remaining amortization period at December 31, 2010 was 29 years.

The City does not issue separate financial reports for individual post-employment benefit plans, and are presented as follows:

	OPEB
ASSETS	
Cash and cash equivalents	\$ 608,806
<hr/>	
Total Assets	\$ 608,806
<hr/> <hr/>	
NET ASSETS	
Held in trust for OPEB benefits	\$ 608,806
<hr/> <hr/>	
	OPEB
ADDITIONS	
Contributions	
Employer	\$ 236,180
Investment income	
Interest	40
<hr/>	
Total additions	236,220
<hr/>	
DEDUCTIONS	
Administrative expense	731
<hr/>	
Net increase (decrease)	235,489
NET ASSETS HELD IN TRUST FOR	
OPEB BENEFITS, January 1	373,317
<hr/>	
December 31	\$ 608,806
<hr/> <hr/>	

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

In November, 1992, an amendment to the Colorado Constitution was passed by the voters imposing various revenue and expenditure limits on the City. Prior voter approval is necessary to increase the City's real property tax revenues or spending from one year to the next in excess of the rate of inflation plus a "growth factor", based on the net percentage change in the actual value of all real property within the City. Any new tax, tax rate increase, mill levy increase, or extension of an expiring tax which causes a net tax revenue gain requires voter approval. The Colorado Constitution also requires that any revenue collected, kept or spent in excess of these limitations must be refunded, with interest. In November 1996, City of Longmont voters approved a "Voter Approved Revenue Change" that allows the City to keep any revenue collected in excess of the 1992 amendment limits. To the best of the City's knowledge, the City is in compliance with all requirements of this amendment, and no refunds are due at December 31, 2011.

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, 2011, the amount required as an Emergency Reserve in compliance with the Amendment is \$3,019,672 for the City; \$2,848 for the GID component unit and \$117,614 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 19 - RETIREMENT COMMITMENTS

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

A Plan Provisions

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

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

NOTE 19 - RETIREMENT COMMITMENTS

B. Plan Descriptions and Contribution Information

Membership in each plan consisted of the following at January 1, 2011:

	Employee Retirement	Fire Pension	Police Pension
Retirees & beneficiaries currently receiving benefits	225	11	13
Terminated employees entitled to benefits but not yet receiving them	101	0	0
Current employees:			
Fully vested	416	1	0
Partially vested	0	0	0
Non-vested	169	0	0

Employee Retirement Plan

Plan Description. The Employee Retirement plan is a single-employer defined benefit pension plan established through the authority of the City Charter and City ordinances. The plan covers all non-uniformed regular employees and provides retirement and death benefits to plan members and their beneficiaries. Cost-of-living adjustments are provided at the discretion of City Council within the restrictions of Article X Section 20 of the Colorado Constitution. Administrative changes to conform with federal legislation were adopted effective January 1, 2008.

Contributions. Plan members are required to contribute 5% 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, 2011. The City currently contributes 6.0% of the covered annual payroll.

Fire Pension Plan

Plan Description. The Fire Pension plan is a single-employer defined benefit pension plan established under Colorado statutes and governed by City ordinance. Plan amendments that increase or decrease benefits require consent of 65% of active participants. Firefighters hired before April 8, 1978, are covered either by this plan or have transferred to a defined contribution plan, as detailed in a later section entitled "Participant Changes". Membership in the Fire Pension plan is limited to employees whose covered employment began prior to April 8, 1978. Administrative changes to conform with federal legislation were adopted effective January 1, 2008.

Contributions. Plan members are required to contribute 10% of their covered salary. The City is required to contribute at a rate that is determined actuarially. The plan requires that the City make contributions adequate to finance the benefits provided by the plan on a sound actuarial basis. An actuarial study is performed biennially using the entry age actuarial cost method. The last annual study for the Fire Pension plan was performed as of January 1, 2011. In 2011, the City contributed \$105,140.

Police Pension Plan

Plan Description. The Police Pension plan is a single-employer defined benefit pension plan established under Colorado statutes and governed by City ordinance. Plan amendments that increase or decrease benefits require consent of 65% of plan members. Police officers hired before April 8, 1978, are covered either by this plan or have transferred to a defined contribution plan, as detailed in a later section entitled "Participant Changes". Membership in the Police Pension plan is limited to employees whose covered employment began prior to April 8, 1978. Administrative changes to conform with federal legislation were adopted effective January 1, 2008.

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, 2011. In 2011, the City contributed \$24,080.

CITY OF LONGMONT, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2011

NOTE 19 - RETIREMENT COMMITMENTS (continued)

C. Contributions and Reserves

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

Actuarially determined contribution requirements for 2011 were as follows:

	Employee Retirement	Fire Pension	Police Pension
Contributions to:			
Normal cost	\$3,521,644	\$ -	\$ -
as % of covered payroll	11.20%	0.00%	N/A
Amortization of the unfunded			
Actuarial accrued liability	\$342,223	\$ -	\$ -
as % of covered payroll	1.10%	0.00%	N/A
Total contributions required			
as % of covered payroll	11.20%	0.00%	N/A
Employee Portion	5.00%	10.00%	N/A
City Portion	6.20%	10.00%	N/A

CITY OF LONGMONT, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2011

NOTE 19 - RETIREMENT COMMITMENTS (continued)

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

	<u>Employee Retirement</u>	<u>Fire Pension</u>	<u>Police Pension</u>
<u>Contribution rates:</u>			
City	6.2%	21.0%	N/A
Plan members	5.0%	10.0%	N/A
Annual pension cost	\$1,986,108	\$8,077	\$16,648
<u>Contributions made:</u>			
City	\$1,929,254	\$105,140	\$24,080
Plan members	\$1,607,695	\$2,432	\$0
Actuarial valuation date	January 1, 2011	January 1, 2011	January 1, 2011
Actuarial cost method	Entry age Normal, Level Percentage of Pay	Entry age Normal	Entry age Normal
Amortization method	Level dollar, open	Level dollar, open	Level dollar, open
Remaining amortization period	N/A	13	9
Asset valuation method	5-year smoothed market	market value	market value
<u>Actuarial assumptions:</u>			
Investment rate of return*	7.5% per annum, compounded annually, net of investment expenses	7.5% per annum, compounded annually	7.5% per annum, compounded annually
Projected salary increases*	4.3-13.5%	5.0-7.5%	0%
*Includes inflation at	3.5% per year, rounded down to nearest \$10,000	4.5%	0%
Cost-of-living adjustments	None	None	None

Annual Pension Cost and Net Pension Obligation:

Annual required contribution	\$1,950,565	\$0	\$0
Interest on net pension obligation	(275,641)	(12,605)	(15,271)
Adjustment to annual required contribution	<u>311,184</u>	<u>20,682</u>	<u>31,919</u>
Annual pension cost	1,986,108	8,077	16,648
Contributions made	<u>(1,929,254)</u>	<u>(105,140)</u>	<u>(24,080)</u>
Increase(decrease) in net pension obligation(asset)	56,854	(97,063)	(7,432)
Net pension obligation(asset) beginning of year	<u>(3,675,208)</u>	<u>(168,061)</u>	<u>(203,610)</u>
Net pension obligation(asset) end of year	<u>(3,618,354)</u>	<u>(265,124)</u>	<u>(211,042)</u>

Funding Progress:

Actuarial valuation of assets	\$102,816,031	\$3,111,795	\$1,989,054
Actuarial accrued liability	107,160,945	2,884,929	1,557,932
Unfunded actuarial liability (UAL)	4,344,914	(226,866)	(431,122)
Funded ratio	95.9%	107.9%	127.7%
Covered payroll	31,421,570	72,331	-
UAL as percentage of covered payroll	13.8%	-313.6%	-

CITY OF LONGMONT, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2011

NOTE 19 - RETIREMENT COMMITMENTS (continued)

Three Year Trend Information

	Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation (Asset)
Employees Retirement Plan	12/31/2009	2,825,740	58%	(2,971,562)
	12/31/2010	1,911,419	137%	(3,675,208)
	12/31/2011	1,986,108	97%	(3,618,354)

	Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation (Asset)
Fire Retirement Plan	12/31/2009	62,852	103%	(83,986)
	12/31/2010	10,637	890%	(168,061)
	12/31/2011	8,077	1302%	(265,124)

	Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation (Asset)
Police Retirement Plan	12/31/2009	18,306	744%	(181,965)
	12/31/2010	12,863	268%	(203,610)
	12/31/2011	16,648	145%	(211,042)

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

	Employee Pension	Fire Pension	Police Pension	Total
ASSETS				
Equity in pooled cash & cash equivalents	\$ 96,141	\$ 7,822	\$ 6,767	\$ 110,730
Cash and cash equivalents	1,927,093	56,384	34,521	2,017,998
Investments				
Common Stock	62,016,605	1,814,519	1,110,924	64,942,048
Mutual funds	35,489,570	1,038,375	635,737	37,163,682
Total Assets	\$ 99,529,409	\$ 2,917,100	\$ 1,787,949	\$ 104,234,458
LIABILITIES				
Accounts payable	\$ 58,008	\$ 1,991	\$ 1,388	\$ 61,387
Total Liabilities	58,008	1,991	1,388	61,387
NET ASSETS				
Held in trust for pension benefits	\$ 99,471,401	\$ 2,915,109	\$ 1,786,561	\$ 104,173,071

CITY OF LONGMONT, COLORADO

	Employee Pension	Fire Pension	Police Pension	Total
ADDITIONS				
Contributions				
Employer	\$ 1,929,254	\$ 105,140	\$ 24,080	\$ 2,058,474
Plan members	1,607,695	2,432	-	1,610,127
Total Contributions	3,536,949	107,572	24,080	3,668,601
Investment income				
Net depreciation in fair value of investments	(4,309,120)	(126,299)	(77,725)	(4,513,144)
Interest	2,398,026	71,694	44,828	2,514,548
Dividends	473,328	14,108	8,815	496,251
Less investment expense	(323,986)	(15,699)	(9,092)	(348,777)
Net investment gain (loss)	(1,761,752)	(56,196)	(33,174)	(1,851,122)
Total additions	1,775,197	51,376	(9,094)	1,817,479
DEDUCTIONS				
Benefits	3,805,541	246,870	192,635	4,245,046
Refunds of contributions	86,010	-	-	86,010
Administrative expense	36,426	1,192	764	38,382
Total deductions	3,927,977	248,062	193,399	4,369,438
Net increase (decrease)	(2,152,780)	(196,686)	(202,493)	(2,551,959)
NET ASSETS HELD IN TRUST FOR				
PENSION BENEFITS, January 1	101,624,181	3,111,795	1,989,054	106,725,030
December 31	\$ 99,471,401	\$ 2,915,109	\$ 1,786,561	\$ 104,173,071

E. Summary of Significant Accounting Policies

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

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

F. Investment Concentrations

At December 31, 2011, the market value of pooled plan investments total \$104,123,728. These investments included shares in the Pimco Total Return Fund Institutional Class #35 with a market value of \$30,637,259, representing 29.42% of total plan assets; shares in the RCM Global Inv Large Cap Growth separate account with a market value of \$16,219,312, representing 15.58% of total plan assets; Davis Adv. with a market value of \$10,492,242, representing 10.08% of total plan assets; Fidelity Floating with a market value of \$8,702,583, representing 8.36% of total plan assets; Cambiar with a market value of \$6,443,757, representing 6.19% of total plan assets; Europacific Growth Fund #16 with a market value

NOTE 19 - RETIREMENT COMMITMENTS (continued)

of \$4,867,867, representing 4.68% of total plan assets; Thornburg International Value Fund separate account with a market value of \$4,828,992, representing 4.64% of total plan assets; Dodge & Cox International Equity Fund separate account with a market value of \$4,731,415, representing 4.54% of total plan assets; JP Morgan with a market value of \$4,265,044, representing 4.10% of the total plan assets; shares in LKCM Small Cap Core separate account with a market value of \$4,008,370, representing 3.85% of total plan assets; RE Funds with a market value of \$3,991,798, representing 3.83% of total plan assets; shares in I-Shares Mid Cap S&P 400 Index separate account with a market value of \$2,024,229, representing 1.94% of the total plan assets; and shares in the American Funds Pimco Commodity Real Return Strategy Institutional Class 45 with a market value of \$892,861, representing 0.86% 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.

G. Participant Changes

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

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

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

H. Defined Contribution Plans

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

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

Covered payroll for the plan during 2010 was \$16,390,970. Both the City and the participants contributed the required 10% to this money purchase plan in 2011 amounting to \$1,639,097 each from the City and from employees for a total of \$3,278,194 of contributions. Vesting schedule for the plan is as follows:

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

NOTE 19 - RETIREMENT COMMITMENTS (continued)

Money Accumulation Pension Plan. The City provides the Money Accumulation Pension Plan for all regular City employees other than firefighters and police officers. This plan, a defined contribution plan, was adopted on January 1, 1980, in lieu of participation in Social Security. The City has no future liability to this Plan. Administrative changes to conform with federal legislation were adopted effective January 1, 2008. Contributions of 5% of base pay 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 2011 was \$32,191,000. Both the City and the participants contributed the required 5% of base compensation to the plan in 2011 amounting to \$1,609,550 each from City and from employees for a total of \$3,219,100 of contributions. Vesting schedule for the plans is as follows:

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

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

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

NOTE 20 - DEFERRED COMPENSATION PLAN

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

CITY OF LONGMONT, COLORADO

NOTES TO FINANCIAL STATEMENTS
December 31, 2011

NOTE 21 - WINDY GAP WATER PROJECT

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

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

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

The total of annual assessed contributions paid by the City to the Subdistrict through December 31, 2011, is \$45,290,486 of which \$1,652,539 was paid in 2011. The assessed contribution to be paid in 2012 is \$1,653,909.

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

2012	\$	1,675,979	2015	\$	1,676,992
2013		1,676,092	2016		1,678,408
2014		1,675,825	2017		1,700,408

NOTE 22 - JOINT VENTURE - PLATTE RIVER POWER AUTHORITY

In June, 1975, the City of Longmont executed a contract with the cities of Fort Collins and Loveland and the Town of Estes Park (all Colorado municipalities) establishing the Platte River Power Authority (Platte River) as a separate governmental entity and political subdivision of the State of Colorado. Platte River was created to generate and distribute electric power to the four participating municipalities and has an electric power contract with the City of Longmont to supply all its electric power and energy needs through the year 2020. Platte River has no stockholders or members. Each of the four participating municipalities has a residual interest in Platte River's assets and liabilities upon dissolution which is proportional to the total electric power purchased by each municipality since Platte River was organized. Based upon electric revenues billed through December 31, 2010 and 2011, the residual interest of the City of Longmont was approximately 26.30% and 26.31% respectively. The City purchased \$39,666,411 of electric power during 2011 of which \$3,322,094 is outstanding as an account payable of the Electric Enterprise Fund at December 31, 2011.

Platte River is administered by an eight-member Board of Directors comprised of the Mayor and the Utilities Director of each of the four municipalities. The Board has full control over the budgeting and financing activities of Platte River. At December 31, 2011, Platte River had \$236,224,000 of long-term debt outstanding of which \$20,330,000 represents current bonds outstanding. Principal and interest payments are met from net operating revenues of Platte River earned from wholesale electric rates charged to the municipalities and others. Wholesale electric energy charges to the municipalities are based on rates to yield net revenues at least equal to 1.10 times the Electric Revenue Bond debt service requirement. Platte River debt service coverage for 2011 was 1.80 times debt service on revenue bonds.

The financial statement for year ended December 31, 2011 for the Platte River Power Authority may be obtained by request from mailing address 2000 East Horsetooth Road, Fort Collins, Colorado, 80525-5721, or phone number (970) 226-4000. That financial statement reports total assets of \$770.3 million; net assets of \$458.1 million and operating income of \$20.2 million.

NOTE 23 - COMMITMENTS

A. Encumbrances: At December 31, 2011, there were the following outstanding encumbrances in governmental funds:

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

CITY OF LONGMONT, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2011

NOTE 23 - COMMITMENTS (continued)

B. At December 31, 2011, there were the following uncompleted construction contracts:

Fund	Project Title	Remaining Committed Construction
Enterprise Funds:		
Sanitation Fund	Martin Street ROW Landscape and Irrigation Project	\$ 12,274
Water Fund	Button Rock Dam Road Culvert Replacement	350,653
	Engineering Services for Water Utility Pipelines & Pump Stations	80,705
	2011 Water Distribution Rehabilitation & Improvements Projects	60,000
	Design & Construction Mgmt Svcs for Wastewater Treatment Plant Improvements	48,249
	Firing Range, Design Build	35,562
	On Call Transportation Engineering Services	25,798
	2010 Water Treatment Plant Improvements	23,401
	County Line Road Improvements-Phase 2b	22,382
	Martin Street ROW Landscape and Irrigation Project	12,274
	Engineering Services for MUW-177	11,376
Sewer Fund	Design & Construction Mgmt Svcs for Wastewater Treatment Plant Improvements	173,653
	Wastewater Treatment Plant Blower Building Addition	18,207
Storm Drainage Fund	Left Hand Creek Flood Control	4,065,655
	Down town Alley Improvements	145,805
	23rd Avenue & Meadow Street Culvert Project	69,502
	Conceptual Design - Spring Gulch #2	29,697
	Terry Lake Neighborhood Regional Detention Pond Design	26,740
	Lefthand Creek Flood Control Project - Phase 1 Design	22,009
	Engineering Services for CIP Designs, Storm Drainage, FEMA Flood Plan Studies	13,430
	Martin Street Right of Way Landscape and Irrigation Project	12,274
Airport Fund	Airport Master Plan & On Call Services	39,596
	Airport Consultant	12,744
		5,311,986
Capital Project Funds:		
Public Improvement Fund	Firing Range, Design & Build	901,139
	Stucco Repair at the Recreation Center	91,730
	2011 Roof Repair Replacement	57,404
	Collyer Park Playground Replacement Project	54,950
	Senior Center Kitchen, & Civic Center Elevator	16,145
		1,121,368
General Fund:		
	Financial System Consultants	101,313
	Police Traffic Accident Database	50,941
	Web Content Management System	10,158
		162,412
Special Revenue Funds:		
Water Construction Fund	Engineering Services for Water Utility Pipelines & Pump Stations	80,705
Street Improvement Fund	Left Hand Creek Flood Control	1,614,500
	County Line Road Improvements-Phase 2b	982,031
	Down town Alley Improvements	709,687
	South Sherman Street Sidewalk	142,993
	Dry Creek Community Park	116,403
	Firing Range, Design Build	116,218
	Martin Street Right of Way Landscape and Irrigation Project	70,808
	Conceptual Design - Spring Gulch #2	14,848
	Underpass Airport Road	14,469
Park Improvement Fund	Dry Creek Community Park	1,143,178
	Clover Basin Community Park Design Services	20,865
Parks, Grants and Donations Fund	Dry Creek Community Park	49,573
Open Space Fund	Martin Street Right of Way Landscape and Irrigation Project	29,144
	Conceptual Design - Spring Gulch #2	14,848
Public Safety Fund	Firing Range, Design Build	14,493
		5,134,763
Component Unit		
Down town development Authority Construction Fund	Down town Alley Improvements	876,170
TOTAL COMMITTED CONSTRUCTION		\$ 12,606,699

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

CITY OF LONGMONT, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2011

NOTE 24 - CONTINGENCIES

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

NOTE 25 - FUND BALANCES

In fiscal year 2011, the City adopted GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions." The statement establishes criteria for classifying fund balances into specifically defined classifications and clarifies definition for governmental fund types.

Fund Balances:	General	Streets Systems	Nonmajor Governmental	Total
Nonspendable:				
Prepays	\$ 100,190	\$ 38,493	\$ 6,853	\$ 145,536
Long-term notes & loan receivables	60,892	1,517	11,598	74,007
Total Nonspendable	161,082	40,010	18,451	219,543
Restricted:				
Endowments/Donations/Grants	5,439	-	1,398,223	1,403,662
Conservation Trust	-	-	4,880,456	4,880,456
Capital improvements - Parks	-	-	3,182,212	3,182,212
Capital improvements - Transportation	-	-	620,991	620,991
Capital improvements - Public Buildings	-	-	484,145	484,145
Capital improvements - Electric	-	-	1,333,631	1,333,631
Capital improvements - Water	-	-	18,928,166	18,928,166
Capital improvements - Sewer	-	-	1,395,477	1,395,477
CDBG/HOME	-	-	233,076	233,076
District Improvements	-	-	118,514	118,514
State imposed Emergencies	3,019,672	-	2,848	3,022,520
Historical Preservation	-	-	8,228	8,228
Open Space Acquisition	-	-	11,171,766	11,171,766
Public Safety	-	-	2,543,284	2,543,284
Tourism Programs	-	-	107,695	107,695
Streets and Highways	-	8,562,354	-	8,562,354
Emergencies	-	454,318	-	454,318
Future carryover projects	-	3,665,727	-	3,665,727
Subsequent years' expenditures	-	1,270,206	-	1,270,206
Capital Project Construction/Acquisition	-	-	5,260,439	5,260,439
Capital Projects	-	-	414,737	414,737
Total Restricted	3,025,111	13,952,605	52,083,888	69,061,604
Committed:				
Downtown Parking	-	-	428,048	428,048
Judicial Programs	-	-	27,023	27,023
Youth Services	-	-	101,335	101,335
Museum Services	-	-	139,260	139,260
Callahan House	-	-	6,441	6,441
Senior Services	-	-	190,385	190,385
Parks	-	-	333,001	333,001
Affordable Housing	-	-	915,756	915,756
Probation Services	-	-	99,294	99,294
Greenway/Izaak Walton	-	-	60,162	60,162
Public Safety	-	-	38,586	38,586
Water Acquisition	-	-	404,491	404,491
Staff Contract	150,142	-	-	150,142
Future carryover projects	1,194,848	-	-	1,194,848
Subsequent years' expenditures	3,518,567	-	-	3,518,567
Future council 1-time expenditures	115,205	-	-	115,205
Library Services	-	-	4,841	4,841
Total Committed	4,978,762	-	2,748,623	7,727,385
Assigned:				
Art in Public Places	300,890	-	-	300,890
Air Quality Control	15,811	-	-	15,811
Library Services	5,155	-	-	5,155
Reimbursement to Developers	531,289	-	-	531,289
Total Assigned	853,145	-	-	853,145
Unassigned:	5,884,527	-	-	5,884,527
Total Fund Balances	\$ 14,902,627	\$ 13,992,615	\$ 54,850,962	\$ 83,746,204

CITY OF LONGMONT, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2011

NOTE 26 - RESTATEMENT OF FUND BALANCE

Governmental Accounting Standards Board Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, was implemented during the year ended December 31, 2011. The effect of fund type reclassification was as follows:

	General <u>Fund</u>	Nonmajor <u>Governmental</u>
Fund Balance December 31, 2010, as previously reported	\$ 14,205,164	\$ 56,177,283
Change in fund type classification per implementation of GASB No. 54	<u>995,711</u>	<u>(995,711)</u>
Fund Balance January 1, 2011, as restated	<u>\$ 15,200,875</u>	<u>\$ 55,181,572</u>

REQUIRED SUPPLEMENTAL INFORMATION

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

CITY OF LONGMONT, COLORADO

**EMPLOYEE, FIRE AND POLICE PENSION PLANS
SCHEDULES OF FUNDING PROGRESS
REQUIRED SUPPLEMENTAL INFORMATION
December 31, 2011**

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

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

**EMPLOYEES, FIRE AND POLICE PENSION PLANS
SCHEDULES OF CONTRIBUTIONS FROM EMPLOYER
REQUIRED SUPPLEMENTAL INFORMATION
December 31, 2011**

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

Actuarial Assumptions:

	Employee Retirement Plan	Fire Pension Plan	Police Pension Plan
Investment Rate of Return	7.5%	7.5%	7.5%
Projected Salary Increases	4.3 - 13.5%	5.0 - 7.5%	0.0%
Includes inflation at:	3.5%	4.5%	0.0%

CITY OF LONGMONT, COLORADO

**RETIREE HEALTH INSURANCE PLAN
REQUIRED SUPPLEMENTAL INFORMATION
December 31, 2011**

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)
01/01/10	\$ 373,319	\$ 2,012,348	\$ 1,639,029	18.6 %	\$ 53,402,002	3.07%
01/01/08	-	1,592,495	1,592,495	0.0 %	35,382,364	4.50%
01/01/07	-	1,500,182	1,500,182	0.0 %	34,252,047	4.38%

Actuarial Methods and Assumptions:

Actuarial valuation date: 1/1/10
 Method: Entry age actuarial cost
 Investment rate of return: 4%
 Healthcare cost trend rate: 9.6% with an ultimate rate of 6.5%
 Inflation factor: 3.5%
 Amortization Method: level dollar amount, open

Schedule of Employer Contributions

Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
12/31/11	\$ 233,947	101.0 %	\$ 233,950
12/31/10	236,183	158.0	236,183
12/31/09	233,947	40.2	373,317



GENERAL FUND

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

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

GENERAL FUND
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
COMPARED TO BUDGET (LEGAL BASIS)
Year Ended December 31, 2011

	Budget	Actual	Variance from Final Budget
TAXES			
General property taxes:			
Current	\$ 14,084,400	\$ 14,263,350	\$ 178,950
Prior years	-	(7,257)	(7,257)
General sales and use tax	23,919,389	24,562,915	643,526
Selected sales and use tax -			
Cigarette	175,000	180,436	5,436
Franchise taxes:			
Gas	800,000	754,981	(45,019)
Cable Television	760,000	773,452	13,452
Telephone	195,126	249,131	54,005
Electric	4,418,080	4,272,556	(145,524)
Telecommunications	10,657	23,203	12,546
Water	262,884	262,884	-
Wastewater	341,000	341,000	-
	44,966,536	45,676,651	710,115
LICENSES AND PERMITS			
Business licenses and permits:			
Liquor	34,000	34,668	668
Business	4,600	5,280	680
Sales Tax	28,000	28,157	157
Non-Business licenses and permits:			
Building	537,070	754,141	217,071
Wood burning	-	70	70
Contractor	102,995	107,605	4,610
Parade / use of public places	7,200	5,960	(1,240)
	713,865	935,881	222,016
INTERGOVERNMENTAL REVENUE			
Federal revenue	166,076	164,596	(1,480)
State shared revenue:			
Severance tax	30,000	88,497	58,497
Grants	40,100	16,000	(24,100)
Non-grant state revenue	58,749	99,443	40,694
Local government shared revenue:			
Shared Fines	55,000	73,530	18,530
Grants / School Resource Officer	181,650	196,033	14,383
	531,575	638,099	106,524

(continued)

GENERAL FUND
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
COMPARED TO BUDGET (LEGAL BASIS)
Year Ended December 31, 2011

	Budget	Actual	Variance from Final Budget
CHARGES FOR SERVICE			
General government:			
Zoning and hearing	\$ 40,000	\$ 42,633	\$ 2,633
Disconnect Tag Fees	321,000	388,302	67,302
Maps and publications	1,200	681	(519)
Pcard rebate	22,000	33,262	11,262
Print shop charges	211,316	204,147	(7,169)
Sales tax commission	6,000	23,925	17,925
Public safety:			
Criminal justice records	25,000	24,679	(321)
Off duty officer reimbursement	42,141	40,430	(1,711)
Fire inspection & fire works fees	66,000	57,743	(8,257)
Offender registration/impound fees	14,800	11,329	(3,471)
Emergency dispatch reimbursement	99,096	108,180	9,084
Elevator inspection	37,500	34,020	(3,480)
Highways and streets:			
Plan check fees	163,141	231,163	68,022
Variance/Appeals board	1,425	925	(500)
Right-of-way maintenance	234,556	234,556	-
Down town maintenance	47,000	61,945	14,945
Culture and Recreation:			
Recreation center - all fees	1,542,000	1,649,117	107,117
Pool fees	445,000	467,003	22,003
Reservoir fees	240,000	245,573	5,573
Activity fees	1,060,926	1,185,215	124,289
Facility use fees	243,900	271,816	27,916
Concessions	115,975	113,212	(2,763)
Parks maintenance	447,000	437,870	(9,130)
Senior citizens:			
Activity fees	500	602	102
Facility fees	13,000	18,820	5,820
Administrative reimbursements:			
Sanitation	549,321	549,321	-
Golf	160,990	160,990	-
Electric	1,763,720	1,763,720	-
Telecommunications	1,039	1,039	-
Water	1,197,244	1,197,244	-
Sewer	695,756	695,756	-
Storm Drainage	463,110	463,110	-
Airport	93,648	93,648	-
Probation Services	645	645	-
Affordable Housing	925	925	-
Streets	930,153	930,153	-
Callahan House	-	-	-
Art In Public Places	304	304	-
Park Improvement	-	-	-
Open Space	183,855	183,855	-
Public Safety	6,147	6,147	-
Fleet	218,341	218,341	-
Self Insurance	109,719	109,719	-
Employee Benefit	-	-	-
Workers Compensation	164,127	164,127	-
General Improvement District	12,097	12,097	-
Down town Development Authority	1,315	1,315	-
	11,992,932	12,439,604	446,672
FINES AND FORFEITS			
Court:			
Parking	120,000	96,519	(23,481)
Other court fines	800,000	782,371	(17,629)
Court fine surcharge	102,800	88,630	(14,170)
Jury fees	-	-	-
Bond forfeitures	19,500	22,956	3,456
Court education fees	48,000	36,684	(11,316)
Court costs reimbursements	140,000	134,464	(5,536)
Probation & home detention monitoring fees	32,000	27,670	(4,330)
Outstanding judgments/w arrants	4,000	5,685	1,685
Library fines	93,000	93,233	233
False alarm fines	55,000	47,770	(7,230)
Weed cutting fines	16,000	28,136	12,136
Other fines	6,000	1,560	(4,440)
	1,436,300	1,365,678	(70,622)

GENERAL FUND
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
COMPARED TO BUDGET (LEGAL BASIS)
Year Ended December 31, 2011

	Budget	Actual	Variance from Final Budget
INVESTMENT INCOME AND MISCELLANEOUS REVENUE			
Investment income	\$ 312,000	\$ 167,558	\$ (144,442)
Miscellaneous	85,760	234,595	148,835
Private grants/donations	40,791	41,791	1,000
Oil and gas royalties	5,000	62,968	57,968
	443,551	506,912	63,361
OTHER FINANCING SOURCES			
Transfers in:			
Electric Fund	33,500	33,500	-
Library Services Fund	30,753	30,752	(1)
Lodgers Tax Fund	22,500	22,500	-
Judicial Wedding Fund	1,319	1,319	-
Fleet Fund	-	12,767	12,767
Proceeds from Lease Purchase	-	-	-
Total other financing sources	88,072	100,838	12,766
Total revenues and other sources (legal basis)	\$ 60,172,831	61,663,663	\$ 1,490,832
RECONCILIATION TO GAAP BASIS			
Less - other financing sources		(100,838)	
Total revenues (GAAP basis)		\$ 61,562,825	

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GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
COMPARED TO BUDGET (LEGAL BASIS)
Year Ended December 31, 2011

	Budget	Actual	Variance from Final Budget
DEPARTMENT OF FINANCE AND SUPPORT SERVICES			
GENERAL GOVERNMENT:			
Accounting	\$ 1,112,590	\$ 710,558	\$ 402,032
Budget and Fiscal Analysis	165,104	163,302	1,802
Finance Director	318,854	301,629	17,225
Enterprise Technology Services	3,473,303	2,997,267	476,036
Mail Delivery	55,548	56,345	(797)
Parking Assessment	93,820	91,329	2,491
Telephone System	395,660	260,477	135,183
Print Shop	217,855	213,946	3,909
Purchasing	440,159	423,089	17,070
Risk Management	531,341	481,592	49,749
Treasury / Information Desk	361,035	306,085	54,950
Utility Billing	1,227,023	1,196,154	30,869
Human Resources	994,847	896,011	98,836
	9,387,139	8,097,784	1,289,355
DEPARTMENT OF COMMUNITY SERVICES			
GENERAL GOVERNMENT:			
Community Services Director	861,271	721,604	139,667
Neighborhood Resources	372,022	334,221	37,801
Outside Agencies	958,122	858,122	100,000
	2,191,415	1,913,947	277,468
PUBLIC SAFETY:			
Code Enforcement	476,779	412,839	63,940
	476,779	412,839	63,940
CULTURE AND RECREATION:			
Recreation	4,367,312	4,375,076	(7,764)
Library	3,062,470	2,922,993	139,477
Museum	632,290	602,982	29,308
Senior Center	615,244	580,193	35,051
Youth Services	784,726	664,702	120,024
	9,462,042	9,145,946	316,096
	12,130,236	11,472,732	657,504
DEPARTMENT OF PUBLIC SAFETY			
Police	16,048,520	15,779,217	269,303
Fire	9,495,339	9,739,221	(243,882)
Public Safety Director	639,630	522,265	117,365
Communications	1,476,371	1,425,074	51,297
Support Services	649,995	449,234	200,761
	28,309,855	27,915,011	394,844
DEPARTMENT OF ECONOMIC DEVELOPMENT			
GENERAL GOVERNMENT:			
Economic Development Director	254,559	242,565	11,994
Economic Development	962,135	757,174	204,961
Development Review	376,455	333,815	42,640
Planning	689,642	532,362	157,280
	2,282,791	1,865,916	416,875
PUBLIC SAFETY:			
Inspection	705,146	694,344	10,802
	2,987,937	2,560,260	427,677

GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
COMPARED TO BUDGET (LEGAL BASIS)
Year Ended December 31, 2011

	Budget	Actual	Variance from Final Budget
DEPARTMENT OF PUBLIC WORKS AND NATURAL RESOURCES			
CULTURE AND RECREATION:			
Parks	\$ 4,423,323	\$ 4,456,857	\$ (33,534)
GENERAL GOVERNMENT:			
Municipal Buildings	3,110,369	2,932,816	177,553
	7,533,692	7,389,673	144,019
NON-DEPARTMENTAL			
GENERAL GOVERNMENT:			
City Attorney	922,871	838,813	84,058
City Manager / non-departmental	1,879,159	1,839,164	39,995
City Clerk	582,140	447,681	134,459
Municipal Court	494,374	464,359	30,015
Probation	260,900	239,029	21,871
Mayor and City Council	594,055	554,839	39,216
	4,733,499	4,383,885	349,614
Total expenditures (legal basis)	\$ 65,082,358	\$ 61,819,345	\$ 3,263,013
RECONCILIATION TO GAAP BASIS			
Transfers out:			
Affordable Housing Fund		(139,627)	
Downtown Parking Fund		(30,678)	
Callahan House Fund		(18,748)	
Art In Public Places Fund		(2,046)	
Public Improvement Fund		(850,000)	
Total expenditures (GAAP Basis)		\$ 60,778,246	

CITY OF LONGMONT, COLORADO

CITY OF LONGMONT, COLORADO

NONMAJOR SPECIAL REVENUE FUNDS

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

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

CITY OF LONGMONT, COLORADO

NONMAJOR SPECIAL REVENUE FUNDS (continued)

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

NONMAJOR CAPITAL PROJECTS FUND

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

Mosher/Kanemoto Trust Fund	This fund was established to account for monies provided by private donors to finance library and park improvements. The principal amounts of the gifts must remain intact while interest earnings can be used for the improvements.
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CITY OF LONGMONT, COLORADO

COMBINING BALANCE SHEET
Nonmajor Governmental funds
December 31, 2011

	Conservation	Park Improvement	General Improvement District #1 Operating	Community Development Block Grant
ASSETS				
Equity in pooled cash & cash equivalents	\$ 4,866,066	\$ 3,487,489	\$ 120,631	\$ 241,414
Cash and cash equivalents	-	-	-	-
Receivables (net of allowance for uncollectibles):				
Taxes	-	-	82,004	-
Grants	-	-	-	68,500
Loans	-	-	-	277
Fees	-	-	-	-
Accrued Interest	14,390	10,506	462	563
Prepays	-	-	2,327	-
Due from other governments	-	-	443	-
Restricted assets:				
Equity in pooled cash & cash	-	-	-	-
Cash and cash equivalents	-	-	-	-
Total assets	\$ 4,880,456	\$ 3,497,995	\$ 205,867	\$ 310,754
LIABILITIES				
Accounts payable	\$ -	\$ 21,268	\$ 174	\$ 20,012
Construction contracts payable	-	240,421	-	-
Accrued liabilities	-	-	-	2,166
Deferred revenue	-	-	82,004	55,500
Total liabilities	-	261,689	82,178	77,678
FUND BALANCES				
Nonspendable	-	-	2,327	-
Restricted	4,880,456	3,236,306	121,362	233,076
Committed	-	-	-	-
Total fund balances	4,880,456	3,236,306	123,689	233,076
Total liabilities and fund balances	\$ 4,880,456	\$ 3,497,995	\$ 205,867	\$ 310,754

Special Revenue Funds					
Downtown Parking	Judicial Wedding Fee	Police Seizures	Prevention/ Education	Youth Services	Transportation Community Investment Fee
\$ 427,022	\$ 26,942	\$ 71,197	\$ 85,122	\$ 109,761	\$ 619,222
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	23,439	-	-
-	-	-	-	-	-
1,279	81	229	310	310	1,769
2,327	-	-	2,199	-	-
-	-	-	-	-	-
-	-	-	-	-	-
\$ 430,628	\$ 27,023	\$ 71,426	\$ 111,070	\$ 110,071	\$ 620,991
\$ 253	\$ -	\$ 437	\$ 2,074	\$ -	\$ -
-	-	-	-	-	-
-	-	-	2,588	-	-
-	-	-	-	-	-
253	-	437	4,662	-	-
2,327	-	-	2,199	-	-
-	-	70,989	65,623	8,736	620,991
428,048	27,023	-	38,586	101,335	-
430,375	27,023	70,989	106,408	110,071	620,991
\$ 430,628	\$ 27,023	\$ 71,426	\$ 111,070	\$ 110,071	\$ 620,991

(continued)

CITY OF LONGMONT, COLORADO

COMBINING BALANCE SHEET
Nonmajor Governmental funds
December 31, 2011

	Public Buildings Community Investment Fee	Electric Community Investment Fee	Water System Construction Reserve	Water Acquisition
ASSETS				
Equity in pooled cash & cash equivalents	\$ 486,217	\$ 1,329,652	\$ 15,351,831	\$ 3,530,098
Cash and cash equivalents	-	-	-	-
Receivables (net of allowance for uncollectibles):				
Taxes	-	-	-	-
Grants	-	-	-	-
Loans	-	-	-	-
Fees	-	-	-	-
Accrued Interest	1,449	3,979	45,734	10,605
Prepays	-	-	-	-
Due from other governments	-	-	-	-
Restricted assets:				
Equity in pooled cash & cash	-	-	-	-
Cash and cash equivalents	-	-	-	-
Total assets	\$ 487,666	\$ 1,333,631	\$ 15,397,565	\$ 3,540,703
LIABILITIES				
Accounts payable	-	-	1,486	8,616
Construction contracts payable	3,521	-	-	-
Accrued liabilities	-	-	-	-
Deferred revenue	-	-	-	-
Total liabilities	3,521	-	1,486	8,616
FUND BALANCES				
Nonspendable	-	-	-	-
Restricted	484,145	1,333,631	15,396,079	3,532,087
Committed	-	-	-	-
Total fund balances	484,145	1,333,631	15,396,079	3,532,087
Total liabilities and fund balances	\$ 487,666	\$ 1,333,631	\$ 15,397,565	\$ 3,540,703

CITY OF LONGMONT, COLORADO

Statement B-1
(continued)

Special Revenue Funds

Raw Water Storage Reserve	Sewer Construction	Library Services	Museum Services	Historic Preservation	Callahan House	Senior Services	Parks Grants & Donations
\$ 403,243	\$ 1,390,807	\$ 55,761	\$ 67,188	\$ 8,203	\$ 7,707	\$ 190,780	\$ 669,904
-	-	57,407	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	6,606	-	-	-	-	-	-
-	642	-	-	-	-	-	-
1,248	4,028	133	198	25	29	572	2,247
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
\$ 404,491	\$ 1,402,083	\$ 113,301	\$ 67,386	\$ 8,228	\$ 7,736	\$ 191,352	\$ 672,151
\$ -	\$ -	\$ 253	\$ 1,892	\$ -	\$ 397	\$ 914	\$ 270,384
-	-	-	-	-	-	-	65,043
-	-	-	201	-	898	53	-
-	-	-	-	-	-	-	-
-	-	253	2,093	-	1,295	967	335,427
-	6,606	-	-	-	-	-	-
-	1,395,477	108,207	12,000	8,228	-	-	3,723
404,491	-	4,841	53,293	-	6,441	190,385	333,001
404,491	1,402,083	113,048	65,293	8,228	6,441	190,385	336,724
\$ 404,491	\$ 1,402,083	\$ 113,301	\$ 67,386	\$ 8,228	\$ 7,736	\$ 191,352	\$ 672,151

(continued)

CITY OF LONGMONT, COLORADO
COMBINING BALANCE SHEET
Nonmajor Governmental funds
December 31, 2011

	Affordable Housing	Open Space	Public Safety	Lodgers Tax	Probation Services
ASSETS					
Equity in pooled cash & cash equivalents	\$ 915,641	\$ 1,251,924	\$ 3,066,660	\$ 94,443	\$ 100,201
Cash and cash equivalents	-	-	-	-	-
Receivables (net of allowance for uncollectibles):					
Taxes	-	324,827	527,838	12,982	-
Grants	-	-	36,393	-	-
Loans	-	-	3,634	-	1,358
Fees	-	-	-	-	-
Accrued Interest	3,109	10,708	9,935	270	310
Prepays	-	-	-	-	-
Due from other governments	-	-	-	-	-
Restricted assets:					
Equity in pooled cash & cash	-	-	-	-	-
Cash and cash equivalents	-	9,643,337	-	-	-
Total assets	\$ 918,750	\$ 11,230,796	\$ 3,644,460	\$ 107,695	\$ 101,869
LIABILITIES					
Accounts payable	\$ 150	\$ 41,205	\$ 918,594	\$ -	\$ -
Construction contracts payable	-	11,705	151,141	-	-
Accrued liabilities	2,844	6,120	70,547	-	1,217
Deferred revenue	-	-	28,249	-	-
Total liabilities	2,994	59,030	1,168,531	-	1,217
FUND BALANCES					
Nonspendable	-	-	3,634	-	1,358
Restricted	-	11,171,766	2,472,295	107,695	-
Committed	915,756	-	-	-	99,294
Total fund balances	915,756	11,171,766	2,475,929	107,695	100,652
Total liabilities and fund balances	\$ 918,750	\$ 11,230,796	\$ 3,644,460	\$ 107,695	\$ 101,869

Special Revenue Funds			Capital Project Fund	Permanent Fund	Total Nonmajor Governmental Funds
Museum Trust	Jones Foundation Trust	TOTALS	Public Improvement Capital Projects	Mosher/Kanemoto Trust	
\$ 86,948	\$ 59,976	\$ 39,122,050	\$ 3,978,835	\$ 1,142,305	\$ 44,243,190
-	-	57,407	-	-	57,407
-	-	947,651	474,423	-	1,422,074
-	-	128,332	-	-	128,332
-	-	11,875	-	-	11,875
-	-	642	-	-	642
273	186	124,937	18,653	3,535	147,125
-	-	6,853	-	-	6,853
-	-	443	-	-	443
-	-	-	1,243,933	-	1,243,933
-	-	9,643,337	-	-	9,643,337
<u>\$ 87,221</u>	<u>\$ 60,162</u>	<u>\$ 50,043,527</u>	<u>\$ 5,715,844</u>	<u>\$ 1,145,840</u>	<u>\$ 56,905,211</u>
\$ 1,254	\$ -	\$ 1,289,363	\$ 23,987	\$ -	\$ 1,313,350
-	-	471,831	16,681	-	488,512
-	-	86,634	-	-	86,634
-	-	165,753	-	-	165,753
<u>1,254</u>	<u>-</u>	<u>2,013,581</u>	<u>40,668</u>	<u>-</u>	<u>2,054,249</u>
-	-	18,451	-	-	18,451
-	-	45,262,872	5,675,176	1,145,840	52,083,888
85,967	60,162	2,748,623	-	-	2,748,623
<u>85,967</u>	<u>60,162</u>	<u>48,029,946</u>	<u>5,675,176</u>	<u>1,145,840</u>	<u>54,850,962</u>
<u>\$ 87,221</u>	<u>\$ 60,162</u>	<u>\$ 50,043,527</u>	<u>\$ 5,715,844</u>	<u>\$ 1,145,840</u>	<u>\$ 56,905,211</u>

CITY OF LONGMONT, COLORADO

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NON MAJOR GOVERNMENTAL FUNDS
For the Year Ended December 31, 2011**

	Conservation	Park Improvement	General Improvement District #1	Community Development Block Grant	Downtown Parking	Judicial Wedding Fees
REVENUES						
Taxes	\$ -	\$ -	\$ 93,138	\$ -	\$ -	\$ -
Licenses and permits	-	455,009	-	-	52,339	-
Developer/owner participation	-	-	-	-	-	-
Intergovernmental	769,309	-	-	1,004,053	-	-
Charges for services	-	-	-	-	-	1,750
Fines and forfeits	-	-	-	-	-	-
Investment income	41,983	38,572	1,711	17,883	3,737	261
Private grants/donations	-	2,900	-	-	-	-
Miscellaneous	7,402	-	85	153,404	-	-
Total revenues	818,694	496,481	94,934	1,175,340	56,076	2,011
EXPENDITURES						
Current:						
General governmental	-	-	94,687	1,017,765	63,949	1,286
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Culture and recreation	76,061	1,283,900	-	-	-	-
Municipal utility system	-	-	-	-	-	-
Capital Projects	-	-	-	-	-	-
Debt service:						
Bond principal retired	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
Total expenditures	76,061	1,283,900	94,687	1,017,765	63,949	1,286
Excess of revenues over (under) expenditures	742,633	(787,419)	247	157,575	(7,873)	725
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	30,678	-
Transfers out	-	(9,424)	-	-	-	(1,319)
Total other financing sources (uses)	-	(9,424)	-	-	30,678	(1,319)
Net change in fund balances	742,633	(796,843)	247	157,575	22,805	(594)
FUND BALANCES, January 1	4,137,823	4,033,149	123,442	75,501	407,570	27,617
FUND BALANCES, December 31	\$ 4,880,456	\$ 3,236,306	\$ 123,689	\$ 233,076	\$ 430,375	\$ 27,023

Special Revenue Funds

Police Seizures	Prevention Education	Youth Services	Transportation Community Investment Fee	Public Buildings Community Investment Fee	Electric Community Investment Fee	Water System Construction Reserve	Water Acquisition
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	84,499	-	440,083	471,101	-
-	-	-	-	130,215	-	-	143,066
21,946	78,179	-	-	-	-	-	-
-	35,792	18,021	-	-	-	-	-
-	-	-	-	-	-	-	-
709	841	1,075	15,639	4,190	10,860	142,888	33,420
-	-	11,362	-	-	-	-	-
-	23,924	9,542	-	10,000	-	-	-
22,655	138,736	40,000	100,138	144,405	450,943	613,989	176,486
-	-	-	-	215,061	-	-	-
27,766	117,608	-	-	-	-	-	-
-	-	-	1,000,000	-	-	-	-
-	-	49,989	-	-	-	-	-
-	-	-	-	-	72,995	264,425	105,640
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
27,766	117,608	49,989	1,000,000	215,061	72,995	264,425	105,640
(5,111)	21,128	(9,989)	(899,862)	(70,656)	377,948	349,564	70,846
-	-	-	-	-	-	-	-
-	-	-	-	(2,267)	-	(2,131)	-
-	-	-	-	(2,267)	-	(2,131)	-
(5,111)	21,128	(9,989)	(899,862)	(72,923)	377,948	347,433	70,846
76,100	85,280	120,060	1,520,853	557,068	955,683	15,048,646	3,461,241
\$ 70,989	\$ 106,408	\$ 110,071	\$ 620,991	\$ 484,145	\$ 1,333,631	\$ 15,396,079	\$ 3,532,087

(continued)

CITY OF LONGMONT, COLORADO

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NON MAJOR GOVERNMENTAL FUNDS
For the Year Ended December 31, 2011**

	Raw Water Storage Reserve	Sewer Construction	Library Services	Museum Services	Historic Preservation
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	379,979	-	-	750
Developer/owner participation	-	8,592	-	-	-
Intergovernmental	-	-	21,544	13,000	-
Charges for services	-	-	-	51,574	-
Fines and forfeits	-	-	-	-	-
Investment income	3,852	14,433	733	523	75
Private grants	-	-	-	46,408	-
Miscellaneous	-	245	82,710	1,481	-
Total revenues	3,852	403,249	104,987	112,986	825
EXPENDITURES					
Current:					
General governmental	-	-	-	-	-
Public safety	-	-	-	-	-
Highways and streets	-	-	-	-	-
Culture and recreation	-	-	63,804	92,643	-
Municipal utility system	-	9,356	-	-	-
Capital Projects	-	-	-	-	-
Debt service:					
Bond principal retired	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	-	9,356	63,804	92,643	-
Excess of revenues over (under) expenditures	3,852	393,893	41,183	20,343	825
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	-
Transfers out	-	(462,228)	(30,752)	-	-
Total other financing sources (uses)	-	(462,228)	(30,752)	-	-
Net change in fund balances	3,852	(68,335)	10,431	20,343	825
FUND BALANCES, January 1	400,639	1,470,418	102,617	44,950	7,403
FUND BALANCES, December 31	\$ 404,491	\$ 1,402,083	\$ 113,048	\$ 65,293	\$ 8,228

Special Revenue Funds

Callahan House	Senior Services	Parks Grants & Donations	Affordable Housing	Open Space	Public Safety	Lodgers Tax
\$ -	\$ -	\$ -	\$ -	\$ 2,882,395	\$ 4,683,891	\$ 257,566
-	-	-	-	-	-	-
-	-	350,000	-	211,698	1,677,411	-
36,518	166,680	-	-	-	-	-
-	-	-	-	-	-	-
140	1,708	6,130	68,868	47,304	29,601	577
94	2,565	2,000	-	-	335	-
500	6,558	-	318,959	134,877	3,209	-
37,252	177,511	358,130	387,827	3,276,274	6,394,447	258,143
-	-	-	1,072,919	-	-	-
-	-	-	-	-	6,286,639	-
-	-	-	-	-	-	-
69,582	161,529	653,127	-	619,167	130,486	231,510
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	1,060,000	-	-
-	-	-	-	1,208,205	-	-
69,582	161,529	653,127	1,072,919	2,887,372	6,417,125	231,510
(32,330)	15,982	(294,997)	(685,092)	388,902	(22,678)	26,633
18,748	-	-	139,627	-	-	-
-	-	-	-	(163)	(110,205)	(22,500)
18,748	-	-	139,627	(163)	(110,205)	(22,500)
(13,582)	15,982	(294,997)	(545,465)	388,739	(132,883)	4,133
20,023	174,403	631,721	1,461,221	10,783,027	2,608,812	103,562
\$ 6,441	\$ 190,385	\$ 336,724	\$ 915,756	\$ 11,171,766	\$ 2,475,929	\$ 107,695

(continued)

CITY OF LONGMONT, COLORADO

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NON MAJOR GOVERNMENTAL FUNDS
For the Year Ended December 31, 2011**

Special Revenue Funds

	Probation Services	Museum Trust	Jones Foundation Trust	TOTALS
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ 7,916,990
Licenses and permits	-	-	-	1,883,760
Developer/owner participation	-	-	-	281,873
Intergovernmental	-	-	-	4,147,140
Charges for services	-	-	-	310,335
Fines and forfeits	95,627	-	-	95,627
Investment income	810	838	573	489,934
Private grants/donations	-	2,900	-	68,564
Miscellaneous	-	23,239	-	776,135
Total revenues	96,437	26,977	573	15,970,358
EXPENDITURES				
Current:				
General governmental	71,795	-	-	2,537,462
Public safety	-	-	-	6,432,013
Highways and streets	-	-	-	1,000,000
Culture and recreation	-	30,072	-	3,461,870
Municipal utility system	-	-	-	452,416
Capital Projects	-	-	-	-
Debt service:				
Bond principal retired	-	-	-	1,060,000
Interest and fiscal charges	-	-	-	1,208,205
Total expenditures	71,795	30,072	-	16,151,966
Excess of revenues over (under) expenditures	24,642	(3,095)	573	(181,608)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	189,053
Transfers out	-	-	-	(640,989)
Total other financing sources (uses)	-	-	-	(451,936)
Net change in fund balances	24,642	(3,095)	573	(633,544)
FUND BALANCES, January 1	76,010	89,062	59,589	48,663,490
FUND BALANCES, December 31	\$ 100,652	\$ 85,967	\$ 60,162	\$ 48,029,946

<u>Capital Projects Fund</u>	<u>Permanent Fund</u>	<u>Total Nonmajor Governmental Funds</u>
Public Improvement Capital Projects	Mosher/Kanemoto Trust	
\$ 4,261,032	\$ -	\$ 12,178,022
-	-	1,883,760
-	-	281,873
-	-	4,147,140
-	-	310,335
-	-	95,627
49,294	10,911	550,139
-	-	68,564
25,000	-	801,135
<u>4,335,326</u>	<u>10,911</u>	<u>20,316,595</u>
-	-	2,537,462
-	-	6,432,013
-	-	1,000,000
-	-	3,461,870
-	-	452,416
2,193,219	-	2,193,219
1,780,000	-	2,840,000
903,810	-	2,112,015
<u>4,877,029</u>	<u>-</u>	<u>21,028,995</u>
<u>(541,703)</u>	<u>10,911</u>	<u>(712,400)</u>
850,000	-	1,039,053
(16,274)	-	(657,263)
<u>833,726</u>	<u>-</u>	<u>381,790</u>
<u>292,023</u>	<u>10,911</u>	<u>(330,610)</u>
5,383,153	1,134,929	55,181,572
<u>\$ 5,675,176</u>	<u>\$ 1,145,840</u>	<u>\$ 54,850,962</u>

CONSERVATION SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL
Year Ended December 31, 2011

	Final Budget	Actual	Variance From Final Budget
REVENUES			
Intergovernmental	\$ 700,000	\$ 769,309	\$ 69,309
Investment income	100,000	41,983	(58,017)
Miscellaneous	-	7,402	7,402
<hr/>			
Total revenues	800,000	818,694	18,694
EXPENDITURES			
Culture and recreation	263,808	76,061	187,747
<hr/>			
Net change in fund balance	536,192	742,633	206,441
<hr/>			
FUND BALANCE, January 1	4,137,823	4,137,823	-
<hr/>			
FUND BALANCE, December 31	\$ 4,674,015	\$ 4,880,456	\$ 206,441

PARK IMPROVEMENT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL
Year Ended December 31, 2011

	Final Budget	Actual	Variance From Final Budget
REVENUES			
Licenses and permits	\$ 349,278	\$ 455,009	\$ 105,731
Investment income	36,000	38,572	2,572
Private grants/donations	-	2,900	2,900
Total revenues	385,278	496,481	111,203
EXPENDITURES			
Culture and recreation	3,420,440	1,283,900	2,136,540
Excess of revenues over (under) expenditures	(3,035,162)	(787,419)	2,247,743
OTHER FINANCING (USES)			
Transfer out			
Art in public places fund	(39,640)	(9,424)	30,216
Net change in fund balance	(3,074,802)	(796,843)	2,277,959
FUND BALANCE, January 1	4,033,149	4,033,149	-
FUND BALANCE, December 31	\$ 958,347	\$ 3,236,306	\$ 2,277,959

GENERAL IMPROVEMENT DISTRICT #1 SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL
Year Ended December 31, 2011

	Final Budget	Actual	Variance From Final Budget
REVENUES			
Taxes	\$ 85,615	\$ 93,138	\$ 7,523
Investment income	5,271	1,711	(3,560)
Miscellaneous	-	85	85
Total revenues	90,886	94,934	4,048
EXPENDITURES			
General government	116,039	94,687	21,352
Net change in fund balance	(25,153)	247	25,400
FUND BALANCE, January 1	123,442	123,442	-
FUND BALANCE, December 31	\$ 98,289	\$ 123,689	\$ 25,400

COMMUNITY DEVELOPMENT BLOCK GRANT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL
Year Ended December 31, 2011

	Final Budget	Actual	Variance From Final Budget
REVENUES			
Intergovernmental	\$ 2,139,423	\$ 1,004,053	\$ (1,135,370)
Investment income	40,000	17,883	(22,117)
Miscellaneous	196,832	153,404	(43,428)
Total revenues	2,376,255	1,175,340	(1,200,915)
EXPENDITURES			
General government	2,451,756	1,017,765	1,433,991
Net change in fund balance	(75,501)	157,575	233,076
FUND BALANCE, January 1	75,501	75,501	-
FUND BALANCE, December 31	\$ -	\$ 233,076	\$ 233,076

DOWNTOWN PARKING SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL
Year Ended December 31, 2011

	Final Budget	Actual	Variance From Final Budget
REVENUES			
Licenses and permits	\$ 55,400	\$ 52,339	\$ (3,061)
Investment income	6,500	3,737	(2,763)
Total revenues	61,900	56,076	(5,824)
EXPENDITURES			
General government	484,444	63,949	420,495
Excess of revenues over (under) expenditures	(422,544)	(7,873)	414,671
OTHER FINANCING SOURCES			
Transfer in General Fund	26,180	30,678	4,498
Net change in fund balance	(396,364)	22,805	419,169
FUND BALANCE, January 1	407,570	407,570	-
FUND BALANCE, December 31	\$ 11,206	\$ 430,375	\$ 419,169

JUDICIAL WEDDING FEE SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL
Year Ended December 31, 2011

	Final Budget	Actual	Variance From Final Budget
REVENUES			
Charges for services	\$ 2,000	\$ 1,750	\$ (250)
Investment income	800	261	(539)
Total revenues	2,800	2,011	(789)
EXPENDITURES			
General government	2,000	1,286	714
Excess of revenues over (under) expenditures	800	725	(75)
OTHER FINANCING (USES)			
Transfer out			
General fund	(1,319)	(1,319)	-
Net change in fund balance	(519)	(594)	(75)
FUND BALANCE, January 1	27,617	27,617	-
FUND BALANCE, December 31	\$ 27,098	\$ 27,023	\$ (75)

POLICE SEIZURES SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL
Year Ended December 31, 2011

	Final Budget	Actual	Variance From Final Budget
REVENUES			
Intergovernmental	\$ 15,000	\$ 21,946	\$ 6,946
Investment income	-	709	709
<hr/>			
Total revenues	15,000	22,655	7,655
EXPENDITURES			
Public safety	36,657	27,766	8,891
<hr/>			
Net change in fund balance	(21,657)	(5,111)	16,546
<hr/>			
FUND BALANCE, January 1	76,100	76,100	-
<hr/>			
FUND BALANCE, December 31	\$ 54,443	\$ 70,989	\$ 16,546

PREVENTION/EDUCATION SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL
Year Ended December 31, 2011

	Final Budget	Actual	Variance From Final Budget
REVENUES			
Charges for services	\$ 28,015	\$ 35,792	\$ 7,777
Intergovernmental	72,714	78,179	5,465
Investment income	-	841	841
Miscellaneous	21,156	23,924	2,768
Total revenues	121,885	138,736	16,851
EXPENDITURES			
Public safety	148,029	117,608	30,421
Net change in fund balance	(26,144)	21,128	47,272
FUND BALANCE, January 1	85,280	85,280	-
FUND BALANCE, December 31	\$ 59,136	\$ 106,408	\$ 47,272

YOUTH SERVICES SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL
Year Ended December 31, 2011

	Final Budget	Actual	Variance From Final Budget
REVENUES			
Intergovernmental	\$ -	\$ -	\$ -
Charges for services	18,000	18,021	21
Investment income	-	1,075	1,075
Private grant	13,000	11,362	(1,638)
Miscellaneous	341	9,542	9,201
Total revenues	31,341	40,000	8,659
EXPENDITURES			
Culture and recreation	62,172	49,989	12,183
Net change in fund balance	(30,831)	(9,989)	20,842
FUND BALANCE, January 1	120,060	120,060	-
FUND BALANCE, December 31	\$ 89,229	\$ 110,071	\$ 20,842

TRANSPORTATION COMMUNITY INVESTMENT FEE SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL
Year Ended December 31, 2011

	Final Budget	Actual	Variance From Final Budget
REVENUES			
Licenses and permits	\$ 122,364	\$ 84,499	\$ (37,865)
Investment income	45,463	15,639	(29,824)
Total revenues	167,827	100,138	(67,689)
EXPENDITURES			
Highways and streets	1,005,000	1,000,000	5,000
Net change in fund balance	(837,173)	(899,862)	(62,689)
FUND BALANCE, January 1	1,520,853	1,520,853	-
FUND BALANCE, December 31	\$ 683,680	\$ 620,991	\$ (62,689)

PUBLIC BUILDINGS COMMUNITY INVESTMENT FEE SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL
Year Ended December 31, 2011

	Final Budget	Actual	Variance From Final Budget
REVENUES			
Developer participation	\$ 77,853	\$ 130,215	\$ 52,362
Investment income	7,897	4,190	(3,707)
Miscellaneous	-	10,000	10,000
Total revenues	85,750	144,405	58,655
EXPENDITURES			
General Government	490,078	215,061	275,017
Excess of revenues over (under) expenditures	(404,328)	(70,656)	333,672
OTHER FINANCING (USES)			
Transfer out			
Art in public places fund	(3,594)	(2,267)	1,327
Net change in fund balance	(407,922)	(72,923)	334,999
FUND BALANCE, January 1	557,068	557,068	-
FUND BALANCE, December 31	\$ 149,146	\$ 484,145	\$ 334,999

ELECTRIC COMMUNITY INVESTMENT FEE SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL
Year Ended December 31, 2011

	Final Budget	Actual	Variance From Final Budget
REVENUES			
Licenses and permits	\$ 209,000	\$ 440,083	\$ 231,083
Investment income	14,000	10,860	(3,140)
Total revenues	223,000	450,943	227,943
EXPENDITURES			
Municipal utility systems	215,000	72,995	142,005
Net change in fund balance	8,000	377,948	369,948
FUND BALANCE, January 1	955,683	955,683	-
FUND BALANCE, December 31	\$ 963,683	\$ 1,333,631	\$ 369,948

WATER SYSTEM CONSTRUCTION RESERVE SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL
Year Ended December 31, 2011

	Final Budget	Actual	Variance From Final Budget
REVENUES			
Licenses and permits	\$ 312,100	\$ 471,101	\$ 159,001
Investment income	229,000	142,888	(86,112)
<hr/>			
Total revenues	541,100	613,989	72,889
EXPENDITURES			
Municipal utility systems	5,013,002	264,425	4,748,577
<hr/>			
Excess of revenues over (under) expenditures	(4,471,902)	349,564	4,821,466
<hr/>			
OTHER FINANCING (USES)			
Transfer out			
Art in public places fund	(45,338)	(2,131)	43,207
<hr/>			
Net change in fund balance	(4,517,240)	347,433	4,864,673
<hr/>			
FUND BALANCE, January 1	15,048,646	15,048,646	-
<hr/>			
FUND BALANCE, December 31	\$ 10,531,406	\$ 15,396,079	\$ 4,864,673

WATER ACQUISITION SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL
Year Ended December 31, 2011

	Final Budget	Actual	Variance From Final Budget
REVENUES			
Developer participation	\$ 5,000	\$ 143,066	\$ 138,066
Investment income	78,400	33,420	(44,980)
Total revenues	83,400	176,486	93,086
EXPENDITURES			
Municipal utility systems	335,287	105,640	229,647
Net change in fund balance	(251,887)	70,846	322,733
FUND BALANCE, January 1	3,461,241	3,461,241	-
FUND BALANCE, December 31	\$ 3,209,354	\$ 3,532,087	\$ 322,733

RAW WATER STORAGE RESERVE SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL
 Year Ended December 31, 2011

	Final Budget	Actual	Variance From Final Budget
REVENUES			
Investment income	\$ 7,000	\$ 3,852	\$ (3,148)
EXPENDITURES			
Municipal utility system	10,000	-	10,000
Net change in fund balance	(3,000)	3,852	6,852
FUND BALANCE, January 1	400,639	400,639	-
FUND BALANCE, December 31	\$ 397,639	\$ 404,491	\$ 6,852

SEWER CONSTRUCTION SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL
Year Ended December 31, 2011

	Final Budget	Actual	Variance From Final Budget
REVENUES			
Licenses and permits	\$ 193,600	\$ 379,979	\$ 186,379
Developer participation	-	8,592	8,592
Investment income	14,700	14,433	(267)
Miscellaneous	-	245	245
Total revenues	208,300	403,249	194,949
EXPENDITURES			
Municipal utility systems	80,374	9,356	71,018
Excess of revenues over expenditures	127,926	393,893	265,967
OTHER FINANCING (USES)			
Transfer out			
Sewer Fund	(462,156)	(462,156)	-
Art in public places fund	(2,030)	(72)	1,958
Total other financing (uses)	(464,186)	(462,228)	1,958
Net change in fund balance	(336,260)	(68,335)	267,925
FUND BALANCE, January 1	1,470,418	1,470,418	-
FUND BALANCE, December 31	\$ 1,134,158	\$ 1,402,083	\$ 267,925

LIBRARY SERVICES SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL
Year Ended December 31, 2011

	Final Budget	Actual	Variance From Final Budget
REVENUES			
Intergovernmental	\$ 20,153	\$ 21,544	\$ 1,391
Investment income	1,000	733	(267)
Private grants/donations	66,100	82,710	16,610
<hr/>			
Total revenues	87,253	104,987	17,734
EXPENDITURES			
Culture and recreation	81,501	63,804	17,697
<hr/>			
Excess revenues over expenditures	5,752	41,183	35,431
<hr/>			
OTHER FINANCING (USES)			
Transfer out			
General fund	(30,752)	(30,752)	-
<hr/>			
Net change in fund balance	(25,000)	10,431	35,431
<hr/>			
FUND BALANCE, January 1	102,617	102,617	-
<hr/>			
FUND BALANCE, December 31	\$ 77,617	\$ 113,048	\$ 35,431

MUSEUM SERVICES SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL
Year Ended December 31, 2011

	Final Budget	Actual	Variance From Final Budget
REVENUES			
Intergovernmental	\$ 12,000	\$ 13,000	\$ 1,000
Charges of services	49,258	51,574	2,316
Investment income	-	523	523
Private grants/donations	59,755	46,408	(13,347)
Miscellaneous	1,650	1,481	(169)
Total revenues	122,663	112,986	(9,677)
EXPENDITURES			
Culture and recreation	130,798	92,643	38,155
Net change in fund balance	(8,135)	20,343	28,478
FUND BALANCE, January 1	44,950	44,950	-
FUND BALANCE, December 31	\$ 36,815	\$ 65,293	\$ 28,478

CALLAHAN HOUSE SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL
Year Ended December 31, 2011

	Final Budget	Actual	Variance From Final Budget
REVENUES			
Charges for services	\$ 46,200	\$ 36,518	\$ (9,682)
Investment income	1,000	140	(860)
Private Grants/donations	-	94	94
Miscellaneous	-	500	500
Total revenues	47,200	37,252	(9,948)
EXPENDITURES			
Culture and recreation	76,521	69,582	6,939
Excess of revenues (under) expenditures	(29,321)	(32,330)	(3,009)
OTHER FINANCING SOURCES			
Transfer in			
General fund	18,748	18,748	-
Net change in fund balance	(10,573)	(13,582)	(3,009)
FUND BALANCE, January 1	20,023	20,023	-
FUND BALANCE, December 31	\$ 9,450	\$ 6,441	\$ (3,009)

SENIOR SERVICES SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL
Year Ended December 31, 2011

	Final Budget	Actual	Variance From Final Budget
REVENUES			
Charges for services	\$ 152,000	\$ 166,680	\$ 14,680
Investment income	-	1,708	1,708
Private Grants/donations	15,000	2,565	(12,435)
Miscellaneous	10,000	6,558	(3,442)
Total revenues	177,000	177,511	511
EXPENDITURES			
Culture and recreation	189,865	161,529	28,336
Net change in fund balance	(12,865)	15,982	28,847
FUND BALANCE, January 1	174,403	174,403	-
FUND BALANCE, December 31	\$ 161,538	\$ 190,385	\$ 28,847

PARKS GRANTS AND DONATIONS SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL
Year Ended December 31, 2011

	Final Budget	Actual	Variance From Final Budget
REVENUES			
Intergovernmental	\$ 700,000	\$ 350,000	\$ (350,000)
Investment income	-	6,130	6,130
Private Grants / donations	2,000	2,000	-
Total revenues	702,000	358,130	(343,870)
EXPENDITURES			
Culture and recreation	721,877	653,127	68,750
Net change in fund balance	(19,877)	(294,997)	(275,120)
FUND BALANCE, January 1	631,721	631,721	-
FUND BALANCE, December 31	\$ 611,844	\$ 336,724	\$ (275,120)

AFFORDABLE HOUSING SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL
Year Ended December 31, 2011

	Final Budget	Actual	Variance From Final Budget
REVENUES			
Licenses and permits	\$ 33,180	\$ -	\$ (33,180)
Investment income	40,000	68,868	28,868
Miscellaneous	161,137	318,959	157,822
Total revenues	234,317	387,827	153,510
EXPENDITURES			
General government	1,527,647	1,072,919	454,728
Excess of revenues over (under) expenditures	(1,293,330)	(685,092)	608,238
OTHER FINANCING SOURCES			
Transfer in General fund	139,627	139,627	-
Net change in fund balance	(1,153,703)	(545,465)	608,238
FUND BALANCE, January 1	1,461,221	1,461,221	-
FUND BALANCE, December 31	\$ 307,518	\$ 915,756	\$ 608,238

OPEN SPACE SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL
Year Ended December 31, 2011

	Final Budget	Actual	Variance From Final Budget
REVENUES			
Taxes	\$ 2,708,878	\$ 2,882,395	\$ 173,517
Intergovernmental	285,842	211,698	(74,144)
Investment income	116,800	47,304	(69,496)
Miscellaneous	47,000	134,877	87,877
Total revenues	3,158,520	3,276,274	117,754
EXPENDITURES			
Current:			
Culture and Recreation	3,756,690	619,167	3,137,523
Debt Service:			
Bond principal retired	1,100,000	1,060,000	40,000
Interest and fiscal charges	1,243,489	1,208,205	35,284
Total expenditures	6,100,179	2,887,372	3,212,807
Excess of revenues over (under) expenditures	(2,941,659)	388,902	3,330,561
OTHER FINANCING SOURCES (USES)			
Transfers out			
Art in public places fund	(6,600)	(163)	6,437
Total other financing sources (uses)	(6,600)	(163)	6,437
Net changes in fund balance	(2,948,259)	388,739	3,336,998
FUND BALANCE, January 1	10,783,027	10,783,027	-
FUND BALANCE, December 31	7,834,768	\$ 11,171,766	\$ 3,336,998

PUBLIC SAFETY SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL
Year Ended December 31, 2011

	Final Budget	Actual	Variance From Final Budget
REVENUES			
Taxes	\$ 4,401,926	\$ 4,683,891	\$ 281,965
Intergovernmental	1,473,713	1,677,411	203,698
Investment income	66,815	29,601	(37,214)
Miscellaneous	-	3,209	3,209
Private grants/donations	208	335	127
Total revenues	5,942,662	6,394,447	451,785
EXPENDITURES			
Current:			
Public Safety	6,663,584	6,286,639	376,945
Culture and recreation	143,954	130,486	13,468
Total expenditures	6,807,538	6,417,125	390,413
Excess of revenues over (under) expenditures	(864,876)	(22,678)	842,198
OTHER FINANCING (USES)			
Transfers out			
Art in Public Places fund	(10,693)	(6,305)	4,388
Fleet fund	-	(103,900)	(103,900)
Total other financing (uses)	(10,693)	(110,205)	(99,512)
Net changes in fund balance	(875,569)	(132,883)	742,686
FUND BALANCE, January 1	2,608,812	2,608,812	-
FUND BALANCE, December 31	\$ 1,733,243	\$ 2,475,929	\$ 742,686

LODGERS TAX SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL
Year Ended December 31, 2011

	Final Budget	Actual	Variance From Final Budget
REVENUES			
Taxes	258,699	257,566	(1,133)
Investment income	2,000	577	(1,423)
Total revenues	260,699	258,143	(2,556)
EXPENDITURES			
Culture and recreation	288,079	231,510	56,569
Excess of revenues over (under) expenditures	(27,380)	26,633	54,013
OTHER FINANCING (USES)			
Transfers out			
General fund	-	(22,500)	(22,500)
Net changes in fund balance	(27,380)	4,133	31,513
FUND BALANCE, January 1	103,562	103,562	-
FUND BALANCE, December 31	\$ 76,182	\$ 107,695	\$ 31,513

PROBATION SERVICES SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL
Year Ended December 31, 2011

	Final Budget	Actual	Variance From Final Budget
REVENUES			
Fines and forfeits	106,000	95,627	(10,373)
Investment income	1,300	810	(490)
Total revenues	107,300	96,437	(10,863)
EXPENDITURES			
General government	79,752	71,795	7,957
Net changes in fund balance	27,548	24,642	(2,906)
FUND BALANCE, January 1	76,010	76,010	-
FUND BALANCE, December 31	\$ 103,558	\$ 100,652	\$ (2,906)

MUSEUM TRUST SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL
Year Ended December 31, 2011

	Final Budget	Actual	Variance From Final Budget
REVENUES			
Investment income	\$ 3,000	\$ 838	\$ (2,162)
Private Grants / donations	3,000	2,900	(100)
Miscellaneous	20,050	23,239	3,189
Total revenues	26,050	26,977	927
EXPENDITURES			
Culture and recreation	30,000	30,072	(72)
Net change in fund balance	(3,950)	(3,095)	855
FUND BALANCE, January 1	89,062	89,062	-
FUND BALANCE, December 31	\$ 85,112	\$ 85,967	\$ 855

CAPITAL PROJECTS FUND

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

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

CITY OF LONGMONT, COLORADO

PUBLIC IMPROVEMENT CAPITAL PROJECTS FUND
PROJECT-LENGTH SCHEDULE OF CONSTRUCTION PROJECTS
 Beginning of Projects to December 31, 2011

Project Account No.	Project	Appropriations	
		Prior	2011
TRANSFERS			
40101	DDA Building Permits	\$ 9,577	\$ -
-	Art Transfers	48,046	-
		57,623	-
PUBLIC IMPROVEMENTS CAPITAL PROJECTS			
40101	Debt Service - Principal	17,205,230	1,780,000
	Debt Service - Interest	20,986,868	903,810
	Fiscal Charges	33,135	4,550
43002	Museum Cultural Center	6,426,783	-
43005	Roosevelt Memorial Building	1,484,276	-
43006	Roosevelt Park Improvements	3,409,453	-
43027	Park Shelter Rehabilitation	1,071,419	-
43037	Neighborhood Improvement Program	730,000	50,000
43082	Outdoor Warning System	405,434	-
43093	Former Museum & City Hall Renovations	1,160,400	-
43111	Arterial Landscape	834,933	-
43112	3rd Avenue Entryway	606,550	-
43133	East Longmont Entryway	267,500	-
43137	Sunset Campus	1,144,305	-
43138	Union Reservoir Master Plan	45,000	-
43157	Oligarchy Bridge @ Union Reservoir	65,500	-
43162	Garden Acres Lights	50,873	-
43168	Centennial Pool Renovation	28,000	-
43170	Recreation Center Front Desk/Gate	80,000	-
43182	Energy Efficient Equipment	2,291,380	-
94056	Park Bldg Rehab Replace	-	24,326
94083	Greenway Connection	962,703	34,100
94085	Sport Court Reconstruction	2,323,802	12,480
94102	Swimming and Wading Pool Improvements	4,355,027	140,293
94113	Park Irrigation Pumps	657,271	42,987
94136	Parks Bridge Replacement	360,077	10,000
94147	Kensington Park	482,259	-
94174	Playground Rehabilitation	90,000	45,000
94185	Roosevelt Park Lot Expnsn	-	-
95001	Municipal Building Roof Improvements	2,396,920	67,158
95002	ADA Facility Improvements	908,820	40,000
95037	Fire Stations-Heat & Exhaust	651,189	94,000
95080	Municipal Building Boilers	464,186	68,933
95082	Municipal Buildings HVAC	1,119,157	449,652
95109	Parking Lot Rehabilitation	558,531	75,750
95119	Municipal Buildings Carpet	978,390	103,000
95127	Police Firing Range	1,050,000	-
95145	Specialized Equipment Replacement	865,525	112,729
95153	Museum Auditorium	1,000,000	-
95160	Muni Bldgs Auto Door Gate	-	10,000
95163	Municipal Buildings Keyless Entry	121,372	8,550
95165	Muni Bldgs Emergency Genr	-	40,000
95181	UPS Repair/Replacement	123,729	-
95183	Sr Cntr Kitchen Expansion	-	25,000
95185	Rec Center Facility Imprvmt	-	136,350
95188	SJ Extr Foundation Repair	-	80,000
-	Completed Projects	-	-
		77,795,997	4,358,668
CAPITAL PROJECTS FUND TOTAL		\$ 77,853,620	\$ 4,358,668

CITY OF LONGMONT, COLORADO

Statement C-1

Transfers (to) from		Expenditures		Unexpended
Other	Fund	Prior	2011	Balance
Projects	Balance			
\$ 30,875	\$ 38,482	\$ 73,957	\$ 4,977	\$ -
344,889	6,111	382,772	16,274	-
375,764	44,593	456,729	21,251	-
15,000	-	17,220,230	1,780,000	-
3,160	(915,493)	20,074,535	903,810	-
(2,261)	(5,954)	24,695	4,775	-
(121,414)	-	6,303,294	-	2,075
(65,650)	-	1,414,516	-	4,110
535,410	-	3,924,309	-	20,554
(13,631)	(50,774)	1,007,014	-	-
11,347	(50,000)	653,589	25,308	62,450
27,837	(18,892)	414,379	-	-
32,899	(7,369)	1,185,930	-	-
(4,732)	(150,000)	476,964	25,556	177,681
(131,328)	(103,909)	371,313	-	-
122,960	(4,261)	375,699	-	10,500
(6,961)	(437,466)	-	699,878	-
-	(26)	44,974	-	-
(60,000)	-	-	-	5,500
-	-	13,972	-	36,901
-	(28,000)	-	-	-
-	-	36,046	-	43,954
11	223	2,291,614	-	-
-	-	-	12,971	11,355
(3,852)	(381,389)	446,262	14,524	150,776
(165,777)	(337,189)	1,809,056	10,500	13,760
(23,369)	(423,505)	3,783,876	99,881	164,689
(4,777)	(54,850)	561,546	6,094	72,991
(2,054)	(95,021)	136,236	69,201	67,565
(4,206)	-	476,833	-	1,220
-	(45,000)	-	-	90,000
60,000	-	-	-	60,000
(32,640)	(470,972)	1,743,417	58,625	158,424
(11,559)	(25,000)	864,652	6,755	40,854
(10,910)	(71,995)	559,755	95,160	7,369
(2,995)	(195,512)	233,063	68,335	33,214
(11,221)	(258,369)	813,819	465,870	19,530
(12,407)	(90,155)	453,896	38,287	39,536
952	(166,743)	812,893	102,706	-
(122)	-	38,885	78,497	932,496
(1,482)	(90,975)	624,063	120,301	141,433
-	-	74,930	60,870	864,200
-	-	-	7,193	2,807
(544)	(29,055)	91,403	8,920	-
-	-	-	35,680	4,320
(1,126)	(62,620)	53,053	-	6,930
-	-	-	8,855	16,145
-	-	-	-	136,350
(635)	-	-	63,500	15,865
(489,687)	489,687	-	-	-
(375,764)	(4,080,584)	69,410,711	4,872,052	3,415,554
\$ -	\$ (4,035,991)	\$ 69,867,440	\$ 4,893,303	\$ 3,415,554

**NONMAJOR
ENTERPRISE FUNDS**

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

CITY OF LONGMONT, COLORADO
COMBINING STATEMENT OF NET ASSETS
NON MAJOR ENTERPRISE FUNDS
December 31, 2011

Statement D-1

	Sanitation	Golf	Telecommunications	Airport	TOTALS
ASSETS					
Current assets:					
Equity in pooled cash & cash equivalents	\$ 2,343,975	\$ 454,076	\$ 1,354,671	\$ 218,956	\$ 4,371,678
Accounts receivable (net of allowance for doubtful accounts)	641,241	-	-	-	641,241
Grants receivable	21,911	-	-	57,575	79,486
Loans receivable	833	504	-	-	1,337
Accrued interest receivable	7,841	2,078	3,914	996	14,829
Total current assets	3,015,801	456,658	1,358,585	277,527	5,108,571
Net pension asset	112,637	60,341	-	8,292	181,270
Property, plant and equipment:					
Land and water rights	581,963	6,548,124	729	1,191,667	8,322,483
Buildings	1,337,656	1,739,308	20,673	210,238	3,307,875
Improvements (other than buildings)	202,924	578,479	2,242,009	3,577,252	6,600,664
Equipment	2,853,970	200,276	52,312	6,145	3,112,703
Construction in progress	78,576	-	-	181,631	260,207
Total property and equipment	5,055,089	9,066,187	2,315,723	5,166,933	21,603,932
Less - accumulated depreciation	2,626,378	1,293,902	963,771	975,526	5,859,577
Net property and equipment	2,428,711	7,772,285	1,351,952	4,191,407	15,744,355
Total assets	\$ 5,557,149	\$ 8,289,284	\$ 2,710,537	\$ 4,477,226	\$ 21,034,196

(continued)

CITY OF LONGMONT, COLORADO

Statement D-1
(continued)

COMBINING STATEMENT OF NET ASSETS
NONMAJOR ENTERPRISE FUNDS
December 31, 2011

	Sanitation	Golf	Telecommunications	Airport	TOTALS
LIABILITIES AND FUND EQUITY					
Current liabilities:					
Payable from current assets:					
Accounts payable	\$ 176,462	\$ 7,061	\$ 25	\$ 6,058	\$ 189,606
Construction contracts payable	4,247	-	-	22,309	26,556
Accrued liabilities	31,470	15,144	561	1,810	48,985
Accrued sick and vacation - current portion	13,523	8,787	-	1,108	23,418
Unearned revenue	-	-	340,651	-	340,651
Advances from other funds - current portion	-	159,782	-	-	159,782
Total current liabilities	225,702	190,774	341,237	31,285	788,998
Long-term liabilities:					
Net other post employment benefit obligation	5,102	2,742	352	363	8,559
Accrued sick and vacation	92,870	88,572	-	18,043	199,485
Advances from other funds	-	1,398,345	-	-	1,398,345
Net long-term liabilities	97,972	1,489,659	352	18,406	1,606,389
Total liabilities	323,674	1,680,433	341,589	49,691	2,395,387
Net assets:					
Invested in capital assets, net of related debt	2,428,711	7,772,285	1,351,952	4,191,407	15,744,355
Unrestricted	2,804,764	(1,163,434)	1,016,996	236,128	2,894,454
Total net assets	5,233,475	6,608,851	2,368,948	4,427,535	18,638,809
Total liabilities and net assets	\$ 5,557,149	\$ 8,289,284	\$ 2,710,537	\$ 4,477,226	\$ 21,034,196

CITY OF LONGMONT, COLORADO

Statement D-2

**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
NONMAJOR ENTERPRISE FUNDS
Year Ended December 31, 2011**

	Sanitation	Golf	Telecom- munications	Airport	TOTALS
OPERATING REVENUES					
Charges for services	\$ 5,235,308	\$ 2,262,563	\$ 282,208	\$ 220,441	\$ 8,000,520
OPERATING EXPENSES					
Administration	172,516	132,405	121,945	118,906	545,772
Transmission/distribution	-	-	15,096	-	15,096
Maintenance/development	-	1,839,087	-	73,759	1,912,846
Trash collection	5,044,931	-	-	-	5,044,931
Landfill	68	-	-	-	68
Depreciation	176,654	64,636	56,191	118,380	415,861
Administrative fees	549,321	160,990	1,039	93,648	804,998
Franchise fee	-	-	23,203	-	23,203
Total operating expenses	5,943,490	2,197,118	217,474	404,693	8,762,775
Operating income (loss)	(708,182)	65,445	64,734	(184,252)	(762,255)
NON-OPERATING REVENUES (EXPENSES)					
Investment income	27,857	4,851	8,726	2,263	43,697
Miscellaneous	(1,057)	8,104	28,459	40,080	75,586
Intergovernmental	30,566	-	-	-	30,566
Interest expense	-	(21,327)	-	-	(21,327)
Net non-operating revenues (expenses)	57,366	(8,372)	37,185	42,343	128,522
Change in net assets before transfers, and capital contributions	(650,816)	57,073	101,919	(141,909)	(633,733)
CAPITAL CONTRIBUTIONS	-	-	10,774	176,824	187,598
TRANSFERS					
Transfers out	(1,230)	(1,851)	(1,157)	-	(4,238)
Change in net assets	(652,046)	55,222	111,536	34,915	(450,373)
TOTAL NET ASSETS-January 1	5,885,521	6,553,629	2,257,412	4,392,620	19,089,182
TOTAL NET ASSETS-December 31	\$ 5,233,475	\$ 6,608,851	\$ 2,368,948	\$ 4,427,535	\$ 18,638,809

**COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
For the Year Ended December 31, 2011**

	Sanitation	Golf	Telecom- munications	Airport	TOTALS
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash received from customers	\$ 5,283,167	\$ 2,272,655	\$ 651,318	\$ 260,521	\$ 8,467,661
Cash paid to suppliers	(4,124,776)	(1,215,167)	(248,116)	(202,631)	(5,790,690)
Cash paid to employees	(1,651,919)	(906,591)	(58,111)	(99,997)	(2,716,618)
Net cash provided (used) by operating activities	(493,528)	150,897	345,091	(42,107)	(39,647)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES					
Transfers out	(1,230)	(1,851)	(1,157)	-	(4,238)
Advances from other funds	-	85,667	-	-	85,667
Net cash provided (used) by non-capital financing activities	(1,230)	83,816	(1,157)	-	81,429
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition and construction of capital assets	(74,329)	(69,422)	(15,964)	(178,853)	(338,568)
Bond/lease/loan interest paid	-	(21,327)	-	-	(21,327)
Contributed capital received	-	-	10,774	133,515	144,289
Net cash (used) by capital and related financing activities	(74,329)	(90,749)	(5,190)	(45,338)	(215,606)
CASH FLOWS FROM INVESTING ACTIVITIES					
Investment income received	33,841	6,922	9,060	2,568	52,391
Net cash provided by investing activities	33,841	6,922	9,060	2,568	52,391
Net increase (decrease) in cash and cash equivalents	(535,246)	150,886	347,804	(84,877)	(121,433)
CASH AND CASH EQUIVALENTS, January 1	2,879,221	303,190	1,006,867	303,833	4,493,111
CASH AND CASH EQUIVALENTS, December 31	\$ 2,343,975	\$ 454,076	\$ 1,354,671	\$ 218,956	\$ 4,371,678

(continued)

**COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
For the Year Ended December 31, 2011**

	Sanitation	Golf	Telecom- munications	Airport	TOTALS
RECONCILIATION OF NET OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES					
Net operating income (loss)	\$ (708,182)	\$ 65,445	\$ 64,734	\$ (184,252)	\$ (762,255)
Adjustments to reconcile net operating income (loss) to net cash provided (used) by operating activities:					
Depreciation	176,654	64,636	56,191	118,380	415,861
Miscellaneous income (expense)	(1,057)	8,104	28,459	40,080	75,586
Intergovernmental operating income	30,566	-	-	-	30,566
Change in assets and liabilities:					
(Increase) decrease in accounts receivable	30,261	1,988	-	-	32,249
(Increase) decrease in intergovernmental receivable	(11,911)	-	-	-	(11,911)
(Increase) decrease in loans receivable	28	(504)	-	-	(476)
(Increase) decrease in net pension asset	3,283	958	-	136	4,377
Increase (decrease) in accounts payable	(17,132)	1,806	(144,904)	(19,105)	(179,335)
Increase (decrease) in accrued liabilities	2,786	1,423	(33)	135	4,311
Increase (decrease) in accrued sick and vacation - current portion	(3,584)	(1,952)	-	626	(4,910)
Increase (decrease) in net other post employment benefit obligation	(50)	(26)	(7)	(3)	(86)
Increase (decrease) in accrued sick and vacation - long-term portion	4,810	9,019	-	1,896	15,725
Increase (decrease) in deposits/unearned revenue			340,651	-	340,651
Total adjustments	214,654	85,452	280,357	142,145	722,608
Net cash provided (used) by operating activities	\$ (493,528)	\$ 150,897	\$ 345,091	\$ (42,107)	\$ (39,647)
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	\$ 2,343,975	\$ 454,076	\$ 1,354,671	\$ 218,956	\$ 4,371,678
Cash and Cash Equivalents per statement of cash flows	\$ 2,343,975	\$ 454,076	\$ 1,354,671	\$ 218,956	\$ 4,371,678
NON-CASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES					
The following non-cash transactions occurred during 2011:					
Change in contracts payable for purchase of capital assets	\$ (4,247)	\$ -	\$ -	\$ 22,309	\$ 18,062

SANITATION ENTERPRISE FUND
SCHEDULE OF REVENUES AND EXPENSES -
BUDGET (LEGAL BASIS) AND ACTUAL
Year Ended December 31, 2011

	Budget	Actual	Variance From Budget
REVENUES			
Charges for services	\$ 5,287,490	\$ 5,235,308	\$ (52,182)
Intergovernmental	33,400	30,566	(2,834)
Investment income	49,631	27,857	(21,774)
Miscellaneous	500	(1,057)	(1,557)
Total revenues	5,371,021	5,292,674	(78,347)
EXPENSES			
Administration	194,475	172,516	21,959
Landfill operations	8,000	68	7,932
Trash removal	3,985,194	3,881,323	103,871
Special trash pickup	626,238	767,113	(140,875)
Curbside recycling	926,218	947,046	(20,828)
Total operations	5,740,125	5,768,066	(27,941)
Capital outlay	246,503	78,576	167,927
Total expenses	5,986,628	5,846,642	139,986
Excess of revenues over (under) expenses	\$ (615,607)	(553,968)	\$ 61,639
RECONCILIATION TO NET (LOSS) (GAAP BASIS)			
Add: Additions to plant and equipment		78,576	
Capital outlay		78,576	
Less: Depreciation		176,654	
Net (loss) (GAAP basis)		\$ (652,046)	

GOLF ENTERPRISE FUND
SCHEDULE OF REVENUES AND EXPENSES
BUDGET (LEGAL BASIS AND ACTUAL)
Year Ended December 31, 2011

	Budget	Actual	Variance From Budget
REVENUES			
Charges for services	\$ 2,341,500	\$ 2,262,563	\$ (78,937)
Investment income	347	4,851	4,504
Miscellaneous	8,000	8,104	104
Proceeds from advance	260,400	260,400	-
Total revenues	2,610,247	2,535,918	(74,329)
EXPENSES			
Administration	321,357	294,552	26,805
Course maintenance/development	1,808,489	1,839,781	(31,292)
Total operations	2,129,846	2,134,333	(4,487)
Debt service	70,000	91,327	(21,327)
Capital outlay	347,852	69,422	278,430
Total expenses	2,547,698	2,295,082	252,616
Excess of revenues (under) expenses	\$ 62,549	240,836	\$ 178,287
RECONCILIATION TO NET INCOME (GAAP BASIS)			
Add: Additions to plant and equipment			
Capital outlay		69,422	
Principal payments capital leases		70,000	
		139,422	
Less: Depreciation		64,636	
Proceeds from advance		260,400	
		325,036	
Net income (GAAP basis)		\$ 55,222	

TELECOMMUNICATIONS ENTERPRISE FUND
SCHEDULE OF REVENUES AND EXPENSES -
BUDGET (LEGAL BASIS) AND ACTUAL
Year Ended December 31, 2011

	Budget	Actual	Variance From Budget
REVENUES			
Charges for services	\$ 234,140	\$ 282,208	\$ 48,068
Investment income	14,300	8,726	(5,574)
Miscellaneous	-	28,459	28,459
Aid to underground installation	77,250	10,774	(66,476)
Total revenues	325,690	330,167	4,477
EXPENSES			
Administration	296,174	147,344	148,830
Distribution	110,632	21,731	88,901
Total operations	406,806	169,075	237,731
Capital outlay	98,360	9,329	89,031
Total expenses	505,166	178,404	326,762
Excess of revenues over (under) expenses	\$ (179,476)	151,763	\$ 331,239
RECONCILIATION TO NET INCOME (GAAP BASIS)			
Add: Additions to plant and equipment			
Capital outlay		9,329	
Capitalized salaries		6,635	
			15,964
Less: Depreciation		56,191	
Net income (GAAP basis)		\$ 111,536	

AIRPORT ENTERPRISE FUND
SCHEDULE OF REVENUES AND EXPENSES -
BUDGET (LEGAL BASIS) AND ACTUAL
Year Ended December 31, 2011

	Budget	Actual	Variance From Budget
REVENUES			
Charges for services	\$ 214,115	\$ 220,441	\$ 6,326
Intergovernmental	295,131	176,824	(118,307)
Investment income	10,000	2,263	(7,737)
Miscellaneous	30,000	40,080	10,080
Total revenues	549,246	439,608	(109,638)
EXPENSES			
Administration	214,700	212,554	2,146
Maintenance	46,150	73,759	(27,609)
Total operations	260,850	286,313	(25,463)
Capital outlay	374,000	201,162	172,838
Total expenses	634,850	487,475	147,375
Excess of revenue over (under) expenses	\$ (85,604)	(47,867)	\$ 37,737
RECONCILIATION TO NET INCOME (GAAP BASIS)			
Add: Capital outlay		201,162	
Less: Depreciation		118,380	
Net income (GAAP basis)		\$ 34,915	

**MAJOR
ENTERPRISE FUNDS**

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

ELECTRIC ENTERPRISE FUND
SCHEDULE OF REVENUES AND EXPENSES -
BUDGET (LEGAL BASIS) AND ACTUAL
Year Ended December 31, 2011

	Budget	Actual	Variance From Budget
REVENUES			
Charges for services	\$ 55,105,000	\$ 53,838,044	\$ (1,266,956)
Intergovernmental	663,523	336,328	(327,195)
Investment income	131,000	27,355	(103,645)
Miscellaneous	76,000	156,964	80,964
Aid to underground installation	614,000	464,804	(149,196)
Other sales	45,000	86,921	41,921
Transfers in	39,330	45,173	5,843
Total revenues	56,673,853	54,955,589	(1,718,264)
EXPENSES			
Administration	5,228,296	4,388,700	839,596
Power purchased	39,331,197	39,680,959	(349,762)
Distribution	6,049,979	5,996,570	53,409
Franchise fee	4,418,080	4,272,556	145,524
Total operations	55,027,552	54,338,785	688,767
Capital outlay	2,301,063	1,160,291	1,140,772
Total expenses	57,328,615	55,499,076	1,829,539
Excess of revenues over (under) expenses	\$ (654,762)	(543,487)	\$ 111,275
RECONCILIATION TO NET INCOME (GAAP BASIS)			
Add: Additions to plant and equipment			
Capital outlay		1,160,291	
Capitalized salaries and expenses		593,685	
Capital contributions		72,642	
		1,826,618	
Equity in net income from Joint Venture		3,006,849	
		4,833,467	
Less: Depreciation		2,232,334	
Net income (GAAP basis)		\$ 2,057,646	

WATER ENTERPRISE FUND
SCHEDULE OF REVENUES AND EXPENSES -
BUDGET (LEGAL BASIS) AND ACTUAL
Year Ended December 31, 2011

	Budget	Actual	Variance From Budget
REVENUES			
Charges for services	\$ 13,127,696	\$ 13,247,962	\$ 120,266
System development fees	156,100	235,551	79,451
Development fee surcharge	72,900	127,920	55,020
Intergovernmental	120,000	325,386	205,386
Investment income - operating	374,500	240,299	(134,201)
Miscellaneous	16,500	93,043	76,543
Transfer in	-	8,075	8,075
Total revenues	13,867,696	14,278,236	410,540
EXPENSES			
Administration	3,539,655	3,268,541	271,114
Water resources	2,346,502	1,842,158	504,344
Transmission/distribution	1,911,523	1,840,650	70,873
Treatment plant	2,551,059	2,447,787	103,272
Total operations	10,348,739	9,399,136	949,603
Debt service	1,444,073	1,436,342	7,731
Capital outlay	11,129,406	4,039,868	7,089,538
Total expenses	22,922,218	14,875,346	8,046,872
Excess of revenue over (under) expenses	\$ (9,054,522)	(597,110)	\$ 8,457,412
RECONCILIATION TO NET INCOME (GAAP BASIS)			
Add: Additions to plant and equipment			
Capital outlay		4,039,868	
Capitalized salaries		194,863	
Capital contributions		7,557,217	
Principal payments on loans		961,909	
		12,753,857	
Less: Depreciation		3,749,349	
Net income (GAAP basis)		\$ 8,407,398	

SEWER ENTERPRISE FUND
SCHEDULE OF REVENUES AND EXPENSES -
BUDGET (LEGAL BASIS) AND ACTUAL
Year Ended December 31, 2011

	Budget	Actual	Variance From Budget
REVENUES			
Charges for services	\$ 8,519,000	\$ 8,240,989	\$ (278,011)
Intergovernmental	174,530	231,326	56,796
Investment income	78,500	73,240	(5,260)
Miscellaneous	6,500	5,457	(1,043)
Transfers in	462,156	462,156	-
Total revenues	9,240,686	9,013,168	(227,518)
EXPENSES			
Administration	2,296,827	2,155,243	141,584
Sewer collection system	1,136,331	859,123	277,208
Sewer disposal plant	3,574,255	3,280,828	293,427
Total operations	7,007,413	6,295,194	712,219
Debt service	1,070,693	1,084,836	(14,143)
Capital outlay	12,449,537	1,633,026	10,816,511
Total expenses	20,527,643	9,013,056	11,514,587
Excess of revenues over (under) expenses	\$ (11,286,957)	112	\$ 11,287,069
RECONCILIATION TO NET INCOME (GAAP BASIS)			
Add: Additions to plant and equipment			
Capital outlay		1,633,026	
Capitalized salaries		76,624	
Capital contributions		386,050	
Gain on asset disposal		8,373	
Capitalized interest		533,069	
		2,637,142	
Principal retired		483,579	
		3,120,721	
Less: Depreciation		2,320,436	
Net income (GAAP basis)		\$ 800,397	

STORM DRAINAGE ENTERPRISE FUND
SCHEDULE OF REVENUES AND EXPENSES -
BUDGET (LEGAL BASIS) AND ACTUAL
Year Ended December 31, 2011

	Budget	Actual	Variance From Budget
REVENUES			
Charges for services	\$ 3,440,000	\$ 3,395,622	\$ (44,378)
Plant investment fee	39,500	93,331	53,831
Intergovernmental	3,000,000	483,063	(2,516,937)
Investment income	148,500	30,573	(117,927)
Miscellaneous	30,000	48,175	18,175
Total revenues	6,658,000	4,050,764	(2,607,236)
EXPENSES			
Administration	660,104	576,405	83,699
Engineering	1,120,112	907,522	212,590
Maintenance	901,877	780,378	121,499
Total operations	2,682,093	2,264,305	417,788
Debt service	1,083,631	1,085,721	(2,090)
Capital outlay	10,238,257	1,719,918	8,518,339
Total expenses	14,003,981	5,069,944	8,934,037
Excess of revenues over (under) expenses	\$ (7,345,981)	(1,019,180)	\$ 6,326,801
RECONCILIATION TO NET INCOME (GAAP BASIS)			
Add: Additions to plant and equipment			
Capital outlay		1,719,918	
Capitalized salaries		41,714	
Capitalized interest		542,653	
Capital contributions		2,688,398	
		4,992,683	
Principal retired		530,000	
		5,522,683	
Less: Depreciation		1,126,588	
Net income (GAAP basis)		\$ 3,376,915	

CITY OF LONGMONT, COLORADO

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 city-wide costs related to vehicle purchases and fleet services. All departments using the fleet pay a fleet lease charge which is based on the actual usage of the department.
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 Fund	The Employee Benefit Fund was established to provide health insurance coverage for municipal employees, as well as to account for the cost of long-term disability and life insurance benefits provided to the City's employees.
Dental Trust Fund	The Dental Trust Fund was established to provide dental insurance coverage for municipal employees on a self-insured basis.
Workers' Compensation Insurance Fund	The Workers' Compensation Insurance Fund was established by City Council resolution to accumulate and expend funds for Workers Compensation Insurance premiums and to accumulate dividends received on such premiums.
Unemployment Insurance Fund	The Unemployment Insurance Fund was established to accumulate and expend funds for unemployment benefits paid by the State of Colorado.

CITY OF LONGMONT, COLORADO

COMBINING STATEMENT OF NET ASSETS
INTERNAL SERVICE FUNDS
Year Ended December 31, 2011

	Warehouse	Fleet	Self-Insurance
ASSETS			
Current assets:			
Equity in pooled cash & cash equivalents	\$ -	\$ 14,933,486	\$ 1,686,408
Loans receivable	-	5,352	-
Accrued interest receivable	-	43,616	4,921
Inventory of materials and supplies	2,126,619	427,625	-
Advance to other funds	-	1,558,127	-
Restricted equity in pooled cash & cash equivalents	-	-	-
Prepaid expenses	-	2,830,849	274,998
Total current assets	2,126,619	19,799,055	1,966,327
Net pension asset	-	79,220	-
Loan receivable-component unit	-	146,000	-
Property, plant and equipment:			
Land and water rights	-	47,767	-
Buildings	-	1,928,436	-
Improvements (other than buildings)	-	153,524	-
Equipment	-	35,521,113	-
Total property and equipment	-	37,650,840	-
Less - accumulated depreciation	-	27,629,754	-
Net property, plant and equipment	-	10,021,086	-
Total assets	\$ 2,126,619	\$ 30,045,361	\$ 1,966,327
LIABILITIES AND FUND EQUITY			
Current liabilities:			
Accounts payable	\$ 18,965	\$ 49,083	\$ 6,669
Accrued liabilities	-	24,324	-
Due to other funds	2,107,654	-	-
Claims payable - current portion	-	-	70,104
Accrued sick and vacation - current portion	-	8,250	-
Total current liabilities	2,126,619	81,657	76,773
Long-term liabilities:			
Net other post employment benefit obligation	-	3,915	-
Claims payable	-	-	138,882
Accrued sick and vacation	-	122,106	-
Net long-term liabilities	-	126,021	138,882
Total liabilities	2,126,619	207,678	215,655
Net assets:			
Invested in capital assets	-	10,021,086	-
Restricted for workers' compensation	-	-	-
Restricted for long-term disability	-	-	-
Unrestricted	-	19,816,597	1,750,672
Total net assets	-	29,837,683	1,750,672
Total liabilities and net assets	\$ 2,126,619	\$ 30,045,361	\$ 1,966,327

CITY OF LONGMONT, COLORADO

Statement E-1

Employee Benefit	Dental Trust	Workers' Compensation Insurance	Unemployment Insurance	TOTALS
\$ 5,206,120	\$ 363,367	\$ 2,682,135	\$ 44,895	\$ 24,916,411
-	-	-	-	5,352
14,040	1,034	9,738	106	73,455
-	-	-	-	2,554,244
-	-	-	-	1,558,127
-	-	561,000	-	561,000
6,000	-	59,839	-	3,171,686
5,226,160	364,401	3,312,712	45,001	32,840,275
-	-	-	-	79,220
-	-	-	-	146,000
-	-	-	-	47,767
-	-	-	-	1,928,436
-	-	-	-	153,524
-	-	-	-	35,521,113
-	-	-	-	37,650,840
-	-	-	-	27,629,754
-	-	-	-	10,021,086
\$ 5,226,160	\$ 364,401	\$ 3,312,712	\$ 45,001	\$ 43,086,581
\$ -	\$ 97,818	\$ 45,769	\$ 35,315	\$ 253,619
-	-	-	-	24,324
-	-	-	-	2,107,654
-	101,484	340,125	-	511,713
-	-	-	-	8,250
-	199,302	385,894	35,315	2,905,560
-	-	-	-	3,915
-	-	754,781	-	893,663
-	-	-	-	122,106
-	-	754,781	-	1,019,684
-	199,302	1,140,675	35,315	3,925,244
-	-	-	-	10,021,086
-	-	561,000	-	561,000
325,000	-	-	-	325,000
4,901,160	165,099	1,611,037	9,686	28,254,251
5,226,160	165,099	2,172,037	9,686	39,161,337
\$ 5,226,160	\$ 364,401	\$ 3,312,712	\$ 45,001	\$ 43,086,581

CITY OF LONGMONT, COLORADO

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
INTERNAL SERVICE FUNDS
Year Ended December 31, 2011

	Warehouse	Fleet	Self- Insurance
OPERATING REVENUES			
Charges for services	\$ -	\$ 7,358,663	\$ 900,000
Warehouse sales	916,293	-	-
Contributions	-	-	-
Total operating revenues	916,293	7,358,663	900,000
OPERATING EXPENSES			
Administration	-	-	91,332
Cost of sales/premiums	916,293	-	383,475
Fleet services	-	3,480,747	-
Depreciation	-	2,785,810	-
Administrative fees	-	218,341	109,719
Benefit payments	-	-	-
Claims	-	-	198,804
Total operating expenses	916,293	6,484,898	783,330
Operating income (loss)	-	873,765	116,670
NON-OPERATING REVENUES			
Investment income	-	179,466	18,179
Miscellaneous	-	21,280	1,014
Intergovernmental	-	70,000	-
Gain on disposal of assets	-	263,094	-
Net non-operating revenues	-	533,840	19,193
Income (loss) before transfers	-	1,407,605	135,863
TRANSFERS			
Transfers in	-	103,900	-
Transfers out	-	(27,842)	-
Change in net assets	-	1,483,663	135,863
TOTAL NET ASSETS-January 1	-	28,354,020	1,614,809
TOTAL NET ASSETS- December 31	\$ -	\$ 29,837,683	\$ 1,750,672

Employee Benefit	Dental Trust	Workers' Compensation Insurance	Unemployment Insurance	TOTALS
\$ 6,834,288	\$ 253,183	\$ 650,000	\$ 126,531	\$ 16,122,665
-	-	-	-	916,293
1,874,545	468,969	-	-	2,343,514
8,708,833	722,152	650,000	126,531	19,382,472
223,392	34,926	12,445	-	362,095
8,755,022	-	90,251	-	10,145,041
-	-	-	-	3,480,747
-	-	-	-	2,785,810
-	-	164,127	-	492,187
385,428	483	-	-	385,911
-	681,737	1,232,391	146,426	2,259,358
9,363,842	717,146	1,499,214	146,426	19,911,149
(655,009)	5,006	(849,214)	(19,895)	(528,677)
44,849	3,053	32,584	252	278,383
58,770	385	100	-	81,549
19,873	-	-	-	89,873
-	-	-	-	263,094
123,492	3,438	32,684	252	712,899
(531,517)	8,444	(816,530)	(19,643)	184,222
-	-	-	-	103,900
-	-	-	-	(27,842)
(531,517)	8,444	(816,530)	(19,643)	260,280
5,757,677	156,655	2,988,567	29,329	38,901,057
\$ 5,226,160	\$ 165,099	\$ 2,172,037	\$ 9,686	\$ 39,161,337

CITY OF LONGMONT, COLORADO

**COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
Year Ended December 31, 2011**

	Warehouse	Fleet	Self-Insurance
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers	\$ 916,293	\$ 7,379,943	\$ 901,014
Cash paid to suppliers	(916,293)	(2,568,197)	(576,559)
Cash paid to employees	-	(1,140,088)	-
Claims/Benefits paid	-	-	(561,494)
Net cash provided (used) by operating activities	-	3,671,658	(237,039)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES			
Repayment of advances	-	95,133	-
Advances to other funds	-	(180,800)	-
Loan to discretely presented component unit	-	(1,134,149)	-
Loan repayments from discretely presented component unit	-	1,134,149	-
Transfers out	-	(27,842)	-
Net cash (used) by non-capital financing activities	-	(113,509)	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition and construction of capital assets	-	(5,030,420)	-
Contributed capital received	-	70,000	-
Proceeds from sale of equipment	-	311,005	-
Net cash (used) by capital and related financing activities	-	(4,649,415)	-
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment income received	-	213,194	21,882
Net cash provided by investing activities	-	213,194	21,882
Net increase (decrease) in cash and cash equivalents	-	(878,072)	(215,157)
CASH AND CASH EQUIVALENTS - January 1	-	15,811,558	1,901,565
CASH AND CASH EQUIVALENTS - December 31	\$ -	\$ 14,933,486	\$ 1,686,408

Employee Benefit	Dental Trust	Workers' Compensation Insurance	Unemployment Insurance	TOTALS
\$ 8,787,476	\$ 727,705	\$ 650,100	\$ 126,531	\$ 19,489,062
(8,929,377)	(27,117)	(260,318)	-	(13,277,861)
-	-	-	-	(1,140,088)
(385,428)	(677,052)	(689,717)	(111,111)	(2,424,802)
(527,329)	23,536	(299,935)	15,420	2,646,311
-	-	-	-	95,133
-	-	-	-	(180,800)
-	-	-	-	(1,134,149)
-	-	-	-	1,134,149
-	-	-	-	(27,842)
-	-	-	-	(113,509)
-	-	-	-	(5,030,420)
-	-	-	-	70,000
-	-	-	-	311,005
-	-	-	-	(4,649,415)
55,717	3,447	38,746	243	333,229
55,717	3,447	38,746	243	333,229
(471,612)	26,983	(261,189)	15,663	(1,783,384)
5,677,732	336,384	3,504,324	29,232	27,260,795
\$ 5,206,120	\$ 363,367	\$ 3,243,135	\$ 44,895	\$ 25,477,411

(continued)

CITY OF LONGMONT, COLORADO

**COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
Year Ended December 31, 2011**

	Warehouse	Fleet	Self-Insurance
Reconciliation of net operation income (loss) to net cash provided (used) by operating activities			
Net operating income (loss)	\$ -	\$ 873,765	\$ 116,670
Adjustments to reconcile net operating income (loss) to net cash provided (used) by operating activities			
Depreciation	-	2,785,810	-
Miscellaneous income	-	21,280	1,014
Change in assets and liabilities:			
(Increase) decrease in inventory of materials and supplies	105,539	32,012	-
(Increase) decrease in loans receivable	-	(4,162)	-
(Increase) decrease in prepaid expenses	-	-	8,874
(Increase) decrease in net pension obligation	-	1,404	-
Increase (decrease) in accounts payable	(11,667)	(41,121)	(907)
Increase (decrease) in accrued liabilities	-	1,027	-
Increase (decrease) in due to other funds	(93,872)	-	-
Increase (decrease) in accrued sick and vacation - current portion	-	(4,983)	-
Increase (decrease) in claims payable - current portion	-	-	(362,690)
Increase (decrease) in net other post employment benefit obligation	-	(38)	-
Increase (decrease) in accrued sick and vacation - long-term portion	-	6,664	-
Total adjustments	-	2,797,893	(353,709)
Net cash provided (used) by operating activities	\$ -	\$ 3,671,658	\$ (237,039)
NON-CASH INVESTING, CAPITAL AND FINANCING ACTIVITIES			
The following non-cash transactions occurred during 2011:			
Transfer of assets from other funds	\$ -	\$ 103,900	\$ -
(Loss) on sale of assets	-	(47,911)	-

Employee Benefit	Dental Trust	Workers' Compensation Insurance	Unemployment Insurance	TOTALS
\$ (655,009)	\$ 5,006	\$ (849,214)	\$ (19,895)	\$ (528,677)
-	-	-	-	2,785,810
78,643	385	100	-	101,422
-	-	-	-	137,551
-	-	-	-	(4,162)
54,423	-	(5,731)	-	57,566
-	-	-	-	1,404
(5,386)	12,977	12,236	35,315	1,447
-	-	-	-	1,027
-	-	-	-	(93,872)
-	-	-	-	(4,983)
-	5,168	542,674	-	185,152
-	-	-	-	(38)
-	-	-	-	6,664
127,680	18,530	549,279	35,315	3,174,988
\$ (527,329)	\$ 23,536	\$ (299,935)	\$ 15,420	\$ 2,646,311
\$ -	\$ -	\$ -	\$ -	\$ 103,900
-	-	-	-	(47,911)

FLEET INTERNAL SERVICE FUND
SCHEDULE OF REVENUES AND EXPENSES -
BUDGET (LEGAL BASIS) AND ACTUAL
Year Ended December 31, 2011

	Budget	Actual	Variance From Final Budget
REVENUES			
Charges for services	\$ 7,358,663	\$ 7,358,663	\$ -
Investment income	250,000	179,466	(70,534)
Intergovernmental	-	70,000	70,000
Miscellaneous	-	21,280	21,280
Total revenues	7,608,663	7,629,409	20,746
EXPENSES			
Operations:			
Personal services	1,163,983	1,138,634	25,349
Operating & maintenance	2,448,399	2,560,454	(112,055)
Transfers out	1,157	27,842	(26,685)
Total operations	3,613,539	3,726,930	(113,391)
Capital outlay	6,402,579	2,199,571	4,203,008
Total expenses	10,016,118	5,926,501	4,089,617
Excess of revenues over (under) expenses	\$ (2,407,455)	1,702,908	\$ 4,110,363
RECONCILIATION TO NET INCOME (GAAP BASIS)			
Add: Additions to plant and equipment			
Capital outlay		2,199,571	
Property and equipment transferred from other funds		103,900	
Gain on disposal of assets		263,094	
		2,566,565	
Less: Depreciation		2,785,810	
Net income (GAAP basis)		\$ 1,483,663	

CITY OF LONGMONT, COLORADO

FIDUCIARY FUNDS

EMPLOYEE RETIREMENT PLANS

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

CITY OF LONGMONT, COLORADO

COMBINING STATEMENT OF NET ASSETS
FIDUCIARY FUNDS
December 31, 2011

Statement F-1

	Employee Retirement Plans				Total Fiduciary Funds
	Employee Pension	Fire Pension	Police Pension	OPEB Trust	
ASSETS					
Equity in pooled cash & cash equivalents	\$ 96,141	\$ 7,822	\$ 6,767	\$ -	\$ 110,730
Cash and cash equivalents	1,927,093	56,384	34,521	608,806	2,626,804
Investments					
Common Stock	62,016,605	1,814,519	1,110,924	-	64,942,048
Mutual funds	35,489,570	1,038,375	635,737	-	37,163,682
Total Assets	\$ 99,529,409	\$ 2,917,100	\$ 1,787,949	\$ 608,806	\$ 104,843,264
LIABILITIES					
Accounts payable	\$ 58,008	\$ 1,991	\$ 1,388	\$ -	\$ 61,387
Total Liabilities	58,008	1,991	1,388	-	61,387
NET ASSETS					
Held in trust for pension and OPEB benefits	\$ 99,471,401	\$ 2,915,109	\$ 1,786,561	\$ 608,806	\$ 104,781,877

**COMBINING STATEMENT OF CHANGES IN NET ASSETS
FIDUCIARY FUNDS
For the Year Ended December 31, 2011**

	<u>Employee Retirement Plans</u>				<u>Total Fiduciary Funds</u>
	<u>Employee Pension</u>	<u>Fire Pension</u>	<u>Police Pension</u>	<u>OPEB Trust</u>	
ADDITIONS					
Contributions					
Employer	\$ 1,929,254	\$ 105,140	\$ 24,080	\$ 236,180	\$ 2,294,654
Plan members	1,607,695	2,432	-	-	1,610,127
Total Contributions	3,536,949	107,572	24,080	236,180	3,904,781
Investment income					
Net depreciation in fair value of investments	(4,309,120)	(126,299)	(77,725)	-	(4,513,144)
Interest	2,398,026	71,694	44,828	40	2,514,588
Dividends	473,328	14,108	8,815	-	496,251
Less investment expense	(323,986)	(15,699)	(9,092)	-	(348,777)
Net investment gain (loss)	(1,761,752)	(56,196)	(33,174)	40	(1,851,082)
Total additions	1,775,197	51,376	(9,094)	236,220	2,053,699
DEDUCTIONS					
Benefits	3,805,541	246,870	192,635	-	4,245,046
Refunds of contributions	86,010	-	-	-	86,010
Administrative expense	36,426	1,192	764	731	39,113
Total deductions	3,927,977	248,062	193,399	731	4,370,169
Net increase (decrease)	(2,152,780)	(196,686)	(202,493)	235,489	(2,316,470)
NET ASSETS HELD IN TRUST FOR					
PENSION AND OPEB BENEFITS, January 1	101,624,181	3,111,795	1,989,054	373,317	107,098,347
December 31	\$ 99,471,401	\$ 2,915,109	\$ 1,786,561	\$ 608,806	\$ 104,781,877



DOWNTOWN DEVELOPMENT AUTHORITY COMPONENT UNIT

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

**DOWNTOWN DEVELOPMENT AUTHORITY COMPONENT UNIT
COMBINING BALANCE SHEET
December 31, 2011**

	Special Revenue		Debt Service		Capital Projects		Totals
ASSETS							
Equity in pooled cash & cash equivalents	\$ 2,106,079	\$	\$ 3,917,151	\$	\$ 2,176,670	\$	\$ 8,199,900
Cash and cash equivalents	43,141		-		-		43,141
Receivables (net of allowance for uncollectibles):							
Taxes	134,925		1,029,000		-		1,163,925
Loans	1,000		-		-		1,000
Accrued interest	6,567		11,704		6,532		24,803
Due from other governments	505		-		-		505
Prepaid expenditures	5,414		-		-		5,414
Total Assets	\$ 2,297,631	\$	\$ 4,957,855	\$	\$ 2,183,202	\$	\$ 9,438,688
LIABILITIES							
Accounts payable	\$ 4,505	\$	\$ -	\$	\$ 668	\$	\$ 5,173
Accrued liabilities	4,321		-		-		4,321
Deferred revenue	134,925		1,029,000		-		1,163,925
Total liabilities	143,751		1,029,000		668		1,173,419
FUND BALANCES							
Fund balances:							
Nonspendable	6,414		-		-		6,414
Restricted	27,672		32,120		57,822		117,614
Committed	1,975,824		3,896,735		2,124,712		7,997,271
Unassigned	143,970		-		-		143,970
Total fund balance	2,153,880		3,928,855		2,182,534		8,265,269
Total liabilities and fund balance	\$ 2,297,631	\$	\$ 4,957,855	\$	\$ 2,183,202		

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	1,490,753
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds	(11,521)
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 assets of component unit	\$ <u>9,598,501</u>

DOWNTOWN DEVELOPMENT AUTHORITY COMPONENT UNIT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-
Year Ended December 31, 2011

	Special Revenue	Debt Service	Capital Projects	Totals
REVENUES				
Taxes	\$ 147,354	\$ 1,086,620	-	\$ 1,233,974
Investment income	17,516	44,481	11,651	73,648
Charges for service	76,520	-	-	76,520
Miscellaneous	36,194	-	-	36,194
Total revenues	277,584	1,131,101	11,651	1,420,336
EXPENDITURES				
Current:				
General government	431,937	-	181,175	613,112
Debt service:				
Principal retired	-	2,502,149	-	2,502,149
Interest and fiscal charges	-	4,166	-	4,166
Total expenditures	431,937	2,506,315	181,175	3,119,427
Excess of revenues (under) expenditures	(154,353)	(1,375,214)	(169,524)	(1,699,091)
OTHER FINANCING SOURCES (USES)				
Issuance of debt	586,416	-	1,915,733	2,502,149
Transfers in	62,923	-	-	62,923
Transfers out	(2,500)	(60,423)	-	(62,923)
Total other financing sources (uses)	646,839	(60,423)	1,915,733	2,502,149
Net changes in fund balances	492,486	(1,435,637)	1,746,209	803,058
FUND BALANCES, January 1	1,661,394	5,364,492	436,325	7,462,211
FUND BALANCE, December 31	\$ 2,153,880	\$ 3,928,855	2,182,534	\$ 8,265,269

Net change in fund balance -component unit	\$ 803,058
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures.	
However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	
This is the amount by which depreciation exceeded capital outlays in the current period.	(59,493)
The issuance of debt provides current financial resources to governmental funds, while the repayment of the principal of debt consumes current financial resources of the governmental funds. Neither transaction has any effect on net assets.	
Loan proceeds	2,502,149
Principal repayments on loans	<u>(2,502,149)</u>
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.	<u>(6,868)</u>
Change in net assets of component unit activities	\$ <u>736,697</u>

CITY OF LONGMONT, COLORADO

Statement G-3

**DOWNTOWN DEVELOPMENT AUTHORITY COMPONENT UNIT
COMBINING BALANCE SHEET
SPECIAL REVENUE FUNDS
Year Ended December 31, 2011**

	Downtown Development Authority	Downtown Development Bldg Permit	Downtown Development CDBG Grant	Downtown Development Marketing	Downtown Development Façade Improvement	Art and Entertainment	Totals
ASSETS							
Equity in pooled cash & cash equivalents	\$ 155,119	\$ 40,842	\$ -	\$ 187,418	\$ 1,289,510	\$ 433,190	\$ 2,106,079
Cash and cash equivalents	-	-	28,809	14,332	-	-	43,141
Receivables (net of allowance for uncollectibles):							
Taxes	134,925	-	-	-	-	-	134,925
Loans	-	-	1,000	-	-	-	1,000
Accrued interest	518	132	-	616	3,995	1,306	6,567
Due from other governments	505	-	-	-	-	-	505
Prepaid expenditures	5,414	-	-	-	-	-	5,414
Total assets	\$ 296,481	\$ 40,974	\$ 29,809	\$ 202,366	\$ 1,293,505	\$ 434,496	\$ 2,297,631
LIABILITIES							
Accounts payable	\$ 1,631	\$ -	\$ -	\$ 2,874	\$ -	\$ -	\$ 4,505
Accrued Liabilities	2,201	-	-	1,179	-	941	4,321
Deferred revenue	134,925	-	-	-	-	-	134,925
Total liabilities	138,757	-	-	4,053	-	941	143,751
FUND BALANCE							
Fund balances:							
Nonspendable	5,414	-	1,000	-	-	-	6,414
Restricted	8,340	478	-	5,247	382	13,225	27,672
Committed	-	40,496	28,809	193,066	1,293,123	420,330	1,975,824
Unassigned	143,970	-	-	-	-	-	143,970
Total fund balance	157,724	40,974	29,809	198,313	1,293,505	433,555	2,153,880
Total liabilities and fund balance	\$ 296,481	\$ 40,974	\$ 29,809	\$ 202,366	\$ 1,293,505	\$ 434,496	\$ 2,297,631

DOWNTOWN DEVELOPMENT AUTHORITY COMPONENT UNIT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-
SPECIAL REVENUE FUNDS
Year Ended December 31, 2011

	Downtown Development Authority	Downtown Development Bldg Permit	Downtown Development CDBG Grant	Downtown Development Marketing	Downtown Development Façade Improvement	Art and Entertainment	Totals
REVENUES							
Taxes	\$ 147,354	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 147,354
Investment income	2,026	413	17	1,928	12,724	408	17,516
Charges for service	58,497	18,023	-	-	-	-	76,520
Miscellaneous	9,215	-	-	26,979	-	-	36,194
Total revenues	217,092	18,436	17	28,907	12,724	408	277,584
EXPENDITURES							
General Governmental	256,817	13,860	8,754	101,987	43,250	7,269	431,937
Excess of revenues over (under) expenditures	(39,725)	4,576	(8,737)	(73,080)	(30,526)	(6,861)	(154,353)
OTHER FINANCING SOURCES (USES)							
Issuance of debt	-	-	-	146,000	-	440,416	586,416
Transfers in	62,923	-	-	-	-	-	62,923
Transfers out	-	(2,500)	-	-	-	-	(2,500)
Total other financing sources (uses)	62,923	(2,500)	-	146,000	-	440,416	646,839
Net changes in fund balances	23,198	2,076	(8,737)	72,920	(30,526)	433,555	492,486
FUND BALANCES, January 1	134,526	38,898	38,546	125,393	1,324,031	-	1,661,394
FUND BALANCES, December 31	\$ 157,724	\$ 40,974	\$ 29,809	\$ 198,313	\$ 1,293,505	\$ 433,555	\$ 2,153,880

**DOWNTOWN DEVELOPMENT AUTHORITY COMPONENT UNIT
DOWNTOWN DEVELOPMENT AUTHORITY SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-
BUDGET (GAAP BASIS) AND ACTUAL
Year Ended December 31, 2011**

	Budget	Actual	Variance From Final Budget
REVENUES			
Taxes	\$ 150,670	\$ 147,354	\$ (3,316)
Investment income	2,500	2,026	(474)
Charges for service	58,497	58,497	-
Miscellaneous	7,215	9,215	2,000
Total revenues	218,882	217,092	(1,790)
EXPENDITURES			
General government	281,937	256,817	25,120
Excess of revenues over (under) expenditures	(63,055)	(39,725)	23,330
OTHER FINANCING SOURCES			
Transfers in	62,923	62,923	-
Net changes in fund balances	(132)	23,198	23,330
FUND BALANCE, January 1	134,526	134,526	-
FUND BALANCE, December 31	\$ 134,394	\$ 157,724	\$ 23,330

**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, 2011**

	Budget	Actual	Variance From Final Budget
REVENUES			
Investment income	\$ -	\$ 413	\$ 413
Charges for service	20,000	18,023	(1,977)
Total revenues	20,000	18,436	(1,564)
EXPENDITURES			
General government	20,000	13,860	6,140
Excess of revenues over expenditures	-	4,576	4,576
OTHER FINANCING USES			
Transfers out	(2,500)	(2,500)	-
Net changes in fund balances	(2,500)	2,076	4,576
FUND BALANCE, January 1	38,898	38,898	-
FUND BALANCE, December 31	\$ 36,398	\$ 40,974	\$ 4,576

CITY OF LONGMONT, COLORADO

Schedule G-7

**DOWNTOWN DEVELOPMENT AUTHORITY COMPONENT UNIT
CDBG GRANT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-
BUDGET (GAAP BASIS) AND ACTUAL
Year Ended December 31, 2011**

	Budget	Actual	Variance From Final Budget
REVENUES			
Investment income	\$ -	\$ 17	\$ 17
Miscellaneous income	-	1,000	1,000
Total revenues	-	1,017	1,017
EXPENDITURES			
General government	8,754	8,754	-
Excess of revenues over (under) expenditures	(8,754)	(7,737)	1,017
FUND BALANCE, January 1	38,546	38,546	-
FUND BALANCE, December 31	\$ 29,792	30,809	\$ 1,017
Reconciliation to GAAP Basis			
		(1,000)	
		<u>\$ 29,809</u>	

**DOWNTOWN DEVELOPMENT AUTHORITY COMPONENT UNIT
MARKETING SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-
BUDGET (GAAP BASIS) AND ACTUAL
Year Ended December 31, 2011**

	Budget	Actual	Variance From Final Budget
REVENUES			
Investment income	\$ -	\$ 1,928	\$ 1,928.00
Miscellaneous income	-	26,979	26,979
Total revenues	-	28,907	28,907
EXPENDITURES			
General government	241,412	101,987	139,425
Excess of revenues (under) expenditures	(241,412)	(73,080)	168,332
OTHER FINANCING SOURCES			
Issuance of debt	146,000	146,000	-
Net changes in fund balances	(95,412)	72,920	168,332
FUND BALANCE, January 1	125,393	125,393	-
FUND BALANCE, December 31	\$ 29,981	\$ 198,313	\$ 168,332

CITY OF LONGMONT, COLORADO

DOWNTOWN DEVELOPMENT AUTHORITY COMPONENT UNIT
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-
BUDGET (GAAP BASIS) AND ACTUAL
Year Ended December 31, 2011

Schedule G-9

	Budget	Actual	Variance From Final Budget
REVENUES			
Taxes	\$ 1,096,499	\$ 1,086,620	\$ (9,879)
Investment income	60,423	44,481	(15,942)
Total revenues	1,156,922	1,131,101	(25,821)
EXPENDITURES			
Principal retired	3,602,149	2,502,149	1,100,000
Interest and fiscal charges	8,500	4,166	4,334
Total expenditures	3,610,649	2,506,315	1,104,334
Excess of revenues over (under) expenditures	(2,453,727)	(1,375,214)	1,078,513
OTHER FINANCING USES			
Transfers out	(60,423)	(60,423)	-
Net changes in fund balances	(2,514,150)	(1,435,637)	1,078,513
FUND BALANCE, January 1	5,364,492	5,364,492	-
FUND BALANCE, December 31	\$ 2,850,342	\$ 3,928,855	\$ 1,078,513

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, 2011

	Budget	Actual	Variance From Final Budget
REVENUES			
Investment income	-	11,651	11,651
Total revenues	-	11,651	11,651
EXPENDITURES			
General government	3,417,347	181,175	3,236,172
Excess of revenues (under) expenditures	(3,417,347)	(169,524)	3,247,823
OTHER FINANCING SOURCES			
Issuance of debt	3,015,733	1,915,733	(1,100,000)
Net changes in fund balances	(401,614)	1,746,209	2,147,823
FUND BALANCE, January 1	436,325	436,325	-
FUND BALANCE, December 31	\$ 34,711	\$ 2,182,534	\$ 2,147,823

CITY OF LONGMONT, COLORADO

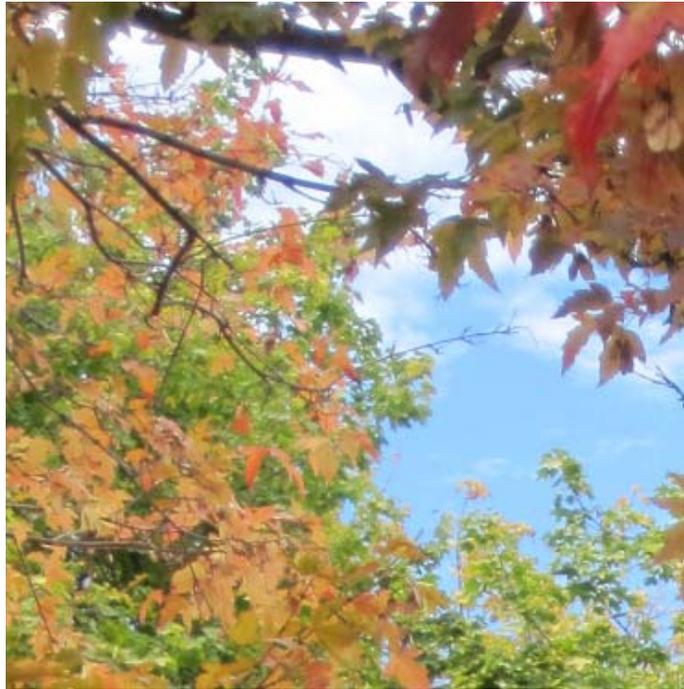
DOWNTOWN DEVELOPMENT AUTHORITY COMPONENT UNIT
FAÇADE IMPROVEMENT PROGRAM
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL
Year Ended December 31, 2011

Schedule G-11

	Budget	Actual	Variance From Final Budget
REVENUES			
Investment income	\$ -	\$ 12,724	\$ 12,724
Total revenues	-	12,724	12,724
EXPENDITURES			
General government	1,300,000	43,250	1,256,750
Excess of revenues over (under) expenditures	(1,300,000)	(30,526)	1,269,474
FUND BALANCE, January 1	1,324,031	1,324,031	-
FUND BALANCE, December 31	\$ 24,031	\$ 1,293,505	\$ 1,269,474

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, 2011

	Budget	Actual	Variance From Final Budget
REVENUES			
Investment income	\$ -	\$ 408	\$ 408
Total revenues	-	408	408
EXPENDITURES			
General government	440,416	7,269	433,147
Excess of revenues over (under) expenditures	(440,416)	(6,861)	433,555
OTHER FINANCING SOURCES			
Issuance of debt	440,416	440,416	-
Net changes in fund balances	-	433,555	433,555
FUND BALANCE, January 1	-	-	-
FUND BALANCE, December 31	\$ -	\$ 433,555	\$ 433,555



CITY OF LONGMONT, COLORADO

Statistical Section

Index

December 31, 2011

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

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CITY OF LONGMONT, COLORADO

Schedule 1
Net Assets by Component
Last Ten Fiscal Years

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Governmental activities										
Invested in capital assets, net of related debt	\$ 86,465,403	\$ 111,240,038	\$ 123,623,956	\$ 148,413,953	\$ 247,224,992	\$ 255,023,291	\$ 258,841,455	\$ 268,747,804	\$ 270,362,692	\$ 275,902,207
Restricted	70,873,929	81,597,725	67,882,305	63,777,532	58,618,824	63,286,507	67,045,402	56,858,647	66,741,761	69,059,013
Unrestricted	27,931,280	27,212,861	42,029,436	37,239,063	40,803,801	41,253,598	36,524,738	40,365,372	32,146,885	30,916,114
Total governmental activities net assets	\$ 185,290,612	\$ 220,050,624	\$ 233,535,697	\$ 249,430,568	\$ 346,647,617	\$ 359,553,796	\$ 362,411,595	\$ 365,971,823	\$ 369,271,338	\$ 375,877,334
Business-type activities										
Invested in capital assets, net of related debt	\$ 343,197,163	\$ 359,632,946	\$ 418,102,319	\$ 443,854,331	\$ 467,130,355	\$ 481,553,714	\$ 489,038,783	\$ 493,511,315	\$ 507,056,869	\$ 521,558,060
Restricted	1,654,893	1,492,606	-	-	-	-	-	9,167,995	18,817,163	19,421,825
Unrestricted	141,767,806	144,473,371	134,599,512	138,212,150	148,894,983	161,368,686	167,593,678	157,873,139	146,541,477	145,887,387
Total business-type activities net assets	\$ 486,619,862	\$ 505,598,923	\$ 552,701,831	\$ 582,066,481	\$ 606,025,338	\$ 642,932,400	\$ 656,632,461	\$ 660,552,449	\$ 672,415,509	\$ 686,867,272
Primary government										
Invested in capital assets, net of related debt	\$ 429,682,566	\$ 470,872,984	\$ 541,726,275	\$ 592,268,284	\$ 704,355,347	\$ 736,587,005	\$ 747,880,238	\$ 762,259,119	\$ 777,439,561	\$ 797,460,267
Restricted	72,528,822	83,090,331	67,882,305	63,777,532	58,618,824	63,286,507	67,045,402	66,026,642	85,558,924	88,480,838
Unrestricted	169,699,086	171,686,232	176,628,948	175,451,233	189,698,784	202,622,284	204,118,416	196,238,511	178,688,362	176,803,501
Total primary government net assets	\$ 671,910,474	\$ 725,649,547	\$ 786,237,528	\$ 831,497,049	\$ 952,672,955	\$ 1,002,496,196	\$ 1,019,044,066	\$ 1,026,524,272	\$ 1,041,686,847	\$ 1,062,744,606

CITY OF LONGMONT, COLORADO

Schedule 2
Changes in Net Assets
Last Ten Fiscal Years

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Expenses										
Governmental activities:										
General Government	\$ 13,826,047	\$ 16,275,148	\$ 15,989,850	\$ 20,131,649	\$ 20,551,339	\$ 20,762,868	\$ 25,433,222	\$ 18,772,527	\$ 21,237,772	\$ 24,377,612
Public Safety	23,151,989	23,106,212	25,588,323	26,222,421	26,798,046	29,163,736	31,049,011	32,842,216	33,562,076	35,173,865
Highways & Streets	7,033,404	7,161,663	8,011,189	8,783,006	14,130,933	15,006,093	14,947,947	17,180,057	14,191,614	14,171,432
Culture & Recreation	16,477,631	13,572,292	13,935,439	13,240,484	14,838,299	15,884,722	15,665,711	16,073,099	16,138,524	15,484,551
Municipal utilities systems	12,302,068	11,680,138	82,017	48,463	37,904	117,429	100,345	174,499	82,033	105,992
Interest and Fiscal charges on long-term debt	2,786,784	2,491,067	2,401,411	2,305,764	1,794,986	2,001,277	1,949,198	2,302,996	1,542,188	2,153,318
Total governmental activities expenses	75,577,923	74,286,520	66,008,229	70,731,787	78,151,507	82,936,125	89,145,434	87,345,394	86,754,207	91,466,770
Business-type activities:										
Sanitation	4,136,415	4,312,219	4,313,129	4,473,264	4,174,022	4,899,295	5,500,624	5,358,336	5,713,703	5,683,344
Golf	2,317,715	2,318,128	2,249,257	2,309,298	2,319,540	2,255,648	2,286,369	2,185,459	2,084,456	2,188,918
Electric	37,806,930	38,152,716	39,389,771	42,991,724	44,074,244	45,154,130	46,779,652	47,780,116	51,614,473	55,928,077
Telecommunications	298,563	187,728	124,511	134,042	169,813	151,499	166,219	164,129	194,834	218,722
Water	8,590,670	8,379,036	9,598,975	10,626,323	11,137,061	12,149,962	12,799,254	12,975,167	12,648,106	13,417,307
Sewer	7,547,988	7,909,764	7,769,910	8,188,895	8,667,832	8,496,031	8,277,407	8,368,101	8,690,949	8,625,100
Storm Drainage	1,775,375	2,045,132	2,249,522	2,350,367	2,247,699	2,362,745	2,533,933	3,085,889	3,134,594	3,334,858
Airport	198,806	183,269	184,226	182,631	220,414	242,715	291,899	328,375	400,939	405,307
Total business-type activities expenses	62,672,462	63,487,992	65,859,301	71,256,544	73,010,625	75,712,025	78,635,357	80,245,572	84,482,054	89,801,633
Total primary government expenses	\$138,250,385	\$137,774,512	\$131,867,530	\$141,988,331	\$151,162,132	\$158,648,150	\$167,780,791	\$167,590,966	\$171,236,261	\$ 181,268,403
Program Revenues										
Governmental activities:										
Charges for services										
General Government	\$ 9,715,334	\$ 6,827,962	\$ 7,164,893	\$ 7,858,329	\$ 7,096,710	\$ 6,700,035	\$ 6,993,588	\$ 6,965,851	\$ 8,324,058	\$ 8,342,658
Public Safety	2,305,980	1,949,078	2,280,880	2,081,467	1,629,177	1,448,170	1,297,757	1,039,975	1,223,119	1,266,512
Highways & Streets	1,338,290	1,746,304	1,802,076	2,424,507	1,823,874	771,687	706,732	649,631	620,595	785,188
Culture & Recreation	5,742,811	6,646,925	6,416,227	5,501,639	5,162,614	4,097,691	4,681,964	5,171,304	5,947,012	6,032,378
Operating grants and contributions	4,076,412	4,048,082	3,938,769	4,161,124	5,313,124	7,425,910	5,147,423	5,770,130	5,051,949	6,845,819
Capital grants and contributions	15,586,003	12,335,306	14,810,816	12,979,256	7,794,399	7,637,432	3,495,473	7,124,956	5,177,181	4,793,222
Total governmental activities program revenues	38,764,830	33,553,657	36,413,661	35,006,322	28,819,898	28,080,925	22,322,937	26,721,847	26,343,914	28,065,777
Business-type activities:										
Charges for services										
Sanitation	4,531,109	4,805,494	4,970,800	4,948,672	5,027,391	5,116,877	5,169,059	5,105,311	5,265,217	5,235,308
Golf	2,636,283	2,508,972	2,506,758	2,575,147	2,543,686	2,581,174	2,597,381	2,460,988	2,220,975	2,262,563
Electric	36,468,469	36,884,953	38,468,690	41,645,194	44,045,475	44,952,976	44,201,753	44,547,396	49,487,659	53,924,965
Telecommunications	966,241	89,967	91,871	100,026	175,361	144,884	216,387	238,663	293,519	282,208
Water	13,291,053	12,846,966	12,758,043	13,353,146	14,539,286	14,185,321	13,748,106	11,936,337	12,757,083	13,247,962
Sewer	8,105,088	7,272,579	7,304,093	7,249,569	7,446,278	7,174,708	7,121,233	7,352,469	7,846,470	8,249,362
Storm Drainage	2,182,586	2,246,718	2,303,680	2,476,672	3,043,207	3,398,017	3,434,723	3,469,114	3,420,656	3,395,622
Airport	174,049	157,046	200,118	184,217	197,537	238,652	251,284	251,376	239,006	220,441
Operating grants and contributions	134,714	174,998	122,895	138,296	567,576	458,608	327,993	547,269	513,732	1,406,669
Capital grants and contributions	34,594,683	33,348,142	22,888,715	16,990,141	14,147,803	27,666,764	8,740,582	6,394,173	8,962,852	14,473,936
Total business-type activities program revenues	103,084,275	100,335,835	91,615,663	89,661,080	91,733,600	105,917,981	85,808,501	82,303,096	91,007,169	102,699,036
Total primary government program revenues	\$141,849,105	\$133,889,492	\$128,029,324	\$124,667,402	\$120,553,498	\$133,998,906	\$108,131,438	\$109,024,943	\$117,351,083	\$ 130,764,813
Net (Expenses)/Revenue										
Governmental activities	\$ (36,813,093)	\$ (40,732,863)	\$ (29,594,568)	\$ (35,725,465)	\$ (49,331,609)	\$ (54,855,200)	\$ (66,822,497)	\$ (60,623,547)	\$ (60,410,293)	\$ (63,400,993)
Business-type activities	40,411,813	36,847,843	25,756,362	18,404,536	18,722,975	30,205,956	7,173,144	2,057,524	6,525,115	12,897,403
Total primary government net expense	\$ 3,598,720	\$ (3,885,020)	\$ (3,838,206)	\$ (17,320,929)	\$ (30,608,634)	\$ (24,649,244)	\$ (59,649,353)	\$ (58,566,023)	\$ (53,885,178)	\$ (50,503,590)
General Revenues and Other Changes in Net Assets										
Governmental activities:										
Taxes										
Property taxes	\$ 12,336,001	\$ 12,670,126	\$ 13,777,149	\$ 14,042,775	\$ 14,139,391	\$ 14,578,798	\$ 15,493,699	\$ 15,539,641	\$ 15,357,141	\$ 15,280,446
General government sales and use taxes	20,365,611	20,858,864	22,905,289	23,181,626	23,798,827	24,252,480	24,207,871	22,751,072	23,640,672	24,562,915
Public improvement sales and use taxes	4,911,004	4,716,398	4,022,853	4,090,876	4,199,793	4,279,848	3,952,522	3,316,107	3,581,110	4,261,032
Streets sales and use taxes	9,478,730	9,590,725	10,098,053	10,227,189	10,499,482	10,699,626	10,560,147	9,775,192	10,208,168	10,808,980
Open space sales and use taxes	2,527,661	2,557,525	2,692,816	2,727,251	2,799,862	2,853,231	2,816,040	2,606,718	2,722,178	2,882,395
Public safety sales and use taxes	-	-	-	-	-	4,635,144	4,576,063	4,235,917	4,423,539	4,683,891
Lodgers taxes	-	-	-	-	-	-	307,877	244,527	263,041	257,566
Cigarette taxes	225,585	225,070	244,940	205,507	218,365	212,223	199,546	185,093	185,916	180,436
Franchise taxes	3,873,470	4,004,414	4,193,477	4,563,829	4,731,940	4,831,536	4,849,024	5,269,452	6,314,911	6,677,207
Investment income	3,425,138	1,712,056	1,456,920	2,592,970	5,144,710	6,584,535	6,369,843	1,526,527	1,241,858	1,150,812
Miscellaneous	7,705	31,533	7,432	2,123	1,928	5,062	57,837	16,433	19,354	21,280
Transfers	551,672	19,126,164	(19,249,329)	(10,013,810)	(3,560,154)	(4,004,935)	(3,720,173)	(1,282,904)	(4,248,080)	(759,971)
Total governmental activities	57,702,577	75,492,875	40,149,600	51,620,336	61,974,144	68,927,548	69,670,296	64,183,775	63,709,808	70,006,989
Business-type activities:										
Miscellaneous	-	-	-	-	-	-	-	-	589,572	379,225
Investment income	1,276,095	685,257	794,749	946,304	1,675,728	2,696,171	2,806,744	579,560	500,293	415,164
Transfers	(551,672)	(19,126,164)	19,249,329	10,013,810	3,560,154	4,004,935	3,720,173	1,282,904	4,248,080	759,971
Special item-gain on release of landfill of landfill liability	-	572,125	-	-	-	-	-	-	-	-
Total business-type activities	724,423	(17,868,782)	20,044,078	10,960,114	5,235,882	6,701,106	6,526,917	1,862,464	5,337,945	1,554,360
Total primary government	\$ 58,427,000	\$ 57,624,093	\$ 60,193,678	\$ 62,580,450	\$ 67,210,026	\$ 75,628,654	\$ 76,197,213	\$ 66,046,239	\$ 69,047,753	\$ 71,561,349
Change in Net Assets										
Governmental activities	\$ 20,889,484	\$ 34,760,012	\$ 10,555,032	\$ 15,894,871	\$ 12,642,535	\$ 14,072,348	\$ 2,847,799	\$ 3,560,228	\$ 3,299,515	\$ 6,605,996
Business-type activities	41,136,236	18,979,061	45,800,440	29,364,650	23,958,857	36,907,062	13,700,061	3,919,988	11,863,060	14,451,763
Total primary government	\$ 62,025,720	\$ 53,739,073	\$ 56,355,472	\$ 45,259,521	\$ 36,601,392	\$ 50,979,410	\$ 16,547,860	\$ 7,480,216	\$ 15,162,575	\$ 21,057,759

**Schedule 3
Fund Balances, Governmental Funds
Last Ten Fiscal Years**

General Fund	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 211,490	\$ 161,082
Restricted	-	-	-	-	-	-	-	-	3,436,907	3,025,111
Committed	-	-	-	-	-	-	-	-	4,698,499	4,978,762
Assigned	-	-	-	-	-	-	-	-	995,711	853,145
Unassigned	-	-	-	-	-	-	-	-	5,858,268	5,884,527
Reserved	4,079,941	4,202,216	4,928,473	4,807,671	4,337,821	4,506,632	5,095,369	4,075,650	-	-
Unreserved	9,528,075	9,373,519	9,574,336	9,092,258	7,397,972	7,476,103	6,568,529	8,065,091	-	-
Total general fund	\$13,608,016	\$13,575,735	\$14,502,809	\$13,899,929	\$11,735,793	\$11,982,735	\$11,663,898	\$12,140,741	\$15,200,875	\$ 14,902,627
All Other Governmental Funds										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 48,596	\$ 58,461
Restricted	-	-	-	-	-	-	-	-	62,458,573	66,036,493
Committed	-	-	-	-	-	-	-	-	3,528,546	2,748,623
Reserved	37,666,860	39,407,175	27,930,909	35,808,584	37,698,742	32,353,892	32,476,928	26,385,055	-	-
Unreserved, reported in:										
Special revenue funds	29,450,684	37,848,506	35,276,952	20,987,322	20,583,382	31,070,480	30,664,909	27,193,080	-	-
Capital projects funds	5,474,228	6,614,687	8,095,410	8,222,365	5,957,055	4,889,877	4,967,815	4,033,587	-	-
Total all other governmental funds	\$72,591,772	\$83,870,368	\$71,303,271	\$65,018,271	\$64,239,179	\$68,314,249	\$68,109,652	\$57,611,722	\$66,035,715	\$ 68,843,577

(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.

CITY OF LONGMONT, COLORADO

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

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Revenues										
Taxes	\$ 53,718,062	\$ 54,623,122	\$ 57,934,577	\$ 59,039,053	\$ 60,387,660	\$ 66,342,886	\$ 66,962,789	\$ 63,923,719	\$ 66,696,676	\$ 69,594,868
Licenses and permits	14,176,082	11,688,274	12,034,982	11,480,669	6,461,681	6,319,585	2,785,437	1,519,378	3,149,131	2,852,843
Developer/owner participation	971,363	1,987,336	3,050,303	1,116,032	1,434,799	2,032,823	629,496	2,533,001	1,143,047	634,951
Intergovernmental	4,879,111	4,834,217	6,591,580	6,459,758	7,592,786	7,613,336	5,649,691	7,530,226	5,354,292	9,658,445
Charges for services	9,366,109	9,735,558	10,207,341	10,542,033	10,863,269	10,386,406	10,572,260	10,914,591	13,070,916	12,749,635
Fines and forfeits	654,306	672,075	643,519	721,163	755,870	796,912	1,140,815	1,479,993	1,551,177	1,461,305
Investment income	3,012,980	1,486,881	1,248,166	2,097,944	3,948,365	5,019,535	4,899,613	1,148,839	915,661	872,429
Other Revenues	1,396,161	1,205,751	2,366,467	666,012	1,133,657	756,318	1,260,921	862,381	756,224	1,432,450
Total revenues	88,174,174	86,233,214	94,076,935	92,122,664	92,578,087	99,267,801	93,901,022	89,912,128	92,637,124	99,256,926
Expenditures										
General government	16,314,325	15,981,841	16,822,872	20,452,477	21,645,074	20,945,076	24,066,704	19,772,116	19,157,561	21,838,334
Public safety	24,145,324	22,706,869	25,005,135	27,732,979	27,970,863	28,989,750	32,278,720	34,855,013	33,073,119	35,454,207
Highways and streets	20,463,185	16,170,657	17,600,477	16,194,259	21,469,617	17,553,984	15,407,398	17,685,686	13,345,985	15,201,301
Culture and recreation	24,317,106	20,543,475	18,194,180	19,395,501	17,721,843	15,055,606	15,526,255	21,097,271	22,624,470	16,166,215
Municipal utility systems	12,302,068	11,680,138	20,000,128	9,537,748	3,267,866	1,855,661	4,231,950	1,689,889	3,707,650	452,416
Capital outlay	4,704,562	1,700,255	1,952,544	1,578,830	4,271,369	3,101,154	1,524,043	2,733,830	893,318	2,193,219
Debt Service										
Principal retired	2,050,230	1,315,000	2,290,000	2,360,000	2,440,000	2,530,000	2,620,000	2,725,000	1,690,000	2,840,000
Bond issuance costs	-	-	-	-	-	-	-	-	408,421	-
Interest and fiscal charges	2,763,219	2,473,273	2,357,977	2,277,184	1,905,092	1,962,756	1,919,846	1,761,168	1,362,961	2,112,015
Total expenditures	107,060,019	92,571,508	104,223,313	99,528,978	100,691,724	91,993,987	97,574,916	102,319,983	96,263,485	96,257,707
Excess of revenues over (under) expenditures	(18,885,845)	(6,338,294)	(10,146,378)	(7,406,314)	(8,113,637)	7,273,814	(3,673,894)	(12,407,855)	(3,626,361)	2,999,219
Other Financing Sources (Uses)										
Proceeds from leases	-	-	-	101,864	-	-	-	-	74,088	-
Transfers in	1,609,869	19,605,994	682,273	1,351,285	472,612	1,349,500	822,968	1,990,519	669,210	1,207,868
Transfers out	(1,245,542)	(2,021,355)	(2,554,597)	(934,715)	(1,112,389)	(3,145,133)	(832,508)	(1,885,997)	(847,551)	(1,697,473)
Payment to bond refunding escrow agent	(9,273,268)	-	-	(19,075,319)	-	-	-	-	(14,732,432)	-
Proceeds from issuance of long-term debt	9,335,000	-	-	17,375,000	-	-	3,160,000	2,282,246	29,770,000	-
Premium on issuance of long-term debt	58,696	-	-	-	1,519,835	-	-	-	177,173	-
Total other financing sources (uses)	484,755	17,584,639	(1,872,324)	518,434	(820,261)	(1,795,633)	3,150,460	2,386,768	15,110,488	(489,605)
Net change in fund balances	\$(18,401,090)	\$ 11,246,345	\$(12,018,702)	\$(6,887,880)	\$(8,933,898)	\$ 5,478,181	\$(523,434)	\$(10,021,087)	\$ 11,484,127	\$ 2,509,614
Debt service as a percentage of noncapital expenditures	7%	5%	6%	6%	6%	6%	6%	6%	3%	6%

CITY OF LONGMONT, COLORADO

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

FISCAL YEAR	REAL PROPERTY		PERSONAL PROPERTY		TOTAL		RATIO OF TOTAL ASSESSED VALUE/ ACTUAL VALUE	TOTAL DIRECT TAX RATE (MILs)
	ASSESSED VALUE	ESTIMATED ACTUAL VALUE	ASSESSED VALUE	ESTIMATED ACTUAL VALUE	ASSESSED VALUE	ESTIMATED ACTUAL VALUE		
2002	\$ 716,617,380	\$ 5,749,495,224	\$ 112,722,310	\$ 388,696,621	\$ 829,339,690	\$ 6,138,191,845	13.51 (a)	13.42
2003	754,586,011	6,060,680,885	113,028,041	389,751,936	867,614,052	6,450,432,821	13.45 (a)	13.42
2004	829,839,702	7,370,336,619	110,490,969	381,000,804	940,330,671	7,751,337,423	12.13 (b)	13.42
2005	849,146,110	7,600,099,603	114,171,000	393,690,722	963,317,110	7,993,790,325	12.05 (b)	13.42
2006	873,339,140	7,766,743,401	109,129,260	376,303,804	982,468,400	8,143,047,205	12.07 (b)	13.42
2007	893,196,710	8,038,869,685	108,692,820	374,799,870	1,001,889,530	8,413,669,555	11.91 (b)	13.42
2008	964,428,140	8,592,074,025	112,164,150	386,769,608	1,076,592,290	8,978,843,633	11.99 (b)	13.42
2009	977,820,570	8,699,987,296	107,780,920	371,654,356	1,085,601,490	9,071,641,652	11.97 (b)	13.42
2010	981,685,090	8,428,617,423	113,251,910	390,518,021	1,094,937,000	8,819,135,444	12.42 (b)	13.42
2011	989,539,009	8,473,196,485	103,235,812	355,979,432	1,092,774,821	8,829,175,917	12.38 (b)	13.42

(a) For tax levy years 2001 through 2002, collection years 2002 through 2003, residential property was assessed at 9.15% of actual value while commercial property remained at 29% of actual value.

(b) For tax levy years 2003 through 2010, collection years 2004 through 2011, residential property was assessed at 7.96% of actual value while commercial property remained at 29% of actual value.

Source: Boulder and Weld Counties Assessors' Offices

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

LEVY YEAR	COLLECTION YEAR	GENERAL FUND	SPECIAL REVENUE FUNDS	COMPONENT UNIT	SCHOOL DISTRICT	BOULDER COUNTY	ST. VRAIN LEFT-HAND WATER	NO. COLO. WATER CONS.	LONGMONT RURAL FIRE	RATES (a)	
										TAX	LEVIES
2001	2002	13,420	10,108	75,353	36,256	17,621	0.258	1,000	8,657		
2002	2003	13,420	10,108	82,575	41,025	20,087	0.245	1,000	8,577		
2003	2004	13,420	10,108	81,923	40,374	20,088	0.243	1,000	8,417		
2004	2005	13,420	10,108	82,804	40,089	21,267	0.230	1,000	8,397		
2005	2006	13,420	10,108	83,289	39,982	21,867	0.222	1,000	8,257		
2006	2007	13,420	10,108	81,934	38,035	22,467	0.214	1,000	8,137		
2007	2008	13,420	10,108	81,680	37,798	22,467	0.197	1,000	7,937		
2008	2009	13,420	10,108	90,764	46,285	23,067	0.194	1,000	11,747		
2009	2010	13,420	10,108	91,337	46,268	23,667	0.184	1,000	11,747		
2010	2011	13,420	10,108	92,884	46,837	24,645	0.184	1,000	11,747		
2001	2002	11,129,739	170,664	\$ 559,080	\$ 53,974,609	\$ 78,183,325	\$ 293,887	\$ 3,679,989	\$ 2,131,288		
2002	2003	11,643,381	195,910	697,761	64,787,964	90,859,290	290,964	3,762,094	2,229,895		
2003	2004	12,619,238	188,451	748,332	68,430,604	94,356,356	307,193	4,035,562	2,268,931		
2004	2005	12,927,716	215,110	770,713	71,126,342	100,896,978	297,971	4,352,070	2,328,367		
2005	2006	13,037,177	151,921	906,912	75,015,501	108,354,720	290,063	4,538,972	2,422,949		
2006	2007	13,445,358	243,486	830,000	76,054,018	112,630,364	287,231	4,593,229	2,621,708		
2007	2008	14,461,571	180,854	987,419	82,991,157	124,745,065	285,477	5,062,766	2,802,166		
2008	2009	14,568,772	183,782	1,138,267	103,735,943	129,119,905	283,148	5,146,619	4,265,886		
2009	2010	14,512,552	137,562	1,226,379	109,750,435	137,564,655	269,174	5,347,290	4,609,169		
2010	2011	14,497,504	144,963	1,141,317	109,549,655	142,564,068	267,964	5,322,753	4,390,298		

(a) Figure represents a specific mill levy.

NOTES TO THIS SCHEDULE:

- 1 Taxes are due January 1st, half of which become delinquent on March 1st and half on June 15th. Interest on delinquent first half is 1% for each month or fraction thereof. Interest on delinquent second half tax is 8% 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 increment valuation of the property within the DDA area over the 1983 base valuation are distributed to the Authority.

CITY OF LONGMONT, COLORADO

Schedule 7
PRINCIPAL PROPERTY TAXPAYERS
 CURRENT YEAR AND NINE YEARS AGO

Taxpayer	2011			2002		
	2010 Assessed Value	Rank	Percentage of Total Assessed Value	2001 Assessed Value	Rank	Percentage of Total Assessed Value
AMGEN INC	28,147,440	1	2.57%	40,905,880	1	4.93%
SEA GATE TECHNOLOGY LLC	20,322,751	2	1.86	9,842,150	3	1.19
CIRCLE CAPITAL LONGMONT LLC	19,594,111	3	1.79	24,241,990	2	2.92
XILINX INC	14,359,331	4	1.31	8,313,180	5	1.00
HUB PROPERTIES TRUST	11,231,570	5	1.03			
AMERICAN HONDA MOTOR CO INC	7,224,639	6	0.66			
QWEST CORPORATION	6,838,055	7	0.63	8,032,100	7	0.97
HARVEST JUNCTION NORTH LLC	5,839,817	8	0.53			
BASS CREEKSIDE LP	5,505,215	9	0.50			
BUTTERBALL LLC	5,490,541	10	0.50			
MAXTOR CORPORATION				9,082,440	4	1.10
SEA GATE PERIPHERALS				8,192,630	6	0.99
TWIN PEAKS MALL				7,930,220	8	0.97
K/B FUND IV				5,680,260	9	0.68
McCLANE WESTERN INC.				4,535,250	10	0.55
Total Taxable Assessed Value of 10 Largest Taxpayers	124,553,470		11.40	126,756,100		15.29
Total Taxable Assessed Value of Other Taxpayers	968,221,351		88.60	702,583,590		84.71
Total Taxable Assessed Value All Taxpayers	1,092,774,821		100%	829,339,690		100%

Source: Boulder and Weld Counties Assessors' Offices.

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

LEVY YEAR	COLLECTION YEAR	TOTAL TAX LEVY	CURRENT TAX COLLECTIONS	PERCENT OF LEVY COLLECTED	DELINQUENT TAX COLLECTIONS	TOTAL TAX COLLECTIONS	COLLECTIONS AS % OF CURRENT LEVY	OUTSTANDING DELINQUENT TAXES (a)
2001	2002	\$ 11,129,739	\$ 10,981,104	98.7	\$ 28,339	\$ 11,009,443	98.9	-
2002	2003	11,643,381	11,420,707	98.1	(18,890) (b)	11,401,817	97.9	-
2003	2004	12,619,238	12,459,430	98.7	(6,779) (b)	12,452,651	98.7	-
2004	2005	12,927,716	12,730,641	98.5	3,852	12,734,493	98.5	-
2005	2006	13,037,177	12,849,208	98.6	7,168	12,856,376	98.6	-
2006	2007	13,445,358	13,286,992	98.8	9,040	13,296,032	98.9	-
2007	2008	14,461,571	14,274,137	98.7	(21,130) (b)	14,253,007	98.6	-
2008	2009	14,568,772	14,398,968	98.8	3,587	14,402,555	98.9	-
2009	2010	14,512,552	14,297,043	98.5	(204) (b)	14,296,839	98.5	-
2010	2011	14,497,504	14,263,350	98.4	(7,257)	14,256,093	98.3	-

Component Units Levies and Collections
 Last Ten Fiscal Years

LEVY YEAR	COLLECTION YEAR	TOTAL COLLECTION COMPONENT UNITS LEVY	CURRENT COMPONENT UNITS COLLECTIONS	PERCENT OF LEVY COLLECTED	DELINQUENT COMPONENT UNITS COLLECTIONS	TOTAL COMPONENT UNITS COLLECTIONS	COLLECTIONS AS % OF CURRENT LEVY	OUTSTANDING DELINQUENT COMPONENT UNITS (a)
2001	2002	\$ 729,744	\$ 725,044	99.4	\$ (149) (b)	\$ 724,895	99.3	-
2002	2003	893,671	860,143	96.2	(23) (b)	860,120	96.2	-
2003	2004	936,783	921,365	98.4	(4,964) (b)	916,401	97.8	-
2004	2005	985,823	917,046	93.0	(5,294) (b)	911,752	92.5	-
2005	2006	1,058,833	1,068,347	100.9	157	1,068,504	100.9	-
2006	2007	1,073,486	1,017,953	94.8	390	1,018,343	94.9	-
2007	2008	1,168,273	1,139,951	97.6	(3,538) (b)	1,136,413	97.3	-
2008	2009	1,322,049	1,305,319	98.7	15,317	1,320,636	99.9	-
2009	2010	1,363,941	1,394,925	102.3	1,388	1,396,313	102.4	-
2010	2011	1,286,280	1,323,392	102.9	(8,302) (b)	1,315,091	102.2	-

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

(b) Refunds exceeded delinquent collection.

CITY OF LONGMONT, COLORADO

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

Fiscal Year	Apparel	Automotive	Food	Home Furnishings	General	Lodging	Lumber	Professional
2002	\$ 354,269	\$ 3,267,695	\$ 8,696,441	\$ 928,578	\$ 6,319,922	\$ 313,816	\$ 4,870,870	\$ 565,787
2003	372,240	3,092,709	8,831,450	869,095	6,385,701	325,006	4,608,520	680,953
2004	420,150	3,097,411	9,354,205	933,287	6,486,364	336,099	5,357,676	1,071,522
2005	432,308	3,036,678	9,638,225	892,846	6,456,076	354,880	5,445,677	800,456
2006	609,552	2,840,122	10,252,906	1,027,138	6,980,816	457,225	5,065,157	747,533
2007	839,213	3,430,079	11,790,777	1,523,002	8,291,250	596,018	4,604,885	990,158
2008	811,706	3,076,830	12,351,545	1,487,700	8,102,502	575,018	4,153,626	904,306
2009	769,069	2,807,423	12,088,918	1,437,616	7,720,534	448,409	3,217,098	1,155,241
2010	746,975	2,945,326	12,476,116	1,373,172	7,942,717	473,031	3,761,323	1,246,112
2011	774,340	3,068,086	13,000,438	1,476,168	8,150,497	461,948	3,485,393	1,763,230

Public Utility	Unclassified	Home Occupation	Manufacturing	Motor Vehicle Use Tax	Accrual	Total Sales and Use Tax	Total Direct Tax Rate
2,958,362	\$ 3,133,759	\$ 103,173	\$ 3,110,314	\$ 2,590,836	\$ 69,184	\$ 37,283,006	2.950
3,014,635	3,525,230	105,949	3,100,686	2,394,008	417,330	37,723,512	2.950
3,290,629	3,852,203	108,536	2,922,377	2,350,929	137,623	39,719,011	2.950
3,536,095	4,202,317	117,698	2,988,974	2,292,204	32,507	40,226,941	2.950
3,805,012	4,632,152	149,508	2,514,798	2,196,392	19,624	41,297,935	2.950
4,156,688	5,023,128	149,529	2,285,236	2,495,494	544,267	46,719,724	3.275
4,425,770	4,785,132	154,285	2,927,119	2,458,566	(101,463)	46,112,643	3.275
4,327,560	4,253,903	139,145	2,266,143	2,053,947	(117,625)	42,567,381	3.275
4,611,287	4,890,472	133,207	1,835,299	2,140,629	338,965	44,914,631	3.275
4,932,655	5,259,301	153,155	2,280,349	2,386,969	268,412	47,460,941	3.275

CITY OF LONGMONT, COLORADO

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

Fiscal Year	City Direct Rate	Overlapping Rates					Total Direct & Overlapping Sales Tax Rate
	City of Longmont	State of Colorado	Boulder County	Regional Transportation District	Scientific and Cultural Facilities District	Metropolitan Sports Stadium District	
2002	2.950	2.900	0.450	0.600	0.100	0.100	7.100
2003	2.950	2.900	0.550	0.600	0.100	0.100	7.200
2004	2.950	2.900	0.550	0.600	0.100	0.100	7.200
2005	2.950	2.900	0.650	1.000	0.100	0.100	7.700
2006	2.950	2.900	0.650	1.000	0.100	0.100	7.700
2007	3.275	2.900	0.650	1.000	0.100	0.100	8.025
2008	3.275	2.900	0.650	1.000	0.100	0.100	8.025
2009	3.275	2.900	0.650	1.000	0.100	0.100	8.025
2010	3.275	2.900	0.650	1.000	0.100	0.100	8.025
2011	3.275	2.900	0.800	1.000	0.100	0.100	8.175

Sources: City of Longmont Sales and Use Tax Reports
Colorado Department of Revenue

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

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Aggregate top ten filers ¹	\$ 12,558,151	\$ 12,587,014	\$ 13,113,576	\$ 13,330,649	\$ 12,478,376	\$ 14,231,545	\$ 14,314,666	\$ 12,735,201	\$ 13,768,827	\$ 14,396,809
Aggregate all other filers	<u>24,724,855</u>	<u>25,136,498</u>	<u>26,605,435</u>	<u>26,896,292</u>	<u>28,819,559</u>	<u>32,488,179</u>	<u>31,797,977</u>	<u>29,832,180</u>	<u>31,445,804</u>	<u>33,064,132</u>
Total sales and use tax	<u>\$ 37,283,006</u>	<u>\$ 37,723,512</u>	<u>\$ 39,719,011</u>	<u>\$ 40,226,941</u>	<u>\$ 41,297,935</u>	<u>\$ 46,719,724</u>	<u>\$ 46,121,643</u>	<u>\$ 42,567,381</u>	<u>\$ 44,914,631</u>	<u>\$ 47,460,941</u>
Top ten filers as a percentage of total tax	33.68%	33.37%	33.02%	33.14%	30.22%	30.46%	31.04%	29.92%	30.66%	30.33%

¹ Colorado State Statutes and City of Longmont Ordinances prohibit disclosure of individual sales and use tax returns, therefore the current year top ten filers are listed in alphabetical order as follows: Boulder County, City of Longmont Building Permits, City of Longmont Utilities, Home Depot #1521, King Soopers #102, King Soopers #80, Public Service Co of Colorado, Target Stores, Wal-Mart Supercenter #5370, Wal-Mart Supercenter #905.

Source: City of Longmont Sales and Use Tax Reports

CITY OF LONGMONT, COLORADO

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

Fiscal Year	Governmental Activities			Business-Type Activities			Total Primary Government	(1) % of Personal Income	(1) Per Capita
	General Obligation Bonds	Sales & Use Tax Revenue Bonds	Capital Leases	Revenue Bonds	Loans Payable	Capital Leases			
2002	\$ 9,335,000	\$ 42,710,000	\$ 8,466,320	\$ -	\$ 1,877,424	\$ 7,738,474	\$ 70,127,218	2.2%	\$ 907
2003	9,335,000	41,395,000	7,617,683	-	20,807,879	6,616,291	85,771,853	2.6%	1,081
2004	8,410,000	40,080,000	7,524,146	-	20,000,405	3,935,460	79,950,011	2.3%	985
2005	7,470,000	38,610,000	7,116,765	-	19,149,228	3,550,168	75,896,161	2.0%	917
2006	6,500,000	37,035,000	6,709,384	-	18,185,868	3,142,458	71,572,710	1.8%	846
2007	5,505,000	35,500,000	6,218,945	-	17,321,395	2,753,556	67,298,896	1.7%	785
2008	4,480,000	33,905,000	8,800,964	14,540,000	16,438,464	2,346,180	80,510,608	1.9%	934
2009	3,425,000	32,235,000	10,277,050	14,030,000	15,536,963	1,919,455	77,423,468	1.9%	897
2010	2,325,000	47,145,000	5,057,886	26,900,000	14,381,439	-	95,809,325	2.1%	1,095
2011	1,185,000	45,445,000	4,767,754	26,095,000	13,210,950	-	90,703,704	2.0%	1,032

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

CITY OF LONGMONT, COLORADO

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

FISCAL YEAR	POPULATION (a)	ASSESSED VALUE (b)	GROSS BONDED DEBT (c)	LESS: DEBT PAY-ABLE FROM ENTERPRISE REVENUES	NET GOVERNMENTAL GENERAL OBLIGATION BONDED DEBT	RATIO OF NET G/O BONDED DEBT TO ASSESSED VALUE	NET G/O BONDED DEBT PER CAPITA
2002	77,328	\$ 829,339,690	\$ 9,335,000	\$ -	\$ 9,335,000	0.0113	\$ 120.72
2003	79,321	867,614,052	9,335,000	-	9,335,000	0.0108	117.69
2004	81,169	940,330,671	8,410,000	-	8,410,000	0.0089	103.61
2005	82,798	963,317,110	7,470,000	-	7,470,000	0.0078	90.22
2006	84,636	971,473,670	6,500,000	-	6,500,000	0.0067	76.80
2007	85,762	1,001,889,530	5,505,000	-	5,505,000	0.0055	64.19
2008	86,194	1,076,592,290	4,480,000	-	4,480,000	0.0042	51.98
2009	86,303	1,085,601,490	3,425,000	-	3,425,000	0.0032	39.69
2010	87,461	1,094,937,000	2,325,000	-	2,325,000	0.0021	26.58
2011	87,850	1,092,774,821	1,185,000	-	1,185,000	0.0011	13.49

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

CITY OF LONGMONT, COLORADO

Schedule 14
Direct and Overlapping Governmental Activities Debt
As of December 31, 2011

Governmental Unit	General Obligation Bonded Debt Outstanding	Percentage Applicable To City of Longmont (a)	Estimated Share of Overlapping Debt
Overlapping:			
St. Vrain Valley School District ¹	\$ 438,805,000	46.72%	\$ 205,009,696
Northern Colorado Water Conservancy District ²	4,819,316	7.59%	<u>365,786</u>
Subtotal, overlapping debt			205,375,482
City of Longmont	1,185,000	100.00%	<u>1,185,000</u>
Total Direct & Overlapping Debt			<u><u>\$ 206,560,482</u></u>

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

Sources:

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

Schedule 15
Legal Debt Margin Information
Last Ten Fiscal Years

Legal Debt Margin Calculation for Fiscal Year 2011

Estimated actual value	\$ 8,829,175.917
Debt limit (3% of actual value)	264,875,278
Debt applicable to limit:	
General Obligation Bonds	\$ 1,855,000
Legal Debt Margin	263,690,278

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Debt Limit	\$ 184,145,755	\$ 193,512,985	\$ 232,540,123	\$ 239,813,710	\$ 244,291,416	\$ 252,410,087	\$ 269,365,309	\$ 272,149,250	\$ 264,574,063	\$ 264,875,278
Total net debt applicable to limit	9,335,000	9,335,000	8,410,000	7,470,000	6,500,000	5,505,000	4,480,000	3,425,000	2,325,000	1,855,000
Legal debt margin	\$ 174,810,755	\$ 184,177,985	\$ 224,130,123	\$ 232,343,710	\$ 237,791,416	\$ 246,905,087	\$ 264,885,309	\$ 268,724,250	\$ 262,249,063	\$ 263,690,278

Total net debt applicable to the limit as a percentage of debt limit	5.07%	4.82%	3.62%	3.11%	2.66%	2.8%	1.66%	1.26%	0.88%	0.45%
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CITY OF LONGMONT, COLORADO

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

FISCAL YEAR	GROSS RESOURCES (a)	EXPENSES (b)	AVAILABLE FOR DEBT SERVICE (c)		INTEREST	TOTAL	COVERAGE
			PRINCIPAL				
SEWER REVENUE BONDS/LOANS							
2002	\$ 10,292,097	\$ 6,320,993	\$ 3,971,104	\$ 180,516	\$ 131,704	\$ 312,220	12.72
2003	9,688,169	5,785,555	3,902,614	182,677	123,383	306,060	12.75
2004	9,567,737	5,853,779	3,713,958	185,060	114,723	299,783	12.39
2005	9,112,655	6,083,051	3,029,604	187,696	105,681	293,377	10.33
2006	8,937,184	6,503,859	2,433,325	190,649	96,175	286,824	8.48
2007	8,752,680	6,269,116	2,483,564	193,945	86,212	280,157	8.86
2008	7,850,829	6,287,988	1,562,841	197,401	75,946	273,347	5.72
2009	7,706,486	5,944,889	1,761,597	200,973	65,403	266,376	6.61
2010	7,912,372	6,286,145	1,626,227	204,672	65,999	270,671	6.01
2011	8,319,686	6,218,570	2,101,116	483,579	48,535	532,114	3.95
WATER BONDS/LOANS							
2002	\$ 21,636,516	\$ 6,291,339	\$ 15,345,177	\$ 4,270,000 (d)	\$ 113,942	\$ 4,383,942	3.50
2003	19,735,437	6,250,710	13,484,727	-	351,597	351,597	38.35
2004	20,568,016	6,741,389	13,826,627	630,528	575,645	1,206,173	11.46
2005	19,570,632	7,133,157	12,437,475	645,528	562,920	1,208,448	10.29
2006	18,959,711	7,116,212	11,843,499	670,528	549,895	1,220,423	9.70
2007	19,591,353	8,044,452	11,546,901	660,528	536,612	1,197,140	9.65
2008	17,232,818	8,881,027	8,351,791	685,530	523,082	1,208,612	6.91
2009	12,859,723	8,615,808	4,243,915	700,528	508,877	1,209,405	3.51
2010	13,467,464	8,436,911	5,030,553	950,853	489,439	1,440,292	3.49
2011	13,581,304	9,204,273	4,377,031	961,909	463,514	1,425,423	3.07
STORM DRAINAGE BONDS SERIES 2008							
2008	\$ 3,913,485	\$ 1,894,255	\$ 2,019,230	\$ -	\$ 180,624	\$ 180,624	11.18
2009	3,612,637	2,144,168	1,468,469	510,000	584,425	1,094,425	1.34
2010	3,646,439	2,201,247	1,445,192	520,000	567,931	1,087,931	1.33
2011	3,474,370	2,222,591	1,251,779	530,000	6,414	536,414	2.33
SERIES 2000 SALES AND USE TAX REVENUE BONDS							
		<u>Pledged Sales and Use Tax Revenues</u>		<u>Maximum Annual Debt Service on Bonds</u>			<u>Coverage</u>
2002	\$	25,276,615	\$	2,897,550			8.72
2003		25,575,262		2,897,550			8.83
2004		26,928,142		2,897,550			9.29
2005		27,272,502		2,897,550 (e)			9.41
2006		27,998,620		638,988			43.82
2007		28,532,328		638,988			44.65
2008		27,523,978		638,988			43.07
2009		26,067,719		638,988			40.80
2010		27,221,782		638,988			42.60
2011		28,823,947		638,988			45.11
SERIES 2010A & B OPEN SPACE SALES AND USE TAX REVENUE BONDS							
		<u>Open Space Sales and Use Tax Revenues</u>		<u>Maximum Annual Debt Service on Bonds</u>			<u>Coverage</u>
2002	\$	2,527,661	\$	1,848,000			1.37
2003		2,557,525		1,848,000			1.38
2004		2,692,816		1,848,000			1.46
2005		2,727,250		1,848,000			1.48
2006		2,799,862		1,848,000			1.52
2007		2,853,231		1,848,000			1.54
2008		2,816,040		1,848,000			1.52
2009		2,606,718		1,848,000			1.41
2010		2,722,178		2,056,507 (f)			1.32
2011		2,882,395		2,056,507			1.40
SERIES 2006 SALES AND USE TAX REFUNDING REVENUE BONDS							
		<u>Pledged Sales and Use Tax Revenues</u>		<u>Maximum Annual Debt Service on Bonds</u>			<u>Coverage</u>
2006	\$	27,998,620	\$	2,786,150			10.05
2007		28,532,328		2,786,150			10.24
2008		27,523,978		2,786,150			9.88
2009		26,067,719		2,786,150			9.36
2010		27,221,782		2,786,150			9.77
2011		28,823,947		2,786,150			10.35

(a) Gross resources include operating revenues, sales and use tax, miscellaneous revenue and interest income. Also included are annexation fees, plant investment fees, system development fees, developer participation, cash received in lieu of water which are classified as capital contributions under generally accepted accounting principles, and bond proceeds.
 (b) Expenses include all operating expenses except depreciation. Also included are operating transfers to other funds.
 (c) Gross resources in column (2) minus expenses in column (3).
 (d) Water Bonds were paid off in 2002.
 (e) Series 2000 Sales and Use Tax Revenue Bonds were partially refunded in 2006.
 (f) Open Space Sales and Use Tax Revenue Bonds were partially refunded in 2010.

CITY OF LONGMONT, COLORADO

Schedule 17
Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year	(1) Population	Personal Income (thousands of dollars)	(3) Per Capita Income	(1) Median Age	(4) School Enrollment	(2) Unemployment Rate (%)
2002	77,328	\$ 3,129,387	\$ 40,469	34.7	20,631	5.7
2003	79,321	3,293,170	41,517	34.5	20,913	5.8
2004	81,169	3,542,215	43,640	34.5	21,467	5.0
2005	82,798	3,804,071	45,944	35.1	23,260	4.5
2006	84,636	3,960,965	46,800	35.4	24,009	4.0
2007	85,762	4,144,363	48,324	34.3	24,582	3.7
2008	86,194	4,165,239	48,324	34.3	25,751	5.0
2009	86,303	4,549,808	52,719	34.3	26,724	6.0
2010	87,461	4,153,435	47,489	34.4	27,379	6.8
2011	87,850	4,453,731	50,697	36.6	28,109	6.1

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

CITY OF LONGMONT, COLORADO

Schedule 18
Principal Employers
Current Year and Nine Years Ago

Employer	2011			2002		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
St. Vrain Valley Schools	4,876	1	10.9%	2,425	1	5.9%
Longmont United Hospital	1,282	2	2.9%	792	5	1.9%
Seagate Technology	1,160	3	2.6%	1,130	3	2.7%
City of Longmont	814	4	1.8%	747	6	1.8%
Intrado	807	5	1.8%	600	7	1.5%
Amgen	678	6	1.5%	494	9	1.2%
Digital Globe	650	7	1.5%			0.0%
Federal Aviation Administration	566	8	1.3%	405	10	
Crocs	435	9	1.0%			0.0%
McLane Western	406	10	0.9%	535	8	
Butterball, LLC				1,200	2	2.9%
Maxtor Colorado				828	4	2.0%
Total	<u>11,674</u>		<u>26.3%</u>	<u>9,156</u>		<u>20.0%</u>

Source: Longmont Area Economic Council

CITY OF LONGMONT, COLORADO

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

Function/Program	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
General Government										
City Administration	30	38	37	37	37	37	35	36	30	31
Finance	107	103	82	80	82	82	81	80	86	88
Public Safety										
Police	149	147	148	157	157	174	179	185	173	171
Fire	86	86	86	86	86	91	97	96	92	91
Shared	-	-	19	20	20	21	22	23	30	29
Community Development										
Parks, Open Space and Public Works	166	165	161	165	81 *	79	80	78	75	59
Planning	14	12	12	12	12	13	11	11	14	14
Building Inspection/Code Enforcement	18	18	15	15	15	15	13	12	11	13
Community Services										
Library	41	41	41	41	41	41	39	39	39	37
Museum	8	8	8	8	8	8	8	8	7	7
Recreation	22	22	20	22	22	22	21	22	21	21
Senior Services	7	7	7	7	7	7	7	7	7	7
Children and Youth Services	8	8	8	6	6	8	7	6	6	8
Community Services Administration	18	11	10	10	10	10	12	12	11	12
Public Works and Water Utilities	105	99	92	92	175 *	176	169	163	157	169
Power and Communications	66	65	65	68	70	70	71	70	73	73
Total	845	830	811	826	829	854	850	846	832	829

Source: City Budget Office

* Public Works reorganization

CITY OF LONGMONT, COLORADO

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

<u>Function/Program</u>	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Police										
DUI Arrests	578	522	431	422	310	381	317	270	288	268
Traffic Violations	7,447	7,930	7,120	7,288	6,818	9,438	9,261	10,524	11,132	9,163
Case Clearance Rate	82%	92%	73%	76%	85%	75%	68%	65%	42%	44%
Fire										
Emergency Responses	2,584	3,128	3,174	3,318	3,263	3,681	6,638	6,772	7,007	6,788
Inspections	2,323	n/a	n/a	459	860	704	1,206	1,429	1,336	277
Fires Extinguished	207	519	474	165	216	161	228	72	156	102
Call Response Time										
< 5 mins	85%	85%	86%	43% (a)	73%	71%	75%	51%	0%	67%
> 5 mins	15%	15%	14%	57%	27%	29%	25%	49%	0%	33%
Public Works										
Streets Resurfaced (Miles)	9.55	8.21	8.72	8.47	8.43	7.09	8.10	10.54	8.75	8.90
Parks and Recreation										
Library										
Total Circulation	931,008	1,009,992	1,094,523	1,109,343	1,116,513	998,040	1,041,788	1,081,428	1,125,345	1,086,394
Total Items Added	23,414	23,373	25,118	26,161	20,446	23,379	24,330	22,170	22,933	19,502
Patrons Visits	262,545	262,781	275,504	229,144	352,286	326,289	458,469	580,767	531,139	584,119
Museum										
Total People Served	48,000	55,335	55,498	61,339	63,216	63,700	71,831	71,443	70,009	71,077
Golf										
Rounds of Golf	117,055	108,952	109,313	104,286	102,478	105,800	100,488	96,108	89,517	88,607
Water										
New connections	225	1,541	424	299	2,626	350	116	506	0	62
Water main breaks	55	40	71	36	39	40	23	23	25	26
Average daily consumption (mgd)	15.00	14.52	14.07	15.48	16.45	16.33	15.95	13.66	14.51	15.53
Wastewater										
Average daily sewage treatment (mgd)	7.84	8.12	8.22	8.35	7.85	8.21	7.63	7.31	7.22	6.97
Power and Communications										
Customers	32,648	33,489	34,389	35,080	35,561	35,906	36,231	36,383	36,683	36,809
Meter Reading Accuracy	99.92%	99.97%	99.98%	99.91%	99.92%	99.93%	99.94%	99.94%	99.90%	99.90%

Source: Various city departments

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

CITY OF LONGMONT, COLORADO

Schedule 21
Capital Assets Statistics by Function
Last Ten Fiscal Years

<u>Function/Program</u>	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol Vehicles	52	53	55	58	64	66	68	70	63	63
Fire										
Stations	5	5	5	5	5	5	5	5	5	5
Public Works										
Street (miles)	298	305	307	312	315	315	315	319	319	330
Traffic Signals	5,845	6,014	6,222	6,658	6,991	7,109	7,204	7,228	7,228	7,355
Parks and Recreation										
Parks	38	38	44	44	44	44	44	44	44	44
Park, trail and open space acreage	3,070	3,731	3,727	3,727	3,727	3,727	3,727	5,213	5,213	5,213
Libraries	1	1	1	1	1	1	1	1	1	1
Number of Volumes	257,223	272,461	283,314	299,519	298,897	300,093	295,723	292,299	283,758	277,279
Museum	1	1	1	1	1	1	1	1	1	1
Swimming Pools	5	5	5	5	5	5	5	5	5	5
Golf Courses	3	3	3	3	3	3	3	3	3	3
Water										
Water mains (miles)	412	418	424	424	437	439	441	442	441	443
Water connections	23,455	24,505	25,063	25,569	26,075	25,919	26,035	26,541	-	26,603
Wastewater										
Sanitary sewer (miles)	306	314	318	318	323	325	328	328	326	328
Wastewater connections	22,982	24,488	24,314	24,842	25,538	25,192	25,795	26,147	-	25,875
Power and Communications										
Substations	6	6	6	6	6	7	7	7	7	7

Source: Various city departments

CITY OF LONGMONT, COLORADO

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - YEAR ENDED DECEMBER 31, 2011

	Federal CFDA Number	Pass-through Grantor's Number	Program or Award Amount	Revenue Recognized	Federal Expenditures
Department of Housing and Urban Development					
Community Development					
2007	14.218	07-MC-08-0011	552,371	30,131	30,131
2008	14.218	08-MC-08-0011	532,646	22,656	22,656
2009	14.218	09-MC-08-0011	542,538	176,969	177,231
ARRA-2009	14.253	09-MY-08-0011	144,674	19,286	19,286
2010	14.218	10-MC-08-0011	587,398	278,614	191,866
2011	14.218	11-MC-08-0011	493,401	176,791	208,096
Total Community Development Block Grant				704,447	649,266
HOME Consortium Grant 2009	14.239	M-09-DC-08-0202	313,297	31,543	21,000
HOME Consortium Grant 2010	14.239	M-10-DC-08-0202	307,579	165,251	46,643
HOME Consortium Grant 2011	14.239	M-11-DC-08-0202	274,292	19,453	119,701
HOME STATE Grant 2009 (Passed through Division of Housing)	14.239	H9-HOM-08-039T	245,300	83,358	99,954
Total HOME Grants				299,605	287,298
TOTAL Department of Housing and Urban Development				1,004,052	936,564
US Department of Justice					
Longmont Ending Domestic Violence Initiative	16.738	29-DJ-03-16-2	50,088	48,487	47,187
Longmont Ending Domestic Violence Initiative	16.738	11-DJ-03-8-3	46,758	-	-
Edward Byrne Grant Award IGA with City of Boulder	16.738	2011-H3394-CO-DJ	38,985	5,766	5,766
Edward Byrne Memorial Justice Assistance Grant	16.738	2010-H5468-CO-DJ	45,233	29,779	29,779
School Based Restorative Justice Project	16.738	29-DJ-03-57-2	47,407	34,163	34,163
School Based Restorative Justice Project	16.738	11-DJ-03-14-3	42,667	8,052	8,052
Internet Crimes Against Children	16.543	2009-MC-CX-K011	14,723	7,186	7,186
Internet Crimes Against Children	16.543	2009-MC-CX-K011	7,317	-	-
Victims of Crime Act - VOCA	16.575	29-VA-20-113	32,577	32,577	32,577
Total US Department of Justice				166,010	164,710
US Department of Transportation					
Passed through the Colorado Department of Transportation					
Federal Hazard Elimination Program	20.205	SHO-M820-014	270,000	183,569	-
Vance Brand Municipal Airport - (FAA Grant)	20.106	DOT-FA10NM-1095	150,000	145,504	145,504
Station Area Master Plan (STAMP)-(CMAQ Grant passed through RTD)	20.200	CO-95-X001-01	90,000	49,144	59,697
Click It or Ticket	20.600	LOPD-6112-1	6,000	6,000	6,000
Total US Department of Transportation				384,217	211,201
National Park Service					
Historical and Architectural Surveying	15.904	CO-10-018	24,650	11,212	11,212
Total National Park Service				11,212	11,212
USDA Forest Services					
Passed through Colorado State University					
Front Range Fuels Treatment Partnership	10.664	53-08320-BO1	35,000	35,000	35,000
Colorado Forest Restoration -RP Res NW Shreiber Pt	10.664	1929200-BO2	60,000	60,000	60,000
Total USDA Forest Services				95,000	95,000
US Department of Homeland Security					
Northern Central Region - Equipment	97.067	98HS78803	183,300	183,300	183,300
Emergency Management Performance Grant (Left Hand Creek)	97.029	12EM715128	3,000,000	483,063	483,063
Emergency Management Performance Grant	97.042	LEMS11/12EM1L128	42,900	42,900	42,900
Emergency Management Performance Grant (2012)	97.042	LEMS12/EMPG	40,327	-	28,249
Assistance to Firefighters Grant Program	97.044	EM-2009-FO-03547	203,600	143,830	106,577
Total US Department of Homeland Security				853,093	844,089
US Department of Commerce					
Energy Incubator Grant	11.303	05-06-04939	15,000	-	-
Total US Department of Commerce				-	-
US Department of Energy					
ARRA-Energy Efficiency and Conservation Block Grant	81.128	DE-SC0003132	785,100	323,526	323,526
Total US Department of Energy				323,526	323,526
Total Federal Assistance				\$ 2,837,110	\$ 2,586,302

CITY OF LONGMONT, COLORADO

NOTES TO SCHEDULE OF FEDERAL AWARDS
Year Ended December 31, 2011

CITY OF LONGMONT, COLORADO
Notes to Schedule of Federal Awards
Year Ended December 31, 2011

NOTE 1: BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the City for the year ended December 31, 2011. All federal awards received directly from federal agencies, as well as federal awards passed through other governmental agencies, are included in the schedule. The information in the schedule is presented in accordance with the requirements of OMB Circular A-133. *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in the financial statements.

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES

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

NOTE 3: SUB-RECIPIENTS

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

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Amount Provided to Sub-recipient</u>
Community Development Block Grant	14.218	\$115,517
HOME Program	14.239	71,024

NOTE 4: NON-CASH ASSISTANCE

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

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Amount of Non-cash Assistance</u>
Northern Central Region – Equipment Grant	97.067	\$183,300

City of Longmont, Colorado
Summary Schedule of Prior Audit Findings

Year Ended December 31, 2011

Number	Comment	Status	Corrective Action or Other Explanation
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Deficiencies in Internal Control

None reported

Findings and Questioned Costs for Federal Awards

None reported



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

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

We have audited the financial statements of the City of Longmont, Colorado, as of and for the year ended December 31, 2011, and have issued our report thereon dated June 6, 2012. The financial statements of the City for the year ended December 31, 2010 were restated due to the implementation of Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. 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.

Internal Control over Financial Reporting

Management of the City of Longmont, Colorado, is responsible for establishing and maintaining the effective internal control over financial reporting. In planning and performing our audit, we considered the City of Longmont's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Longmont, Colorado's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City of Longmont, Colorado's internal control over financial reporting.

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 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.

Our consideration of internal control over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Longmont, Colorado's financial statements are free of 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*.

This report is intended solely for the information and use of the City Council, federal awarding agencies, pass-through entities and management, and is not intended to be and should not be used by anyone other than those specified parties.

McGladrey LLP

Denver, Colorado
June 6, 2012



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

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

Compliance

We have audited the compliance of the City of Longmont, Colorado with the type of compliance requirements described in OMB Circular A-133, *Compliance Supplement* that could have a direct and material effect on the City of Longmont, Colorado's major federal programs for the year ended December 31, 2011. The City of Longmont, Colorado's major federal programs are identified in the summary of auditor's results section of the accompanying *Schedule of Findings and Questioned Costs*. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the City of Longmont, Colorado's management. Our responsibility is to express an opinion on the City of Longmont, Colorado's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of Longmont, Colorado'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. Our audit does not provide a legal determination on the City of Longmont, Colorado's compliance with those requirements.

In our opinion, the City of Longmont, Colorado, complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2011.

Internal Control over Compliance

Management of the City of Longmont, Colorado is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the City of Longmont, Colorado's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Longmont, Colorado'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.

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 deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the City Council, management, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than those specified parties.

McGladrey LLP

Denver, Colorado
June 6, 2012

City of Longmont, Colorado

Schedule of Findings and Questioned Costs Year Ended December 31, 2011

I. Summary of the Independent Auditor's Report

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

- Material weakness(es) identified? Yes No
- Significant deficiencies identified that are not considered to be material weaknesses? Yes None Reported
- Noncompliance material to financial statements noted? Yes No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? Yes No
- Significant deficiencies identified that are not considered to be material weaknesses? Yes None Reported

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

- Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133? Yes No

Identification of major program:

CFDA Number	Name of Federal Program or Cluster
97.029	Emergency Management Performance Grant (Left Hand Creek)
81.128	ARRA-Energy Efficiency and Conservation Block Grant
14.218	Community Development Block Grant
14.253	ARRA- Community Development Block Grant
14.239	HOME Consortium

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

Auditee qualified as low-risk auditee? Yes No

(Continued)

City of Longmont, Colorado

**Schedule of Findings and Questioned Costs (Continued)
Year Ended December 31, 2011**

- I. Findings Related to the Financial Statement Audit Required to be Reported in Accordance with Generally Accepted Auditing Standards
 - A. **Internal Control**
None reported
 - B. **Instances of Noncompliance**
None reported

- II. Findings and Questioned Costs for Federal Awards
 - A. **Internal Control**
None reported
 - B. **Instances of Noncompliance**
None reported

City of Longmont, Colorado

**Corrective Action Plan
Year Ended December 31, 2011**

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

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

City or County:
City of Longmont
YEAR ENDING:
December 2011

LOCAL HIGHWAY FINANCE REPORT

This Information From The Records Of (example - City of _ or County of _):
City of Longmont
Prepared By: Brian McGill
Phone: (303) 651-8642

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

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT	ITEM	AMOUNT
A. Receipts from local sources:		A. Local highway disbursements:	
1. Local highway-user taxes		1. Capital outlay (from page 2)	4,774,398
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	8,878,174
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	1,167,705
2. General fund appropriations	3,083,846	b. Snow and ice removal	458,222
3. Other local imposts (from page 2)	11,638,345	c. Other	0
4. Miscellaneous local receipts (from page 2)	279,274	d. Total (a. through c.)	1,625,927
5. Transfers from toll facilities	0	4. General administration & miscellaneous	631,471
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	2,083,846
a. Bonds - Original Issues	0	6. Total (1 through 5)	17,993,816
b. Bonds - Refunding Issues	0	B. Debt service on local obligations:	
c. Notes	0	1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	0
7. Total (1 through 6)	15,001,465	b. Redemption	0
B. Private Contributions	1,456,092	c. Total (a. + b.)	0
C. Receipts from State government		2. Notes:	
(from page 2)	4,443,942	a. Interest	0
D. Receipts from Federal Government		b. Redemption	0
(from page 2)	230,789	c. Total (a. + b.)	0
E. Total receipts (A.7 + B + C + D)	21,132,288	3. Total (1.c + 2.c)	0
		C. Payments to State for highways	0
		D. Payments to toll facilities	0
		E. Total disbursements (A.6 + B.3 + C + D)	17,993,816

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
	10,854,143	21,132,288	17,993,816	13,992,615	0

Notes and Comments:

			STATE:	
			Colorado	
LOCAL HIGHWAY FINANCE REPORT			YEAR ENDING (mm/yy):	
			December 2011	

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	117,852
b. Other local imposts:		b. Traffic Fines & Penalties	0
1. Sales Taxes	10,808,980	c. Parking Garage Fees	0
2. Infrastructure & Impact Fees	33,202	d. Parking Meter Fees	0
3. Liens	0	e. Sale of Surplus Property	0
4. Licenses	0	f. Charges for Services	0
5. Specific Ownership &/or Other	796,163	g. Other Misc. Receipts	161,422
6. Total (1. through 5.)	11,638,345	h. Other	0
c. Total (a. + b.)	11,638,345	i. Total (a. through h.)	279,274
	(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	2,643,373	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	0
a. State bond proceeds		b. FEMA	0
b. Project Match		c. HUD	0
c. Motor Vehicle Registrations	288,687	d. Federal Transit Admin	0
d. Other (Specify) - Grant	1,511,882	e. U.S. Corps of Engineers	0
e. Other (Specify)	0	f. Other Federal	230,789
f. Total (a. through e.)	1,800,569	g. Total (a. through f.)	230,789
4. Total (1. + 2. + 3.f)	4,443,942	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	0	0
b. Engineering Costs	0	356,154	356,154
c. Construction:			
(1). New Facilities	0	0	0
(2). Capacity Improvements	0	4,090,479	4,090,479
(3). System Preservation	0	327,765	327,765
(4). System Enhancement & Operation	0	0	0
(5). Total Construction (1) + (2) + (3) + (4)	0	4,418,244	4,418,244
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	4,774,398	4,774,398
			(Carry forward to page 1)

Notes and Comments: