

CITY OF BOULDER, COLORADO

Comprehensive Annual Financial Report

For the fiscal year ended

December 31, 2016

Prepared by the Finance Department

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City of Boulder
Finance Department
1777 Broadway
Boulder CO 80301
303-441-3057

June 28, 2017

To: Members of the City Council,
City Manager Jane Brautigam and the Residents of the City of Boulder

Both the City of Boulder Charter and State law require that an audit of city financial records be conducted each year by an independent certified public accountant. Such an audit has been performed and this report is being published as part of the requirement for the fiscal year ended December 31, 2016.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal controls that has been established for this purpose. Because the cost of internal controls should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free from any material misstatements.

CliftonLarsonAllen LLP, has issued unmodified (“clean”) opinions on the City of Boulder’s financial statements for the year ended December 31, 2016. The independent auditors’ report is located at the front of the financial section of this report.

Management’s Discussion and Analysis (MD&A) immediately follows the independent auditors’ report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter and should be read in conjunction with it.

PROFILE OF THE GOVERNMENT

The City of Boulder is located in north central Colorado, approximately 25 miles northwest of Denver via the Denver-Boulder Turnpike (U.S. 36). The city is located at the base of the foothills of the Front Range of the Rocky Mountains at an altitude of 5,354 feet. Nestled at the foot of the Rockies, Boulder has a special beauty that is complemented by its diverse culture. Boulder has a diverse economy that is supported by computer, aerospace, scientific and research firms, the University of Colorado, and several federal laboratories.

Superior educational and cultural resources make Boulder a fulfilling place to live, work, and play. The city encompasses approximately 25.8 square miles and is the county seat of Boulder County.

The population of the city per the 2016 Boulder Community Profile is 107,167.

The City of Boulder is a municipal corporation duly organized and existing under the laws of the State of Colorado. In particular, the city is a home rule city and adopted a charter pursuant to Article XX of the Constitution of the State of Colorado by vote of the electorate on October 30, 1917.

The council/manager form of government was adopted in the city's charter and has been in operation since January 1918. The City Council, an elected body of nine members, is the policy-making arm of the government. Eight of the members of the City Council are elected for staggered four-year terms and one is elected for a two-year term, with five council members elected in November of each odd-numbered year. A City Manager, appointed by the City Council, serves as the city's chief administrative officer.

The city provides a full range of services. These services include police and fire protection; cultural and recreational facilities and events; open space and mountain parks acquisition and maintenance; environmental services; housing and human services; construction and maintenance of highways, streets and infrastructure; water, wastewater, and stormwater/flood control utilities; and parking facilities and services.

Certain parking facilities and transportation management services are provided through legally separate entities, Downtown Commercial District, University Hill Commercial District, Boulder Junction Authority General Improvement District-Transportation Demand Management, and the Boulder Junction Improvement District. In addition, acquisition and construction of certain city properties and facilities is provided by Boulder Municipal Property Authority. These separate entities function, in essence, as separate departments of the City of Boulder, are governed by the City Council acting as the Board of Directors, and have therefore been included as blended components of the City of Boulder's financial statements.

Budgetary Process

The City Charter includes provisions for proper budgeting, fiscal control, and auditing. It requires the establishment and maintenance of a budgetary control system for general operations. The objective of budgetary control is to ensure compliance with legal provisions embodied in the annual appropriated budget, approved by the City Council, which serves as the foundation of the city's financial planning and control. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established at the fund level. The city budgets revenues and expenditures/expenses for all funds except the two Old Hire Pension Trust Fiduciary Funds.

The city has implemented an annual budget process and adopts the coming year's budget by December 1, as provided by state law. The City of Boulder Charter established the time limits pertaining to the adoption of the budget. The budget process and schedule of development is designed to fit within the Charter mandate and to allow for active and early participation by the City Council, with an emphasis on public input. The city's budget is developed throughout the year, but the bulk of the effort occurs during a nine month period beginning in February and ending in October. The budget and annual Appropriation Ordinances for the ensuing term are generally adopted in October during public hearings.

Any budget revisions affecting fund totals are adopted in a supplemental appropriation ordinance approved by the City Council. The City Council may make additional appropriations or budgetary transfers during the fiscal year for unanticipated revenues received by the city. City management, with the approval of the Central Budget Office, may also transfer budgeted amounts within a fund without City Council approval. All appropriations lapse at year end.

Detailed budget to actual comparisons are provided in this report for the General Fund and all annually budgeted special revenue and capital project funds.

FACTORS AFFECTING FINANCIAL CONDITION

Original projections for sales and use tax revenues for 2016 expected a 2.65% increase from 2015. Actual sales and use tax revenues for the City increased by 3.35% over 2015. During 2016, Retail Sales Tax was up 3.37%, Business/Consumer Use Tax was up by 1.86%, Construction Use Tax was up by 4.27%, and Motor Vehicle Use Tax was up 4.87%. Accommodation Tax increased 8.75% over 2015 while Admissions Tax increased 19.63% over 2015. Admissions Tax collections are dependent on the number of taxable productions and events held in the City and the level of attendance at such events.

Sales and use tax revenues in 2016 made up approximately 46% of the General Fund, 91% of the Open Space and Mountain Parks Fund and 72% of the Transportation Fund total revenues.

The property tax base for 2016 was appraised at the 2015 actual value. The assessed valuation for property within the City of Boulder decreased from \$3.160 billion in 2014 to \$3.147 billion in 2015, or 0.4%. Taxes levied against the 2016 assessed valuation will be collected in 2017. In November 2008, the voters within the City of Boulder approved a ballot question which removed the remaining TABOR restriction on property tax revenues for 2009 and beyond. This increase in retained taxes was limited to .5 mills per year until the full amount of the existing tax levy of 11.981 mills was restored and retained. During 2012, the remaining TABOR limitation was fully eliminated.

Projections for the Future

According to “The Colorado Outlook Report”, released March 17, 2017, economic growth in Colorado will continue to show upward momentum into 2017. Modest growth in the oil and gas sector is helping to bolster overall growth. Strong labor market conditions are a telling indicator of Colorado’s solid economy. Unemployment rates across most areas of the state are below the national average, and the urban Front Range areas continue to have among the lowest unemployment rates in the country. Overall job and income growth for 2017 is expected to be higher than last year. However, growth is constrained due to the states tight labor and housing markets. Elevated housing prices and low inventory continue to place constraints on growth.

According to the Leeds Business Confidence Index, published by the University of Colorado, expectations for the state economy have turned markedly more positive. When expectations for the economy are positive, businesses are more likely to hire and invest, which then brings about the expected economic growth.

The national economy continued to post modest yet uneven improvement. The labor market remains strong as it continues to add jobs and approach full employment. The unemployment rate has remained at or below five percent for 18 months. Higher rates of hiring of temporary workers signal the labor market is likely to remain strong. Business spending has also picked up, a positive sign for ongoing economic growth. U.S. industrial production activity remains sluggish, but a leading indicator of the sector shows stronger momentum in 2017. Nationwide, personal income growth increased 3.6 percent in 2016 while Colorado posted a 4.1 percent increase. The unemployment rate Nationwide was 4.9 percent while Colorado was 1.6 percentage points lower at 3.3 percent.

The change in March 2017 year-to-date sales and use tax revenue, including use tax compared to March 2016 is as follows:

TAX CATEGORY	% CHANGE IN REVENUE Increase/(Decrease)	% OF TOTAL
Sales Tax	2.47%	80.17%
Business/Consumer Use Tax	(39.71%)	8.27%
Construction Use Tax	(35.04%)	7.89%
Motor Vehicle Use Tax	17.24%	3.67%
Total Sales & Use Tax	(6.74%)	100.00%

The following information analyzes the results of the above sales and use tax chart:

- Retail Sales Tax – Actual retail receipts were up 2.47% received as of March 31, 2017 compared to March 31, 2016. Retail sales tax is expected to continue trending upward through the rest of the year.
- Business/Consumer Use Tax – Revenues are down by 39.71% from 2016. This category can be volatile as it is associated primarily with the amount and timing of purchase of capital assets by businesses in the city and the amount and timing of audit revenue. A significant portion of this amount is one time in nature and is not expected to reoccur in future months. Therefore, it is expected that the year-to-date decrease will come back to expectations in future months.
- Construction Use Tax – This category is down 35.04% year to date 2017. This is another volatile tax category as it depends upon the number and timing of construction projects in any given period. Revenue in this category assumes “base” number of projects will continue indefinitely, plus revenue from large projects in the “pipeline” (based upon a review of information from the City Planning Department and the Colorado University Capital Improvement Plan).
- Motor Vehicle Use Tax is up by 17.24% year to date 2017. Vehicles purchased by Boulder citizens, regardless of where in the state the vehicle is purchased, generate use tax revenues for the city. As individuals and businesses became more confident about jobs and the economy, they have replaced their vehicles and thus reduced the average age of their fleet. It is expected that the year-to-date increase will come back to expectations in future months.

In the future, as revenues continue to recover, any proposed increases in expenditures will be evaluated based on Priority Based Budgeting, a decision making tool which helps the city make strategic recommendations regarding priorities for current and future funding changes. By using

the Priority Based Budgeting process, existing financial policies and the six-year planning model for operations, the city will be able to maintain targeted fund balances, redirect any funding increases to the highest priority areas and ensure that operating revenues exceed ongoing operating expenditures each year.

The actual percentages for 2015 and 2016, along with the 2017 sales tax projections for the City of Boulder and statewide forecasts from the Colorado Office of State Planning and Budgeting are as follows:

Forecast	2015 Actual	2016 Actual	2017 Projected
Base Sales/Use Tax - City of Boulder	4.57%	3.35%	3.25%
Denver-Boulder-Greeley Consumer Price Index	1.20%	2.80%	2.80%
Statewide Retail Sales Trade Growth	3.90%	4.30%	5.20%
Statewide Personal Income Growth	4.20%	4.10%	5.60%

THE IMPORTANCE OF SOUND STRATEGIC PLANNING

The following narratives were extracted from the City Manager’s message found in the 2016 and 2017 Annual Budgets, Volume I:

Over the last four years, City Council has adopted Master and Strategic Plans that reflect extensive public input in support of community priorities. This has helped to provide the road map for strategic investments. Based on those strategic plans, as well as a other studies, the city is moving forward to implement strategic investments in staffing and infrastructure, which will make the community more resilient in the face of economic challenges and environmental impacts.

I am proud to say that the city’s leadership team has again worked tirelessly this year to align resources with community priorities. As has been the case in recent years, the context for consideration was the city’s strategic plan, which is guided by the Community Sustainability Framework, in conjunction with the update to the Boulder Valley Comprehensive Plan.

During 2016, the city continued to implement the financial policy of using one-time revenue only for one-time expenditures, which has served the city well during and since the last recession.

MAJOR INITIATIVES

Current economic conditions and long-term structural budget problems require that the City of Boulder conduct business in a new way, evaluate what services and programs can be provided, continue to focus on being as efficient as possible, and refine processes and systems to work with staffing levels that can be sustained over time. In order to address these economic and structural realities, a Priority Based Budgeting approach was implemented as part of the 2011 budget process and was continued in 2012 and 2013. Starting in 2014, Priority Based Budgeting was the sole framework used in all decisions to determine the set of services and programs that were provided to the community and continued in 2016.

The 2017 Capital Improvements Program (CIP) includes proposed funding of \$61.1 million for 107 projects. The entire six-year (2017-22) CIP includes proposed funding of \$453.8 million for 171 projects. The city is spending the majority, over 78% of its 2017 capital funds on capital enhancement and maintenance of its existing assets, 11% on land and asset acquisition, 10% on new capital projects and 1% on capital planning. CIP funding varies year to year depending on the type and cost of projects recommended for funding in that year and the amount of external funding received. Highlights of the six-year plan include \$111.4 million for Water Utility related projects, \$60.4 million for Storm Water and Flood Utility related projects, \$81.5 million for Wastewater Utility related projects, \$91.7 million for Transportation related projects and \$46.5 million for Open Space related projects.

In November 2014, Boulder voters approved the Community, Culture and Safety tax, a three-year 0.3 percent sales and use tax increase. The ballot language projected that the revenue from this temporary tax increase will yield \$27.6 million for specific projects to improve community spaces, bolster cultural projects and organizations, and enhance safety. The ballot language established the temporary tax increase for the periods January 1, 2015 to December 31, 2017. Highlights of the selected projects include: a) \$8.7 million for capital improvements for the Boulder Civic Area to create a more vibrant and active urban park and civic area, b) \$5.13 million for capital improvements to Boulder Creek Path, c) \$3.85 million to improve the Dairy Center for the Arts, d) \$4.0 million for capital improvements at the Museum of Boulder conditional to certain conditions being met, e) \$3.27 million for capital improvements in the University Hill District. In total, 13 projects will be implemented with the sales and use tax funds. More information on these projects can be found at the City's website (<https://bouldercolorado.gov/city-manager/community-culture-safety>).

Planned capital expenditures will be financed using revenues from current rates and charges, plant investment and connection fees, bond proceeds, and future rate and fee increases.

The City of Boulder capital improvement program is available online on the city's website (www.bouldercolorado.gov) under the Finance Department budget page.

OTHER FINANCIAL INFORMATION

Debt Ratings

During 2016, the city's general obligation credit ratings were established as Aa1 by Moody's Investors Service and AAA by Standard & Poor's. The primary reasons cited in the past for these high rating levels have been the general strength of the Boulder economy, its distinctiveness from the general Denver metropolitan economy, and the lesser reliance of the city's General Fund on sales taxes when compared with other Colorado municipalities.

CERTIFICATE OF ACHIEVEMENT

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the city for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended December 31, 2015. This was the twenty-seventh consecutive year that the city has achieved this prestigious award and the thirty-fourth year in total. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR. This report must satisfy both generally accepted accounting principles 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's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

In addition, the city also received the GFOA's Distinguished Budget Presentation Award for its 2016 budget document. In order to qualify for the Distinguished Budget Presentation Award, the government's budget document had to be judged proficient as a policy document, a financial plan, an operations guide, and a communications device.

Another important accomplishment for the City of Boulder is the Award for Outstanding Achievement for producing a Popular Annual Financial Report (PAFR) for the fiscal year ended December 31, 2015. This is again only valid for a period of one year and is awarded by the GFOA. This report is a useful tool for residents to obtain a greater understanding of the role of the city's government. The intent is to provide a report that is informative and easy to understand.

We are proud of this continuing commitment to provide complete and reliable information to the residents of the City of Boulder.

ACKNOWLEDGMENTS

The preparation of this report could not be accomplished without the efficient and dedicated services of the entire Finance Department staff. We would like to express our appreciation to all members of the department who assisted and contributed in its preparation. We also thank the Mayor, City Council Members, City Council Audit Committee Members, and the City Manager for their interest and support in planning and conducting the financial operations of the city in a responsible and progressive manner.

Respectfully submitted,



Anne Penney
Controller

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Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Boulder
Colorado**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2015

Executive Director/CEO

CITY OF BOULDER, COLORADO

Principal Elected and Administrative Officials

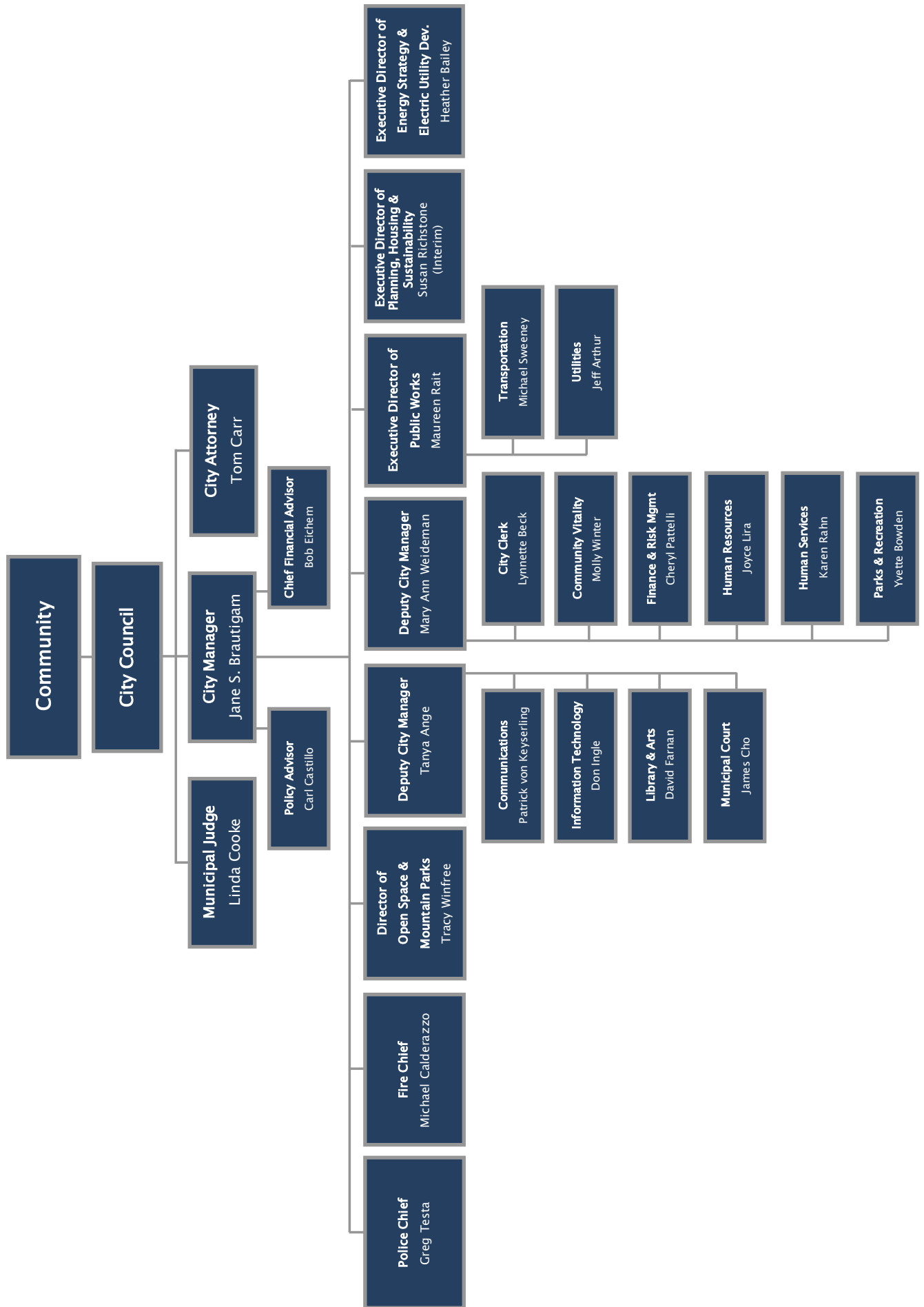
At December 31, 2016

Mayor and City Council

Mayor:	Suzanne Jones
Mayor Pro Tem	Andrew Shoemaker
Council Members:	Matthew Appelbaum Aaron Brockett Jan Burton Lisa Morzel Mary Young Sam Weaver Bob Yates

Administrative

City Manager:	Jane Brautigam
Deputy City Manager:	Mary Ann Weideman
Chief Financial Officer:	Cheryl Pattelli
Controller:	Anne Penney



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INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

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, each major fund, and the aggregate remaining fund information of the City of Boulder, Colorado as of December 31, 2016, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison statements (budgetary basis) for the General Fund, Open Space and Mountain Parks Fund, Transportation Fund, and Boulder Municipal Property Authority Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, pension information and other post-employment benefits information on pages 21-35 and 158-167 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 28, 2017, on our consideration of the City of Boulder, Colorado's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the result of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Boulder, Colorado's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Broomfield, Colorado
June 28, 2017

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City of Boulder, Colorado

MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2016

This section of the City of Boulder's (the city) financial statements provides a narrative overview and analysis of its financial activities for the year ended December 31, 2016. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal at the front of this report and the city's financial statements, which follow this section. All amounts within this comprehensive annual financial report are expressed in thousands of dollars unless otherwise indicated.

Financial Highlights

- The assets and deferred outflows of resources of the city exceeded its liabilities and deferred inflows of resources at the close of 2016 by \$1,115.1 million (\$674.3 million in governmental activities net position and \$440.8 million in business-type activities net position). Of the governmental activities net position total, \$51.4 million, or 8%, is unrestricted and may be used to meet the city's ongoing obligations to the public and creditors. Similarly, \$64.6 million, or 15%, of business-type activities net position is unrestricted.
- Total net position of the city increased \$70.5 million, or 7%, compared to 2015. Net position of the city's governmental activities increased \$41.6 million, which represents an increase of 7% from 2015. Net position of the city's business-type activities increased \$28.9 million, or 7%, from 2015.
- Total revenues, excluding transfers increased \$19.5 million, or 6%, to \$343.9 million compared to 2015. Governmental activities revenues increased \$15.2 million, or 6%, to \$264.5 million, while revenues of business-type activities increased \$4.3 million, or 6%, to \$79.4 million compared to 2015.
- The total expenses of all the city's programs, excluding transfers, increased \$13.3 million, or 5%, to \$273.3 million compared to 2015. The expenses of governmental activities programs increased \$11.0 million, or 5%, to \$220.8 million, while the expenses of business-type activities increased \$2.3 million, or 5%, from 2015 to \$52.5 million.
- As of December 31, 2016, the city's governmental funds reported a combined ending fund balance of \$175.9 million. Approximately 56%, or \$98.5 million, is unrestricted fund balance and, therefore, available for spending at the city's discretion within the purposes specified for the city's funds.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the city's basic financial statements. The city's basic financial statements are comprised of three components: (1) government-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.

Government-wide financial statements – The government-wide financial statements are designed to provide readers with a broad overview of the city's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the city's assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the difference between the four reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the city is improving or deteriorating.

The *statement of activities* presents information showing how the city's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (for example, uncollected taxes and earned, but unused vacation leave).

Both the statement of net position and statement of activities 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 or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the city include general government, administrative services, public safety, public works including streets and transportation, planning and development services, culture and recreation, open space and mountain parks, housing and human services, interest on long-term debt and the Boulder Municipal Property Authority's acquisition of general property, open space and parks property. The business-type activities of the city include water utility, wastewater utility, storm water and flood management and parking facilities and services.

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, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the city can be divided into three categories: governmental funds, proprietary funds and fiduciary (Pension Trust) funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-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. Such information may be useful in evaluating the city's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the city's near-term financial decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Proprietary funds. Proprietary funds are generally used to account for services for which the city charges customers – either outside customers or internal units or departments of the city. Proprietary funds provide the same type of information as shown in the government-wide financial statements, only in more detail. The city maintains the following two types of proprietary funds:

- **Enterprise funds** are used to report the same functions presented as business-type activities in the government-wide financial statements. The city uses enterprise funds to account for the operations of the Water Utility, Wastewater Utility, Storm Water and Flood Management and Downtown Commercial District funds. These are considered to be major funds of the city. In addition, the University Hill Commercial District and Boulder Junction GID are accounted for as non-major enterprise funds.
- **Internal Service funds** are used by the city to account for the costs of acquiring, operating and maintaining certain types of equipment and facilities, costs for city-wide insurance programs and funding for certain governmental fund compensated absences liabilities. Because these services predominantly benefit governmental rather than business-type functions, the assets and liabilities of the internal service funds have been included within governmental activities in the government-wide financial statements. Internal service funds are combined into a single, aggregated memo presentation in the proprietary fund financial statements. The internal service funds consist of Telecommunications, Property and Casualty Insurance, Workers' Compensation Insurance, Compensated Absences, Fleet, Computer Replacement, Equipment Replacement and Facility Renovation and Replacement. Individual fund data for the internal service funds is provided in the form of *combining statements* in the "Combining and Individual Statements" section.

Fiduciary funds are used to account for the accumulation of resources to be used for retirement annuity payments at appropriate amounts and times in the future. Resources are contributed by employees and the city at amounts determined by biennial actuarial studies and by State law.

Notes to the Financial Statements – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other information – In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the city's progress in funding its obligation to provide pension benefits to its police and firefighters and provide healthcare benefits for retirees.

The combining statements referred to earlier in connection with non-major governmental funds and internal service funds are presented immediately following the required supplementary

information on pensions. Included are budgetary comparison schedules for all annually budgeted non-major special revenue and capital project funds.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of the city's financial position. Our analysis below focuses on the net position and changes in net position of the city's governmental and business-type activities.

Table 1 - Net Position (dollars in thousands)

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total Primary Government</u>	
	2016	2015	2016	2015	2016	2015
Current and other assets	\$ 305,068	\$ 278,366	\$ 153,411	\$ 124,675	\$ 458,479	\$ 403,041
Capital assets	657,936	642,275	437,102	407,475	1,095,038	1,049,750
Total assets	<u>963,004</u>	<u>920,641</u>	<u>590,513</u>	<u>532,150</u>	<u>1,553,517</u>	<u>1,452,791</u>
Deferred outflows of resources	33,590	14,084	8,435	5,094	42,025	19,178
Noncurrent liabilities	257,442	147,979	148,066	101,939	405,508	249,918
Other liabilities	25,346	116,499	8,258	22,052	33,604	138,551
Total liabilities	<u>282,788</u>	<u>264,478</u>	<u>156,324</u>	<u>123,991</u>	<u>439,112</u>	<u>388,469</u>
Deferred inflows of resources	39,532	37,590	1,783	1,325	41,315	38,915
Net position:						
Invested in capital assets	545,505	521,402	375,949	343,555	921,454	864,957
Restricted	77,392	65,690	279	273	77,671	65,963
Unrestricted	51,377	45,565	64,613	68,100	115,990	113,665
Total net position	<u>\$ 674,274</u>	<u>\$ 632,657</u>	<u>\$ 440,841</u>	<u>\$ 411,928</u>	<u>\$ 1,115,115</u>	<u>\$ 1,044,585</u>

Table 1 presents an analysis of the city's net position as of December 31, 2016. The city's assets exceeded its liabilities by \$1,115.1 million at the close of the current fiscal year. By far the largest portion of the city's net position (83%) reflects its investment of \$921.5 million in capital assets (for example, land, buildings, transportation infrastructure, machinery and equipment, utility plant in service and underground drainage facilities), less any related debt used to acquire those assets that is still outstanding. The city uses these capital assets to provide services to the public; consequently, these assets are *not* available for future spending. Although the city's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the city's net position, \$77.7 million (7%), represents resources that are subject to restrictions as to how they may be used. The remaining balance of unrestricted net position, \$115.9 million (10%), may be used to meet the city's on-going obligations to the public and creditors.

At the end of the current fiscal year, the city reported positive balances in all three categories of net position, both for the government as a whole as well as for its separate governmental and business-type activities. Net investment in capital assets increased \$56.5 million, or 7%, compared to 2015. This increase is due to new revenue bonds issued in 2016 as well as capital project costs related to improvements and enhancements to the Civic Area, additional funding in Transportation and other large utility construction projects. Restricted net position increased \$11.7 million, or 18%, compared to 2015. This was largely due to additional restricted funds in the Open Space & Mountain Parks fund. The \$2.3 million, or 2%, increase in unrestricted net position during 2016 was due in large part to an increase in unrestricted sales and use taxes in the General Fund of \$2.2 million.

It is important to note that approximately \$50.8 million in governmental unrestricted net position arises from the net position of the city's internal service funds, discussed above in "Overview of the Financial Statements – Proprietary Funds." Although it is highly unlikely that these funds will be liquidated, in the event that they are, the distribution of the net position of these funds would result in a portion of these unrestricted net positions being liquidated to unrestricted net position of governmental activities and unrestricted net position of business-type activities.

Analysis of Changes in Net Position

As can be seen from *Table 2*, the city's net position increased by \$70.5 million during 2016. This increase is explained in the governmental and business-type activities discussion below.

Governmental Activities

Net position of governmental activities increased by \$41.6 million during 2016, accounting for 59% of the total increase in the city's net position. This increase was \$4.8 million more than the \$36.8 million increase in net position in 2015.

Revenues during 2016 increased by \$15.2 million compared to 2015. The continuing strength of the economy contributed to a \$5.0 million increase in sales and use taxes. Property taxes increased by \$6.0 million in 2016 due to higher property valuations from 2015. Operating and capital grant revenue increased by \$1.5 million and \$7.6 million, respectively, compared to 2015 primarily due to transportation projects completed during 2016.

Expenses increased \$11.0 million in 2016 compared to 2015. Administrative Services expenses increased \$3.0 million because of additional salary expenses and computer hardware and infrastructure costs in 2016. A \$10.3 million decrease in Housing and Human Services expenses was related to a decrease in development or improvement of permanently affordable housing units in 2016 as compared to 2015. Public Works expenses increased \$4.0 million primarily due to an increase in general fund transportation expense as well as an increase in repairs and maintenance. *Charts 1 and 2* illustrate the city's governmental expenses and revenues by function and its revenues by source. As can be seen in *Chart 1*, Public Safety is the largest function based on expenses (26%), followed by Public Works (20%) and Culture and Recreation (16%). General revenues such as sales and use taxes, property and other taxes are not shown in *Chart 1* by program, but are used to support program activities citywide and included in *Chart 2*. For governmental activities, overall, without regard to program, sales and use taxes are the largest single source (51.5%), followed by property taxes (14%) and charges for services (13%).

Table 2 - Changes in Net Position (dollars in thousands)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2016	2015	2016	2015	2016	2015
Program revenues:						
Charges for services	\$ 34,507	\$ 38,788	\$ 65,316	\$ 65,142	\$ 99,823	\$ 103,930
Operating grants and contributions	12,856	11,400	3,664	1,931	16,520	13,331
Capital grants and contributions	13,765	6,175	7,854	5,665	21,619	11,840
General revenue:						
Sales and use taxes	136,269	131,323	-	-	136,269	131,323
Property taxes	36,897	30,846	1,293	1,178	38,190	32,024
Other taxes	25,150	26,358	57	69	25,207	26,427
Interest and investment earnings	1,976	1,097	1,073	486	3,049	1,583
Miscellaneous revenue	2,825	1,008	145	45	2,970	1,053
Gain on sale of capital assets	219	2,313	-	562	219	2,875
Total Revenues	264,464	249,308	79,402	75,078	343,866	324,386
Program expenses (includes indirect expenses allocation):						
Governmental activities:						
General Government	20,073	13,436	-	-	20,073	13,436
Administrative Services	9,750	6,742	-	-	9,750	6,742
Public Safety	58,151	50,190	-	-	58,151	50,190
Public Works	43,112	39,117	-	-	43,112	39,117
Planning and Development Services	14,600	14,033	-	-	14,600	14,033
Culture and Recreation	36,216	32,247	-	-	36,216	32,247
Open Space and Mountain Parks	22,010	20,922	-	-	22,010	20,922
Housing and Human Services	13,085	23,400	-	-	13,085	23,400
Interest on long-term debt	3,815	9,750	-	-	3,815	9,750
Business-type activities:						
Water Utility	-	-	23,540	22,546	23,540	22,546
Wastewater Utility	-	-	14,309	13,550	14,309	13,550
Stormwater and Flood Management	-	-	7,468	6,873	7,468	6,873
Parking Facilities and Services	-	-	6,546	6,583	6,546	6,583
Property and Facility Acquisition	-	-	661	618	661	618
Total expenses	220,812	209,837	52,524	50,170	273,336	260,007
Excess before transfers	43,652	39,471	26,878	24,908	70,530	64,379
Transfers	(2,035)	(2,711)	2,035	2,711	-	-
Increase in net position	41,617	36,760	28,913	27,619	70,530	64,379
Net position, beginning of year	632,657	595,897	411,928	384,309	1,044,585	980,206
Net position, end of year	\$ 674,274	\$ 632,657	\$ 440,841	\$ 411,928	\$ 1,115,115	\$ 1,044,585

Chart 1: 2016 Expenses and Program Revenues - Governmental Activities

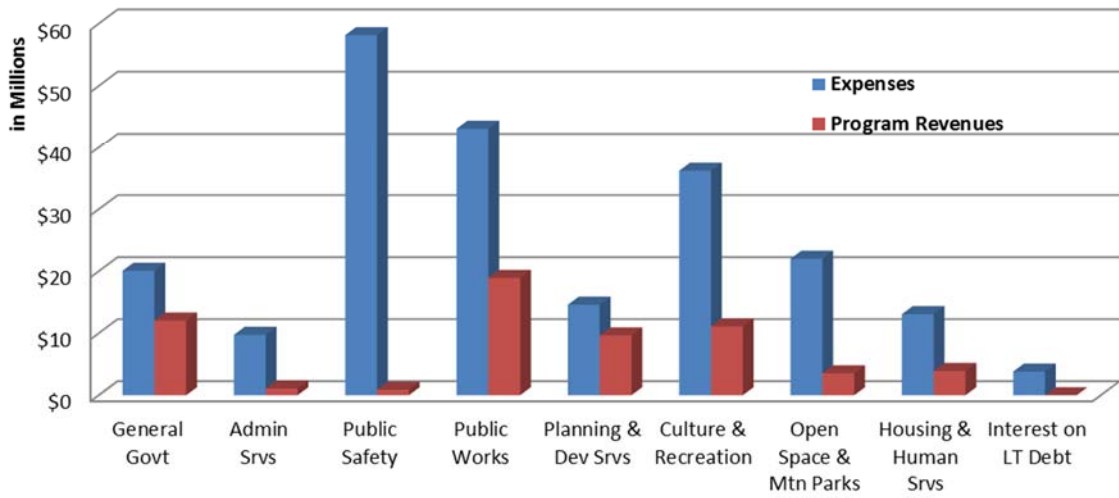
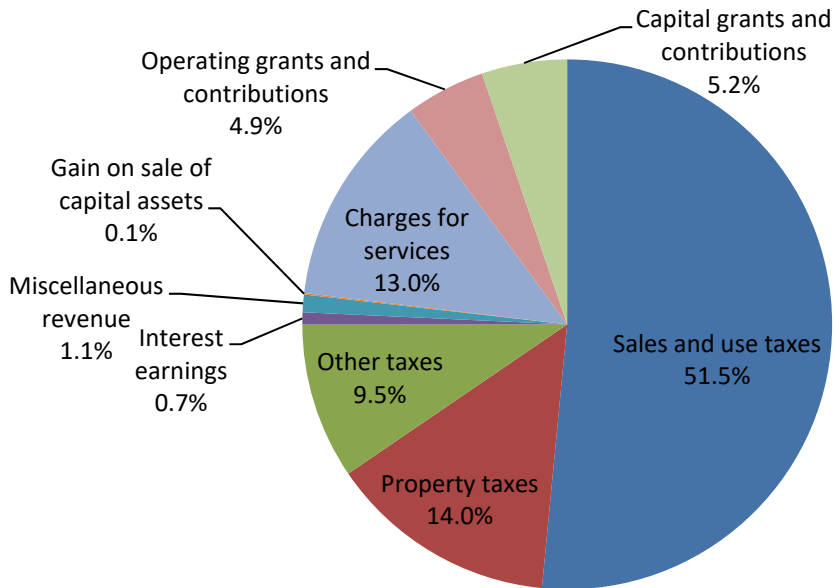


Chart 2: 2016 Revenues by Source - Governmental Activities



Business-type Activities

Net position in business-type activities increased \$28.9 million in 2016. This increase was \$1.3 million more than the \$27.6 million increase in net position in 2015.

Total business-type revenues increased \$4.3 million, or 6%, compared to 2015. Operating and capital grants and contributions increased by \$3.9 million in 2016 mainly due to water utility related projects.

Expenses of business-type activities increased by \$2.3 million, or 5% compared to 2015, mainly because of modest operating increases in the water, wastewater and storm water utilities.

As can be seen from *Charts 3 and 4*, the city's water utility and wastewater utility activities account for the majority of its business-type activities, representing 72% of total business-type activity expenses. Charges for services provide the largest share of revenues (82%), followed by capital grants and contributions (10%) and operating grants and contributions (5%).

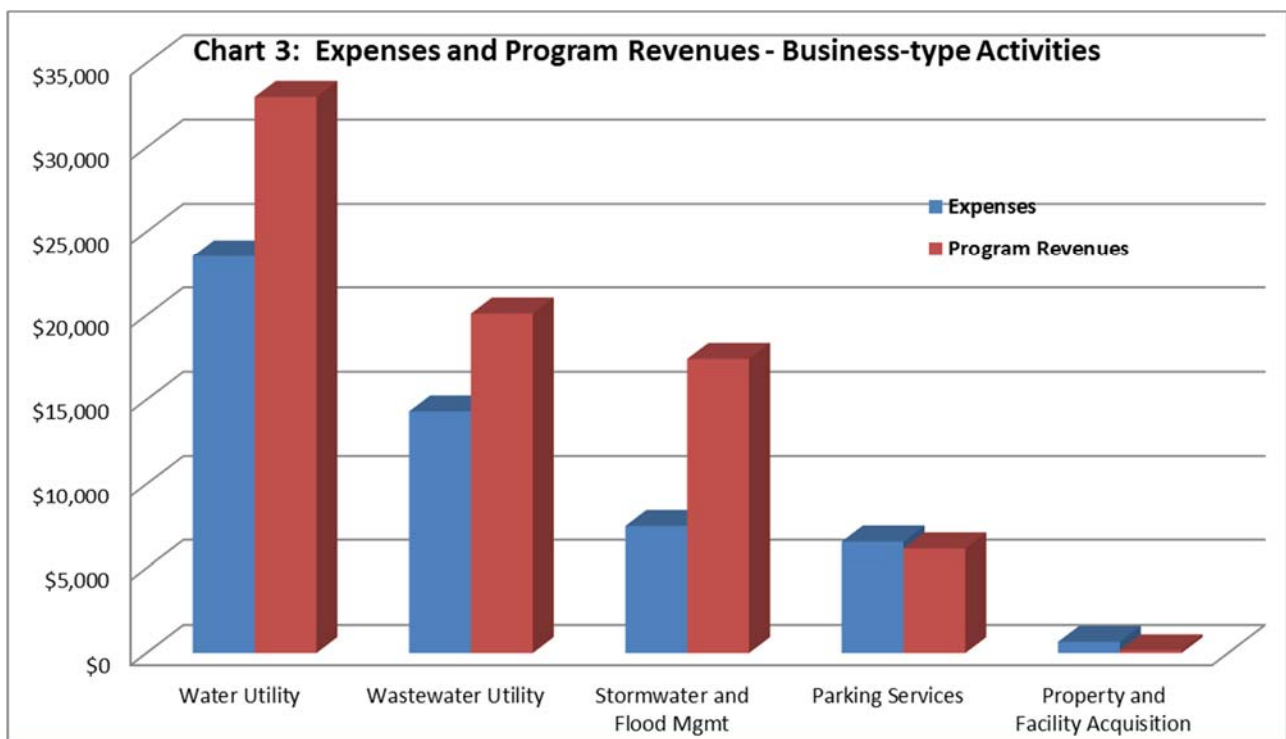
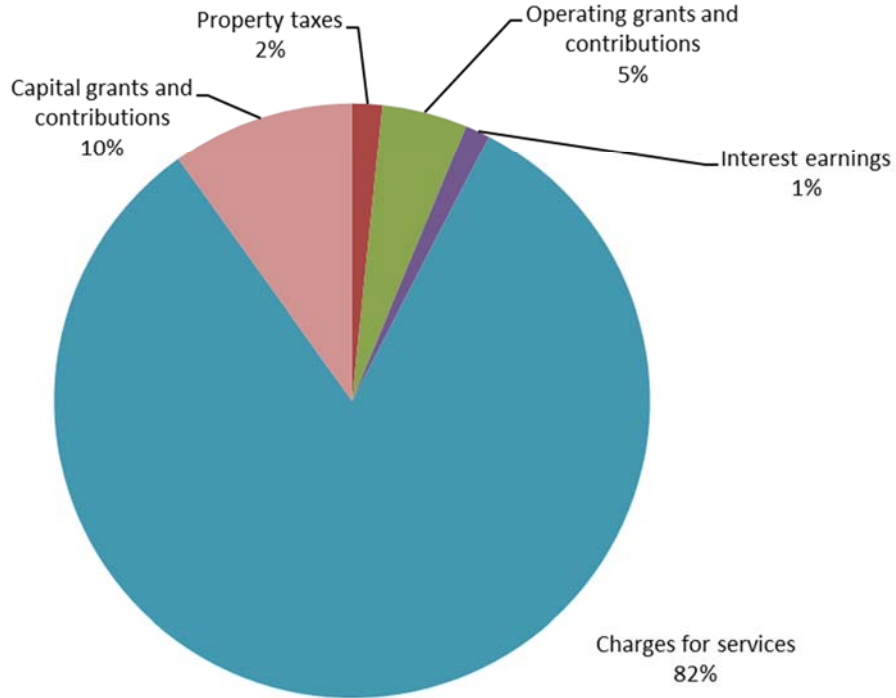


Chart 4: 2016 Revenue by Source - Business-type Activities



Financial Analysis of the City's Funds

As noted earlier, the city uses fund accounting to ensure and demonstrate compliance with finance-related requirements.

Governmental Funds

The focus of the city's governmental funds is to provide information on near-term inflows, outflows and balances of resources that are available for spending. Such information is useful in assessing the city's financing requirements. In particular, unrestricted fund balance may serve as a useful measure of the city's net resources available for spending at the end of the fiscal year. Types of governmental funds reported by the city include the General Fund, Special Revenue Funds, Debt Service Funds and Capital Project Funds.

As of December 31, 2016, the city's governmental funds reported combined ending fund balances of \$175.9 million, an increase of \$13.5 million, or 8%, from the prior year. The fund balance of the General Fund increased \$4.0 million to \$58.6 million at December 31, 2016. General Fund revenues grew by \$7.7 million, primarily because of overall improvements in the economy. Increased consumer spending led to a \$2.2 million rise in sales and use taxes. Increased property valuations led to a \$4.6 million increase in general property taxes. Fund expenditures increased by

\$8.2 million due to expansion of services. General government increased \$5.6 million due to increased lease expense from the 2015 Certificate of Participation and increased energy strategy expenses. Public works increased \$1.4 million due to increased repairs and maintenance during 2016. Public Safety expenditures increased \$1.3 million mainly due to increased personnel costs and the purchase of materials and equipment.

The Open Space and Mountain Parks Fund's fund balance increased \$6.4 million in 2016. Revenues grew by \$3.0 million due to an increase in sales and use taxes from increased economic activity and increased grant revenues. Expenditures increased by \$1.7 due to increased operational costs.

The fund balance of the Transportation Fund fell by \$4.2 million in 2016. Revenues increased by \$3.1 million while expenditures increased by \$5.1 million. Transportation receives funding from CDOT for infrastructure projects as they are completed. The increase in expenditures is due to the implementation of various capital projects.

Other governmental fund balances increased by \$7.3 million. Reduced debt service costs and decreases in housing and human service expenses was primarily attributable to the increase.

Approximately \$98.5 million or 56% of the combined ending fund balance in the governmental funds constitutes unrestricted fund balance available for spending at the city's discretion within the purposes specified for each of the funds. The remainder of fund balance is either non-spendable or restricted to indicate that it is not available for new spending because it has already been committed for specific purposes. This non-spendable or restricted fund balance is comprised of: (1) fund balance not in spendable form such as prepaid expenses, inventory for consumption, and permanent endowments - \$0.2 million; (2) limitations imposed on use of funds by external laws and regulations - \$9.8 million; (3) restrictions for capital projects - \$13.7 million; (4) restrictions for future development - \$49.9 million; (5) restricted for expenditure on lottery authorized parks and recreation projects - \$3.2 million and (6) restrictions placed on the funds by donors - \$0.7 million.

The General Fund is the primary operating fund of the city. At the end of 2016 the unrestricted fund balance of the General Fund was \$56.1 million, while total fund balance was \$58.6 million. Unrestricted fund balance includes fund balance committed by city council, assigned by city management, and unassigned fund balance as disclosed in the Governmental Funds Balance Sheet. As a measure of the General Fund's liquidity, it is useful to compare unassigned fund balance to total fund expenditures and transfers out. In 2016, unassigned fund balance of \$47.5 million represents 37% of total general fund expenditures and transfers out of \$129.6 million. General Fund unassigned fund balance as a percentage of total expenditures and transfers out was 35% in 2015.

The Open Space and Mountain Parks Fund and the Transportation Fund are special revenue funds, with 100% of their fund balance either restricted or assigned. With the exception of negative fund balances which must be reported as unassigned, special revenue funds do not have unassigned fund balances since the act of accounting for the revenues within a special revenue fund assigns them to that fund's purpose. The Open Space and Mountain Parks Fund revenues are derived from sales taxes approved by the voters and other restricted revenue sources. 100% of the fund balance for Open Space and Mountain Parks Fund is restricted for acquisition and maintenance of the city's

open space. The total fund balance of the Open Space and Mountain Parks Fund was \$42.2 million at December 31, 2016, an increase of \$6.4 million from 2015. The Transportation Fund's revenue sources are generally restricted except for investment income. As of December 31, 2016, the Transportation Fund's restricted fund balance was \$11.1 million and was assigned for special purposes. The total Transportation fund balance was \$11.1 million at December 31, 2016, a \$4.2 million decrease from 2015.

In the 2016 budget year, the City Council maintained a minimum target for unassigned General Fund balance of 16% of expenditures and transfers out, excluding expenditures funded by grants. This minimum undesignated fund balance is available for emergency purposes, stabilization of funding of programs during periods of temporary revenue declines or temporary funding of programs to allow for controlled reductions in expenditures in periods of extended or permanent revenue reductions. The target amount of 16% was met in 2016.

Proprietary Funds

As already discussed, the city's proprietary fund statements provide the same type of information found in the government-wide financial statements, but in more detail.

As of December 31, 2016, the unrestricted net position of the Water Utility Fund was \$23.3 million, the Wastewater Utility Fund was \$10.0 million, the Storm Water and Flood Management Fund was \$20.4 million, the Downtown Commercial District Fund was \$4.3 million and the non-major enterprise funds was \$1.4 million. The total increase in net position for the proprietary funds was \$28.4 million. Factors concerning the changes in these funds have already been addressed in the discussion of the city's business-type activities.

General Fund Budgetary Highlights

The city's final budget differs from the original budget in that it contains carry-forward appropriations for various programs and projects and supplemental appropriations approved during the fiscal year. The final budget for General Fund appropriations including transfers out for 2016 was \$26.4 million greater than the original budget. The primary reasons for this difference are related to the following increases:

- \$6.2 million for operating carryover for Boulder Energy Future.
- \$1.2 million operating carryover for human services initiatives.
- \$0.8 million for operating carryover in general governance areas.
- \$1.2 million for building renovation.
- \$0.4 million carryover for grant related projects.

On a basis consistent with the adopted budget, actual revenues and transfers in were \$9.1 million, or 6.9%, more than the final budget. Actual expenditures and transfers out were \$20.6 million, or 13.4%, less than the final budget. The net effect of these differences was a favorable variance in actual revenues and expenditures to the fiscal year-end budgeted fund balance of \$28.2 million. The primary factors contributing to this favorable variance include the following:

- \$4.0 million more in property tax revenues

- \$1.1 million more in excise taxes
- \$4.5 million less in expenditures related to potential municipalization of the electric utility being carried into 2017
- \$1.5 million less in expenditures related to public safety
- \$1.0 million less in expenditures related to community vitality
- \$0.5 million less in expenditures related to finance
- \$2.0 million less in expenditures related to information technology
- \$5.5 million less in expenditures related to community funding grants
- \$3.4 million less in expenditures related to timing of several capital projects in public works
- Various smaller variances in and expenditures

Capital Assets and Debt Administration

Capital Assets

As can be seen from *Table 3*, the city's investment in capital assets for its governmental and business-type activities as of December 31, 2016 amounts to \$1,095.0 million (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, park facilities, transportation infrastructure, utility plant in service and undergrounds, water rights, software, underground drainage facilities, machinery, equipment and vehicles. The net increase in the city's investment in capital assets was \$45.2 million (4%) from 2015. Net capital assets of governmental activities increased \$15.7 million (2%) and those of business-type activities decreased \$29.6 million (7%).

Table 3 - Capital Assets, Net of Depreciation (dollars in thousands)

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total Primary Government</u>	
	2016	2015	2016	2015	2016	2015
Land and easements	\$ 337,479	\$ 307,000	\$ 43,347	\$ 43,347	\$ 380,826	\$ 350,347
Buildings	71,044	61,120	20,739	21,777	91,783	82,897
Improvements other than buildings	55,438	50,320	2,882	3,215	58,320	53,535
Infrastructure	124,202	108,822	-	5	124,202	108,827
Utility plant in service and	-	-	315,278	313,570	315,278	313,570
Machinery, equipment and vehicles	22,996	20,686	3,878	4,940	26,874	25,626
Software and licenses	6,431	362	-	-	6,431	362
Construction in progress	40,346	93,965	50,978	20,621	91,324	114,586
Total	<u>\$ 657,936</u>	<u>\$ 642,275</u>	<u>\$ 437,102</u>	<u>\$ 407,475</u>	<u>\$ 1,095,038</u>	<u>\$ 1,049,750</u>

Some of the major capital asset activities during 2016 included the following:

Governmental activities:

- Construction in progress of several transportation infrastructure projects, including: Diagonal 28th-30th reconstruction and Baseline underpass - \$14.6 million
- Construction in progress for the improvements and enhancements to the Civic Area - \$2.0 million
- Completion of Dairy Center renovations - \$3.85 million
- Eben G. Fine Park Stream Bank Restoration project was completed - \$.594K

- Completion of University Hill lighting project - \$2.0 million
- Financial and Human Resources software replacement has been completed - \$4.2 million
- Several land acquisitions by OSMP – \$1.6 million
- New Wildland Fire Station has been completed - \$3.9 million
- New vehicle purchases - \$4.4 million
- Recognition of \$19.0 million in depreciation expense

Business-type activities:

- Wastewater utility construction projects in progress including: WWTF Nitrogen Upgrade project, IBM Lift station improvements and the Sanitary sewer rehabilitation - \$ 8.7 million
- Water Utility construction projects in progress including: Betasso WTF project, the city's distribution waterline replacement and the Barker gravity pipeline replacements - \$ 9.4 million
- Flood mitigation projects have begun for Wonderland Creek and Fourmile Canyon Creek - \$ 11.2 million
- Work has begun on the Trinity Horizon Project in partnership with Trinity Lutheran Church for an underground parking garage - \$3.9 million
- CAGID Garage Improvements - \$0.75 million
- Recognition of \$10.0 million in depreciation expense

Additional information on the city's capital assets can be found in Note H to the Financial Statements.

Debt Administration

Table 4 summarizes the city's bonded debt as of the end of 2016 and 2015. At December 31, 2016, the city had total bonded debt (including certificates of participation) of \$234.8 million. Of this amount, \$30.0 million consisted of general obligation debt backed by the full faith and credit of the city. Another \$197.7 million represents bonds secured solely by specified revenue sources (revenue bonds, certificates of participation and capital improvement bonds). The remaining \$7.1 million relates to pension obligation bonds. The pension obligation bonds are not backed by either specified revenue sources or taxes. The decreases in the bonds this year are directly related to payments that the city makes on a semi-annual basis. During 2016, the city issued \$34.1 million Water and Sewer Revenue Bonds Series 2016.

**Table 4 - General Obligation, Revenue, Pension Obligation Bonds and Certificates of Participation
(dollars in thousands)**

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total Primary Government</u>	
	2016	2015	2016	2015	2016	2015
General obligation bonds	\$ 22,555	\$ 26,573	\$ 7,453	\$ 9,133	\$ 30,008	\$ 35,706
Revenue bonds	-	-	116,226	91,294	116,226	91,294
Pension obligation bonds	7,063	7,443	-	-	7,063	7,443
Capital improvement bonds	41,330	44,220	-	-	41,330	44,220
Certificates of Participation	40,179	41,561	-	-	40,179	41,561
Total bonded debt	<u>\$ 111,127</u>	<u>\$ 119,797</u>	<u>\$ 123,679</u>	<u>\$ 100,427</u>	<u>\$ 234,806</u>	<u>\$ 220,224</u>

The city's general obligation credit rating is Aa1 by Moody's Investor Services, Inc. and AA+ by Standard & Poor's Corporation. Under the City Charter, the city's general obligation debt issuances are subject to a legal limitation based on 3% of the total assessed value of real and personal property. The city's general obligation debt is issued as sales tax revenue bonds enhanced by a general obligation pledge of the full faith and credit of the city. The city does not currently levy an ad valorem property tax for debt service even though authorized to do so. As a result, all bonded debt is considered to be self-supporting and the ratio of net bonded debt supported solely by property taxes to assessed valuation is zero.

Additional information on the city's bonded debt can be found in Note O to the Financial Statements.

Contacting the City's Financial Management

This financial report is designed to provide the public, taxpayers, customers, investors and creditors with a general overview of the city's finances and to show the city's accountability for the funds and assets it receives. If you have questions about this report, or need additional financial information, contact the Controller of the City of Boulder Finance Department at 1777 Broadway, Boulder, CO 80302.

BASIC FINANCIAL STATEMENTS

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CITY OF BOULDER, COLORADO

Statement of Net Position

December 31, 2016

(Amounts in 000's)

	Governmental <u>Activities</u>	Business-type <u>Activities</u>	<u>Total</u>
Assets:			
Equity in pooled cash and cash equivalents	\$ 16,458	\$ 2,756	\$ 19,214
Investments	206,724	75,390	282,114
General property tax receivable	37,428	1,379	38,807
Sales tax receivable	15,951	-	15,951
Other receivables (See Note G)	21,566	9,372	30,938
Restricted investments	6,254	64,240	70,494
Inventory of materials and supplies	50	273	323
Other assets	637	1	638
Capital assets (net of accumulated depreciation):			
Land and easements	337,479	43,347	380,826
Buildings	71,044	20,739	91,783
Improvements other than buildings	55,438	2,882	58,320
Infrastructure	124,202		124,202
Utility plant in service and undergrounds	-	315,278	315,278
Machinery, equipment and vehicles	22,996	3,878	26,874
Software and licenses	6,431	-	6,431
Construction in progress	40,346	50,978	91,324
Total assets	<u>963,004</u>	<u>590,513</u>	<u>1,553,517</u>
Deferred outflows of resources	<u>33,590</u>	<u>8,435</u>	<u>42,025</u>
Liabilities:			
Accounts and accrued liabilities:			
Vouchers and accounts payable	9,357	6,797	16,154
Contracts and retainage payable	1,443	1,529	2,972
Accrued liabilities	6,317	3,501	9,818
Internal balances	5,302	(5,302)	-
Other liabilities	2,775	1,169	3,944
Unearned revenue	152	-	152
Water rights liability	-	564	564
Noncurrent liabilities:			
Due within one year	11,762	11,430	23,192
Due in more than one year	127,504	113,681	241,185
Net pension liability	118,176	22,955	141,131
Total liabilities	<u>282,788</u>	<u>156,324</u>	<u>439,112</u>
Deferred inflows of resources:			
Total deferred inflows of resources	<u>39,532</u>	<u>1,783</u>	<u>41,315</u>
Net position:			
Net investment in capital assets	545,505	375,949	921,454
Restricted for:			
Legally restricted	9,781	179	9,960
Capital projects	13,749	100	13,849
Development	49,913	-	49,913
Lottery funds	3,167	-	3,167
Donor restrictions	682	-	682
Endowment	100	-	100
Unrestricted	51,377	64,613	115,990
Total net position	<u>\$ 674,274</u>	<u>\$ 440,841</u>	<u>\$ 1,115,115</u>

The accompanying notes are an integral part of this statement.

CITY OF BOULDER, COLORADO

Statement of Activities

Year ended December 31, 2016

(Amounts in 000's)

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
General Government	\$ 20,073	\$ 10,537	\$ 1,503	\$ -
Administrative Services	9,750	1,084	-	-
Public Safety	58,151	384	492	-
Public Works	43,112	1,475	3,682	13,765
Planning & Development Services	14,600	9,422	220	-
Culture and Recreation	36,216	9,302	1,809	-
Open Space and Mountain Parks	22,010	889	2,649	-
Housing and Human Services	13,085	1,414	2,501	-
Interest on long-term debt	3,815	-	-	-
Total governmental activities	<u>220,812</u>	<u>34,507</u>	<u>12,856</u>	<u>13,765</u>
Business-type activities:				
Water utility	23,540	29,386	351	3,265
Wastewater utility	14,309	18,849	406	851
Stormwater and flood management	7,468	10,772	2,907	3,738
Parking facilities and services	6,546	6,144	-	-
Property and facility acquisition	661	165	-	-
Total business-type activities	<u>52,524</u>	<u>65,316</u>	<u>3,664</u>	<u>7,854</u>
Total government	<u>\$ 273,336</u>	<u>\$ 99,823</u>	<u>\$ 16,520</u>	<u>\$ 21,619</u>

General revenues:

Taxes:

- Sales and use taxes
- General property taxes
- Accommodation taxes
- Franchise taxes
- Specific Ownership & Tobacco taxes
- Excise taxes

Interest and investment earnings

Miscellaneous

Gain on Sale of Capital Assets

Transfers

Total general revenues,
transfers

Change in net position

Net position, beginning of year,

Net position, end of year

Net (Expense) Revenue and
Changes in Net Position

Governmental Activities	Business-type Activities	Total
\$ (8,033)	\$ -	\$ (8,033)
(8,666)	-	(8,666)
(57,275)	-	(57,275)
(24,190)	-	(24,190)
(4,958)	-	(4,958)
(25,105)	-	(25,105)
(18,472)	-	(18,472)
(9,170)	-	(9,170)
(3,815)	-	(3,815)
<u>(159,684)</u>	<u>-</u>	<u>(159,684)</u>
-	9,462	9,462
-	5,797	5,797
-	9,949	9,949
-	(402)	(402)
-	(496)	(496)
<u>-</u>	<u>24,310</u>	<u>24,310</u>
<u>(159,684)</u>	<u>24,310</u>	<u>(135,374)</u>
136,269	-	136,269
36,897	1,293	38,190
7,927	-	7,927
12,693	-	12,693
2,277	57	2,334
2,253	-	2,253
1,976	1,073	3,049
2,825	145	2,970
219	-	219
<u>(2,035)</u>	<u>2,035</u>	<u>-</u>
<u>201,301</u>	<u>4,603</u>	<u>205,904</u>
41,617	28,913	70,530
632,657	411,928	1,044,585
<u>\$ 674,274</u>	<u>\$ 440,841</u>	<u>\$ 1,115,115</u>

CITY OF BOULDER, COLORADO

Balance Sheet

Governmental Funds

December 31, 2016

(Amounts in 000's)

<u>Assets</u>	<u>General Fund</u>	<u>Open Space & Mountain Parks Fund</u>	<u>Trans- portation Fund</u>	<u>Boulder Municipal Property Authority</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Equity in pooled cash and cash equivalents	\$ 742	\$ 2,230	\$ 1,159	\$ 296	\$ 6,962	\$ 11,389
Investments	54,105	34,173	11,855	-	55,553	155,686
Receivables:						
General property taxes	33,485	-	-	-	3,943	37,428
Sales and use taxes	7,698	3,332	2,839	-	2,082	15,951
Accounts	2,595	119	271	-	273	3,258
Accrued interest	153	89	55	-	166	463
Intergovernmental	419	1,531	15,106	-	430	17,486
Other	14	-	-	-	-	14
Total receivables	<u>44,364</u>	<u>5,071</u>	<u>18,271</u>	<u>-</u>	<u>6,894</u>	<u>74,600</u>
Due from other funds	105	-	-	-	-	105
Inventory of materials and supplies	10	-	1	-	39	50
Restricted assets:						
Investments for special purposes	1,243	2,978	-	-	859	5,080
Investments for capital projects	-	-	-	803	371	1,174
Total restricted assets	<u>1,243</u>	<u>2,978</u>	<u>-</u>	<u>803</u>	<u>1,230</u>	<u>6,254</u>
Other assets	12	-	198	-	5	215
 Total assets	 <u>\$ 100,581</u>	 <u>\$ 44,452</u>	 <u>\$ 31,484</u>	 <u>\$ 1,099</u>	 <u>\$ 70,683</u>	 <u>\$ 248,299</u>

The accompanying notes are an integral part of this statement.

<u>Liabilities, Deferred Inflows of Resources and Fund Balances</u>	<u>General Fund</u>	<u>Open Space & Mountain Parks Fund</u>	<u>Trans- portation Fund</u>	<u>Boulder Municipal Property Authority</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Liabilities:						
Accounts and accrued liabilities:						
Vouchers and accounts payable	\$ 3,062	\$ 665	\$ 3,287	\$ -	\$ 1,857	\$ 8,871
Contracts and retainage payable	-	30	951	-	427	1,408
Accrued salaries, wages and amounts withheld from employees	3,208	444	241	-	698	4,591
Due to other funds	-	-	-	-	105	105
Advances from other funds	1,228	-	-	-	-	1,228
Other liabilities	330	-	1,549	-	365	2,244
Unearned revenue:						
Unearned revenue	112	-	-	-	40	152
Total liabilities	<u>7,940</u>	<u>1,139</u>	<u>6,028</u>	<u>-</u>	<u>3,492</u>	<u>18,599</u>
Deferred inflows of resources:						
Property tax	33,485	-	-	-	3,943	37,428
Grants and other deferrals	534	1,162	14,320	-	307	16,323
Deferred inflows of resources	<u>34,019</u>	<u>1,162</u>	<u>14,320</u>	<u>-</u>	<u>4,250</u>	<u>53,751</u>
Fund balances:						
Nonspendable:						
Prepaid	12	-	-	-	-	12
Inventory	10	-	-	-	39	49
Endowment	100	-	-	-	-	100
Restricted for:						
Legally restricted	762	-	-	1,099	7,920	9,781
Capital projects	1,492	-	-	-	12,257	13,749
Development	-	42,062	-	-	7,851	49,913
Lottery funds	-	-	-	-	3,167	3,167
Donor restrictions	140	34	-	-	508	682
Committed to:						
Affordable housing	-	-	-	-	8,841	8,841
Transportation projects	-	-	-	-	3,153	3,153
Assigned to:						
Special purposes	7,423	55	11,136	-	19,205	37,819
Contractual obligations	1,196	-	-	-	-	1,196
Unassigned	47,487	-	-	-	-	47,487
Total fund balances	<u>58,622</u>	<u>42,151</u>	<u>11,136</u>	<u>1,099</u>	<u>62,941</u>	<u>175,949</u>
Total liabilities, deferred inflows of resources and fund balances	\$ <u>100,581</u>	\$ <u>44,452</u>	\$ <u>31,484</u>	\$ <u>1,099</u>	\$ <u>70,683</u>	\$ <u>248,299</u>

CITY OF BOULDER, COLORADO

Reconciliation of the Governmental Funds Balance Sheet
to the Government-wide Statement of Net Position

December 31, 2016

(Amounts in 000's)

Total governmental fund balances \$ 175,949

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

Capital assets used in governmental activities are not financial resources and are not reported in the funds.

Capital assets - governmental funds	959,245	
Accumulated depreciation - governmental funds	<u>(359,140)</u>	
Net book value of capital assets in governmental funds		600,105

Deferred inflows and deferred outflows of resources related to pensions are applicable to future periods and therefore, are not reported in the funds.

Also, some liabilities including net pension obligations, are not due and payable in the current period and therefore, are not reported in the funds.

PERA net pension liability	(109,786)	
Police net pension liability	(3,762)	
Fire net pension liability	(1,410)	
Deferred inflows related to pensions: PERA	(2,072)	
Deferred outflows related to pensions:		
PERA	31,204	
"Old Hire" Police Defined Benefit Plan	733	
"Old Hire" Fire Defined Benefit Plan	<u>697</u>	(84,396)

Internal service funds are used by management to charge the costs of insurance, capital asset replacement and other activities to individual funds. The majority of the assets and liabilities of the internal service funds are included in governmental activities in the statement of net position. 95,137

Long-term liabilities, including bonds payable and bonds interest payable, are not due and payable in the current period and therefore are not reported in the funds. (128,846)

Because the focus of governmental funds is on short-term financing, some assets will not be available to pay for current-period expenditures. Those assets (for example, receivables) are offset by unearned revenues in the governmental funds and thus are not included in fund balance.

Intergovernmental revenues	<u>16,325</u>	<u>16,325</u>
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Net position of governmental activities \$ 674,274

The accompanying notes are an integral part of this statement.

CITY OF BOULDER, COLORADO

Statement of Revenues, Expenditures and Changes in Fund Balances

Governmental Funds

Year ended December 31, 2016

(Amounts in 000's)

	General Fund	Open Space & Mountain Parks Fund	Trans- portation Fund	Boulder Municipal Property Authority	Other Governmental Funds	Total Governmental Funds
Revenues:						
Taxes:						
Sales and use taxes	\$ 60,305	\$ 30,616	\$ 26,040	\$ -	\$ 19,308	\$ 136,269
General property taxes	33,005	-	-	-	3,892	36,897
Accommodation taxes	7,927	-	-	-	-	7,927
Franchise taxes	10,880	-	-	-	1,813	12,693
Specific ownership & tobacco taxes	2,277	-	-	-	-	2,277
Excise taxes	1,250	-	-	-	1,003	2,253
Charges for services	4,735	198	-	-	10,906	15,839
Sale of goods	84	-	10	-	290	384
Licenses, permits and fines	6,592	136	-	-	7,492	14,220
Intergovernmental	1,551	1,663	9,343	157	3,556	16,270
Leases, rents and royalties	603	373	133	4,316	1,978	7,403
Interest and investment earnings	604	310	170	5	440	1,529
Other	1,489	294	465	-	1,927	4,175
Total revenues	<u>131,302</u>	<u>33,590</u>	<u>36,161</u>	<u>4,478</u>	<u>52,605</u>	<u>258,136</u>
Expenditures:						
Current:						
General Government	17,858	-	-	5	88	17,951
Administrative Services	8,836	-	-	-	-	8,836
Public Safety	54,092	122	-	-	-	54,214
Public Works	7,346	-	40,267	-	4,093	51,706
Planning & Development Services	2,948	-	-	-	11,251	14,199
Culture and Recreation	13,057	-	-	-	20,152	33,209
Open Space and Mountain Parks	80	22,351	-	-	294	22,725
Housing and Human Services	9,375	-	-	-	3,307	12,682
Capital outlay	-	-	-	-	11,378	11,378
Debt service payments:						
Principal	3,080	3,730	-	2,741	9	9,560
Interest	2,074	737	-	1,575	-	4,386
Base rentals to Boulder Municipal Property Authority	-	1,618	-	-	-	1,618
Total expenditures	<u>118,746</u>	<u>28,558</u>	<u>40,267</u>	<u>4,321</u>	<u>50,572</u>	<u>242,464</u>
Excess (deficiency) of revenues over (under) expenditures	<u>12,556</u>	<u>5,032</u>	<u>(4,106)</u>	<u>157</u>	<u>2,033</u>	<u>15,672</u>
Other financing sources (uses):						
Sale of capital assets	-	4	-	-	-	4
Transfers in	2,333	1,327	215	-	7,835	11,710
Transfers out	(10,821)	-	(287)	(161)	(2,602)	(13,871)
Total other financing sources (uses)	<u>(8,488)</u>	<u>1,331</u>	<u>(72)</u>	<u>(161)</u>	<u>5,233</u>	<u>(2,157)</u>
Net change in fund balances	4,068	6,363	(4,178)	(4)	7,266	13,515
Fund balances, beginning of year	<u>54,554</u>	<u>35,788</u>	<u>15,314</u>	<u>1,103</u>	<u>55,675</u>	<u>162,434</u>
Fund balances, end of year	<u>\$ 58,622</u>	<u>\$ 42,151</u>	<u>\$ 11,136</u>	<u>\$ 1,099</u>	<u>\$ 62,941</u>	<u>\$ 175,949</u>

The accompanying notes are an integral part of this statement.

CITY OF BOULDER, COLORADO

Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and
Changes in Fund Balances to the Government-wide Statement of Activities

Year ended December 31, 2016

(Amounts in 000's)

Net change in fund balances - total governmental funds \$ 13,515

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.

Governmental Activities capital asset additions	34,745	
Governmental Activities capital asset deletions	(1,943)	
Internal Service Funds capital asset additions	(6,027)	
Internal Service Funds capital asset deletions	1,943	
Governmental Activities capital asset depreciation expense	(18,800)	
Internal Service Funds capital asset depreciation expense	<u>6,290</u>	16,208

Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. This amount is the net effect of these differences in the treatment of long-term debt, net pension liabilities and pension related items.

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Some revenues reported in the statement of activities are not available as current financial resources and, therefore, are not reported as revenues in governmental funds. Negative amounts indicate a decrease in accruals between fiscal years. Examples are revenues from special assessments, property taxes and notes receivable.

Intergovernmental revenue	<u>9,118</u>	9,118
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Internal service funds are used by management to charge the costs of insurance, capital asset replacement and other activities to individual funds. A portion of the net revenue of the internal service funds is reported with governmental activities.

Allocation of net profit		2,343
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Change in net position of governmental activities \$ 41,617

The accompanying notes are an integral part of this statement.

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CITY OF BOULDER, COLORADO

Statement of Revenues, Expenditures, and Changes
in Fund Balances - Budget and Actual
(Budgetary Basis)

General Fund

Year ended December 31, 2016
(Amounts in 000's)

	Budgeted amounts		Actual amounts	Variance with final budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Taxes:				
Sales and use taxes	\$ 60,608	\$ 60,608	\$ 60,305	\$ (303)
General property taxes	28,958	28,967	33,005	4,038
Accomodations taxes	7,076	7,492	7,927	435
Franchise taxes	10,634	10,634	10,880	246
Specific ownership & tobacco taxes	1,833	1,833	2,277	444
Excise taxes	150	150	1,250	1,100
Charges for services	4,985	5,291	4,735	(556)
Sale of goods	75	75	84	9
Licenses, permits and fines	5,553	5,704	6,592	888
Intergovernmental	1,168	1,779	1,552	(227)
Leases, rents and royalties	152	602	603	1
Interest and investment earnings	361	361	668	307
Other	247	790	1,489	699
Total revenues	<u>121,800</u>	<u>124,286</u>	<u>131,367</u>	<u>7,081</u>
Expenditures:				
Current:				
General Government	13,150	22,805	14,888	7,917
Administrative Services	14,977	17,071	13,549	3,522
Public Safety	52,953	55,864	54,336	1,528
Public Works	6,711	10,250	7,898	2,352
Planning & Development Services	2,302	3,869	3,126	743
Culture and Recreation	5,644	13,278	12,835	443
Open Space and Mountain Parks	154	31	33	(2)
Housing and Human Services	10,358	15,631	9,340	6,291
Debt service payments:				
Principal	3,080	3,080	3,080	-
Interest	2,021	2,021	2,021	-
Total expenditures	<u>111,350</u>	<u>143,900</u>	<u>121,106</u>	<u>22,794</u>
Excess (deficiency) of revenues over (under) expenditures	<u>10,450</u>	<u>(19,614)</u>	<u>10,261</u>	<u>29,875</u>

(continued)

The accompanying notes are an integral part of this statement

	<u>Budgeted amounts</u>		<u>Actual amounts</u>	Variance with final budget - Positive <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Other financing sources (uses):				
Transfers in	161	493	2,543	2,050
Transfers out	<u>(15,237)</u>	<u>(9,038)</u>	<u>(11,278)</u>	<u>(2,240)</u>
Total other financing sources (uses)	(15,076)	(8,545)	(8,735)	(190)
Net change in fund balance	\$ <u>(4,626)</u>	\$ <u>(28,159)</u>	1,526	\$ <u>29,685</u>
Encumbrances, end of year			2,688	
Fund balance, beginning of year, basis of budgeting			<u>58,749</u>	
Fund balance, end of year, basis of budgeting			62,963	
Basis of budgeting to GAAP basis reconciliation:				
Fair market value adjustment to investments			(130)	
Accrued salaries, wages and amounts withheld from employees			(2,982)	
Advances from other funds			<u>(1,229)</u>	
Fund balance, end of year, GAAP basis			\$ <u>58,622</u>	

CITY OF BOULDER, COLORADO

Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
(Budgetary Basis)

Open Space and Mountain Parks Fund

Year ended December 31, 2016

(Amounts in 000's)

	Budgeted amounts		Actual amounts	Variance with final budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Taxes:				
Sales and use taxes	\$ 30,573	\$ 30,573	\$ 30,616	\$ 43
Charges for services	145	145	198	53
Licenses, permits and fines	249	249	136	(113)
Intergovernmental	-	162	1,663	1,501
Leases, rents and royalties	431	431	373	(58)
Interest and investment earnings	104	104	356	252
Other	64	228	294	66
Total revenues	<u>31,566</u>	<u>31,892</u>	<u>33,636</u>	<u>1,744</u>
Expenditures:				
Current:				
Public Safety	89	89	122	(33)
Open Space and Mountain Parks	29,259	53,677	24,533	29,144
Debt service payments:				
Principal	3,730	3,730	3,730	-
Interest	737	737	737	-
Base rentals to Boulder Municipal Property				
Authority Debt Service Fund	1,588	1,588	1,618	(30)
Total expenditures	<u>35,403</u>	<u>59,821</u>	<u>30,740</u>	<u>29,081</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,837)</u>	<u>(27,929)</u>	<u>2,896</u>	<u>30,825</u>
Other financing sources (uses):				
Sale of capital assets	-	-	4	4
Transfers in	1,327	1,327	1,327	-
Total other financing sources (uses)	<u>1,327</u>	<u>1,327</u>	<u>1,331</u>	<u>4</u>
Net change in fund balance	\$ <u>(2,510)</u>	\$ <u>(26,602)</u>	4,227	\$ <u>30,829</u>
Encumbrances, end of year			2,248	
Fund balance, beginning of year, basis of budgeting			<u>36,203</u>	
Fund balance, end of year, basis of budgeting			42,678	
Basis of budgeting to GAAP basis reconciliation:				
Fair market value adjustment to investments			(83)	
Accrued salaries, wages and amounts withheld from employees			<u>(444)</u>	
Fund balance, end of year, GAAP basis			\$ <u>42,151</u>	

The accompanying notes are an integral part of this statement.

CITY OF BOULDER, COLORADO

Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
(Budgetary Basis)

Transportation Fund

Year ended December 31, 2016

(Amounts in 000's)

	<u>Budgeted amounts</u>		<u>Actual</u>	Variance with final budget - Positive <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>	<u>amounts</u>	
Revenues:				
Taxes:				
Sales and use taxes	\$ 26,056	\$ 26,056	\$ 26,040	\$ (16)
Sale of goods	-	-	14	14
Intergovernmental	5,689	22,972	16,541	(6,431)
Leases, rents and royalties	103	103	133	30
Interest and investment earnings	52	52	182	130
Other	507	507	486	(21)
Total revenues	<u>32,407</u>	<u>49,690</u>	<u>43,396</u>	<u>(6,294)</u>
Expenditures:				
Current:				
Public Works	<u>33,538</u>	<u>60,880</u>	<u>51,615</u>	<u>9,265</u>
Total expenditures	<u>33,538</u>	<u>60,880</u>	<u>51,615</u>	<u>9,265</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,131)</u>	<u>(11,190)</u>	<u>(8,219)</u>	<u>2,971</u>
Other financing sources (uses):				
Transfers in	-	215	215	-
Transfers out	<u>(287)</u>	<u>(287)</u>	<u>(287)</u>	<u>-</u>
Total other financing sources (uses)	<u>(287)</u>	<u>(72)</u>	<u>(72)</u>	<u>-</u>
Net change in fund balance	<u>\$ (1,418)</u>	<u>\$ (11,262)</u>	(8,291)	<u>\$ 2,971</u>
Encumbrances, end of year			11,366	
Fund balance, beginning of year, basis of budgeting			<u>15,571</u>	
Fund balance, end of year, basis of budgeting			18,646	
Basis of budgeting to GAAP basis reconciliation:				
Fair market value adjustment to investments			(33)	
The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue for financial reporting purposes			(7,236)	
Accrued salaries, wages and amounts withheld from employees			<u>(241)</u>	
Fund balance, end of year, GAAP basis			<u>\$ 11,136</u>	

The accompanying notes are an integral part of this statement.

CITY OF BOULDER, COLORADO

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
(Budgetary Basis)

Boulder Municipal Property Authority

Year ended December 31, 2016

(Amounts in 000's)

	Budgeted amounts		Actual amounts	Variance with final budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 161	\$ 161	\$ 161	\$ -
Leases, rents and royalties	1,701	4,400	4,315	(85)
Interest and investment earnings	-	-	5	5
Total revenues	<u>1,862</u>	<u>4,561</u>	<u>4,481</u>	<u>(80)</u>
Expenditures:				
Current:				
General Government	-	851	4	847
Debt service payments:				
Principal	1,451	3,502	2,741	761
Interest	<u>250</u>	<u>898</u>	<u>1,575</u>	<u>(677)</u>
Total expenditures	<u>1,701</u>	<u>5,251</u>	<u>4,320</u>	<u>931</u>
Excess (deficiency) of revenues over (under) expenditures	161	(690)	161	851
Other financing uses:				
Transfers out	<u>(161)</u>	<u>(161)</u>	<u>(161)</u>	<u>-</u>
Total other financing sources (uses)	<u>(161)</u>	<u>(161)</u>	<u>(161)</u>	<u>-</u>
Net change in fund balance	\$ <u>-</u>	\$ <u>(851)</u>	-	\$ <u>851</u>
Encumbrances, end of year			-	
Fund balance, beginning of year, basis of budgeting			<u>1,099</u>	
Fund balance, end of year, basis of budgeting			1,099	
Fund balance, end of year, GAAP basis			\$ <u>1,099</u>	

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CITY OF BOULDER, COLORADO

Statement of Net Position

Proprietary Funds

December 31, 2016

(Amounts in 000's)

	Water Utility <u>Fund</u>	Wastewater Utility <u>Fund</u>	Stormwater and Flood Management <u>Fund</u>
Assets:			
Current assets:			
Equity in pooled cash and cash equivalents	\$ 791	\$ 539	\$ 54
Investments	33,142	15,428	20,042
Receivables:			
General property taxes	-	-	-
Accounts	362	30	-
Charges for services	1,760	1,620	1,001
Accrued interest	116	40	39
Intergovernmental	188	577	3,077
Total receivables	<u>2,426</u>	<u>2,267</u>	<u>4,117</u>
Advances to other funds	68	-	-
Inventory of materials and supplies	268	4	1
Other assets - prepaid expenses	-	-	-
Total current assets	<u>36,695</u>	<u>18,238</u>	<u>24,214</u>
Noncurrent assets:			
Advances to other funds	462	-	-
Restricted assets:			
Investments for bond reserves	2,122	686	2,330
Investments for capital projects	35,221	7,440	16,127
Total restricted assets	<u>37,343</u>	<u>8,126</u>	<u>18,457</u>
Capital assets:			
Land and easements	21,723	2,009	16,838
Buildings	1,442	2,433	775
Improvements other than buildings	179	417	990
Infrastructure	-	-	151
Utility plant in service	-	-	-
Undergrounds - drainage facilities	287,731	144,532	76,775
Vehicles	2,332	1,660	1,004
Machinery and equipment	2,458	1,307	350
	<u>315,865</u>	<u>152,358</u>	<u>96,883</u>
Less accumulated depreciation	<u>(117,248)</u>	<u>(61,999)</u>	<u>(23,698)</u>
	198,617	90,359	73,185
Construction in progress	18,809	11,867	15,637
Total capital assets, net of accumulated depreciation	<u>217,426</u>	<u>102,226</u>	<u>88,822</u>
Total noncurrent assets	<u>255,231</u>	<u>110,352</u>	<u>107,279</u>
Total assets	<u>291,926</u>	<u>128,590</u>	<u>131,493</u>
Deferred outflows of resources			
Deferred outflows	3,083	3,550	994
Total deferred outflow of resources	<u>3,083</u>	<u>3,550</u>	<u>994</u>
Total assets and deferred outflows of resources	<u>\$ 295,009</u>	<u>\$ 132,140</u>	<u>\$ 132,487</u>

The accompanying notes are an integral part of this statement.

Downtown Commercial District	Nonmajor Enterprise Funds	Total Enterprise Funds	Governmental Activities - Internal Service Funds
\$ 796	\$ 576	\$ 2,756	\$ 5,069
5,617	1,161	75,390	51,038
1,190	189	1,379	-
8	-	400	75
-	-	4,381	-
22	3	220	155
-	-	3,842	114
<u>1,220</u>	<u>193</u>	<u>10,223</u>	<u>344</u>
2	-	70	153
-	-	273	-
1	-	1	420
<u>7,636</u>	<u>1,930</u>	<u>88,713</u>	<u>57,024</u>
9	-	471	545
314	-	5,452	-
-	-	58,788	-
<u>314</u>	<u>-</u>	<u>64,240</u>	<u>-</u>
2,333	444	43,347	117
38,981	-	43,631	90,870
5,999	58	7,643	8,742
-	-	151	468
6	-	6	-
-	-	509,038	-
102	90	5,188	34,896
<u>1,439</u>	<u>247</u>	<u>5,801</u>	<u>11,199</u>
48,860	839	614,805	146,292
<u>(25,417)</u>	<u>(320)</u>	<u>(228,682)</u>	<u>(88,589)</u>
23,443	519	386,123	57,703
4,665	-	50,978	128
<u>28,108</u>	<u>519</u>	<u>437,101</u>	<u>57,831</u>
<u>28,431</u>	<u>519</u>	<u>501,812</u>	<u>58,376</u>
<u>36,067</u>	<u>2,449</u>	<u>590,525</u>	<u>115,400</u>
705	103	8,435	960
<u>705</u>	<u>103</u>	<u>8,435</u>	<u>960</u>
\$ <u>36,772</u>	\$ <u>2,552</u>	\$ <u>598,960</u>	\$ <u>116,360</u>

(continued)

CITY OF BOULDER, COLORADO

Statement of Net Position,
continued

Proprietary Funds

December 31, 2016

(Amounts in 000's)

	Water Utility <u>Fund</u>	Wastewater Utility <u>Fund</u>	Stormwater and Flood Management <u>Fund</u>
Liabilities:			
Current liabilities:			
Accounts and accrued liabilities:			
Vouchers and accounts payable	\$ 3,197	\$ 1,451	\$ 2,012
Contracts and retainage payable	519	522	488
Accrued salaries, wages and amounts withheld from employees	272	185	98
Accrued interest	119	135	57
Accrued environmental cleanup liability	-	-	-
Accrued claims liability	-	-	-
Advances from other funds	-	-	-
Other liabilities	614	105	360
General obligation bonds payable	-	-	-
Revenue bonds payable	5,430	2,910	1,290
Unearned revenue	-	-	-
Capitalized lease obligations	-	-	-
Compensated absences payable	52	81	6
Total current liabilities	<u>10,203</u>	<u>5,389</u>	<u>4,311</u>
Noncurrent liabilities:			
Accounts and accrued liabilities:			
Accrued landfill cleanup liability	-	2,474	-
Accrued claims liability	-	-	-
Future water rights	564	-	-
Advances from other funds	-	-	-
General obligation bonds payable (net of premium)	-	-	-
Revenue bonds payable (net of premium)	44,627	40,475	21,493
Capitalized lease obligations	-	-	-
Compensated absences payable	516	197	116
Net pension liability	10,169	6,727	3,520
Retiree health care benefit	134	103	37
Total noncurrent liabilities	<u>56,010</u>	<u>49,976</u>	<u>25,166</u>
Total liabilities	<u>66,213</u>	<u>55,365</u>	<u>29,477</u>
Deferred inflows of resources	<u>181</u>	<u>118</u>	<u>64</u>
Net position:			
Net investment in capital assets	205,229	66,665	82,572
Restricted for:			
Legally restricted - emergency reserve	-	-	-
Capital projects	100	-	-
Unrestricted	<u>23,286</u>	<u>9,992</u>	<u>20,374</u>
Total net position	<u>\$ 228,615</u>	<u>\$ 76,657</u>	<u>\$ 102,946</u>

The accompanying notes are an integral part of this statement.

Downtown Commercial District	Nonmajor Enterprise Funds	Total Enterprise Funds	Governmental Activities - Internal Service Funds
\$ 134	\$ 3	\$ 6,797	\$ 486
-	-	1,529	35
62	15	632	68
84	-	395	-
-	-	-	659
-	-	-	1,136
-	2	2	-
82	9	1,170	-
1,645	-	1,645	-
-	-	9,630	-
-	-	-	14
-	-	-	632
16	-	155	41
<u>2,023</u>	<u>29</u>	<u>21,955</u>	<u>3,085</u>
-	-	2,474	-
-	-	-	1,878
-	-	564	-
-	9	9	-
5,808	-	5,808	-
-	-	106,595	-
-	-	-	7,609
96	7	932	56
2,154	385	22,955	3,218
66	6	346	36
<u>8,124</u>	<u>407</u>	<u>139,683</u>	<u>12,797</u>
<u>10,147</u>	<u>436</u>	<u>161,638</u>	<u>15,882</u>
<u>1,226</u>	<u>194</u>	<u>1,783</u>	<u>53</u>
20,965	518	375,949	49,590
173	6	179	-
-	-	100	-
<u>4,261</u>	<u>1,398</u>	<u>59,311</u>	<u>50,849</u>
\$ <u>25,399</u>	\$ <u>1,922</u>	435,539	\$ <u>100,439</u>

Adjustment to reflect the consolidation
of internal service fund activities
related to enterprise funds 5,302

Net position of
business-type activities \$ 440,841

CITY OF BOULDER, COLORADO

Statement of Revenues, Expenses and Changes in Fund Net Position

Proprietary Funds

Year ended December 31, 2016

(Amounts in 000's)

	Water Utility <u>Fund</u>	Wastewater Utility <u>Fund</u>	Stormwater and Flood Management <u>Fund</u>
Operating revenues:			
Charges for services	\$ 29,276	\$ 18,825	\$ 10,750
Sale of goods	-	-	-
Total operating revenues	<u>29,276</u>	<u>18,825</u>	<u>10,750</u>
Operating expenses:			
Personnel	7,925	5,024	2,775
Non-personnel	8,686	5,234	3,235
Depreciation	4,580	2,856	1,058
Total operating expenses	<u>21,191</u>	<u>13,114</u>	<u>7,068</u>
Operating income (loss)	<u>8,085</u>	<u>5,711</u>	<u>3,682</u>
Nonoperating revenues (expenses):			
Interest and investment earnings	465	199	334
Leases, rents and royalties	110	24	22
Intergovernmental revenue	352	406	2,907
General property taxes	-	-	-
Specific ownership & tobacco taxes	-	-	-
Interest expense	(744)	(1,033)	(427)
Contribution expense - future water rights	(1,833)	-	-
Gain (loss) on disposition of capital assets	(6)	(306)	(93)
Other, net	112	17	-
Total nonoperating revenues (expenses)	<u>(1,544)</u>	<u>(693)</u>	<u>2,743</u>
Income before capital			
Income before capital contributions and transfers	6,541	5,018	6,425
Capital contributions	3,265	851	3,738
Transfers in	107	54	54
Transfers out	<u>(285)</u>	<u>(246)</u>	<u>(156)</u>
Changes in net position	<u>9,628</u>	<u>5,677</u>	<u>10,061</u>
Total net position, beginning of year	<u>218,987</u>	<u>70,980</u>	<u>92,885</u>
Total net position, end of year	\$ <u><u>228,615</u></u>	\$ <u><u>76,657</u></u>	\$ <u><u>102,946</u></u>

The accompanying notes are an integral part of this statement.

	Downtown Commercial District	Nonmajor Enterprise Funds	Total Enterprise Funds	Governmental Activities - Internal Service Funds
\$	5,903	\$ 165	\$ 64,919	\$ 19,210
	-	-	-	210
	<u>5,903</u>	<u>165</u>	<u>64,919</u>	<u>19,420</u>
	1,720	342	17,786	2,335
	3,200	276	20,631	10,707
	<u>1,551</u>	<u>28</u>	<u>10,073</u>	<u>6,290</u>
	<u>6,471</u>	<u>646</u>	<u>48,490</u>	<u>19,332</u>
	(568)	(481)	16,429	88
	70	5	1,073	447
	241	-	397	141
	-	-	3,665	112
	1,123	170	1,293	-
	49	8	57	-
	(136)	-	(2,340)	(293)
	-	-	(1,833)	-
	-	-	(405)	215
	<u>16</u>	<u>-</u>	<u>145</u>	<u>92</u>
	<u>1,363</u>	<u>183</u>	<u>2,052</u>	<u>714</u>
	795	(298)	18,481	802
	-	-	7,854	1,958
	1,768	738	2,721	283
	<u>-</u>	<u>-</u>	<u>(687)</u>	<u>(156)</u>
	<u>2,563</u>	<u>440</u>	<u>28,369</u>	<u>2,887</u>
	<u>22,836</u>	<u>1,482</u>		<u>97,552</u>
\$	<u>25,399</u>	\$ <u>1,922</u>		\$ <u>100,439</u>

Adjustment to reflect the consolidation
of internal service fund activities
related to enterprise funds

544

Change in net position of
business-type activities

\$ 28,913

CITY OF BOULDER, COLORADO

Statement of Cash Flows

Proprietary Funds

Year ended December 31, 2016

(Amounts in 000's)

	Water Utility <u>Fund</u>	Wastewater Utility <u>Fund</u>	Stormwater and Flood Management <u>Fund</u>
Cash flows from operating activities:			
Receipts from customers and users	\$ 29,191	\$ 19,060	\$ 10,682
Receipts from interfund services provided	-	-	-
Other receipts	38	17	80
Other payments	-	-	-
Refundable deposits receipts (payments)	-	-	-
Payments to suppliers	(7,350)	(4,442)	(1,275)
Payments to employees	(6,525)	(4,800)	(2,572)
Net cash provided by operating activities	<u>15,354</u>	<u>9,835</u>	<u>6,915</u>
Cash flows from noncapital financing activities:			
Payments from other funds on due from (due to) balances	64	-	-
Payments from other funds on advances	-	-	-
Payments to other funds on advances	-	-	-
Leases, rents and royalties	110	24	22
Intergovernmental revenue	351	406	2,286
Sales and use tax	-	-	-
General property taxes	-	-	-
Specific ownership & tobacco taxes	-	-	-
Transfers in	107	54	54
Transfers out	(284)	(246)	(156)
Net cash provided (used) by noncapital financing activities	<u>348</u>	<u>238</u>	<u>2,206</u>
Cash flows from capital and related financing activities:			
Acquisition and construction of capital assets	(12,425)	(8,899)	(12,128)
Proceeds from sale or transfer of property and equipment	-	-	1
Contractual payment - future water rights	(2,396)	-	-
Long-term bonds issued	29,821	-	-
Principal paid on notes payable, bonds payable and capitalized lease obligations	-	(3,250)	(1,241)
Interest paid on notes payable, bonds payable, and capitalized lease obligations	(561)	(1,042)	(480)
Other	-	-	-
Capital contributions	3,271	45	2,820
Net cash (used) for capital related financing activities	<u>17,710</u>	<u>(13,146)</u>	<u>(11,028)</u>

The accompanying notes are an integral part of this statement.

	Downtown Commercial <u>District</u>	Nonmajor Enterprise <u>Funds</u>	Total Enterprise <u>Funds</u>	Governmental Activities Internal Service <u>Funds</u>
\$	5,903	\$ 165	\$ 65,001	\$ 11,779
	-	-	-	7,433
	34	-	169	299
	-	(2)	(2)	-
	-	-	-	(245)
	(1,629)	(285)	(14,981)	(10,013)
	<u>(3,140)</u>	<u>(320)</u>	<u>(17,357)</u>	<u>(2,137)</u>
	<u>1,168</u>	<u>(442)</u>	<u>32,830</u>	<u>7,116</u>
	2	-	66	149
	-	-	-	1
	-	(1)	(1)	-
	241	-	397	140
	5	-	3,048	109
	(1)	-	(1)	-
	1,123	169	1,292	-
	49	7	56	-
	1,768	738	2,721	283
	<u>-</u>	<u>-</u>	<u>(686)</u>	<u>(157)</u>
	<u>3,187</u>	<u>913</u>	<u>6,892</u>	<u>525</u>
	(4,848)	-	(38,300)	(6,027)
	-	-	1	496
	-	-	(2,396)	-
	-	-	29,821	-
	(1,681)	-	(6,172)	(586)
	(118)	-	(2,201)	(293)
	-	-	-	5
	<u>-</u>	<u>-</u>	<u>6,136</u>	<u>1,958</u>
	<u>(6,647)</u>	<u>-</u>	<u>(13,111)</u>	<u>(4,447)</u>

(continued)

CITY OF BOULDER, COLORADO

Statement of Cash Flows,
continued

Proprietary Funds

Year ended December 31, 2016

(Amounts in 000's)

	Water Utility <u>Fund</u>	Wastewater Utility <u>Fund</u>	Stormwater and Flood Management <u>Fund</u>
Cash flows from investing activities:			
Purchase of investment securities	\$ (45,425)	\$ (7,102)	\$ (22,304)
Proceeds from sale and maturities of investment securities	11,696	8,183	20,189
Interest on investments	<u>477</u>	<u>207</u>	<u>354</u>
Net cash provided (used) in investing activities	<u>(33,252)</u>	<u>1,288</u>	<u>(1,761)</u>
Net increase (decrease) in cash and cash equivalents	160	(1,785)	(3,668)
Cash and cash equivalents, January 1	<u>631</u>	<u>2,324</u>	<u>3,722</u>
Cash and cash equivalents, December 31	<u>\$ 791</u>	<u>\$ 539</u>	<u>\$ 54</u>

The accompanying notes are an integral part of this statement.

	Downtown Commercial District	Nonmajor Enterprise Funds	Total Enterprise Funds	Governmental Activities Internal Service Funds
\$	(5,418)	\$ (1,828)	\$ (82,077)	\$ (20,426)
	6,660	1,021	47,749	14,571
	<u>70</u>	<u>5</u>	<u>1,113</u>	<u>472</u>
	<u>1,312</u>	<u>(802)</u>	<u>(33,215)</u>	<u>(5,383)</u>
	(980)	(331)	(6,604)	(2,189)
	<u>1,776</u>	<u>907</u>	<u>9,360</u>	<u>7,258</u>
\$	<u><u>796</u></u>	\$ <u><u>576</u></u>	\$ <u><u>2,756</u></u>	\$ <u><u>5,069</u></u>

(continued)

CITY OF BOULDER, COLORADO

Statement of Cash Flows,
continued

Proprietary Funds

Year ended December 31, 2016

(Amounts in 000's)

	Water Utility <u>Fund</u>	Wastewater Utility <u>Fund</u>	Stormwater and Flood Management <u>Fund</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$ 8,085	\$ 5,711	\$ 3,682
Adjustments to reconcile net operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	4,580	2,856	1,058
Other nonoperating revenues (expenses)	38	17	80
Change in assets and liabilities:			
(Increase) decrease in assets:			
Accounts receivable	193	371	13
Charges for services receivable	(278)	(136)	(81)
Notes receivable			
Intergovernmental receivables	-	-	-
Due from other funds	-	-	-
Other receivables			
Inventory of materials and supplies	(18)	-	-
Other assets - prepaid expenses	-	-	-
Increase (decrease) in liabilities:			
Vouchers and accounts payable	1,970	454	1,495
Accrued salaries, wages and amounts withheld from employees	(3)	(10)	1
Accrued claims liability	-	-	-
Other liabilities - refundable deposits	-	-	-
Pension Liability	534	347	188
Contracts and retainage payable	209	338	465
Compensated absences	35	(120)	12
Retiree health care benefit	9	7	2
Total adjustments	<u>7,269</u>	<u>4,124</u>	<u>3,233</u>
Net cash provided by operating activities	<u>\$ 15,354</u>	<u>\$ 9,835</u>	<u>\$ 6,915</u>
Noncash investing, capital and financing activities:			
Assets acquired through:			
Capital contributions:			
From governmental funds	\$ -	\$ -	\$ 918
Other	372	514	918
Increase (decrease) in fair value of investments	<u>(45)</u>	<u>(19)</u>	<u>(31)</u>
	<u>\$ 327</u>	<u>\$ 495</u>	<u>\$ 887</u>

The accompanying notes are an integral part of this statement.

Downtown Commercial District	Nonmajor Enterprise Funds	Total Enterprise Funds	Governmental Activities Internal Service Funds
\$ <u>(568)</u>	\$ <u>(481)</u>	\$ <u>16,429</u>	\$ <u>88</u>
1,551	28	10,073	6,290
16	(1)	150	89
-	-	577	(10)
-	-	(495)	-
-	-	-	-
-	-	-	14
-	-	-	-
-	(1)	(1)	-
-	-	(18)	-
-	-	-	(570)
60	(9)	3,970	(601)
7	2	(3)	(23)
-	-	-	834
18	-	18	414
106	20	1,195	623
-	-	1,012	(40)
(26)	-	(99)	6
4	-	22	2
<u>1,736</u>	<u>39</u>	<u>16,401</u>	<u>7,028</u>
\$ <u><u>1,168</u></u>	\$ <u><u>(442)</u></u>	\$ <u><u>32,830</u></u>	\$ <u><u>7,116</u></u>
\$ -	\$ -	\$ -	\$ 7
-	-	1,804	-
<u>(6)</u>	<u>(1)</u>	<u>(102)</u>	<u>(67)</u>
\$ <u><u>(6)</u></u>	\$ <u><u>(1)</u></u>	\$ <u><u>1,702</u></u>	\$ <u><u>(60)</u></u>

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FIDUCIARY FUNDS

Pension Trust Funds account for the accumulation of resources to be used for retirement annuity payments at appropriate amounts and times in the future. Resources are contributed by employees and the City at amounts determined by biennial actuarial studies and by State law.

The City of Boulder has the following pension trust funds:

Police Pension Fund – to account for retirement annuity payments for the City’s police officers.

Fire Pension Fund – to account for retirement annuity payments for the City’s fire fighters.

CITY OF BOULDER, COLORADO

Statement of Fiduciary Net Position

Pension Trust Funds

December 31, 2016

(Amounts in 000's)

Assets:	
Equity in pooled cash and cash equivalents	\$ 303
Investments:	
U.S. Treasuries	290
U.S. Agencies & Instrumentalities	798
Time Deposits	5
Mutual Funds	14,399
Equity Securities	4,286
Local Government Investment Pools	7
Money Market Funds	610
Real Estate Investment Trust	658
Corporate Bonds	124
Other	391
Receivables:	
Accrued interest	<u>11</u>
Total assets	21,882
Liabilities:	
Accounts and accrued liabilities:	
Vouchers and accounts payable	38
Accrued pensions payable	<u>93</u>
Net position restricted for pensions	\$ <u><u>21,751</u></u>

The accompanying notes are an integral part of this statement.

CITY OF BOULDER, COLORADO

Statement of Changes in Fiduciary Net Position

Pension Trust Funds

Year ended December 31, 2016

(Amounts in 000's)

Additions:	
Pension contributions:	
City of Boulder	\$ <u>487</u>
Total contributions	<u>487</u>
Investment earnings (loss)	1,564
Less investment expense	<u>(65)</u>
Net investment earnings	<u>1,499</u>
Total additions	<u>1,986</u>
Deductions:	
Benefits	2,487
Administrative	<u>20</u>
Total deductions	<u>2,507</u>
Net (decrease) in net position	(521)
Net position restricted for pensions:	
Beginning of year	<u>22,272</u>
End of year	\$ <u><u>21,751</u></u>

The accompanying notes are an integral part of this statement.

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NOTES TO THE FINANCIAL STATEMENTS

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2016

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City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2016

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Boulder, Colorado (the city) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. A summary of the City's significant accounting policies follows:

1. Reporting Entity

The City is a municipal corporation duly organized and existing under the laws of the State of Colorado. It is a home rule City and adopted a charter pursuant to Article XX of the Constitution of the State of Colorado by vote of the electorate on October 30, 1917. The council/manager form of government was adopted in the City's charter and has been in operation since January 1918. The City Council, an elected body of nine members, is the policy-making arm of the government. Eight of the members of the Council are elected for staggered four-year terms and one is elected for a two-year term, with five council members elected in November of each odd-numbered year. A City Manager, appointed by the Council, serves as the City's Chief Administrative Officer.

In accordance with the Codification of Governmental Accounting and Financial Reporting Standards, the basic financial statements include all funds, organizations, agencies, boards, commissions and authorities for which the City is financially accountable. The City has also considered all other potential organizations for which the nature and significance of their relationships with the City are such that exclusion would cause the City's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a majority of an organization's governing body, and 1) the ability of the City to impose its will on that organization or 2) the potential for that organization to provide specific benefits to or impose specific financial burdens on the City.

Blended component units, although legally separate entities, are in substance part of the City's operations and so data from these units are combined with data of the primary government. Each discretely presented component unit, on the other hand, is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the City and the primary government.

Based upon the application of these criteria the City has identified five blended component units and no discretely presented component units. Each of these component units has a December 31 year-end and is included in the accompanying financial statements.

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2016

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1. Reporting Entity (Continued)

Blended Component Units

Downtown Commercial District and University Hill Commercial District (the Districts) – These Districts provide parking facilities and services to citizens and are public subdivisions of the State of Colorado, administered by the City Council of the City of Boulder in an ex-officio capacity as its Board of Directors. The Districts operate under a formal budget adopted in conjunction with the budget of the City. The Districts are reported as blended component unit Enterprise Funds (proprietary funds); no separate financial statements are issued. In 2007, the Central Area General Improvement District was renamed the Downtown Commercial District and the University Hill General Improvement District was renamed the University Hill Commercial District. The funds were renamed to more appropriately reflect the broad purpose that the operations had come to serve over the last few years.

Boulder Municipal Property Authority (the Authority) – The Authority is responsible for the acquisition and construction of certain City properties and facilities and is a nonprofit corporation and instrumentality of the City, administered by the City Council of the City of Boulder in an ex-officio capacity as its Board of Directors. The Authority operates under a formal budget adopted in conjunction with the budget of the City. The Authority's activities are reported as a blended component unit Special Revenue Fund (a Governmental fund); no separate financial statements are issued.

Boulder Junction Access GIDs – In November 2010, two Access General Improvement Districts (GID) were established in the phase one area of Boulder Junction in order to implement the transit-oriented development goals of the City of Boulder. The two GID's are administered by the City Council of the City of Boulder in an ex-officio capacity as its Board of Directors. These services will be provided entirely to the primary government of the City and City management has operational responsibility for the GIDs. The two access districts were created to provide for shared, unbundled parking and for travel demand management programs. The Boulder Junction Access GID – Travel Demand Management (TDM) fund is accounted for as a special revenue fund while the Boulder Junction Access GID – Parking is accounted for as an enterprise fund. These are both reported as blended component units and do not issue separate financial statements.

Related Organizations

A related organization is an organization for which the City appoints a voting majority of the board but for which the City is not financially accountable, either because the City does not impose its will upon the organization or a financial benefit or burden relationship does not exist. These related organizations are not included within the City's financial reporting entity.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2016

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1. Reporting Entity (Continued)

Related Organizations (Continued)

The following two organizations have been identified as related organizations.

Boulder Housing Partners is a separate related organization whose primary purpose is to develop, acquire, subsidize and manage housing units for low to moderate income families and elderly persons and to provide tenant support services.

Downtown Boulder Business Improvement District is a separate related organization whose primary purpose is to provide promotion, marketing, enhanced maintenance and management functions for the district.

2. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the City and its blended component units. For the most part, the effect of interfund activity has been removed from these statements. Interfund services provided and used are not eliminated in the process of consolidation. *Governmental activities*, which normally are 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.

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, including administrative department allocations of expenses based upon a formal cost allocation plan. *Program revenues* include 1) charges to customers or applicants 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*.

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2016

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The *government-wide financial statements* and *proprietary fund and fiduciary fund financial statements* are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. 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 recorded as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The fiduciary funds recognize plan member contributions 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.

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 collected 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.

Sales and use taxes, property taxes when budgeted for, other taxes, charges for services, intergovernmental revenues when eligibility requirements are met, and interest and investment earnings associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period.

The City reports the following major governmental funds:

General Fund – The General Fund is the City’s primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Open Space and Mountain Parks Fund – This special revenue fund accounts for the acquisition and maintenance of greenbelt land and parks. Financing is provided by sales taxes and the issuance of long-term bonds and notes payable.

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2016

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Transportation Fund – This special revenue fund accounts for the construction, operation and maintenance of all major thoroughfares, local streets, bikeways, walkways and City-owned parking. Financing is provided by sales taxes, the City’s share of the County Road and Bridge tax, State Highway Users’ tax, State Auto Registration fees and Federal and State reimbursements through the Colorado Department of Transportation.

Boulder Municipal Property Authority Fund – This special revenue fund accounts for the acquisition and construction of certain City properties and facilities. Funding is derived from the issuance of lease purchase revenue debt. Debt service is paid with income received from the City in the form of base rentals that are derived from the acquired or constructed assets.

The City reports the following major enterprise funds:

Water Utility Fund – This enterprise fund was established to finance and account for the acquisition, operation and maintenance of water facilities and services. It is predominately self-supported by user charges but also receives revenues from hydroelectric sales and plant investment and connection fees.

Wastewater Utility Fund – This enterprise fund was established to finance and account for the acquisition, operation and maintenance of wastewater facilities and services. It is predominately self-supported by user charges but also receives revenues from surcharge fees, cogeneration sales, and plant investment and connection fees.

Stormwater and Flood Management Fund – This enterprise fund was established to finance and account for the acquisition, operation and maintenance of stormwater and flood management facilities and services. It is predominately self-supported by user charges but also receives revenues from the Urban Drainage District and plant investment fees.

Downtown Commercial District – This district provides parking facilities and services to citizens in the downtown Boulder area. It is predominately self-supported by user charges but also receives general property and other tax revenues.

Additionally, the City reports the following fund types:

Internal service funds are established to finance and account for services and/or commodities required by other funds, on a cost reimbursement basis. The City has funds that account for the costs of acquiring, operating and maintaining certain types of equipment and facilities, costs for City-wide insurance programs and funding for certain governmental fund compensated absences liabilities.

Pension trust funds account for the accumulation of resources to be used for retirement annuity payments for the City’s police officers and fire fighters.

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2016

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes, interest and investment earnings, and miscellaneous revenues.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Water Utility Fund, Wastewater Utility Fund, Stormwater and Flood Management Fund and Downtown Commercial District are charges to customers for sales and services. The Water Utility 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 and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

4. Budgets

Budgets are adopted on a budgetary basis as described in Note C. The City budgets revenues and expenditures/expenses for all funds except Fiduciary Funds and the Gifts and Contributions Fund. Pension Trust Fiduciary Funds each have an independent board, which review all expense, refund, disability and investment transactions. The Gifts and Contributions Fund does not have an adopted budget as control over expenditures is provided by the Library Foundation. All annual appropriations lapse at year ended December 31, 2016.

The budget of the City is a detailed operating plan, which identifies estimated costs and results in relation to estimated revenues and represents a process through which policy decisions are made, implemented and controlled. The City Charter requires that the City establish a budgetary system for general operations and prohibits expending funds for which there is no legal appropriation.

Local City code states that total expenditures for each fund cannot exceed the amount appropriated. The fund is, therefore, the level of control on which expenditures may not legally exceed appropriations. In the Enterprise Funds, budgeting at the operating, capital and debt service expense level provides further control.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2016

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4. Budgets (Continued)

Although appropriations lapse at year-end, subsequent year's appropriations provide authority to complete transactions involving encumbrances outstanding at year-end. The City Charter stipulates that, at any time after the adoption of the annual appropriation ordinance and after at least one week's public notice, the City Council may transfer unused fund balances appropriated for one purpose to another purpose and may by ordinance appropriate available revenues not included in the annual budget. This provision does not apply to the Water Utility Fund, Permanent Parks and Recreation Fund or Library Fund. Available fund balances not required for operations and capital improvements during the year are included in the annual appropriations ordinance. This is done to ensure that excess funds are available for use if the need arises after the adoption of that ordinance. Council approval is still required to transfer unallocated amounts to active operating or capital improvement budgets.

5. Equity in Pooled Cash and Cash Equivalents/Cash and Cash Equivalents

The City utilizes the pooled cash concept whereby cash balances of each of the City's funds are pooled and invested by the City in short-term certificates of deposit, money market deposit accounts, mutual funds, local government investment pools and United States Treasury obligations.

The investment pool is used to maximize interest income while protecting principal. Securities are selected according to their risk, marketability and diversification. Income earnings or losses arising from the investment of pooled cash are allocated to the various funds based on their respective daily average equity in pooled cash.

At year-end, cash in bank accounts, cash on hand, cash held by trustees, certificates of deposit (with an original maturity date less than 90 days) and money market deposit accounts, but not to include restricted cash, are classified as Equity in Pooled Cash and Cash Equivalents. All other securities within pooled cash are reclassified for reporting purposes to investments.

6. Investments

In addition to the cash and cash equivalents mentioned in Note A5, the City authorizes investments in the securities below for the general pooled investments. The Fire and Police Pension Boards adopt and establish separate investment policies for each of the Pension Trust Funds. The City's authorization for general pooled investments is more restrictive than Colorado State statutes and allows the following types of investments:

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2016

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

6. Investments (continued)

- Bonds or other interest-bearing obligations of the United States of America or its agencies thereof and Local Government Investment Pools that invest therein.
- Repurchase agreements and reverse repurchase agreements.
- Obligations secured by first liens on real estate or by pledge of specific income or revenue and issued, insured, or guaranteed by an agency or instrumentality of the United States government or State of Colorado.
- Commercial paper (with a rating at the time of purchase in its highest rating categories by one or more nationally recognized rating organizations).
- Eligible bankers acceptances.
- Money market mutual funds (with a rating at the time of purchase of at least AAAM by Standard and Poor's or Aaa by Moody's).
- Corporate Bonds, rated at least AA by Standard & Poor's or Aa2 by Moody's. Authorized corporates shall be limited to corporations organized and operated within the United States with a net worth in excess of \$250,000,000.

The City records long-term investments at fair value, amortized cost, and net asset value in accordance with GASB Statement No. 72 using quoted market prices. Short-term investments are reported at cost, which approximates fair value. Pension fund real estate investments are stated at an estimated market value using an annual external appraisal service hired by the real estate company's management team. Other pension fund investments for which market quotations are not readily available are valued at their fair values as determined by the custodian with the assistance of a valuation service. The City authorizes the purchase and sale of investments, except for those held in the Pension Trust funds, which are controlled by the Fire and Police Pension Boards as trustees.

Since many of the City monies are designated for specific uses, maturities are selected to coincide with the periods these monies will be spent. For those securities sold prior to maturity, the specific identification method is used in determining gain or loss. Investment earnings are recorded when earned since they are measurable and available.

The City invests in two external local government investment pools, COLOTRUST and CSAFE, which are not SEC-registered. These pools are short-term money market funds organized in conformity with Part 7 of Article 75 of Title 24, Colorado Revised Statutes, subject to enforcement by the Colorado Securities Commissioner. The fair value of the position in the pools is the same as the value of the pool shares.

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2016

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

7. Interfund Receivables/Payables

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “interfund receivables/payables” (i.e., short term interfund loans) or “advances to/from other funds” (i.e., long term interfund loans). Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.”

Certain eliminations have been made as prescribed by GASB Statement No. 34 in regards to interfund activities, payables and receivables. All internal balances in the Statement of Net Position have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column. In the Statement of Activities, internal service fund transactions have been eliminated; however, those transactions between governmental and business-type activities have not been eliminated.

8. Inventories

Inventories of a material amount are maintained in the General Fund for postage, the Transportation Fund for material supply, the Recreation Activity Fund for golf course clubhouse merchandise and the Water Utility Fund for materials supply. These inventories are valued at lower of cost or market, using the first-in, first-out (FIFO) method. The costs of these inventories are recorded as expenditures when consumed rather than when purchased. All other inventories in the City are considered immaterial and are expensed when purchased.

9. Restricted Assets

Pooled and nonpooled investments restricted for specified uses by gift, fee, grant and retainage requirements are classified as “restricted assets” in the General and Special Revenue Funds. Pooled investments and cash held by paying agents have been restricted in the Capital Project and Enterprise Funds for future capital improvements in compliance with bond ordinances. Additional pooled investments in the Open Space & Mountain Parks and Enterprise Funds have been restricted for debt service bond reserves in compliance with bond ordinances.

10. Capital Assets

All capital assets, including “Public Domain” infrastructure capital assets such as bridges, streets and sidewalks are reported in the applicable governmental or business-type activities columns in the government-wide and proprietary fund financial statements. Capital assets are defined as assets with an initial, individual cost of more than \$5,000 (\$50,000 for infrastructure) and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost. Donated assets are valued at acquisition value on the date donated. The City does not capitalize historical treasure or works of art. Costs incurred for the purchase or construction of capital assets for governmental activities are recorded as capital outlay expenditures in the governmental funds.

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2016

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

10. Capital Assets (Continued)

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets, net of any related interest income, is included as part of the capitalized value of the assets constructed for business-type activities. Interest capitalized in 2016 totaled \$1,088,244.

Depreciation of all exhaustible capital assets is charged as an expense against operations. Accumulated depreciation is reported on the government-wide financial statements. Depreciation has been provided over the estimated useful lives using the straight-line method.

The estimated useful lives are as follows:

Buildings	10-50 years
Improvements other than buildings	20 years
Infrastructure	20-75 years
Utility plant in service	30-40 years
Undergrounds	30-75 years
Machinery, equipment and vehicles	3-20 years
Software and licenses	5-10 years

The costs of normal maintenance and repairs that do not add to the value of the capital asset or materially extend the asset's life are not capitalized. Improvements are capitalized and depreciated over the remaining life of the capital asset, as applicable.

Upon sale or retirement of a capital asset, the cost and related accumulated depreciation, if applicable, are eliminated from the respective accounts and any resulting gain or loss is included in the results of operations.

11. Compensated Absences

Upon termination or retirement, all unused vacation pay, unused sick pay based on certain service requirements, an appreciation bonus dependent upon employee length of service, and compensation time per the police employees contract, must be paid to the employee. These compensated absences are recognized when earned in proprietary fund types and when due in governmental fund types. A liability for these amounts is reported in the government-wide financial statements when earned.

12. Deferred Outflows/Inflows of Resources

A deferred outflow of resources is a consumption of net position by the City that is applicable to a future reporting period and a deferred inflow of resources is an acquisition of net position by the City that is applicable to a future reporting period. Both deferred inflows and outflows are reported in the statement of net position but are not recognized in the fund financial statements as revenues and expenditures until the period(s) to which they relate.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2016

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

12. Deferred Outflows/Inflows of Resources (Continued)

Under the modified accrual basis of accounting, revenues and other fund financial resources are recognized in the period in which they become both measurable and available. Assets recorded in the fund financial statements for which the revenues are not available are reported as a deferred inflow of resources.

Deferred outflows of the entity consist of a deferred charge on refunding in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. Deferred inflows of resources consist of property taxes receivable and reimbursement based grants, as applicable in the government-wide and fund financial statements.

The City also records in the category of deferred outflows and deferred inflows certain items related to its PERA defined benefit pension plan and its “Old Hire” Police Defined Benefit Plan and “Old Hire” Fire Defined Benefit Plan. See Note AA and U for additional information.

13. Long-Term Obligations

In the government-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 statement of net position. Bond premiums and discounts are amortized over the life of the bonds using the effective interest rate method.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, losses on refunding, as well as bond issuance costs in 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 and losses on debt refunding are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, and debt principal payments are reported as debt service expenditures.

Debt service for the major utility funds is paid from monies provided by those funds. The blended component unit Boulder Municipal Property Authority pays debt service from revenues received from the City in the form of base rentals on open space and parks property.

The City reports a net pension liability for its proportionate share of PERA’s unfunded pension liability and the City’s unfunded pension liability of its “Old Hire” Police Defined Benefit Plan and “Old Hire” Fire Defined Benefit Plan. See Note U for additional information.

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2016

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

14. Fund Balances and Net Position

In the governmental funds financial fund statements, there are five categories of fund balances that have been used. These include nonspendable, restricted, committed, assigned and unassigned.

Nonspendable – this category pertains to any fund equity that has permanent limitations on it. This includes prepaid expenditures, inventory, and endowments. These items cannot be converted to cash and, therefore, are not an available resource for the City.

Restricted – funds are reported as restricted when constraints are imposed by creditors, grantors, laws or regulations of other governments, or by law through constitutional provisions or enabling legislation. Any constraint imposed by an outside entity on the use of funds for a specific purpose results in the fund balance being shown as restricted.

Committed – Any formal action, ordinance or resolution, of City Council, the highest level of decision making authority, which places constraints on the use of funds to a specific purpose is categorized as committed fund equity. Actions to remove the constraints, regardless if they were imposed by an ordinance or a resolution, would require the same level of difficulty needed to place constraints on the use of funds to a specific purpose.

Assigned – This category is used when the intent of the City is to use the funds for a specific purpose. The City Manager or Chief Financial Officer of the City may assign fund balance to specific purposes pursuant to the general authority granted within the City Charter Articles V & VI.

Unassigned – This classification is for fund balance that does not meet the criteria for inclusion in one of the other four classifications. The General Fund is the only fund that reports a positive unassigned fund balance amount.

Order of spending: When expenditures are incurred that can use funds from more than one classification, the City will generally determine the order which the funds are used on a case-by-case basis, considering any applicable requirements of grant agreements, contracts, business circumstances, or other constraints. If no other constraints exist, the order of spending of resources will be restricted, committed, assigned and lastly, unassigned.

The fund balance of certain special revenue and capital project funds have been restricted where the fund was created through legislation that includes a legally enforceable restriction on the use of revenues (Note S).

In the government-wide and proprietary funds financial statements, there are three categories of net position used. These include net investment in capital assets, restricted and unrestricted.

Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2016

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

14. Fund Balances and Net Position (Continued)

those assets. Net investment in capital assets, excludes unspent bond proceeds. Unspent bond proceeds as of December 31, 2016 totaled \$62,885,939 consisting of \$35,120,901 for the Water Utility Fund, \$7,440,254 for the Wastewater Utility Fund, \$16,163,503 for the Stormwater and Flood Management Fund, \$2,987,891 for Open Space Acquisition, \$370,965 for Capital Bond Proceeds and \$802,425 from Certificates of Participation.

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

1. Explanation of Certain Differences Between the Governmental Funds Balance Sheet and the Government-wide Statement of Net Position

The City includes a reconciliation between fund balance-total governmental funds and net position-governmental activities as reported in the government-wide statement of net position.

One element of that reconciliation explains that “capital assets used in governmental activities are not financial resources and are not reported within the funds.” The details of this difference are as follows (amounts in 000’s):

	<u>Governmental Fund Capital Assets</u>	<u>Internal Service Fund Capital Assets</u>	<u>Total Capital Assets - Governmental Activities</u>
Land and easements	\$ 337,362	\$ 117	\$ 337,479
Buildings	51,100	90,870	141,970
Improvements other than buildings	84,557	8,742	93,299
Infrastructure	432,359	468	432,827
Machinery, equipment and vehicles	5,138	46,095	51,233
Software and Licenses	8,511	-	8,511
Construction-in-progress	40,218	128	40,346
Total capital assets	<u>959,245</u>	<u>146,420</u>	<u>1,105,665</u>
Less accumulated depreciation	<u>(359,140)</u>	<u>(88,589)</u>	<u>(447,729)</u>
Capital assets, net	<u><u>\$ 600,105</u></u>	<u><u>\$ 57,831</u></u>	<u><u>\$ 657,936</u></u>

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2016

NOTE B – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (CONTINUED)

1. Explanation of Certain Differences Between the Governmental Funds Balance Sheet and the Government-wide Statement of Net Position (Continued)

Another reconciling item 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 this difference are as follows (amounts in 000’s):

General obligation bonds	\$ 22,555
Taxable obligation bonds	7,063
Certificates of participation - COPs	40,179
Capital improvement bonds	41,330
Lease Purchase revenue notes	4,326
Capital Lease, excluding internal service funds	-
Compensated absences, excluding internal service funds	10,080
Deferred Outflows of resources related to losses on refundings, excluding external service funds	(31)
Retiree health care benefits payable, excluding internal service funds	2,345
Interest payable, excluding internal service funds	999
Governmental fund long-term liabilities	<u>\$ 128,846</u>

2. Explanation of Certain Differences Between the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-wide Statement of Activities

The City includes a reconciliation between net changes in fund balances-total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation states that “debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.”

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2016

NOTE B – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (CONTINUED)

2. Explanation of Certain Differences Between the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-wide Statement of Activities (Continued)

The details of the \$433 increase from changes in the treatment of long-term debt and related items are as follow (amounts in 000's):

Debt issued or incurred:	
Net increase in compensated absences	\$ (895)
Net increase in retiree health care benefits	(216)
Increase in net pension liability:	
PERA	(6,018)
"Old Hire" Police Defined Benefit Plan	(1,902)
"Old Hire" Fire Defined Benefit Plan	(630)
Total debt issued or incurred	<u>(9,661)</u>
Principal repayments or reductions:	
Repayments	9,561
Amortization of debt premium	518
Total principal repayments or reductions	<u>10,079</u>
Other long term liabilities	
Change in accrued interest payable	52
Amortization of deferred loss on refunding	(37)
Total other related items	<u>15</u>
Net adjustment to increase net changes in fund balances – total governmental funds to arrive at changes in net position of governmental activities – debt and related items	<u><u>\$ 433</u></u>

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2016

NOTE C – LEGAL COMPLIANCE – BUDGETS

City management, with the approval of the Budget Office, may transfer budgeted amounts within a fund without City Council approval. Excluded are transfers between operating, capital and debt service budgets in the Enterprise Funds. The City Manager must approve increases and decreases to appropriations and estimated revenues in the Internal Service Funds.

The amended budget appropriations changed from the original appropriations adopted by the City Council. Some of the more significant changes are summarized below:

The City's basis of budgeting differs from GAAP in several ways:

GAAP expenditures *not* treated as expenditures using the basis of budgeting:

- All fund types – adjustment to accrued salaries, wages and amounts withheld from employees, adjustment to compensated absences, adjustment to accrued interest payable (certain debt).

Expenditures using the basis of budgeting *not* treated as GAAP expenditures:

- All fund types – encumbrances, payments on advances from other funds, intrafund transfers, adjustments to accrued interest payable (certain debt).

GAAP revenues *not* treated as revenues using the basis of budgeting:

- All fund types – fair market value adjustment to investments.

Non-compliance:

As of December 31, 2016, the City had one fund in deficit fund balance non-compliance as follows:

Transit Pass General Improvement District	\$2,000
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The Transit Pass General Improvement District had a small negative fund balance in the amount of \$2,000. This was due to an allocation completed at year end that exceeded the estimated budgeted amount.

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2016

NOTE D – LEGAL COMPLIANCE – TABOR

The voters of Colorado at the general election held in the State on November 3, 1992 approved an amendment to the Colorado Constitution (Article X, Section 20 “The Taxpayer’s Bill of Rights” or TABOR). The language of TABOR applies to the State and all local governments, including the City.

TABOR generally requires that the voters of the City approve any new tax, increase of an existing tax, property tax mill levy increase, assessed valuation ratio increase, tax extension or tax policy change of the City that results in an increase in taxes. TABOR also limits increases in the City’s property tax revenue over the prior year to the rate of inflation plus the net percentage change in the actual value of all real property in the City from construction of improvements and additions to taxable real property, unless otherwise approved by the voters. In addition to revenue limits, TABOR also limits increases in the City’s spending over the prior year to the rate of inflation plus the net percentage change in the actual value for all real property in the City from construction of improvements and additions to taxable real property, unless otherwise approved by the voters. The initial base years for this limit on spending increases by the City are the 1992 fiscal year of the City and 1991 property taxes collected in 1992. Any revenues collected in excess of these limits on spending and property tax revenue are required to be refunded during the next fiscal year.

On November 2, 1993, the voters within the City of Boulder approved a ballot question which authorizes the City to collect, retain and expend the full proceeds of the City’s sales and use tax, admissions tax, accommodations tax and nonfederal grants notwithstanding any TABOR restrictions.

At the November 8, 1994 election, the voters approved an increase in the City’s trash tax and also approved an education excise tax. Both ballot issues included language which allowed the City to collect and spend the full proceeds of the tax and any interest earnings thereon.

On November 5, 1996, the voters within the City of Boulder approved a ballot question by a vote of 21,832 to 16,170 which removed the TABOR restriction on all revenues (except property tax) and expenditures of the City, eliminated the emergency reserve requirements, and authorized the collection, retention and expenditure of all revenues of the City free from current revenue and expenditure limitations and from any limitations that may be enacted in the future without the amendment of the City Charter by the electors of the City.

On November 4, 2008, the voters within the City of Boulder approved a ballot question which removed the remaining TABOR restriction on property tax revenues collected in 2009 and beyond. The increase in retained taxes starting in tax collection year 2009 will be limited to 1/2 mill per year until the full amount of the existing City property tax levy of 11.981 mills is restored and retained, which occurred in 2012.

TABOR remains in full effect for the blended component units Downtown Commercial District and University Hill Commercial District.

TABOR is very complex and open to interpretation. However, at December 31, 2016, the City believes it was in compliance with TABOR (see Note L).

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2016

NOTE E – DEPOSITS AND INVESTMENTS

At December 31, 2016, the City had the following in cash and investments (in 000's):

Cash and deposits	\$ 19,517
Investments	<u>374,176</u>
Total	<u><u>\$ 393,693</u></u>

Cash and investments are reported in the financial statements as follows (in 000's):

<i>Citywide Investments</i>	
Equity in pooled cash and cash equivalents	\$ 19,214
Investments	282,114
Restricted investments	<u>70,494</u>
	371,822
<i>Fiduciary Fund Investments</i>	
Equity in pooled cash and cash equivalents	303
Investments	<u>21,568</u>
	<u>21,871</u>
Total	<u><u>\$ 393,693</u></u>

Deposits

Custodial Credit Risk – Deposits. For deposits, this is the risk that in the event of a bank failure, the City's deposits may not be returned. Title 2, Chapter 10 of the Boulder Revised Code (1981) requires that depositories belong to the FDIC and qualify as a depository of public funds in the state under the Colorado Public Deposit Protection Act (PDPA) as defined in 24-75-603, C.R.S. As of December 31, 2015, all financial institutions holding deposits for the City of Boulder have been identified as eligible public depositories under PDPA by the State of Colorado Division of Banking. PDPA requires that any amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution, or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits.

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2016

NOTE E – DEPOSITS AND INVESTMENTS (CONTINUED)

At December 31, 2016, the City had cash on hand of \$19,519. In addition, at December 31, 2016, the carrying amount of the City’s deposits at JPMorgan Chase was \$19,247,578 while the bank statement balance was \$21,213,845. On November 9, 2010, the FDIC issued a final rule to implement Section 343 of the Dodd-Frank Wall Street Reform and Consumer Protection Act that provided temporary unlimited deposit insurance coverage for noninterest-bearing transaction accounts at all FDIC insured depository institutions. The insurance coverage went into effect on December 31, 2010, and expired on December 31, 2012, leaving \$250,000 of the City’s operating accounts under FDIC coverage and \$20,963,845 properly collateralized under the Public Deposit Protection Act.

Investments – Citywide (excludes Fiduciary Funds)

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

Investment Type	Fair Value (000's)
Local Government	
Investment Pools	\$ 55,449
U.S. Treasuries	87,401
U.S. Instrumentalities	200,621
Time Deposits	<u>9,137</u>
Total	<u>\$ 352,608</u>

Credit Risk – Investments. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Title 2, Chapter 10 of the Boulder Revised Code (1981) limits the City’s investment activity to specific types of investments as disclosed in Note A6. Rating requirements for Federal Instrumentality securities are not addressed within the code but it does limit investments in commercial paper to issues with a credit rating of at least A-1 by Standard and Poor’s or P-1 by Moody’s. Credit rating requirements for eligible banker’s acceptances are not addressed. Local government investment pools and money market mutual funds must have a rating at the time of purchase of at least AAAm by Standard and Poor’s or Aaa by Moody’s. Corporate bonds must have a credit rating of at least AA by Standard & Poor’s or Aa2 by Moody’s.

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2016

NOTE E – DEPOSITS AND INVESTMENTS (CONTINUED)

Investments – Citywide (excludes Fiduciary Funds) (Continued)

As of December 31, 2016, the City held investments with the following credit ratings:

Issuer	Fair Value (000's)	Ratings	
		Standard & Poors	Moody's
U.S. Instrumentalities			
FHLB	\$ 50,076	AA+	Aaa
FNMA	49,753	AA+	Aaa
FFCB	52,702	AA+	Aaa
FHLMC	48,090	AA+	Aaa
Local Government Investment Pools	55,449	AAAm	N/A

Interest Rate Risk – Investments. For investments, this is the risk that changes in interest rates will adversely affect fair market values. In accordance with Title 2, Chapter 10 of the Boulder Revised Code (1981) the weighted average maturity of the City's portfolio shall at no time exceed five years. As of December 31, 2016, the weighted average maturity of the City's pooled investment portfolio was 1.51 years as detailed in the following chart:

Investment Type	Fair Value (000's)	Weighted Average Maturity (years)
U.S. Treasuries	\$ 87,401	1.59
FHLB	50,076	2.01
FNMA	49,753	2.72
FFCB	52,702	1.48
FHLMC	48,090	1.30
Time Deposits	9,137	1.72
Local Government Investment Pools	55,449	0.00
Total fair value	<u>\$ 352,608</u>	
Portfolio weighted average maturity		<u>1.51</u>

Custodial Credit Risk – Investments. This is the risk that, in the event of the 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. In accordance with the Boulder Revised Code, the City utilizes a third-party safekeeping arrangement with JP Morgan Chase, N.A. to minimize custodial credit risk.

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2016

NOTE E – DEPOSITS AND INVESTMENTS (CONTINUED)

Investments – Citywide (excludes Fiduciary Funds) (Continued)

As of December 31, 2016, the City is invested in Colorado Government Liquid Asset Trust Plus (COLOTRUST Plus), Colorado Government Liquid Asset Trust Prime (COLOTRUST Prime) and the Colorado Surplus Asset Fund Trust (CSAFE), investment vehicles established for local government entities in Colorado to pool surplus funds. The pools are regulated by the Colorado Securities Commissioner. These pools operate similar to a money market fund and each share is equal in value to \$1.00. Investments of the pools 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 U.S. Instrumentalities. A designated custodial bank provides safekeeping and depository services to the pools in connection with the direct investment and withdrawal functions of the pools. 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.

The above investment pools and money market mutual funds are not exposed to custodial credit risk because their existence is not evidenced by securities that exist in physical or book entry form.

Concentration of Credit Risk – Investments. Concentration of credit risk is the risk of loss attributed to the concentration of the City’s investment in a single issuer. The Boulder Revised Code does not specifically address concentration of credit risk. 5% or more of the City’s investments were held by the following issuers as of December 31, 2016:

Issuer	Fair Market Value (in 000's)	Percentage of Total Portfolio
Federal Home Loan Bank	\$ 50,076	14%
Federal Farm Credit Bureau	52,702	15%
Federal National Mortgage Association	49,753	14%
Federal Home Loan Mortgage Corporation	48,090	14%

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2016

NOTE E – DEPOSITS AND INVESTMENTS (CONTINUED)

Investments – Fiduciary Funds

As of December 31, 2016, the Police and Fire Pension Funds had the following investments:

Investment Type	Fair Value (in 000's)	Maturities in Years				
		<1	1-2	3-5	5-10	>10
Local Government						
Investment Pools	\$ 7	\$ 7	\$ -	\$ -	\$ -	\$ -
U.S. Treasuries	290	23	18	18	104	128
U.S. Instrumentalities and Agencies	798	33	45	281	438	-
Time Deposits	5	5	-	-	-	-
Corporate Bonds	124	-	-	25	99	-
Subtotal	<u>\$ 1,224</u>	<u>\$ 68</u>	<u>\$ 63</u>	<u>\$ 324</u>	<u>\$ 641</u>	<u>\$ 128</u>
Money Market Funds	610					
Mutual Funds	14,399					
Equities	4,286					
Real Estate Investment Trust	658					
Other	391					
Total	<u>\$ 21,568</u>					

Credit Risk – Pension Investments. This is the risk that an issuer or other counterparty to an investment will not fulfill its obligation. The “Old Hire” Police Pension Fund investment policy was revised on October 9, 2012 and adopted on December 10, 2012. The “Old Hire” Fire Pension Fund investment policy was revised on September 2013, and formally adopted on November 18, 2013. The “Old Hire” Police Pension Fund has a risk tolerance of no more than a 16.5% annual loss, with a statistical confidence level of 95%. The “Old Hire” Fire Pension Fund has a risk tolerance of no more than a 19.9% annual loss, with a statistical confidence level of 95%.

At December 31, 2016 the pension funds held investments with credit ratings as follows:

Issuer	Fair Value (000's)	Ratings	
		Standard & Poors	Moody's
Local Government			
Investment Pools	\$ 7	AAAm	N/A
U.S. Instrumentalities and Agencies	798	AA+	Aaa
Time Deposits	5	AA+	Aaa
Corporate Bond – JPMorgan Chase	124	A	A3

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2016

NOTE E – DEPOSITS AND INVESTMENTS (CONTINUED)

Investments – Fiduciary Funds (Continued)

Concentration of Credit Risk – Pension Investments. Concentration of credit risk is the risk of loss attributed to the concentration of the City’s investment in a single issuer. The “Old Hire” Police Pension Fund investment policy states that equity holdings in any one company should not exceed more than 15% of the fair value of the Fund’s assets and that not more than 25% should be invested in any one industry. Fixed Income Portfolio Securities, other than U.S. government or agency securities, cannot exceed 10% by any one issuer. At December 31, 2016, no single issuer held more than 10% of either pension fund’s portfolio.

In the revised investment policy, which was effective November 2014, the “Old Hire” Police Pension Fund, Long-Term Account, has a specified risk tolerance not to exceed a 16.5% loss in any year. To maintain a 95% confidence level that this performance level is met, the board selected the following asset classes and allocations for each class:

Asset Allocation	Lower Limit	Strategic Allocation	Upper Limit
Domestic Large Cap	29%	31%	34%
Domestic Small Cap Core	1%	4%	7%
International Equity	9%	12%	15%
Emerging Markets	0%	4%	6%
Domestic Fixed Income	24%	27%	30%
Floating Rate Corporate Loans	6%	9%	12%
High Yield	0%	3%	6%
Real Estate	2%	5%	8%
Commodities	2%	5%	8%

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2016

NOTE E – DEPOSITS AND INVESTMENTS (CONTINUED)

Investments – Fiduciary Funds (Continued)

In the revised investment policy, which was adopted on November 18, 2013, the “Old Hire” Fire Pension Fund, Long-Term Account, has a specified risk tolerance not to exceed a 19.9% loss in any year. To maintain a 95% confidence level that this performance level is met, the board selected the following asset classes and allocations for each class:

Asset Allocation	Lower Limit	Strategic Allocation	Upper Limit
Domestic Large Cap	22%	25%	28%
Domestic Mid Cap	3%	5%	8%
Domestic Small Cap	3%	5%	8%
International Equity	11%	14%	17%
Emerging Markets	2%	5%	8%
Domestic Fixed Income	26%	29%	32%
Floating Rate Corporate Loans	6%	9%	12%
High Yield	0%	3%	6%
Commodities	2%	5%	8%

At December 31, 2016 the asset class allocations were within the maximum limits.

Investment concentrations in one organization that represent over 5% of each “Old Hire” pension plan’s fiduciary net position are as follows:

"Old Hire" Police Pension Fund		
Issuer	Fair Market Value (in 000's)	Percentage of Total Portfolio
Eaton Vance Floating Mutual Fund	\$ 1,070	9%
Fidelity Total Bond Fund	918	8%
Artisan International Fund	637	5%
Brandes International Equity Fund	716	6%
Principal US Property Separate Account real estate	658	5%

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2016

NOTE E – DEPOSITS AND INVESTMENTS (CONTINUED)

Investments – Fiduciary Funds (Continued)

"Old Hire" Fire Pension Fund		
Issuer	Fair Market Value (in 000's)	Percentage of Total Portfolio
Eaton Vance Floating Mutual Fund	\$ 822	9%
Fidelity Total Bond Fund	1,242	13%
Metropolitan West Mutual Fund	1,299	14%
Artisan International Fund	571	6%
Artisan Mid Cap Equity Fund	443	5%
Brandes International Equity Fund	636	7%
Diamond Hill Small Cap Mutual Fund	487	5%
Dodge & Cox Stock Fund	799	9%
Harbor Cap Appreciation Fund	731	8%
Vanguard 500 Index Fund	793	8%

Custodial Credit Risk – Pension Investments. This 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. The “Old Hire” Police Pension Fund investment policy states that a custodian bank will maintain possession of securities owned by the Fund. The “Old Hire” Fire Pension Fund’s investment policy was revised to require a custodian bank to maintain possession of securities in September 2008. All the pension securities, except for the Principal RESA account, are held by the Fund’s third party custodian, Charles Schwab Institution, in the pension’s name.

Interest Rate Risk – Pension Investments. This is the risk that changes in interest rates will adversely affect the portfolio’s fair market value. The “Old Hire” Police Pension Fund investment policy specifies a targeted rate of return of 7.5%, for its long-term account. The “Old Hire” Fire Pension Fund investment policy specifies a targeted rate of return of 7.5% for its long-term account.

Taxable Pension Obligation Bonds. In order to allow the City to establish more predictable pension obligation payment schedules for firefighters and police officers hired before April 8, 1978, taxable pension obligation bonds were issued on October 26, 2010. Proceeds of \$5,469,000 and \$3,531,000 were deposited into money market mutual funds for the “Old Hire Police” and “Old Hire Fire” pension fund accounts, respectively. These deposits are held by a third-party custodian, Charles Schwab Institutional, in each pension’s name.

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2016

NOTE E – DEPOSITS AND INVESTMENTS (CONTINUED)

Fair Value of Investments

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. For investments measured at Net Asset Value (NAV), there are no commitments, the redemption frequency is daily, and there is no redemption notice period.

City Investments Measured at Fair Value at 12/31/2016:

	12/31/2016	Fair Value Measurement Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by fair value level				
Debt securities				
U.S. Treasury securities	\$ 87,401	\$ -	\$ 87,401	\$ -
U.S. Instrumentalities and agencies	200,621	-	200,621	-
Total debt securities	<u>288,022</u>	<u>-</u>	<u>288,022</u>	<u>-</u>
Total investments measured at fair value level	<u>288,022</u>	<u>\$ -</u>	<u>\$ 288,022</u>	<u>\$ -</u>
Investments measured at the net asset value (NAV)				
Local government investment pool - Colotrust	304			
Time deposits	<u>9,137</u>			
Total investments measured at the NAV	9,441			
Investments measured at amortized cost:				
Local government investment pool - CSAFE	<u>55,145</u>			
Total investments measured at amortized cost	<u>55,145</u>			
Total investments	<u>\$ 352,608</u>			

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2016

NOTE E – DEPOSITS AND INVESTMENTS (CONTINUED)

Fair Value of Investments (Continued)

Fiduciary Investments Measured at Fair Value at 12/31/16:

	12/31/2016	Fair Value Measurement Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by fair value level				
Debt securities				
U.S. Treasury securities	\$ 290	\$ -	\$ 290	\$ -
U.S. Instrumentalities and agencies	798	-	798	-
Corporate bonds	6,093	6,093	-	-
Other	391	391	-	-
Total debt securities	<u>7,572</u>	<u>6,484</u>	<u>1,088</u>	<u>-</u>
Equity securities	<u>12,716</u>	<u>12,716</u>		
Real estate investment trust	<u>658</u>			<u>658</u>
Total investments measured at fair value level	<u>20,946</u>	<u>\$ 19,200</u>	<u>\$ 1,088</u>	<u>\$ 658</u>
Investments measured at the net asset value (NAV)				
Local government investment pool - Colotrust	1			
Money market funds	610			
Time deposits	<u>5</u>			
Total investments measured at the NAV	<u>616</u>			
Investments measured at amortized cost:				
Local government investment pool - CSAFE	<u>6</u>			
Total investments measured at amortized cost	<u>6</u>			
Total investments	<u>\$ 21,568</u>			

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2016

NOTE F – PROPERTY TAXES RECEIVABLE

Property taxes for the City are levied by the City Council and certified to Boulder County for collection by December 15 of each year. These taxes attach as an enforceable lien on property as of January 1 of the succeeding year and are payable in full by April 30 or in two installments by June 15 in the year of collection.

Property taxes levied in 2016 for collection in 2017 of \$33,485,000 in the General Fund, \$1,139,000 in the Special Revenue Funds, \$2,804,000 in the Capital Projects Funds and \$1,379,000 in the Enterprise Funds, are included in receivables and deferred inflows at December 31, 2016. These taxes are classified as deferred inflows since they are not normally available to the City until mid-2017 and are budgeted for in 2017.

NOTE G – OTHER RECEIVABLES

The City of Boulder recognizes various receivables when earned. Revenues are recognized as appropriate based on the measurement focus and basis of accounting as discussed in Note A. An allowance for doubtful accounts is recognized as appropriate based upon management’s estimate of the collectability of the various receivables. No allowance is provided for utility service charges since delinquent amounts are certified as a lien against the property billed and are expected to be fully collectible. As of December 31, 2016, no allowance for doubtful accounts was recognized.

The December 31, 2016, balance in “other receivables” contains the following detail (amounts in 000’s):

Type of Note Receivable	Governmental Activities	Business-type Activities	Total
Accounts	\$ 3,333	\$ 400	\$ 3,733
Charges for services	-	4,381	4,381
Accrued interest	618	219	837
Intergovernmental	17,600	3,842	21,442
Other	15	530	545
	\$ 21,566	\$ 9,372	\$ 30,938

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2016

NOTE H – CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2016, was as follows (amounts in 000's):

Governmental Activities:

	Beginning Balance	Increases	Transfers	Decreases	Ending Balance
Capital assets not being depreciated:					
Land and easements	\$ 307,000	\$ 1,580	\$ 28,899	\$ -	\$ 337,479
Construction in progress	93,965	17,446	(71,065)	-	40,346
Total capital assets, not being depreciated, net	400,965	19,026	(42,166)	-	377,825
Capital assets being depreciated:					
Buildings	127,916	4,571	9,483	-	141,970
Improvements other than buildings	84,348	3,572	5,379	-	93,299
Infrastructure	410,722	1,297	20,808	-	432,827
Machinery and equipment	46,893	5,282	1,001	(1,943)	51,233
Software and Licenses*	2,022	994	5,495	-	8,511
Total capital assets, being depreciated	671,901	15,716	42,166	(1,943)	727,840
Less accumulated depreciation for:					
Buildings	66,796	4,130	-	-	70,926
Improvements other than buildings	34,028	3,833	-	-	37,861
Infrastructure	301,900	6,725	-	-	308,625
Machinery and equipment	26,207	3,692	-	(1,662)	28,237
Software and Licenses	1,660	420	-	-	2,080
Total accumulated depreciation	430,591	18,800	-	(1,662)	447,729
Total capital assets, being depreciated, net	241,310	(3,084)	42,166	(281)	280,111
Governmental activities capital assets, net	\$ 642,275	\$ 15,942	\$ -	\$ (281)	\$ 657,936

*Please note that beginning balances for software and licenses were included in machinery and equipment in the 2015 audited financial statements and readjusted as a separate line item for consistency in 2016 and going forward.

During 2016, the City had intangible assets of \$14.46 million that are included in land and easements in governmental activities above.

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2016

NOTE H – CAPITAL ASSETS (CONTINUED)

Business-type Activities:

	Beginning Balance	Increases	Transfers	Decreases	Ending Balance
Capital assets not being depreciated:					
Land and easements	\$ 43,347	\$ -	\$ -	\$ -	\$ 43,347
Construction in progress	20,621	36,882	(6,525)	-	50,978
Total capital assets, not being depreciated	<u>63,968</u>	<u>36,882</u>	<u>(6,525)</u>	<u>-</u>	<u>94,325</u>
Capital assets being depreciated:					
Buildings	43,361	229	40	-	43,630
Improvements other than buildings	7,600	45	-	-	7,645
Utility plant in service and undergrounds	499,965	2,761	6,468	-	509,194
Machinery and equipment	11,517	189	17	(733)	10,990
Total capital assets, being depreciated	<u>562,443</u>	<u>3,224</u>	<u>6,525</u>	<u>(733)</u>	<u>571,459</u>
Less accumulated depreciation for:					
Buildings	21,584	1,307	-	-	22,891
Improvements other than buildings	4,385	378	-	-	4,763
Utility plant in service and undergrounds	186,390	7,526	-	-	193,916
Machinery and equipment	6,577	862	-	(327)	7,112
Total accumulated depreciation	<u>218,936</u>	<u>10,073</u>	<u>-</u>	<u>(327)</u>	<u>228,682</u>
Total capital assets, being depreciated, net	<u>343,507</u>	<u>(6,849)</u>	<u>6,525</u>	<u>(406)</u>	<u>342,777</u>
Business-type activities capital assets, net	<u>\$ 407,475</u>	<u>\$ 30,033</u>	<u>\$ -</u>	<u>\$ (406)</u>	<u>\$ 437,102</u>

In 2016, the City capitalized \$1,088,244 of eligible interest costs in the business-type activities capital assets.

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2016

NOTE H – CAPITAL ASSETS (CONTINUED)

Depreciation expense was charged to functions/programs of the City as follows (amounts in 000's):

Governmental Activities:	
General Government	\$ 26
Administrative Services	860
Public Safety	425
Public Works	13,319
Culture and Recreation	3,533
Open Space and Mountain Parks	411
Housing & Human Services	39
Community Sustainability	187
Total depreciation expense – Governmental Activities	<u>\$ 18,800</u>
Business-type Activities:	
Water Utility	\$ 4,580
Wastewater Utility	2,856
Stormwater and Flood Management	1,058
Parking Facilities and Services	1,579
Total depreciation expense – Business-type Activities	<u>\$ 10,073</u>

NOTE I – RISK MANAGEMENT

Property and Casualty Insurance – The City has structured its property and casualty insurance as a self-insurance program since April 15, 1986. The Plan included an Annual Aggregate and Specific Stop Loss coverage through April 15, 1990. Under the current structure, the City pays the first \$100,000 of each loss on property claims with an annual aggregate of \$200,000. Except for those which are flood or earthquake which have a \$200,000 deductible and utility facilities which have a \$500,000 deductible. The City pays \$500,000 each claim on third-party liability claims; and \$10,000 each loss on crime. According to Colorado State law, the City has the protection of governmental immunity above \$150,000 per person, \$600,000 per occurrence. Excess insurance coverage over this maximum has been purchased through a private insurance carrier in the amount of \$10,000,000 per liability claim with an annual aggregate policy limit of \$10,000,000, except for public officials, which is on a claims-made basis. Settled claims have not exceeded commercial insurance coverage in any of the past three fiscal years.

The City Council has established a reserve policy for the Property and Casualty Fund with a goal of fully funding an actuarially calculated liability as of the end of the prior year at the 80% confidence level. An actuarial study will be completed every two years in order to determine the appropriate reserve levels. The current actuarial study was performed in the second quarter of 2017 and addressed claims as of December 31, 2016.

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2016

NOTE I – RISK MANAGEMENT (CONTINUED)

In 1997, an internal service fund was established to account for the Property and Casualty funds. Claims paid during the year and estimated to be paid at year-end are charged to this fund. The estimated year-end claims payable is based on the results of an actuarial study.

Changes in the estimated claims payable for the Property and Casualty Insurance Fund during the years ended December 31, 2015 and 2016, were as follows (amounts in 000's):

	<u>2015</u>	<u>2016</u>
Estimated claims payable January 1	\$ 833	\$ 574
Current year claims and changes in estimates	193	377
Claim payments	<u>(452)</u>	<u>(251)</u>
Estimated claims payable December 31	<u>\$ 574</u>	<u>\$ 700</u>
Claims payable due within one year	<u>\$ 202</u>	<u>\$ 207</u>

Workers' Compensation Insurance – Through December 31, 1992, the City purchased Workers' Compensation Insurance through the Colorado Compensation Insurance Authority. The City received authorization to become self-insured effective January 1, 1993. In 1993, an Internal Service Fund was established to account for these insurance activities. The City hired a third-party administrator to handle claims and estimate reserves. Under the current structure, the City pays the first \$450,000 of each workers' compensation claim. The estimated reserves at December 31, 2015, have been established through the completion of an actuarial study and recorded as a liability in the Workers' Compensation Insurance Fund. Benefits are mandated by State Statute. Settled claims have not exceeded commercial insurance coverage in any of the past three fiscal years.

The City Council has established a reserve policy for the Workers' Compensation Insurance Fund with a goal of fully funding an actuarially calculated liability as of the end of the prior year at the 80% confidence level. An actuarial study will be completed every two years in order to determine the appropriate reserve levels. The latest actuarial study was performed in April of 2017 and addressed claims as of December 31, 2016.

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2016

NOTE I – RISK MANAGEMENT (CONTINUED)

Changes in the estimated claims payable for the Workers’ Compensation Insurance Fund during the years ended December 31, 2015 and 2016, were as follows (amounts in 000’s):

	<u>2015</u>	<u>2016</u>
Estimated claims payable January 1	\$ 1,249	\$ 1,607
Current year claims and changes in estimates	1,758	2,383
Claim payments	<u>(1,400)</u>	<u>(1,676)</u>
Estimated claims payable December 31	<u>\$ 1,607</u>	<u>\$ 2,314</u>
Claims payable due within one year	<u>\$ 845</u>	<u>\$ 929</u>

NOTE J – ACCRUED LIABILITIES

The December 31, 2016, balance in “accrued liabilities” contains the following detail (amounts in 000’s):

<u>Type of Accrued Liability</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Accrued salaries, wages and amounts withheld from employees	\$ 4,659	\$ 632	\$ 5,291
Accrued interest	999	395	1,394
Accrued liability – landfill cleanup	-	2,474	2,474
Accrued liability – cleanup costs	<u>659</u>	<u>-</u>	<u>659</u>
	<u>\$ 6,317</u>	<u>\$ 3,501</u>	<u>\$ 9,818</u>

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2016

NOTE K – PROPERTY TAX OVERCOLLECTION LIABILITY

The 2015 mill levy for the City of Boulder for taxes collected in 2016 resulted in an excess of the TABOR (see Note D) allowable property tax revenues by \$77,349. The 2016 mill levy for taxes collected in 2017 was voluntarily reduced to compensate for this overcollection.

The balance of remaining overcollections are recorded as an “other liability” in the following funds (amounts in 000’s):

	<u>Net Overcollection</u>
Downtown Commercial District	\$ 71
University Hill Commercial District	<u>6</u>
Fund	<u><u>\$ 77</u></u>

NOTE L – ACCRUED LIABILITY – LANDFILL CLEANUP

Until the late 1980s the City operated the Marshall Landfill. Around the time of the landfill’s closure, the City was threatened by a lawsuit by the Department of Justice (DOJ) and the US Environmental Protection Agency (EPA) concerning the cleanup of Marshall Landfill, which is a designated Superfund site. The City was designated a potentially responsible party (PRP) pursuant to the Comprehensive Environmental Response Compensation and Liability Act of 1980, as amended by the Superfund Amendment and Reauthorization Act of 1986. The City and certain other PRPs negotiated a proposed consent decree with the DOJ and the EPA, and on May 17, 1988, City Council approved that decree.

The EPA, City and other PRPs subsequently signed the consent decree, which required the settling parties to implement remedial measures at Marshall Landfill for the purpose of cleaning up contaminated groundwater. This included the construction, operation and maintenance of a treatment facility and monitoring system.

The total cost of the cleanup was estimated to be approximately \$5.0 million for capital construction and \$0.8 million for engineering costs. Under the PRP agreement, which set forth the cost-sharing arrangements for the cleanup, the City’s share was estimated at 30% or approximately \$1,740,000. This amount, plus \$210,000 for project management, contingency, legal and miscellaneous costs, was recorded in the Wastewater Utility Fund. Bonds were issued in 1992, and the proceeds restricted to pay these costs.

This judgment payable was satisfied in 1993 and an additional estimated liability equal to the net present value of average annual expenses of \$250,000, or \$2,926,595, was recorded for the City’s estimated share of operating the treatment facility over the subsequent 20 years. The reasonableness of the average annual expense level is reviewed annually by City engineers and is based on typical operation, maintenance, analytical, and engineering costs of the Marshall Landfill site with adjustments made for inflation and equipment replacement.

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2016

NOTE L – ACCRUED LIABILITY – LANDFILL CLEANUP (CONTINUED)

The EPA and the Colorado Department of Public Health and Environment (CDPHE) approved a shutdown plan for the Marshall Landfill on November 30, 2004. The shutdown involves mothballing the current treatment facility for three years while the groundwater quality is monitored. The treatment facility must be maintained for the three-year period in a manner that allows start up, if deemed necessary.

The plan provided that if, at the end of three years, no concentrations of contaminants above the shutdown standards occur in the wells and surface water sites that are approved as points of compliance, the treatment plant can be removed. After the treatment facility is removed, an approved long-term monitoring plan will be implemented. The demolition plan would require continued monitoring for the foreseeable future, but at a reduced frequency than was currently in effect. In addition to long-term water sampling and analysis at the points of compliance, the landfill cover or cap would have to be maintained indefinitely.

The 2005 Marshall Landfill budget of \$240,000 was sufficient for all 2005 shutdown, mothballing, sampling and analysis, cap maintenance, and abandonment/encasement of obsolete monitoring wells. Annual costs during the three years (2005-2007) of the three-year shutdown period did not exceed \$150,000.

The final shutdown and demolition plan was submitted to EPA and CDPHE in 2008 and the City is awaiting a final determination about the removal of the treatment facility. If the EPA and CDPHE agree to demolition of the facility and long-term monitoring, the annual costs should be less than \$100,000. However, the actual annual costs will not be determined until EPA and CDPHE approve the final plan.

Funds to pay any future costs associated with this will be allocated through the collection of wastewater user charges. The December 31, 2016, balance in the “accrued landfill cleanup liability” is \$2,474,000.

NOTE M – ACCRUED LIABILITY – 13th STREET VOLUNTARY CLEANUP

The City of Boulder is conducting a voluntary cleanup at 13th Street Plaza to remove the remaining infrastructure, soil, fluids, and debris from the former Federal Gas Company manufactured gas plant site. The Federal Gas Company generated gas at the site from about 1902 until the plant was demolished in 1953. The City of Boulder purchased the property in 1975 and installed the Dushanbe Teahouse and the 13th Street Plaza in 1997.

On July 13, 2016, the City of Boulder submitted a Voluntary Cleanup Plan Second Interim Remediation Report to the Colorado Department of Public Health and Environment (CDPHE). This report summarized results of a pilot study and ongoing groundwater monitoring performed at the site. The report contains information that includes the possible cost of the remediation. The estimated liability per the report is \$659,000. This is based on a specific treatment plan for the site using Sodium Persulfate. The cost is dependent on the mass of oxidant required to address the extent of the treatment area. Costs could also change due to the urban setting, schedule conflicts and community requirements. In 2016, the City incurred \$96,268 in related costs.

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2016

NOTE N – FUTURE WATER RIGHTS

Under a water allotment contract with the Municipal Subdistrict, Northern Colorado Water Conservancy District (Subdistrict), the City has available 37/480 of the water units available through the Windy Gap Project (a water diversion project on the Colorado River). In 1991, the City sold 43 of its original 80 units to the City of Broomfield for a total of \$23,724,500. Under the sales agreement, the City received its final annual payment in 1993. The Raw Water Master Plan recommended that Windy Gap Project supplies be sold due to the high incremental cost of maintaining this portion of the raw water supply. When voting to approve the sales agreement, the City Council also moved that the proceeds be used for the acquisition of replacement water supplies capable of meeting multiple objectives, including diversification of municipal water supply sources, drought protection and maintaining instream flows.

Bonds issued by the Subdistrict in connection with construction of the project totaled \$119,280,000 after refunding in 1993. The bonds are not liabilities of the City since the City has an option annually to elect to either pay its share of the debt service and operating costs of the Subdistrict or to request the

Subdistrict levy taxes directly through the County Assessor against property owners within the boundaries of the City to pay such costs and expenses. Under its contract, the City will never have ownership of the project, including the water rights.

The City's remaining commitment to pay the annual costs and expenses associated with the acquisition and maintenance of its future water rights continues to be for the original 80 units in 2017 is \$1,700,125.

Water rights liability in the original amount of \$10,504,192 at 7% interest was recorded in 1992 in the Water Utility Fund to cover the principal portion of the debt service costs for the 43 units sold to the City of Broomfield. The December 31, 2016 balance was \$563,531.

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2016

NOTE O – LONG-TERM DEBT

The following balances and changes in long-term debt are for the year ended December 31, 2016 (amounts in 000's):

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable:					
General obligation bonds *	\$ 26,573	\$ -	\$ (4,018)	\$ 22,555	\$ 4,130
Taxable pension obligation bonds	7,443	-	(380)	7,063	380
Total bonds payable	<u>34,016</u>	<u>-</u>	<u>(4,398)</u>	<u>29,618</u>	<u>4,510</u>
Certificates of participation	41,561	-	(1,382)	40,179	1,445
Capital improvement bonds	44,220	-	(2,890)	41,330	2,530
Capital lease purchase agreements	8,837	-	(595)	8,242	631
Lease purchase revenue notes	5,727	-	(1,401)	4,326	848
Compensated absences	9,276	8,537	(7,636)	10,177	663
Estimated claims payable (Note J)	2,181	2,760	(1,927)	3,014	1,135
Retiree health care benefit	2,161	427	(208)	2,380	-
Governmental activities long-term debt	<u>\$ 147,979</u>	<u>\$ 11,724</u>	<u>\$ (20,437)</u>	<u>\$ 139,266</u>	<u>\$ 11,762</u>
	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Business-type activities:					
Bonds payable:					
General obligation bonds	\$ 9,133	\$ -	\$ (1,680)	\$ 7,453	\$ 1,645
Revenue bonds	91,294	35,302	(10,370)	116,226	9,630
Total bonds payable	<u>100,427</u>	<u>35,302</u>	<u>(12,050)</u>	<u>123,679</u>	<u>11,275</u>
Compensated absences	1,188	948	(1,049)	1,087	155
Retiree health care benefit	324	54	(31)	345	-
Business-type activities long-term debt	<u>\$ 101,939</u>	<u>\$ 36,304</u>	<u>\$ (13,130)</u>	<u>\$ 125,111</u>	<u>\$ 11,430</u>

* Note that beginning balances for capital improvement bonds were included in the general obligation bond line in the 2015 financial statements and reclassified as a separate line item for consistency in 2016 and going forward.

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2016

NOTE O – LONG-TERM DEBT (CONTINUED)

General Obligation Bonds

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for both general government and proprietary activities. These bonds, therefore, are reported in the proprietary funds if they are expected to be repaid from proprietary revenues. In addition, general obligation bonds have been issued to refund other general obligation bonds. General obligation bonds are direct obligations and pledge the full faith and credit of the City. In addition, many of the general obligation bonds of the City have a pledge of specific revenues. See Note X for pledged revenue information.

General obligation bonds outstanding at December 31, 2016, are as follows (amounts in 000's):

Purpose	Interest Rates Outstanding	Amount Outstanding	Original Amount
Governmental activities	2.00% - 5.50%	\$ 19,040	\$ 36,115
Governmental activities – refunding	3.50% - 4.00%	3,355	12,345
Business-type activities – refunding	2.00% - 4.00%	7,185	15,005
		<u>\$ 29,580</u>	<u>\$ 63,465</u>

Annual debt service requirements to maturity for general obligation bonds are as follows (amounts in 000's):

Year Ending December 31	Governmental Activities		Business-type Activities		Debt Requirements to Maturity
	Principal	Interest	Principal	Interest	
2017	\$ 4,130	\$ 756	\$ 1,645	\$ 221	\$ 6,752
2018	4,290	602	1,705	169	6,766
2019	2,665	440	720	115	3,940
2020	735	342	740	94	1,911
2021	755	323	765	71	1,914
2022-2026	4,080	1,280	1,610	73	7,043
2027-2031	3,905	618	-	-	4,523
2032-2036	1,835	111	-	-	1,946
Total liability	<u>22,395</u>	<u>4,472</u>	<u>7,185</u>	<u>743</u>	<u>34,795</u>
Plus bond premium	160	-	268	-	428
Net liability	<u>\$ 22,555</u>	<u>\$ 4,472</u>	<u>\$ 7,453</u>	<u>\$ 743</u>	<u>\$ 35,223</u>

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2016

NOTE O – LONG-TERM DEBT (CONTINUED)

Taxable Pension Obligation Bonds

The City also issues bonds where the City does not pledge any revenues nor has any obligation to levy any new or increased tax for the payment of debt service. These bonds are issued for the purpose of funding ongoing required pension obligations.

Taxable pension obligation bonds outstanding at December 31, 2016, are as follows (amounts in 000's):

<u>Purpose</u>	<u>Interest Rates Outstanding</u>	<u>Amount Outstanding</u>	<u>Original Amount</u>
Governmental activities	2.00% - 5.00%	<u>\$ 6,990</u>	<u>\$ 9,070</u>

Annual debt service requirements to maturity for the Taxable Pension Obligation Bonds are as follows (amounts in 000's):

<u>Year Ending December 31</u>	<u>Governmental Activities</u>		<u>Debt Requirements to Maturity</u>
	<u>Principal</u>	<u>Interest</u>	
2017	\$ 380	\$ 305	\$ 685
2018	395	292	687
2019	410	278	688
2020	425	261	686
2021	440	245	685
2022-2026	2,505	936	3,441
2027-2031	2,435	308	2,743
Total liability	<u>6,990</u>	<u>2,625</u>	<u>9,615</u>
Plus bond premium	73	-	73
Total liability	<u>\$ 7,063</u>	<u>\$ 2,625</u>	<u>\$ 9,688</u>

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2016

NOTE O – LONG-TERM DEBT (CONTINUED)

Capital Improvement Bonds

The City also issued bonds where the City does not pledge any revenues nor has any obligation to levy any new or increased tax for the payment of debt service for the purpose of funding various capital improvement projects. The 2012 Series Bonds were authorized in the 2011 election question.

Capital improvement bonds outstanding at December 31, 2016, are as follows (amounts in 000's):

Purpose	Interest Rates Outstanding	Amount Outstanding	Original Amount
Governmental activities	2.00% - 4.00%	<u>\$ 37,745</u>	<u>\$ 49,000</u>

Annual debt service requirements to maturity for the Capital Improvement Bonds are as follows (amounts in 000's):

Year Ending December 31	Governmental Activities		Debt Requirements to Maturity
	Principal	Interest	
2017	\$ 2,530	\$ 1,465	\$ 3,995
2018	1,945	1,389	3,334
2019	2,000	1,331	3,331
2020	2,080	1,251	3,331
2021	2,165	1,167	3,332
2022-2026	12,190	4,468	16,658
2027-2031	<u>14,835</u>	<u>1,827</u>	<u>16,662</u>
Total liability	37,745	12,898	50,643
Plus bond premium	3,585	-	3,585
Net liability	<u>\$ 41,330</u>	<u>\$ 12,898</u>	<u>\$ 54,228</u>

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2016

NOTE O – LONG-TERM DEBT (CONTINUED)

Revenue Bonds

The City also issues bonds where the City pledges income derived from the acquired or constructed assets to pay debt service. See Note X for pledged revenue information. In addition, revenue bonds have been issued to refund other revenue bonds.

Revenue bonds outstanding at December 31, 2016, are as follows (amounts in 000's):

Purpose	Interest Rates Outstanding	Amount Outstanding	Original Amount
Business-type activities	2.00% - 5.00%	\$ 72,290	\$ 77,045
Business-type activities – refunding	2.00% - 4.125%	38,315	71,760
		<u>\$ 110,605</u>	<u>\$ 148,805</u>

Annual debt service requirements to maturity for revenue bonds are as follows (amounts in 000's):

Year ending December 31	Business-type Activities		Debt Requirements
	Principal	Interest	to Maturity
2017	\$ 9,630	\$ 3,745	\$ 13,375
2018	9,965	3,390	13,355
2019	8,800	3,023	11,823
2020	7,730	2,700	10,430
2021	8,000	2,421	10,421
2022-2026	30,090	8,358	38,448
2027-2031	21,055	4,258	25,313
2032-2036	15,335	1,171	16,506
Total liability	<u>110,605</u>	<u>29,066</u>	<u>139,671</u>
Plus bond premium	5,621	-	5,621
Total liability	<u>\$ 116,226</u>	<u>\$ 29,066</u>	<u>\$ 145,292</u>

Lease Purchase Revenue Notes

The Boulder Municipal Property Authority (BMPA) has issued notes where BMPA pledges income, received from the City of Boulder and derived from base rentals of open space and parks and other property, to pay debt service. These notes are a debt of BMPA, not of the City of Boulder, but are included as a blended component unit of the City (Note A.1). Lease purchase revenue notes outstanding at December 31, 2016, are as follows (amounts in 000's):

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2016

NOTE O – LONG-TERM DEBT (CONTINUED)

Lease Purchase Revenue Notes (continued)

<u>Purpose</u>	<u>Interest Rates Outstanding</u>	<u>Amount Outstanding</u>	<u>Original Amount</u>
Government-type activity	3.25 - 7.00%	\$ 4,326	\$ 8,803

Annual debt service requirements to maturity for lease purchase revenue notes are as follows (amounts in 000's):

<u>Year Ending December 31</u>	<u>Government-type Activities</u>		<u>Debt Requirements to Maturity</u>
	<u>Principal</u>	<u>Interest</u>	
2017	\$ 848	\$ 154	\$ 1,002
2018	650	118	768
2019	569	94	663
2020	588	75	663
2021	539	54	593
2022-2026	1,132	56	1,188
Total Liability	<u>\$ 4,326</u>	<u>\$ 551</u>	<u>\$ 4,877</u>

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2016

NOTE O – LONG-TERM DEBT (CONTINUED)

Certificates of Participation

The Boulder Municipal Property Authority (BMPA) has issued Certificates of Participation where BMPA pledges income, received from the City of Boulder and derived from base rentals of leased properties by the City. These notes are a debt of BMPA, not of the City of Boulder, but are included as a blended component unit of the City (Note A.1). Certificates of Participation outstanding at December 31, 2016, are as follows (amounts in 000's):

<u>Purpose</u>	<u>Interest Rates Outstanding</u>	<u>Amount Outstanding</u>	<u>Original Amount</u>
Government-type activity	3.00 - 4.00%	<u>\$ 39,660</u>	<u>\$ 41,000</u>

Annual debt service requirements to maturity for Certificates of Participation are as follows (amounts in 000's):

<u>Year Ending December 31</u>	<u>Government-type Activities</u>		<u>Debt Requirements to Maturity</u>
	<u>Principal</u>	<u>Interest</u>	
2017	\$ 1,445	\$ 1,381	\$ 2,826
2018	1,485	1,338	2,823
2019	1,530	1,293	2,823
2020	1,575	1,247	2,822
2021	1,625	1,200	2,825
2022-2026	8,915	5,195	14,110
2027-2031	10,495	3,621	14,116
2032-2036	12,590	1,529	14,119
	<u>39,660</u>	<u>16,804</u>	<u>56,464</u>
Total Liability	39,660	16,804	56,464
Plus bond premium	519	-	519
Total liability	<u>\$ 40,179</u>	<u>\$ 16,804</u>	<u>\$ 56,983</u>

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2016

NOTE O – LONG-TERM DEBT (CONTINUED)

Capital Lease Purchase Agreements

Banc of America Leasing & Capital, LLC – On September 27, 2010, the City entered into a lease purchase agreement with Banc of America Leasing & Capital, LLC. Proceeds of \$1,500,000 are being used for capital lease improvements, which include installing solar photovoltaic systems.

All American Investment Group, LLC - On October 25, 2010, the City entered into a capital lease agreement with All American Investment Group, LLC. On January 25, 2012, the City refinanced this lease which included a total of \$6,401,534 and an additional \$3,241,230 borrowed for a total lease obligation of \$9,642,764. The interest rate on this lease is fixed at 2.65%. The refinanced lease extended the life to 2027 with payments continuing to occur in January, April, July, and October.

Capital lease purchase agreement obligations outstanding as of December 31, 2016 are as follows (amounts in 000's):

<u>Purpose</u>	<u>Interest Rates Outstanding</u>	<u>Amount Outstanding</u>	<u>Original Amount</u>
Governmental activities	2.65 - 4.93%	<u>\$ 8,242</u>	<u>\$ 10,750</u>

Annual debt service requirements to maturity for capital lease payments are as follows (amounts in 000's):

<u>Year Ending December 31</u>	<u>Governmental Activities</u>		<u>Debt Requirements to Maturity</u>
	<u>Principal</u>	<u>Interest</u>	
2017	\$ 631	\$ 272	\$ 903
2018	685	249	934
2019	739	225	964
2020	798	198	996
2021	860	170	1,030
2022-2026	4,284	376	4,660
2027-2031	245	3	248
Total liability	<u>\$ 8,242</u>	<u>\$ 1,493</u>	<u>\$ 9,735</u>

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2016

NOTE O – LONG-TERM DEBT (CONTINUED)

Compensated Absences

The City has accrued, as a liability to current employees, the following amounts of accumulated unused vacation and sick pay, appreciation bonus and compensation time at December 31, 2016 (amounts in 000's):

	Governmental Activities	Business-type Activities
Accrued vacation	\$ 7,231	\$ 782
Accrued sick pay	1,093	62
Accrued appreciation bonus	1,564	243
Accrued compensation time	289	-
	\$ 10,177	\$ 1,087

The liability attributable to the governmental funds is recorded as a governmental activities noncurrent liability. It is estimated that \$663 of governmental activities' and \$155 of business-type activities' liabilities will be paid in 2017. Governmental liabilities relating to General, Library, Recreation Activity, Community Development and HOME Fund employees are liquidated out of the Compensated Absences Internal Service Fund. Liabilities relating to employees of all other governmental funds are liquidated out of the associated fund.

Arbitrage Liability

Kutak Rock Arbitrage Consulting LLC made calculations for the City to determine if any of the bond issues dated since January 1, 1986, had a liability for rebatable arbitrage at December 31, 2016. These calculations were made taking into consideration the investment instructions, the no arbitrage certificate and the relevant portions of the trust indenture for each of the bond issues. As of December 31, 2016, there is no arbitrage liability.

Refunded Bonds

The City has, at various times in prior years, entered into advance refunding transactions whereby a portion of the proceeds of the refunding bonds were placed in irrevocable escrow accounts and invested in direct, noncallable governmental obligations that, together with the interest earned thereon, will provide amounts sufficient for future payment of all interest and principal on the old bonds. The likelihood of the earnings and principal maturities of the governmental obligations not being sufficient to pay the defeased bond issue appears remote. Accordingly, the escrow accounts and outstanding defeased

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2016

NOTE O – LONG-TERM DEBT (CONTINUED)

bonds are not included in the accompanying financial statements. At December 31, 2016, there is \$24,820,000 of principal outstanding on defeased bonds.

Lease of Criminal Justice Center

During prior years, the City used \$1,035,000 of Revenue Sharing Funds towards the cost of construction of the Criminal Justice Center built by Boulder County. The City negotiated an agreement with Boulder County on July 17, 1975, whereby the City leased, for an initial period of 30 (thirty) years, a 20,000 square foot portion of the Center at no additional cost to the City.

This lease was replaced on January 1, 1990, with an agreement whereby the County purchased 15,000 square feet of the City's leasehold interest in the Center and whereby the City, for a one-time payment of \$139,538, will lease an additional 2,000 square feet from the County for a period ending at the same time as the original 30 year lease. On March 30, 2005, the City exercised the option to renew its leasehold interest at the Criminal Justice Center for an additional 30 years.

Lease of Public Library Space at the Meadows on the Parkway

The City entered into a lease dated as of September 21, 1988, with Foothills Associates, Inc. for 7,812 square feet to house the Meadows branch of the Boulder Public Library at the Meadows on the Parkway shopping center. The lease agreement was renewed according to the terms of the original agreement which provided the City with the option to extend the lease upon the same conditions for an additional period of time equal to the total period of time that Safeway or the comparable anchor tenant is a tenant at the shopping center. The City pays no rent to Foothills Associates, Inc. but does pay its pro rata share of various common expenses as set forth in the lease agreement.

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2016

NOTE P – INTERFUND RECEIVABLES/PAYABLES, AND TRANSACTIONS

Generally accepted accounting principles require disclosure of certain information concerning individual funds.

Advances To / From Other Funds

The composition of interfund advances receivable and payable balances as of December 31, 2016, is as follows (amounts in 000's):

Receivable Fund	Payable Fund	Amount
Water Utility Fund (proprietary fund)	General Fund	\$ 530
Fleet Fund (internal service fund)	General Fund	698
Downtown Commercial District (proprietary Fund)	Boulder Junction Access GID - Parking (non-major special revenue fund)	11
		<u>\$ 1,239</u>

Governmental funds due to/from balances as of December 31, 2016, is as follows (amounts in 000's):

Receivable Fund	Payable Fund	Amount
General Fund	Community Development Fund (non-major special revenue fund)	\$ 105
		<u>\$ 105</u>

The General Fund owes the Water Utility Fund \$529,859 at December 31, 2016, for funding the purchase of land from the Water Utility Fund for development of a new fire training center in 2009. This advance will be repaid over 15 years with 60 equal quarterly payments including 5% interest beginning in 2009.

The General Fund owes the Fleet Fund \$26,985 for funding assistance in the implementation of new parking technology and \$671,774 for the Valmont Butte Remediation at December 31, 2016. The parking technology advance will be repaid over 10 years with 40 equal quarterly payments including 5% interest beginning in 2008. The Valmont Butte Remediation advance will be repaid over 10 years with 40 equal quarterly payments beginning in 2012 with an interest rate of 0.75%.

The Boulder Junction Access GID - Parking owes the Downtown Commercial District \$10,643 at December 31, 2016. This advance will be repaid over 10 years with 10 equal annual payments beginning 2012. The interest rate is 2.50%.

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2016

**NOTE P– INTERFUND RECEIVABLES/PAYABLES, AND TRANSACTIONS
(CONTINUED)**

Interfund Transactions

There are various types of interfund transactions which occur between funds. The following information describes the City’s 2016 transfers (amounts in 000’s). All funds made quarterly payments to the General Fund for indirect expenses, primarily administrative, such as legal, human resources, finance and information technologies.

TRANSFERS IN	TRANSFERS OUT					
	General Fund	Transportation	BMPA	Nonmajor Governmental	Water Utility	Wastewater Utility
General Fund	\$ 2,050	\$ 28	\$ -	\$ -	\$ 59	\$ 20
Open Space & Mountain Parks	1,166	-	161	-	-	-
Transportation	-	-	-	215	-	-
BMPA	-	-	-	-	-	-
Nonmajor Governmental	4,816	259	-	2,172	226	226
Water Utility	-	-	-	107	-	-
Wastewater Utility	-	-	-	54	-	-
Stormwater & Flood Mgmt	-	-	-	54	-	-
Downtown Commercial District	1,768	-	-	-	-	-
Nonmajor Business-type	738	-	-	-	-	-
Internal Service Funds	283	-	-	-	-	-
Total transfers	\$ 10,821	\$ 287	\$ 161	\$ 2,602	\$ 285	\$ 246

TRANSFERS IN	TRANSFERS OUT (Continued)		
	Stormwater & Flood Management	Internal Service Funds	TOTAL
General Fund	\$ 20	\$ 156	\$ 2,333
Open Space & Mountain Parks	-	-	1,327
Transportation	-	-	215
BMPA	-	-	-
Nonmajor Governmental	136	-	7,835
Water Utility	-	-	107
Wastewater Utility	-	-	54
Stormwater & Flood Mgmt	-	-	54
Downtown Commercial District	-	-	1,768
Nonmajor Business-type	-	-	738
Internal Service Funds	-	-	283
Total transfers	\$ 156	\$ 156	\$ 14,714

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2016

NOTE Q – RELATED PARTY TRANSACTIONS

Boulder Housing Partners is a separate related organization as explained in Note A1. During 2016, Boulder Housing Partners received grant funding of \$1,019,820 from the City. These grants were awarded to Boulder Housing Partners in a competitive application process. In addition to the grant funding above, Boulder Housing Partners received other operating assistance and support in 2016 totaling \$10,378.

During 2016, Boulder Housing Partners participated in the City's employee benefit plans including health care, dental, life, and vision insurance options, etc. for the benefit of its employees. Boulder Housing Partners reimbursed the City for the full cost of these benefits. There was no receivable from Boulder Housing Partners at December 31, 2016.

NOTE R – REVOLVING LOAN PROGRAM

During 2000, the City entered into an agreement with Funding Partners for Housing Solutions, Inc. (FP) for operation of a revolving loan fund to assist home buyers' purchases of homes located in the City of Boulder. Under this agreement, the City approves the loan applications and FP administers the revolving loan program by providing all legal documents, coordination with Fannie Mae and FHA programs, monitoring and servicing of the outstanding loans, and revolving the loan funds back into new loans. The City provided a total of \$709,654 in 2000, 2001, and 2009 as the seed funding for this revolving loan program. Beginning in 2011, the agreement with FP is subject to annual renewal. If the agreement for the revolving loan program is terminated, FP will assign and return all outstanding loans and program balances over to the City.

NOTE S – RESTRICTED NET POSITION AND SIMILAR FUND BALANCE LIMITATIONS

TABOR Emergency Reserves: At December 31, 2016, net position for Business-type Activities of \$172,965 and \$6,407, respectively, were restricted in the Downtown Commercial District and University Hill Commercial District for TABOR emergency reserves.

Restricted Net Position and Similar Fund Balance Restrictions: Restricted net position and fund balances have been classified into the following broad categories. Net position identified as Legally Restricted are restricted by external sources such as grantors and tax ballot language. Net position identified as Debt Service are restricted by bond ordinances for future debt service. Net position restricted for Capital Projects includes revenues restricted for capital acquisition projects. Development restrictions are largely revenues, such as impact fees or special tax proceeds limited to specific operations or purposes, such as acquisition, development and maintenance of parks and open space lands and trails. Lottery Funds are restricted by state statute for specific projects as defined within the Colorado Constitution Article XXVII for parks, recreation and open space projects. Donor Restrictions are limitations placed upon the use of proceeds by the original donor.

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2016

NOTE T – COMMITMENTS AND CONTINGENCIES

1. Litigation

A number of claims against the City are pending for injuries received, tax and assessment appeals, water applications and rights, and other miscellaneous cases. In the opinion of management and legal counsel, the final settlement of these matters will not have a material adverse effect on the financial statements of the City.

Valmont Butte Allied Piles Site Voluntary Cleanup Agreement (VCUP) – The City presented a voluntary cleanup plan to the Colorado Department of Public Health and Environment (CDPHE). This plan was approved under the Colorado Voluntary Cleanup Program. As required by CDPHE, site remediation actions in the VCUP started by August 31, 2011 with an extended completion date of December 31, 2013. As of December 31, 2013, the City has expended a total of \$2.5 million on Valmont Butte cleanup with no additional liability remaining for continued cleanup responsibilities. The City will have ongoing monitoring responsibilities for a few more years but no expected cleanup costs.

2. Single Audit

The City follows the single audit concept under the provisions of the 2 CFR Part 200, Uniform Guidance. A single audit appendix is a part of the comprehensive annual financial report. Under the single audit concept, one audit is performed which satisfies the requirements of all Federal agencies. The City has received State and Federal grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to a request for reimbursement to grantor agencies for expenditures disallowed under the terms of the grant. The City's management believes disallowances, if any, will be immaterial.

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2016

NOTE T – COMMITMENTS AND CONTINGENCIES (CONTINUED)

3. Construction Commitments

At December 31, 2016, City funds were obligated under contractual commitments for various operational, construction or equipment acquisition projects as follows (000's):

Fund	Contractual Commitments
General	\$ 2,688
Open Space	2,248
Transportation	11,366
Total Major Funds	<u>16,302</u>
Total Non- Major Governmental Funds	<u>7,176</u>
Total Governmental Funds	<u>\$ 23,478</u>
Water Utility	\$ 28,767
Wastewater Utility	5,941
Stormwater & Flood Management	14,201
CAGID	825
Total Major Enterprise Funds	<u>49,734</u>
Non-Major Enterprise Funds	<u>11</u>
Total Enterprise Funds	<u>\$ 49,745</u>
Total Internal Service Funds	<u>\$ 3,492</u>

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2016

NOTE U – PENSION AND RETIREMENT PLANS

The City’s employees are covered under five separate retirement plans and two deferred compensation plans (Note V). Regular contributions (not including disciplinary pay contributions) to the various plans, shown both in dollars and percent of covered payroll, are as follows (amounts in 000’s):

Number of Active Full-time Employees	Plan	Employee Contributions		City Contributions	
		Dollars	Percentage	Dollars	Percentage
1,736	PERA	\$ 5,902	8.000%	\$ 10,106	12.680%
0	Old Hire Police	-	2.000%	314	
0	Old Hire Fire	-	7.833%	173	
187	Police and Fire Money Purchase – Police employees	907	6.200%	2,019	13.800%
117	Police and Fire Money Purchase – Fire employees – International Association of Firefighters	781	8.000%	1,269	13.000%
8	ICMA 401(a)	81	8.000%	131	13.700%
4	ICMA 457	23	8.000%	5	13.700%
	Totals	<u>\$ 7,694</u>		<u>\$ 14,017</u>	

Covered employees should refer to pension plan documents and legislation for detail plan descriptions and benefits.

City Administered Pension Plans

Of the above pension plans, the City administers two defined benefit single employer pension plans, the “Old Hire” Police Defined Benefit Plan and the “Old Hire” Fire Defined Benefit Plan. Although a small amount of the assets of these two plans are pooled for investment purposes, each of these two plan’s assets may be used only for the payment of benefits to the members of that plan, in accordance with the terms of the plan.

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2016

NOTE U – PENSION AND RETIREMENT PLANS (CONTINUED)

Membership of each plan consisted of the following at January 1, 2016, the date of the latest actuarial valuation:

	"Old Hire" Police Defined Benefit Plan	"Old Hire" Fire Defined Benefit Plan
Retirees & Beneficiaries receiving benefits	42	39
Terminated plan members entitled but not yet receiving benefits	8	5
Active plan members	-	-
Total	<u>50</u>	<u>44</u>

The "Old Hire" Police Defined Benefit Plan and the "Old Hire" Fire Defined Benefit Plan financial statements as of December 31, 2016, are included in the City of Boulder Comprehensive Annual Financial Report under the heading of Fiduciary Fund Types; no separate financial statements are issued. This information by plan follows.

Plan net position as of December 31, 2016, is as follows (amounts in 000's):

	"Old Hire" Police Defined Benefit Plan	"Old Hire" Fire Defined Benefit Plan
Assets:		
Equity in pooled cash and cash equivalents	\$ 162	\$ 141
Investments		
U.S. Treasuries	233	55
U.S. Instrumentalities	663	145
Time Deposits	-	-
Mutual Funds	-	-
Equity Securities	7,407	5,309
Local Government Investment Pools	-	-
Money Market Funds	363	248
Real Estate Investment Trust	658	-
Corporate Bonds	2,461	3,632
Other	394	-
Accrued Interest	11	-
Total assets	<u>12,352</u>	<u>9,530</u>
Liabilities:		
Vouchers and accounts payable	19	19
Accrued pensions payable	53	40
Total liabilities	<u>72</u>	<u>59</u>
Net position restricted for pensions	<u>\$ 12,280</u>	<u>\$ 9,471</u>

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2016

NOTE U – PENSION AND RETIREMENT PLANS (CONTINUED)

The changes in plan net position for December 31, 2016, were as follows (amounts in 000's):

	"Old Hire" Police Defined Benefit Plan	"Old Hire" Fire Defined Benefit Plan
Additions:		
Pension contributions:		
City of Boulder	\$ 314	\$ 173
Total contributions	<u>314</u>	<u>173</u>
Investment earnings (loss)	970	594
Less investment expense	<u>(33)</u>	<u>(32)</u>
Net investment income	<u>937</u>	<u>562</u>
Total additions	<u>1,251</u>	<u>735</u>
Deductions:		
Benefits	1,411	1,076
Administrative	<u>10</u>	<u>10</u>
Total deductions	<u>1,421</u>	<u>1,086</u>
Net (decrease) in net position	(170)	(351)
Net position restricted for pensions:		
Beginning of year	12,450	9,822
End of year	<u>\$ 12,280</u>	<u>\$ 9,471</u>

1. "Old Hire" Police Defined Benefit Plan

Plan Description – Full-time police officers hired prior to April 8, 1978, are members of the City of Boulder "Old Hire" Police Defined Benefit Plan (Plan), a single-employer defined benefit pension plan. The Plan is closed to any new participants. The Plan covers two groups – "Employees" and "Former Members".

Former Members – This group includes employees whose employment with the employer terminated prior to January 1, 1987. They are covered by the retirement benefits provided under Colorado Revised Statutes, Title 31, Article 30.5 as modified by Chapter 9, Title 2 of the Boulder Revised Code, 1981. However, the Trust Fund established by the Plan Document is obligated to pay all benefits to these employees.

Employees – The City of Boulder "Old Hire" Police Defined Benefit Plan and Trust Agreement (Plan Document) was established by the City Council on November 3, 1987 by Ordinance 5086. This Plan Document was effective retroactive to January 1, 1987, and superseded and replaced the retirement benefits that had previously been provided under Colorado Revised Statutes, Title 31, Article 30.5 as

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2016

NOTE U – PENSION AND RETIREMENT PLANS (CONTINUED)

1. “Old Hire” Police Defined Benefit Plan (Continued)

modified by Chapter 9, Title 2 of the Boulder Revised Code, 1981. The provisions of this Plan Document apply solely to employees whose employment with the employer terminates on or after January 1, 1987.

Board of Trustees - Management of the plan is vested in the five member Board, which consists of one citizen at large, the Mayor and the Chief Financial Officer of the City, and two retired beneficiaries of the plan (retired police officers).

Benefits – For members retiring or terminating after March 10, 1999, the retirement pension is equal to 2.60% of final salary times full years of participation up to 25 years, plus .5% of final salary for each full year of participation service over 25 years up to 27 years, providing a maximum pension of 65%. The Plan permits early retirement after 10 years of credited service with reduced benefits. Members may elect to receive their pension benefits in the form of joint, survivor annuities, or a lump-sum payment calculated on the basis of the UP-1984 Mortality table. This election can be made prior to retirement in order to provide a pension payable to the surviving spouse or beneficiary if the member dies after reaching normal retirement age and before retirement. On termination, members may receive a refund of their contributions without interest. This refund of contributions paid waives future rights to any benefits.

The minimum monthly benefits for *Former Members* are: \$875.50 for those receiving a disability retirement and \$515.00 for those receiving a beneficiary retirement.

The Board of Trustees can make benefit change recommendations to the City Manager who must then present the changes to the City Council for ultimate approval. City policy dictates that no pension benefit increase can be given if there is an unfunded liability in the plan.

Deferred Retirement Option Plan (DROP) Program – During 1999, a DROP provision, retroactive to January 1, 1998, was added to the Plan. This enables an active member, who is eligible to retire, to elect to have their employee contributions, annual pension benefits and interest thereon, directed to a separate account for up to five years prior to retirement. The City’s share of pension contributions is excluded from the employee’s DROP account but continues to be allocated to the Plan. The annual pension benefit is initially calculated as of the date of the election of the DROP.

The pension benefit in subsequent years will include any benefit increases granted by the Board to retirees and widows. Upon retirement, the member begins to receive pension payments in the form of an annuity and the cumulative assets in the DROP account are paid to him in a lump-sum. As of December 31, 2016, there are no current police employees who have elected the DROP and all DROP balances have been disbursed.

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2016

NOTE U – PENSION AND RETIREMENT PLANS (CONTINUED)

1. “Old Hire” Police Defined Benefit Plan (Continued)

Death and Disability Benefits – Employees and Former Members - Effective January 1, 2007, the widow of a participant who commenced employment prior to January 1, 1980, is eligible for a benefit of the greater of (a) one-third of the monthly salary paid by the City to a first class firefighter at the date of the participant’s death; (b) one-third of the monthly salary paid by the City to a first class firefighter at the date of the participant’s termination or (c) one-half of the Normal Retirement Pension received by the participant at the date of such participant’s death. In no event shall the amount be less than the Board established minimum widow benefit which is currently \$515.00 per month. Benefits for disability retirees who retired prior to January 1, 1987, are eligible for a minimum benefit of \$875.50 per month.

Dependent children of the employee are eligible for \$30 per month, if there is no surviving spouse. Benefit payments to beneficiaries continue if the widow of a deceased member remarries.

When any member dies, regardless of whether active, retired or terminated, the surviving spouse or the estate of the deceased member shall receive a one-time death benefit of \$100.

Contributions and Funding Policy – The Plan is a joint-contributory retirement plan operating on an actuarial reserve basis. Per the Plan Document, the contribution requirements of the plan members and the City are established and may be amended by the Boulder Police Officers Association collective bargaining agreement in effect for the payroll period concerned. Contributions of 2.0% of covered payroll are currently required from both the City and employees. The City must also contribute an additional annual payment necessary to make the plan actuarially sound as defined by Section 3.02 of the plan document with no maximum specified. In 2016, the City contributed \$314,000 to meet the actuarially calculated contribution requirement which exceeded the state mandated requirement. Administrative expenditures are recorded when incurred and are financed by the Plan.

Actuarial Present Value of Accumulated Plan Benefits – Accumulated Plan benefits are those future periodic payments, including lump-sum distributions, that are attributable under the Plan’s provisions the service members have rendered. Accumulated plan benefits include benefits expected to be paid to (a) retired or terminated members or their beneficiaries, (b) beneficiaries of members who have died, and (c) present members or their beneficiaries. Benefits under the Plan are based on members’ compensation. Benefits payable under all circumstances - retirement, death, disability, and termination of employment – are included, to the extent they are deemed attributable to employee service rendered to the valuation date.

An actuarial study was prepared at January 1, 2016. It is the “Old Hire” Police Defined Benefit Plan Board of Trustees’ policy to have an actuarial study prepared every two years or whenever a benefit change is being considered.

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2016

NOTE U – PENSION AND RETIREMENT PLANS (CONTINUED)

1. “Old Hire” Police Defined Benefit Plan (Continued)

The significant actuarial assumptions used in the valuation as of January 1, 2016, included the following:

- Actuarial Cost Method – entry age normal actuarial cost method.
- Amortization Method and Remaining Period – Closed, level dollar amortization of unfunded actuarial liability over the remaining amortization period which is 16 years.
- Actuarial Valuation Method – Determined by calculating an expected value equal to the prior year’s market value of assets, plus cash flows of contributions and benefit payments for the year and assuming a 7.50% interest return. The difference between this expected value and the actuarial market value is recognized over three years. The resulting value is limited to between 80% and 120% of the market value of assets.
- Investment Rate of Return– 6.5% compounded annually, net of expenses.
- Inflation Rate – 2.75% compounded annually.
- Salary Increases – None assumed.
- Retirement Age – Not applicable. All participants are retired or are on the DROP list.
- Retiree Mortality – Sex-distinct RP-2014 mortality for annuitants projected by Scale AA to 2017.
- Minimum Death Benefit – A minimum death benefit of \$515 per pay period is used.
- First Class Firefighter Salary – The highest negotiated First Class Firefighter Salary is used to calculate death benefits. For 2016, this is \$3,031.62 per pay period.
- Marriage Rates – 90% active participants are assumed to be married. Male spouses are assumed to be three years older than their female spouses. Actual marital status is used for retirees.
- Form of Payment – All active participants are assumed to elect the normal form of payment.

The significant changes in actuarial assumptions and methods as of January 1, 2016 included the following:

- Investment rate of return was lowered from 7.5% to 6.5% based on the plan’s target asset allocation.
- The retiree mortality tables were updated to RP-2014 Healthy Annuitant and Disabled Annuitant tables to better reflect anticipated plan experience.

Historical Trend Information – The schedules of funding progress, presented as required supplementary information (RSI) following the notes to the financial statements, present multiyear trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the AALs for benefits.

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2016

NOTE U – PENSION AND RETIREMENT PLANS (CONTINUED)

1. “Old Hire” Police Defined Benefit Plan (Continued)

Pension Plan Investments – The investment policies and fair value determination policies are disclosed above in Notes A and E. For the year ended December 31, 2016, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was a gain of 9.31%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested. The plan’s investment policies, including fair value determination, concentration of credit risk information, and asset allocation is included in Note E – Deposits and Investments.

Long Term Expected Rate of Return – The best-estimate range for the long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions are per the actuary’s investment consulting practice as of December 31, 2016.

<u>Asset Class</u>	<u>Long-Term Expected Geometric Real Rate Of Return</u>
Domestic Large Cap	3.6%
Domestic Small Cap	4.1%
International Equity	4.1%
Emerging Markets	5.1%
Domestic Fixed Income	1.6%
Floating Rate Corporate Loans	2.8%
High Yield	4.6%
Real Estate	3.1%
Commodities	1.4%

Discount Rate – The discount rate used to measure the total pension liability was 6.5%. The plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2016

NOTE U – PENSION AND RETIREMENT PLANS (CONTINUED)

1. “Old Hire” Police Defined Benefit Plan (Continued)

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

Net Pension Liability – The components of the net pension liability of the City at December 31, 2016 were as follows:

Total Pension Liability	\$ 16,042,286
Fiduciary Net Position	<u>12,280,000</u>
Net Pension Liability	<u><u>\$ 3,762,286</u></u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	76.55%

For the year ended December 31, 2016, the “Old Hire” Police Defined Benefit Plan recognized pension expense of \$2,215,841. The City of Boulder reported deferred outflows of resources and deferred inflows of resources related to this plan from the following sources:

“Old Hire” Police Defined Benefit Plan:

	<u>Deferred Outflows of Resources</u>
Net difference between projected and actual earnings on pension plan investments	\$698,489
Total	\$698,489

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2016

NOTE U – PENSION AND RETIREMENT PLANS (CONTINUED)

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

<u>Year ended December 31:</u>	<u>Expense amount</u>
2017	\$ 235,764
2018	235,764
2019	235,765
2020	(8,804)
2021	-
Thereafter	-

Sensitivity Analysis – The following presents the net pension liability of the City of Boulder, calculated using the discount rate of 6.5%, as well as what the City of Boulder’s net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.5%) or 1 percentage point higher (7.5%) than the current rate.

	<u>1% Decrease (5.5%)</u>	<u>Current Discount Rate (6.5%)</u>	<u>1% Increase (7.5%)</u>
Net Pension Liability	<u>\$ 5,196,479</u>	<u>\$ 3,762,286</u>	<u>\$ 2,525,113</u>

2. “Old Hire” Fire Defined Benefit Plan

Plan Description - The City’s full-time firefighters hired prior to April 8, 1978, are members of the City of Boulder “Old Hire” Fire Pension Benefit Plan (Plan), a single employer defined benefit pension plan. The Plan is closed to any new participants. The Plan covers two groups: “Employees” and “Former Members”.

Employees – The City established The City of Boulder “Old Hire” Fire Defined Benefit Plan and Trust Agreement (Plan Document) in 2002. This Plan Document was effective retroactive to January 1, 2000, and superseded and replaced the retirement benefits that had previously been provided under Colorado Revised Statutes, Title 31, Article 30.5 as modified by Chapter 9, Title 2 of the Boulder Revised Code, 1981. The provisions of this Plan Document apply solely to employees whose employment with the employer terminates on or after January 1, 2000.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2016

NOTE U – PENSION AND RETIREMENT PLANS (CONTINUED)

Former Members – This group includes employees whose employment with the employer terminated prior to January 1, 2000. They are covered by the retirement benefits provided under Colorado Revised Statutes, Title 31, Article 30.5 as modified by Chapter 9, Title 2 of the Boulder Revised Code, 1981.

However, the Trust Fund established by the Plan Document is obligated to pay all benefits to these employees.

Board of Trustees - Management of the plan is vested in the six member Board, which consists of one citizen at large, the Mayor and the Chief Financial Officer of the City, and three retired beneficiaries of the plan (retired firefighters).

Benefits – Members aged 50 with 20 years of credited service are entitled to annual pension benefits equivalent to 50% of monthly compensation at the date of retirement. The Plan Document provides for an additional retirement benefit of 2% per year for each additional year of service after 20 years of service, credited after September 1, 1987, and attainment of age 50, up to a maximum of 10% prior to January 1, 2000. Beginning January 1, 2000, and on each successive January 1, all actives, who are eligible for normal retirement (age 50 and 20 years of service) are to receive a 3% increase of final salary, up to a maximum of 65% of final salary. On termination, members may receive a refund of their contributions without interest. This refund of contributions paid waives future rights to any benefits.

The minimum benefits for *Former Members* are: \$875.50 per month for those receiving a normal or disability retirement and \$515.00 per month for those receiving a beneficiary retirement.

The Board of Trustees can make benefit change recommendations to the City Manager who must then present the changes to the City Council for ultimate approval. City policy dictates that no pension benefit increase can be given if there is an unfunded liability in the plan.

Deferred Retirement Option Plan (DROP) Program – During 2000, a DROP provision was added to the Plan. This enables an active member, who is eligible to retire, to elect to have their employee contributions, annual pension benefits and interest thereon, directed to a separate account for up to five years prior to retirement. The City share of pension contributions is excluded from the employee's DROP account but continues to be allocated to the Plan. The annual pension benefit is initially calculated as of the date of the election of the DROP.

The pension benefit in subsequent years will include any benefit increases granted by the Board to retirees and widows. Upon retirement, the member begins to receive pension payments in the form of an annuity and the cumulative assets in the DROP account are paid to him in a lump-sum. As of December 31, 2016, there are no current Fire employees who have elected the DROP and all DROP balances have been disbursed.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2016

NOTE U – PENSION AND RETIREMENT PLANS (CONTINUED)

Death and Disability Benefits

Employees and Former Members – Effective January 1, 2007, the widow of a retiree who retired prior to January 1, 1990, is eligible for a benefit of the lesser of one-third of the monthly salary paid by the City to a first class firefighter at the date of the member’s death or earlier retirement or the Board established minimum widow benefit which is currently \$515.00 per month. Benefits for normal or disability retirees who retired prior to January 1, 2000, are eligible for a minimum benefit of \$875.50 per month.

Dependent children of the employee are eligible for \$30.00 per month, if there is no surviving spouse. Benefit payments to beneficiaries continue if the widow of a deceased member remarries.

Employees – The benefits of active employees as of January 1, 1990, include a widow’s benefit equal to 100% of the active employees retirement benefit. This benefit change was approved during 1990 and is fully-funded by employee contributions.

When any member dies, regardless of whether active, retired or terminated, the surviving spouse or the estate of the deceased member shall receive a one-time death benefit of \$100.

Contributions and Funding Policy – The Plan is a joint-contributory retirement plan operating on an actuarial reserve basis. Per the “Old Hire” Fire Defined Benefit Pension Plan, the contribution requirements of the plan members and the City are established and may be amended by the International Association of Fire Fighters, Local #900 collective bargaining agreement in effect for the payroll period concerned. The City must also contribute an additional annual payment necessary to make the plan actuarially sound as defined by Section 3.02 of the plan document with no maximum specified. In 2016, the City contributed \$64,207 to meet the actuarially calculated contribution requirement which exceeded the state-mandated requirement. Administrative expenditures are recorded when incurred and are financed by the Plan.

Actuarial Present Value of Accumulated Plan Benefits - An actuarial study was prepared at January 1, 2016 and rolled forward to December 31, 2016. It is the Fire Pension Board policy to have an actuarial study prepared every two years or whenever a benefit change is being considered.

The significant actuarial assumptions used in the valuation as of January 1, 2016 included the following:

- Actuarial Cost Method – Entry age normal actuarial cost method.
- Amortization Method and Remaining Period – Closed, level dollar amortization of unfunded actuarial liability over the remaining amortization period which is 12 years.
- Asset Valuation Method – The market value of assets.
- Investment Rate of Return – 6.5% compounded annually, net of expenses.
- Inflation rate – 2.75% compounded annually.
- Salary Increases – None assumed.
- Retirement Age – Not Applicable – All participants are retired.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2016

NOTE U – PENSION AND RETIREMENT PLANS (CONTINUED)

- Retiree Mortality – Sex-distinct RP-2014 mortality for annuitants projected by Scale AA to 2017.
- Minimum Death Benefit – A minimum death benefit of \$515 per pay period is used.
- First Class Firefighter Salary – The highest negotiated First Class Firefighter Salary is used to calculate death benefits. For 2016, this is projected to be \$3,031.62 per pay period.
- Marriage Rates – Male spouses are assumed to be three years older than their female spouses. Actual marital status is used for retirees.
- Form of Payment – All active participants are assumed to elect the normal form of payment.

The significant changes in actuarial assumptions and methods as of January 1, 2016 included the following:

- Investment rate of return was lowered from 7.5% to 6.5% based on the plan's target asset allocation.
- The retiree mortality tables were updated to RP-2014 Healthy Annuitant and Disabled Annuitant tables to better reflect anticipated plan experience.

Funded Status and Funding Progress – As of January 1, 2016, the most recent actuarial valuation date, the plan was 87% funded. The actuarial accrued liability for benefits was \$11,276,845 and the actuarial value of assets was \$9,822,000, resulting in an unfunded actuarial accrued liability (UAAL) of \$1,454,845. The covered payroll (annual payroll of active employees covered by the plan) was \$0 and the ratio of the UAAL to the covered payroll was not applicable since all participants were retired as of January 1, 2014. In October 2010, City of Boulder Taxable Pension Obligation Bonds were issued and \$3,531,000 of additional funding was deposited into the plan to decrease the UAAL for the future.

Historical Trend Information – The schedules of funding progress, presented as required supplementary information (RSI) following the notes to the financial statements, present multi-year trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the AALs for benefits.

Pension Plan Investments – The investment policies and fair value determination policies are disclosed above in Notes A and E. For the year ended December 31, 2016, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was a gain of 6.09%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested. The plan's investment policies, including fair value determination, concentration of credit risk information, and asset allocation is included in Note E – Deposits and Investments.

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2016

NOTE U – PENSION AND RETIREMENT PLANS (CONTINUED)

Long Term Expected Rate of Return – The best-estimate range for the long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions are per the actuary’s investment consulting practice as of December 31, 2016.

Asset Class	Long-Term Expected Geometric Real Rate Of Return
Domestic Large Cap	3.6%
Domestic Mid Cap	3.8%
Domestic Small Cap	4.1%
International Equity	4.1%
Emerging Markets	5.1%
Domestic Fixed Income	1.6%
Floating Rate Corporate Loans	2.8%
High Yield	4.6%
Commodities	1.4%

Discount Rate – The discount rate used to measure the total pension liability was 6.5%. The plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

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

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2016

NOTE U – PENSION AND RETIREMENT PLANS (CONTINUED)

Net Pension Liability – The components of the net pension liability of the City at December 31, 2016 were as follows:

Total Pension Liability	\$ 10,880,775
Fiduciary Net Position	<u>9,471,000</u>
Net Pension Liability	<u>\$ 1,409,775</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	87.04%

For the year ended December 31, 2016, the “Old Hire” Fire Defined Benefit Plan recognized pension expense of \$802,519. The City of Boulder reported deferred outflows of resources and deferred inflows of resources related to this plan from the following sources:

“Old Hire” Fire Defined Benefit Plan:

	<u>Deferred Outflows of Resources</u>
Net difference between projected and actual earnings on pension plan investments	\$697,086
Total	\$697,086

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2016

NOTE U – PENSION AND RETIREMENT PLANS (CONTINUED)

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

<u>Year ended December 31:</u>	<u>Expense amount</u>
2017	\$ 222,959
2018	222,959
2019	222,961
2020	28,207
2021	-
Thereafter	-

Sensitivity Analysis – The following present the net pension liability of the City of Boulder, calculated using the discount rate of 6.5%, as well as what the City of Boulder’s net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.5%) or 1 percentage point higher (7.5%) than the current rate.

	<u>1% Decrease (5.5%)</u>	<u>Current Discount Rate (6.5%)</u>	<u>1% Increase (7.5%)</u>
Net Pension Liability	<u>\$ 2,320,760</u>	<u>\$ 1,409,775</u>	<u>\$ 623,553</u>

3. Public Employees Retirement Association (PERA)

The City of Boulder participates in the Local Government Division Trust Fund (LGDTF), a cost-sharing multiple-employer defined benefit pension fund administered by the Public Employees’ Retirement Association of Colorado (PERA). The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position and additions to / from the fiduciary net position of the LGDTF have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are recorded at fair value.

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2016

NOTE U – PENSION AND RETIREMENT PLANS (CONTINUED)

3. Public Employees Retirement Association (PERA) (Continued)

Plan Description – Eligible employees of the City of Boulder are provided with pensions through the Local Government Division Trust Fund (LGDTF)—a cost-sharing multiple-employer defined benefit pension plan administered by PERA. Plan benefits are specified in Title 24, Article 51 of the Colorado Revised Statutes (C.R.S.), administrative rules set forth at 8 C.C.R. 1502-1, and applicable provisions of the federal Internal Revenue Code. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. PERA issues a publicly available comprehensive annual financial report that can be obtained at www.copera.org/investments/pera-financial-reports.

Benefits Provided - PERA provides retirement, disability, and survivor benefits. Retirement benefits are determined by the amount of service credit earned and/or purchased, highest average salary, the benefit structure(s) under which the member retires, the benefit option selected at retirement, and age at retirement. Retirement eligibility is specified in tables set forth at C.R.S. § 24-51-602, 604, 1713, and 1714.

The lifetime retirement benefit for all eligible retiring employees under the PERA Benefit Structure is the greater of the:

- Highest average salary multiplied by 2.5 percent and then multiplied by years of service credit
- The value of the retiring employee's member contribution account plus a 100 percent match on eligible amounts as of the retirement date. This amount is then annuitized into a monthly benefit based on life expectancy and other actuarial factors

In all cases the service retirement benefit is limited to 100 percent of highest average salary and cannot exceed the maximum benefit allowed by federal Internal Revenue Code.

Members may elect to withdraw their member contribution accounts upon termination of employment with all PERA employers; waiving rights to any lifetime retirement benefits earned. If eligible, the member may receive a match of either 50 percent or 100 percent on eligible amounts depending on when contributions were remitted to PERA, the date employment was terminated, whether 5 years of service credit has been obtained and the benefit structure under which contributions were made.

Benefit recipients who elect to receive a lifetime retirement benefit are generally eligible to receive post-retirement cost-of-living adjustments, referred to as annual increases in the C.R.S. Benefit recipients under the PERA benefit structure who began eligible employment before January 1, 2007 and all benefit recipients of the DPS benefit structure receive an annual increase of 2 percent, unless PERA has a negative investment year, in which case the annual increase for the next three years is the lesser of 2 percent or the average of the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) for the prior calendar year. Benefit recipients under the PERA benefit structure who began eligible employment after January 1, 2007 receive an annual increase of the lesser of 2 percent or the average

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2016

NOTE U – PENSION AND RETIREMENT PLANS (CONTINUED)

3. Public Employees Retirement Association (PERA) (Continued)

CPI-W for the prior calendar year, not to exceed 10 percent of PERA’s Annual Increase Reserve (AIR) for the LGDTF.

Disability benefits are available for eligible employees once they reach five years of earned service credit and are determined to meet the definition of disability. The disability benefit amount is based on the retirement benefit formula shown above considering a minimum 20 years of service credit, if deemed disabled.

Survivor benefits are determined by several factors, which include the amount of earned service credit, highest average salary of the deceased, the benefit structure(s) under which service credit was obtained, and the qualified survivor(s) who will receive the benefits.

Contribution - Eligible employees and the City of Boulder are required to contribute to the LGDTF at a rate set by Colorado statute. The contribution requirements are established under C.R.S. § 24-51-401, *et seq.* Eligible employees are required to contribute 8 percent of their PERA-includable salary. The employer contribution requirements are summarized in the table below:

	2015	2016
	Rate	Rate
Employer Contribution Rate ¹	10.00%	10.00%
Amount of Employer Contribution apportioned to the Health Care Trust Fund as specified in C.R.S. § 24-51-208(1)(f) ¹	(1.02)%	(1.02)%
Amount Apportioned to the LGDTF ¹	8.98%	8.98%
Amortization Equalization Disbursement (AED) as specified in C.R.S. § 24-51-411 ¹	2.20%	2.20%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. § 24-51-411 ¹	1.50%	1.50%
Total Employer Contribution Rate to the LGDTF ¹	12.68%	12.68%

¹Rates are expressed as a percentage of salary as defined in C.R.S. § 24-51-101(42).

Employer contributions are recognized by the LGDTF in the period in which the compensation becomes payable to the member and the City of Boulder is statutorily committed to pay the contributions to the LGDTF. Employer contributions recognized by the LGDTF from the City of Boulder were \$9,445,013, for the year ended December 31, 2016.

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2016

NOTE U – PENSION AND RETIREMENT PLANS (CONTINUED)

3. Public Employees Retirement Association (PERA) (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2016, the City of Boulder reported a liability of \$135,958,731 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2014. Standard update procedures were used to roll forward the total pension liability to December 31, 2015. The City of Boulder’s proportion of the net pension liability was based on City of Boulder contributions to the LGDTF for the calendar year 2015 relative to the total contributions of participating employers to the LGDTF.

At December 31, 2015, the City of Boulder’s proportion was 12.3421455967 percent, which was an increase of 0.370625864 from its proportion measured as of December 31, 2014.

For the year ended December 31, 2016, the City of Boulder recognized pension expense of \$17,063,513. The City of Boulder reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Governmental Activities:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$852,721	\$3,928
Changes of assumptions or other inputs	-	2,085,561
Net difference between projected and actual earnings on pension plan investments	21,878,982	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	1,490,056	-
Contributions subsequent to the measurement date	7,839,361	-
Total	\$32,061,120	\$2,089,489

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2016

NOTE U – PENSION AND RETIREMENT PLANS (CONTINUED)

Business-type Activities:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$167,357	\$762
Changes of assumptions or other inputs	-	404,714
Net difference between projected and actual earnings on pension plan investments	4,294,019	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	292,441	-
Contributions subsequent to the measurement date	1,605,652	-
Total	\$6,359,469	\$405,476

\$9,445,013 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended December 31, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended 12/31:	Governmental Activities	Business-type Activities
2017	\$5,995,692	\$1,177,978
2018	5,825,863	1,144,610
2019	5,782,126	1,136,017
2020	4,528,589	889,736
2021	-0-	-0-
Total	\$22,132,270	\$4,348,341

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2016

NOTE U – PENSION AND RETIREMENT PLANS (CONTINUED)

3. Public Employees Retirement Association (PERA) (Continued)

Actuarial assumptions - The total pension liability in the December 31, 2014 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

Price inflation	2.80 percent
Real wage growth	1.10 percent
Wage inflation	3.90 percent
Salary increases, including wage inflation	3.90 – 10.10 percent
Long-term investment Rate of Return, net of pension plan investment expenses, including price inflation	7.50 percent
Future post-retirement benefit increases:	
PERA Benefit Structure hired prior to 1/1/07; and DPS Benefit Structure (automatic)	2.00 percent
PERA Benefit Structure hired after 12/31/06 (ad hoc, substantively automatic)	Financed by the Annual Increase Reserve

Mortality rates were based on the RP-2000 Combined Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on a projection of Scale AA to 2020 with Males set back 1 year, and Females set back 2 years.

The actuarial assumptions used in the December 31, 2014 valuation were based on the results of an actuarial experience study for the period January 1, 2008 through December 31, 2011, adopted by PERA's Board on November 13, 2012, and an economic assumption study, adopted by PERA's Board on November 15, 2013 and January 17, 2014.

Changes to assumptions or other inputs since the December 31, 2013 actuarial valuation are as follows:

The following programming changes were made:

- a) Valuation of full survivor benefit without any reduction for possible remarriage.
- b) Reflection of the employer match on separation benefits for the eligible years.
- c) Reflection of one year of service eligibility for survivor annuity benefit.
- d) Refinement of the 18 month annual increase timing.

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2016

NOTE U – PENSION AND RETIREMENT PLANS (CONTINUED)

- e) Refinements to directly value certain and life, modified cash refund and pop-up benefit forms.

The following methodology changes were made:

- a) Recognition of merit salary increases in the first projection year.
- b) Elimination of the assumption that 35% of future disabled members elect to receive a refund.
- c) Removal of the negative value adjustment for liabilities associated with refunds of future members.
- d) Adjustments to the timing of the normal cost and unfunded actuarial accrued liability payment calculations to reflect contributions throughout the year.

The LGDTF’s long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation.)

As of the November 15, 2013 adoption of the long-term expected rate of return by the PERA Board, the target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	10 Year Expected Geometric Real Rate of Return
U.S. Equity – Large Cap	26.76%	5.00%
U.S. Equity – Small Cap	4.40%	5.19%
Non U.S. Equity – Developed	22.06%	5.29%
Non U.S. Equity – Emerging	6.24%	6.76%
Core Fixed Income	24.05%	0.98%
High Yield	1.53%	2.64%
Long Duration Gov’t/Credit	0.53%	1.57%
Emerging Market Bonds	0.43%	3.04%
Real Estate	7.00%	5.09%
Private Equity	7.00%	7.15%
Total	100.00%	

* In setting the long-term expected rate of return, projections employed to model future returns provide a range of expected long-term returns that, including expected inflation, ultimately support a long-term expected rate of return assumption of 7.50%.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2016

NOTE U – PENSION AND RETIREMENT PLANS (CONTINUED)

3. Public Employees Retirement Association (PERA) (Continued)

Discount rate. The discount rate used to measure the total pension liability was 7.50 percent. The projection of cash flows used to determine the discount rate applied the actuarial cost method and assumptions shown above. In addition, the following methods and assumptions were used in the projection of cash flows:

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members, assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.90%.
- Employee contributions were assumed to be made at the current member contribution rate. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.
- Employer contributions were assumed to be made at rate equal to the fixed statutory rates specified in law, including current and estimated future AED and SAED, until the Actuarial Value Funding Ratio reaches 103%, at which point, the AED and SAED will each drop 0.50% every year until they are zero. Additionally, estimated employer contributions included reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.
- Employer contributions and the amount of total service costs for future plan members were based upon a process used by the plan to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- The AIR balance was excluded from the initial fiduciary net position, as per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. As the ad hoc post-benefit increases financed by the AIR are defined to have a present value at the long-term expected rate of return on plan investments equal to the amount transferred for their future payment. AIR transfers to the fiduciary net position and the subsequent AIR benefit payments have no impact on the Single Equivalent Interest Rate (SEIR) determination process when the timing of AIR cash flows is not a factor (i.e. the plans fiduciary net position is not projected to be depleted). When AIR cash flow timing is a factor of the SEIR determination process (i.e. the plans fiduciary net position is projected to be depleted). AIR transfers to the fiduciary net position and the subsequent AIR benefit payments were estimated and included in the projections.
- Benefit payments and contributions were assumed to be made at the end of the month.

Based on the above actuarial cost method and assumptions, the LGDTF fiduciary net position was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate determination does not use the Municipal Bond Index Rate. There was no change in the discount rate from the prior measurement date.

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2016

NOTE U – PENSION AND RETIREMENT PLANS (CONTINUED)

3. Public Employees Retirement Association (PERA) (Continued)

Sensitivity of the City of Boulder’s proportionate share of the net pension liability to changes in the discount rate. The following presents the proportionate share of the net pension liability calculated using the discount rate of 7.50 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50 percent) or 1-percentage-point higher (8.50 percent) than the current rate (in thousands):

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Proportionate share of the net pension liability	\$208,438,598	\$135,958,731	\$75,843,842

If the City of Boulder rehires a PERA retiree as an employee or under any other work arrangement, it is required to report and pay the employer contribution rate on the amounts paid for the retiree. As of January 1, 2011, the employee is also required to pay the 8.0% contribution rate on any wages earned.

4. Police and Fire Money Purchase Pension Plan

The City’s full-time police officers and firefighters hired on or after April 8, 1978, are covered by the Police and Fire Money Purchase Plan (Plan), an Internal Revenue Code Section 401(a) plan. This Plan is a single-employer defined contribution plan that was established by the City Council effective January 1, 1983. The Plan is administered by a Board of Trustees comprised of two elected Boulder Police Department employees, two elected Boulder Fire Department employees and one appointed member who is not an employee of either the Police or Fire departments and has business and/or investment experience within the community. The contribution levels are established at the time of labor negotiations and are detailed in the bargaining unit agreements for information only.

The Boulder Police Benevolent Association negotiated an economic agreement with the City which is in effect through December 31, 2015. The City’s contribution requirement for the year ended December 31, 2016, was 13.8%, of covered payroll. The dollar amount of the City’s contributions was \$2,018,819 in 2016. The employee contributions were 6.2%, or \$907,009, of covered payroll.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2016

NOTE U – PENSION AND RETIREMENT PLANS (CONTINUED)

4. Police and Fire Money Purchase Pension Plan (continued)

The International Association of Firefighters, Local #900, negotiated an economic agreement with the City, which was in effect through December 31, 2016. The City's contribution requirement for the year ended December 31, 2016, was 13% of covered payroll, or \$1,268,882. The employee contributions were 8% of covered payroll, or \$780,852.

City contributions and interest forfeited by employees who leave employment before five years of service are first used for administrative charges and second to reduce the City's current period contribution requirement. All participants may make additional contributions of up to 25% of their salary or \$30,000, whichever is less.

Benefits – An employee is eligible to receive benefits upon death, disability or normal retirement. Benefits are paid out of the employee's individual account. This account is made up of: 100% of the employee's contributions; 100% of the employer contributions if the employee terminates because of death, disability or normal retirement, or a lesser percent based on the vesting schedule in the plan document if the employee terminates for another reason; and the interest earnings either positive or negative, over the term of the employee's employment with the City. Benefits are distributed at the discretion of the administration committee either in a lump-sum or over the employee's life expectancy or 10 years, whichever is less.

Death and Disability Benefits – If an active member dies or becomes disabled (but is not eligible for an age and service retirement) while employed, the member's spouse and dependent children will receive survivor benefits or the member will receive benefits under the State Fire and Police Pension Association (FPPA). See description under Fire and Police Pension Association below.

The Police and Fire Money Purchase Plan issues a publicly available annual financial report that includes financial statements and required supplementary information. That report may be obtained by writing to City of Boulder Fire and Police Money Purchase Plan, 1805 33rd Street, Boulder, Colorado, 80301.

NOTE V – DEFERRED COMPENSATION PLANS

The Colorado Revised Statutes allow any City to exempt the City Manager and key management staff who report directly to the City Manager or the City Council from membership in the Public Employees Retirement Association, provided each such person has executed a trust agreement and deferred compensation employment agreement with the International City Management Association Retirement Corporation (ICMA-RC), an Internal Revenue Code Section 401(a) plan. The assets of these two plans are held in a trust account and therefore are not reflected on the City of Boulder financial statements.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2016

NOTE V – DEFERRED COMPENSATION PLANS (Continued)

In addition to ICMA-RC, City Council authorized the establishment of a deferred compensation program for City employees. T. Rowe Price, through a bid process, was selected as administrator of the program. Deferred compensation is not available for withdrawal by employees until termination, retirement, death or unforeseeable emergency. The assets of this plan are held in a trust account and therefore are not reflected on the City of Boulder financial statements.

In the opinion of the City's legal counsel, the City has no liability for losses under the plans but does have the duty of due care that would be required of an ordinary prudent investor.

**NOTE W – OTHER POSTEMPLOYMENT BENEFIT PLANS (OPEB)
THAN PENSIONS**

1. Public Employees Retirement Association (PERA) Health Care Trust Fund

Plan Description – The City of Boulder contributes to the Health Care Trust Fund (HCTF), a cost-sharing multiple-employer healthcare trust administered by PERA. The HCTF provides a health care premium subsidy and health care programs (known as PERACare) to PERA participating benefit recipients and their eligible beneficiaries. Title 24, Article 51, Part 12 of the CRS, as amended, establishes the HCTF and sets forth a framework that grants authority to the PERA Board to contract, self-insure and authorize disbursements necessary in order to carry out the purposes of the PERACare program, including the administration of health care subsidies. PERA issues a publicly available Comprehensive Annual Financial Report that includes financial statements and required supplementary information for the HCTF. That report may be obtained online at www.copera.org/investments/pera-financial-reports.

Funding Policy – The City of Boulder is required to contribute at a rate of 1.02%, of PERA-includable salary for all PERA members as set by statute. No member contributions are required. The contribution requirements for the City of Boulder are established under Title 24, Article 51, Part 4 of the CRS, as amended. The apportionment of the contribution to the HCTF is established under Title 24, Article 51, Section 208(1)(f) of the CRS, as amended.

The City of Boulder's contributions to HCTF for the years ending December 31, 2016, 2015, and 2014 were \$759,772, \$ 674,933 and \$667,228 respectively, equal to their required contributions for each year.

2. Fire and Police Pension Association (FPPA) Death and Disability Plan

All full-time police officers and firefighters are covered by the Fire and Police Pension Association (FPPA), a multiple-employer cost-sharing plan for pre-retirement death and disability. To date contributions to the plan have been determined and budgeted by the State legislature. State law provided that these contributions would continue in diminishing amounts until 1994. The State requires employees hired on or after January 1, 1997, to contribute 2.6% of salary. The City pays the 2.7% for all affected police officers and firefighters. In 2016, 2015, and 2014, the City paid \$405,511, \$354,659 and \$355,887 respectively, equal to their required contributions for each year.

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2016

**NOTE W – OTHER POSTEMPLOYMENT BENEFIT PLANS (OPEB)
THAN PENSIONS (CONTINUED)**

2. Fire and Police Pension Association (FPPA) Death and Disability Plan (Continued)

FPPA issues a publicly available annual financial report that includes financial statements and required supplementary information. That report may be obtained online at www.fppaco.org or by writing to Fire and Police Pension Association of Colorado, 5290 DTC Parkway, Suite 100, Greenwood Village, Colorado, 80111-2721 or by calling FPPA at (303) 770-3772 or 1-800-332-3772.

3. City of Boulder Retiree Health Care Benefit Plan

Plan Description – The City of Boulder administers a single-employer defined benefit healthcare plan (the Retiree Health Care Benefit Plan). The City provides health care insurance coverage to current and future retirees of the City who retire with a PERA or City provided pension and have 12 years of service with the City. Employees who terminate or retire prior to meeting the eligibility requirements for retiree healthcare benefits are not eligible to participate in the program. The Retiree Health Care Benefit Plan is not covered within a trust fund and does not issue a publicly available financial report.

Funding Policy – The Retiree Health Care Benefit Plan is funded on a pay-as-you-go basis with retirees paying 100% of the blended health insurance premium for the retiree and dependents. Benefit provisions are established by City management. The benefit provided by the Retiree Health Care Benefit Plan is made up entirely of the implicit rate subsidy which results from both the retirees and the active employees paying the same insurance premiums.

Annual OPEB Cost and Net OPEB Obligation – The City’s annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years.

The following table shows the components of the City’s annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the City’s net OPEB obligation (amounts in 000’s):

Annual required contribution (ARC)	\$	493
Interest on prior year net OPEB obligation		93
Less adjustment to ARC		(92)
Annual OPEB cost		<u>494</u>
Contributions made		<u>272</u>
Increase in net OPEB obligation		222
Net OPEB obligation – beginning of year		2,505
Net OPEB obligation – end of year	\$	<u><u>2,727</u></u>

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2016

**NOTE W – OTHER POSTEMPLOYMENT BENEFIT PLANS (OPEB)
THAN PENSIONS (CONTINUED)**

3. City of Boulder Retiree Health Care Benefit Plan (Continued)

The City’s annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2016 and the two preceding years were as follows:

Fiscal Year	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2014	\$ 778	56.6%	\$ 2,132
2015	\$ 710	47.5%	\$ 2,505
2016	\$ 494	55.1%	\$ 2,727

Funded Status and Funding Progress – As of January 1, 2015, the most recent actuarial evaluation date, the actuarial accrued liability for benefits was \$4,939,361 all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was \$74,056,002, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 6.7%.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions – Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

An actuarial study was prepared at January 1, 2015. It is the plan’s policy to have an actuarial study prepared every two years.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2016

**NOTE W – OTHER POSTEMPLOYMENT BENEFIT PLANS (OPEB)
THAN PENSIONS (CONTINUED)**

3. City of Boulder Retiree Health Care Benefit Plan (Continued)

The significant actuarial assumptions used in the valuation as of January 1, 2015, included the following:

- Actuarial Cost Method – Projected Unit Credit cost method.
- Amortization Method – Open, level percent of pay over 30 years
- Discount Rate – 3.75% per annum.
- Inflation – 2.5% per annum.
- Wage Growth – 3.0% per annum.
- Administrative Expense – Claims expense is included in the premiums charged by the City's health insurance carrier. No other OPEB program expenses are included in this valuation.
- Retirement – Age and service eligibility requirements for PERA (Management and BMEA employees) and City provided pensions (Fire and Police).
- Mortality –
 - Healthy Lives –Pre-retirement - RP-2000 Combined Healthy Mortality Table projected to 2030 using Scale BB.
 - Healthy Lives –Post-retirement - RP-2000 Combined Healthy Mortality Table projected to 2022 using Scale BB
 - Disabled Lives – RP-2000 Disabled Mortality Table.
- Election of Retirement Coverage – All current retired participants are assumed to continue health care coverage. 25% of future eligible retired participants are assumed to participate upon retirement.
- Probability of Spouse Coverage – 50% of future retirees who elect coverage are assumed to elect spousal coverage upon retirement.
- Lapse Assumption – it is assumed that 67% of all current and future retirees will cease participation in the plan upon the attainment of age 65.
- Health Care Cost Trend – Using the Milliman Adjusted Getzen Model, the trend rate starts at 3.8% for 2016 and varies to a rate of 4.5% in 2071.
- Amortization Period – The unfunded actuarial accrued liability is amortized over 30 years using an open level percent of pay method.

The significant changes in actuarial assumptions and methods as of January 1, 2015 included the following:

- Updated claims and premiums to experience and plan changes.
- The trend assumption was updated using the Getzen Trend Model.
- The mortality assumption was updated to better reflect anticipated plan experience.

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2016

NOTE X – PLEDGED REVENUES

Water and Sewer Revenues Pledged

The City has pledged future water and sewer customer revenues, net of specified operating expenses, to repay \$88,245,000 in outstanding water and sewer system revenue bonds. Proceeds from the bonds provided financing for the construction of capital assets or refunded other revenue bonds issued for that purpose. The bonds are payable solely from water and sewer net revenues and are payable through 2035. Annual principal and interest payments on the bonds are expected to require approximately 50% of net revenues (as defined by the bond ordinances). The total principal and interest remaining to be paid on the bonds at December 31, 2016 is \$110,282,737. Principal and interest paid for the current year and total customer net revenues were \$10,245,949 and \$22,859,000, respectively.

Stormwater and Flood Management Revenues Pledged

The City has pledged future stormwater and flood management fund revenues, net of specified operating expenses, to repay \$22,360,000 in outstanding stormwater and flood management revenue bonds. Proceeds from the bonds provided financing for the construction of capital assets or refunded other revenue bonds issued for that purpose. The bonds are payable solely from stormwater and flood management fund revenues and are payable through 2034. Annual principal and interest payments on the bonds are expected to require less than 42% of net revenues (as defined by the bond ordinances). The total principal and interest remaining to be paid on the bonds at December 31, 2016 is \$29,388,625. Principal and interest paid for the current year and total customer net revenues were \$1,971,738 and \$7,845,000, respectively.

Open Space Sales Tax Revenues Pledged

The City has pledged future sales and use tax revenues generated by the .88% sales and use tax levies of the Open Space Fund to repay \$18,150,000 in outstanding open space bonds. Proceeds from the bonds provided financing for the acquisition of open space land or refunded other bonds issued for that purpose. The \$18,150,000 of bonds are payable from the Open Space Fund sales tax revenues and are also backed with a pledge of the full faith and credit of the City. These bonds mature through 2034. In 2019, .48% of the total .88% sales tax levy will expire, which will materially decrease pledged revenues. Annual principal and interest payments on the bonds are expected to require less than 39% of pledged sales tax revenues. The total principal and interest remaining to be paid on the bonds at December 31, 2016 is \$21,374,906. Principal and interest paid for the current year and total pledged sales tax revenues were \$4,467,118 and \$30,616,008 respectively.

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2016

NOTE X – PLEDGED REVENUES (CONTINUED)

Downtown Commercial District Revenues Pledged

The City has pledged a portion of future sales tax revenues to repay \$5,220,000 in outstanding bonds issued by the City of Boulder Central Area General Improvement District (CAGID), now known as the Downtown Commercial District, to finance an underground parking garage located at 9th Street and Canyon Boulevard (TIF bonds). These TIF bonds are payable from the Parking Garage Net Revenues, incremental property tax revenues of the tax increment area and incremental sales and accommodations tax revenues.

In addition, the City has pledged future net revenue derived by CAGID from the operation of its properties to repay \$1,965,000 in other general obligation bonds outstanding. These bonds are payable from the net operating revenues generated by operations of the District's parking structures.

Both the TIF bonds and the other general obligation bonds are backed with a pledge of the full faith and credit of CAGID. These bonds mature through 2023. Annual principal and interest payments on the outstanding bonds are expected to require less than 39% of pledged revenues. The total principal and interest remaining to be paid on the bonds at December 31, 2016 is \$7,928,250. Principal and interest paid for the current year and total pledged revenues were \$1,861,550 and \$6,019,222, respectively.

Boulder Municipal Property Authority Revenues Pledged

The Boulder Municipal Property Authority (BMPA) pledged as security for certificates of participation and lease purchase notes (debt) the base rental revenues received from the City's various funds and operations. As of December 31, 2016, BMPA currently has \$43,986,358 in outstanding debt used primarily to provide funding for acquisition of property, land for Parks and Open Space purposes. The City appropriates each year, from various revenue sources, base rental expenses in amounts sufficient to cover the principal and interest requirements on BMPA's debt. In accordance with state statutes, the appropriation by the City is subject to annual renewal at discretion of the City Council. BMPA has pledged, as the sole security for the bonds, the annual base rental revenues received from the City. Total principal and interest remaining on the debt is \$61,341,142 with annual requirements ranging from \$3,828,239 in 2016 to \$2,823,000 in 2036. The base rental revenues received each year equal the debt service requirements on BMPA's debt, averaging \$3,804,987 over the last 15 years. For the current year, principal and interest incurred by BMPA and the total base rental revenues pledged were \$4,316,230 and \$4,316,230, respectively.

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2016

NOTE X – PLEDGED REVENUES (CONTINUED)

Trash Tax Revenues

On August 16, 1994, the City passed the 1994 Ordinance approving the 1994 Election Question which authorized the City to raise its trash tax to a rate not to exceed a maximum per month of \$3.50 for residential customers and a maximum of \$0.85 per cubic yard per month for commercial customers. At a special municipal election held on November 8, 1994, the voters of the City approved the 1994 Election Question authorizing the maximum trash tax rates and authorizing the City under TABOR to issue not to exceed \$6,000,000 of bonds payable from the City's trash tax revenues and additionally secured by the full faith and credit of the City, for the purpose acquisition of interests in land and constructing, operating and maintenance of municipal solid waste recycling and composting facilities. On December 15, 2009, \$6,000,000 in General Obligation Waste Reduction Bonds were issued. As of December 31, 2016, there are currently \$4,245,000 in outstanding Waste Reduction Bonds. Total principal and interest remaining as of December 31, 2016 is \$5,491,750. The bond ordinance requires quarterly transfers of trash haulers tax to cover the current year's debt service. For the current year, principal and interest paid and total pledged revenues were \$421,413 and \$421,413, respectively.

General Fund Bonds (Capital Improvement Projects)

The City has pledged any and all legally available funds and revenues of the General Fund of the City, up to the full amount of principal of, interest on and premium, if any, due in each year, for the punctual payment of the principal of, interest on and premium, if any, due in connection with the maturity of or redemption of the Series 2012 Bonds as the same respectively became due and payable. These bonds were issued March 22, 2012 in the amount of \$49,000,000 with a net premium of \$5,829,997. As of December 31, 2016, \$37,745,000 in bonds remain outstanding. The principal and interest remaining to be paid on the bonds at December 31, 2016 is \$50,643,000. Principal and interest paid for the current year and total General Fund pledged revenues were \$3,993,700 and \$3,993,700, respectively.

NOTE Y – SECURITY FOR CERTIFICATES OF PARTICIPATION

The Boulder Municipal Property Authority (BMPA) Taxable Certificates of Participation, Series 2015 evidence a proportionate interest in the base rentals and other revenues under a Lease Purchase Agreement dated November 1st, 2015 (the "lease"), entered between BMPA, as lessor (the "Corporation"), and the City of Boulder, Colorado as lessee between the Corporation. In accordance with State law, the City has determined to sell the Leased property to the Corporation and lease the Leased Property back from the Corporation pursuant to the terms of the lease. The Leased Property consists of the following City facilities:

Public Safety Building - The Public Safety Building is a 71,000 square foot building constructed in 1968 and renovated in 1989 located on a 4.09 acre site with 228 surface parking spaces. It serves as the primary facility for the Boulder Police Department as well as the administrative offices of the Fire Department. The property is presently zoned for public use and is located within a 500 year flood plain. The internal City appraised value for the Public Safety Building is \$18,177,000.

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2016

NOTE Y – SECURITY FOR CERTIFICATES OF PARTICIPATION (Continued)

East Boulder Community Center – The East Boulder Community Center is a 52,960 square-foot building constructed in 1991 located on an approximately 7.25 acre site. The East Boulder Community Center is a recreation and senior citizen center containing an indoor leisure pool, lap pool, locker rooms, fitness center and a gymnasium. In addition, the land upon which the East Boulder Community Center is located is adjacent to the existing East Boulder Community Park. Neither the East Boulder Community Park nor its facilities are part of the leased property. The property is presently zoned for public use and is located with a 100 year flood plain. The internal City appraised value for the East Boulder Community Center is \$17,746,000.

Park Central Building – The Park Central Building is a 20,910 square-foot building constructed in 1973 located on an approximately 0.35 acre site. The Park Central Building consists primarily of City offices, including the City's building permit office. The building presently holds 93 employees and the property includes 17 covered parking spaces. In addition, 1,307 square feet of the building is presently leased to the operator of a small restaurant. The property is presently zoned for public use and is located within a 100 year flood plain. The internal City appraised value for the Park Central Building is \$5,030,000.

In the event of termination of the City's obligations under the Lease upon the occurrence of an Event of Nonappropriation or an Event of Default, the City is required to vacate and surrender the leased property. Whenever any Event of Default has happened and is continuing, the Trustee, acting for the Corporation, may take one or any combination of remedial steps as outlined in the 2015 Certificate of Participation Official Statement dated October 27, 2015.

NOTE Z – CHANGE IN ACCOUNTING PRINCIPLES

For the year ended December 31, 2016, the City adopted the provisions of GASB Statement No. 72, *Fair Value Measurement and Application*. This statement changed the definition of fair value and added new disclosure requirements. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction. In determining this amount, three valuation techniques are available: Market approach, Cost approach and Income approach. Each of these valuation techniques requires inputs to calculate a fair value. Observable inputs are maximized in fair value measures while unobservable inputs are minimized. GASB 72 establishes a hierarchy of inputs to the valuation techniques in establishing three distinct levels. For further information pertaining to GASB No. 72, Fair Value of Investments, please see **Footnote E-Deposits and Investments, Fair Value of Investments**.

Additionally, for the year ended December 31, 2016, the City adopted the provisions of GASB Statement No. 77, *Tax Abatement Disclosures*. This statement requires governments that enter into tax abatement agreements to disclose the following information about the agreements: 1) Brief descriptive information, such as the tax being abated, the authority under which the tax abatements are provided, eligibility criteria, the mechanism by which taxes are abated, provisions for recapturing abated taxes, and the types of commitments made by tax abatement recipients, 2) The gross dollar amount of taxes abated during the period, and 3) Commitments made by a government, other than to abate taxes, as part of a tax abatement agreement. For further information pertaining to GASB No. 77, Tax Abatement Disclosures, please see **Footnote AB – Tax Abatements**.

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2016

NOTE AA – DEFERRED INFLOWS AND OUTFLOWS OF RESOURCES

Deferred inflows and outflows of resources are discussed in Note A 12. As of December 31, 2016, deferred inflows and outflows of resources consisted of the following (in 000's):

Government Wide	Governmental Activities	Business-type Activities	Total
Deferred Outflows - Related to PERA	\$ 32,061	\$ 6,359	\$ 38,420
Deferred Outflows - Old Hire Police Pension	698	-	698
Deferred Outflows - Old Hire Fire Pension	697	-	697
Deferred Outflows - Grants and Other	134	2,076	2,210
Total Deferred Outflows	\$ 33,590	\$ 8,435	\$ 42,025
	Governmental Activities	Business-type Activities	Total
Deferred Inflows - Related to PERA	\$ 2,089	\$ 405	\$ 2,494
Deferred Inflows - Property Taxes	37,428	1,378	38,806
Deferred Inflows - Grants and Other	15	-	15
Total Deferred Inflows	\$ 39,532	\$ 1,783	\$ 41,315
	General Fund	Open Space & Mountain Parks Fund	Trans- portation Fund
Deferred Inflows - Property Taxes	\$ 33,485	\$ -	\$ -
Deferred Inflows - Grants	340	1,087	7,716
Deferred Inflows - Unavailable	194	75	7,198
Total Deferred Inflows	\$ 34,019	\$ 1,162	\$ 14,914
	Other Governmental Funds	Total	
Deferred Inflows - Property Taxes	\$ 3,943	\$ 37,428	
Deferred Inflows - Grants	196	9,339	
Deferred Inflows - Unavailable	111	7,578	
Total Deferred Inflows	\$ 4,250	\$ 54,345	

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2016

NOTE AA – DEFERRED INFLOWS AND OUTFLOWS OF RESOURCES (Continued)

Proprietary Funds	Water Utility Fund	Wastewater Utility Fund	Stormwater and Flood Management Fund	Downtown Commercial District	Nonmajor Enterprise Funds	Total Enterprise Funds	Total Internal Service Funds
Deferred Outflows - Related to PERA	\$ 2,829	\$ 1,856	\$ 991	\$ 580	\$ 103	\$ 6,359	\$ 857
Deferred Outflows - Grants and Other	254	1,694	3	125	-	2,076	103
Total Deferred Outflows	\$ 3,083	\$ 3,550	\$ 994	\$ 705	\$ 103	\$ 8,435	\$ 960
Deferred Inflows - Property Taxes	\$ -	\$ -	\$ -	\$ 1,190	\$ 188	\$ 1,378	\$ -
Deferred Inflows - Related to PERA	181	118	64	36	6	\$ 405	53
Total Deferred Inflows	\$ 181	\$ 118	\$ 64	\$ 1,226	\$ 194	\$ 1,783	\$ 53

NOTE AB – TAX ABATEMENTS

The City of Boulder has a Flexible Rebate Program which encourages the growth and retention of primary employers in Boulder by offering rebates for primary employers who are looking to grow and expand within Boulder, provided they meet eligibility requirements and sustainability guidelines. Primary employers are defined as companies that receive at least 50% of their revenue from outside Boulder County.

Rebates can be approved for building permit taxes and fees paid to the city, as well as city sales and use taxes paid on fixed asset purchases. Companies only receive the rebate after submitting receipts for taxes and fees.

For the fiscal year ended December 31, 2016, the City abated taxes and fees totaling \$395,574 under this program, including the following rebate payments that each exceeded 15 percent of the total amount abated:

- A \$90,000 rebate payment for a technology company increasing the size of their facilities and increasing employment.
- A \$80,000 rebate payment for a technology company making significant capital investments and increasing employment in the City.
- A \$79,060 rebate payment for a technology company that continues to expand its facilities in the City and intends to increase employment with continued growth.
- A \$60,562 rebate payment for a food and beverage company that is making significant capital investment in facilities and increasing employment in the City.

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REQUIRED SUPPLEMENTARY INFORMATION

CITY OF BOULDER, COLORADO

Required Supplementary Information

Schedule of Funding Progress

Boulder Retiree Health Care Benefit Plan

<u>Fiscal Year</u>	<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Liability Entry Age (b)</u>	<u>Total Unfunded (Overfunded) Actuarial Liability (b-a)</u>	<u>Funded Ratio (a/b)</u>	<u>Covered Payroll (c)</u>	<u>UAAL as a Percentage of Covered Payroll ((b-a)/c)</u>
2011	1/1/2011	\$ -	\$ 6,747,489	\$ 6,747,489	-	\$ 82,956,844	8.1%
2013	1/1/2013	\$ -	\$ 8,280,910	\$ 8,280,910	-	\$ 78,172,630	10.6%
2015	1/1/2015	\$ -	\$ 4,939,361	\$ 4,939,361	-	\$ 74,056,002	6.7%

CITY OF BOULDER, COLORADO

Required Supplementary Information

Schedule of Changes in Net Pension Liability
and Related Ratios

Police Pension Fund

Fiscal Year Ending December 31,

Last Ten Fiscal Years*

	2016	2015	2014
Total Pension Liability			
Interest on total pension liability	\$ 1,042,311	\$ 1,068,529	\$ 1,097,208
Effect of economic/demographic (gains) or losses	1,820,754	9,185	7,180
Benefit payments	(1,411,000)	(1,443,000)	(1,529,000)
Net change in total pension liability	1,452,065	(365,286)	(424,612)
Total pension liability, beginning	14,590,221	14,955,507	15,380,119
Total pension liability, ending (a)	<u>\$ 16,042,286</u>	<u>\$ 14,590,221</u>	<u>\$ 14,955,507</u>
Fiduciary Net Position			
Employer contributions	\$ 314,000	\$ 304,000	\$ 305,000
Member contributions	-	-	1,000
Investment income net of investment expenses	937,000	(228,000)	635,000
Benefit payments	(1,411,000)	(1,443,000)	(1,529,000)
Administrative expenses	(10,000)	(13,000)	(14,000)
Net change in plan fiduciary net position	(170,000)	(1,380,000)	(602,000)
Fiduciary net position, beginning	12,450,000	13,830,000	14,432,000
Fiduciary net position, ending (b)	<u>\$ 12,280,000</u>	<u>\$ 12,450,000</u>	<u>\$ 13,830,000</u>
Net pension liability, ending (a) - (b)	<u>\$ 3,762,286</u>	<u>\$ 2,140,221</u>	<u>\$ 1,125,507</u>
Fiduciary net position as a % of total pension liability	76.55%	85.33%	92.47%
Covered payroll	N/A	N/A	N/A
Net pension liability as a % of covered payroll	N/A	N/A	N/A

Note to Schedule:

No active members are covered by this plan; therefore, payroll information is not applicable.

* Additional years' information will be displayed as it becomes available.

CITY OF BOULDER, COLORADO

Required Supplementary Information

Schedule of Employer Contributions

Police Pension Fund

Fiscal Year Ending December 31	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contribution as a % of Covered Payroll
2007	\$ 302,812	\$ 473,000	\$ (170,188)	\$ 172,409	274.35%
2008	403,366	472,000	(68,634)	184,130	256.34%
2009	403,366	471,000	(67,634)	184,130	255.80%
2010	661,414	5,985,000	(5,323,586)	124,228	4817.75%
2011	188,544	152,000	36,544	129,818	117.09%
2012	219,204	222,000	(2,796)	130,326	170.34%
2013	237,055	222,000	15,055	35,965	617.27%
2014	181,916	305,000	(123,084)	N/A	N/A
2015	181,916	304,000	(122,084)	N/A	N/A
2016	314,204	314,000	204	N/A	N/A

Note to Schedule:

Full actuarial valuations are performed biannually on even years. Covered payroll data shown for 2005, 2007, and 2009 are based on the respective prior year's amounts.

See Notes to Required Supplementary Information for other significant methods and assumptions.

CITY OF BOULDER, COLORADO

Required Supplementary Information

Schedule of Investment Returns

Police Pension Fund

Last Ten Fiscal Years*

<u>Fiscal Year Ending December 31,</u>	<u>Net Annual Money-Weighted Rate of Return</u>
2014	4.59%
2015	-1.72%
2016	6.09%

Note to Schedule:

* Additional years' information will be displayed as it becomes available.

CITY OF BOULDER, COLORADO

Required Supplementary Information

Schedule of Changes in Net Pension Liability
and Related Ratios

Fire Pension Fund

Fiscal Year Ending December 31,

Last Ten Fiscal Years*

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total Pension Liability			
Interest on total pension liability	\$ 761,693	\$ 789,618	\$ 831,605
Effect of economic/demographic (gains) or losses	510,898	(69,656)	(48,180)
Benefit payments	<u>(1,076,000)</u>	<u>(1,108,000)</u>	<u>(1,542,000)</u>
Net change in total pension liability	196,591	(388,038)	(758,575)
Total pension liability, beginning	10,684,184	11,072,222	11,831,797
Total pension liability, ending (a)	<u>\$ 10,880,775</u>	<u>\$ 10,684,184</u>	<u>\$ 11,073,222</u>
Fiduciary Net Position			
Employer contributions	\$ 173,000	\$ 64,000	\$ 64,000
Member contributions	-	-	1,000
Investment income net of investment expenses	562,000	(183,000)	334,000
Benefit payments	<u>(1,076,000)</u>	<u>(1,108,000)</u>	<u>(1,542,000)</u>
Administrative expenses	<u>(10,000)</u>	<u>(15,000)</u>	<u>(11,000)</u>
Net change in plan fiduciary net position	<u>(351,000)</u>	<u>(1,242,000)</u>	<u>(1,154,000)</u>
Fiduciary net position, beginning	9,822,000	11,064,000	12,218,000
Fiduciary net position, ending (b)	<u>\$ 9,471,000</u>	<u>\$ 9,822,000</u>	<u>\$ 11,064,000</u>
Net pension liability, ending (a) - (b)	<u>\$ 1,409,775</u>	<u>\$ 862,184</u>	<u>\$ 9,222</u>
Fiduciary net position as a % of total pension liability	87.04%	91.93%	99.92%
Covered payroll	N/A	N/A	N/A
Net pension liability as a % of covered payroll	N/A	N/A	N/A

Note to Schedule:

No active members are covered by this plan; therefore, payroll information is not applicable.
Information prior to 2014 was not available.

* Additional years' information will be displayed as it becomes available.

CITY OF BOULDER, COLORADO

Required Supplementary Information

Schedule of Employer Contributions

Fire Pension Fund

Fiscal Year Ending December 31	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contribution as a % of Covered Payroll
2007	\$ 133,792	\$ 314,000	\$ (180,208)	\$ 236,830	132.58%
2008	197,099	314,000	(116,901)	161,644	194.25%
2009	197,099	315,000	(117,901)	161,644	194.87%
2010	497,098	3,874,000	(3,376,902)	N/A	N/A
2011	60,510	104,000	(43,490)	N/A	N/A
2012	156,888	162,000	(5,112)	N/A	N/A
2013	97,999	159,000	(61,001)	N/A	N/A
2014	-	64,000	(64,000)	N/A	N/A
2015	-	64,000	(64,000)	N/A	N/A
2016	172,790	173,000	(210)	N/A	N/A

Note to Schedule:

Full actuarial valuations are performed biannually on even years. Covered payroll data shown for 2005, 2007, and 2009 are based on the respective prior year's amounts.

See Notes to Required Supplementary Information for other significant methods and assumptions.

CITY OF BOULDER, COLORADO

Required Supplementary Information

Schedule of Investment Returns

Fire Pension Fund

Last Ten Fiscal Years*

<u>Fiscal Year Ending December 31,</u>	<u>Net Annual Money-Weighted Rate of Return</u>
2014	2.90%
2015	-1.74%
2016	9.31%

Note to Schedule:

* Additional years' information will be displayed as it becomes available.

CITY OF BOULDER, COLORADO

Required Supplementary Information

Notes to Required Supplementary Information

Actuarial Assumptions

	"Old Hire" Police Defined Benefit Plan (See Note U)	"Old Hire" Fire Defined Benefit Plan (See Note U)	Retiree Health Care Benefit Plan (See Note W)
Actuarial valuation date	1/1/2016	1/1/2016	1/1/2015
Actuarial cost method	Entry age normal	Entry age normal	Projected unit credit
Amortization method	Closed level dollar	Closed level dollar	Open level percent of pay
Remaining amortization period	16 years	12 years	30 years
Asset valuation method	3-year smoothing	market value of assets	NA - nonfunded plan
Investment rate of return	6.5%	6.5%	NA - nonfunded plan
Inflation rate	2.75%	2.75%	2.5%
Salary increases	None assumed	None assumed	3.0%
Administrative Expense	NA	NA	Claims expense is included in the premiums charged by the city's health insurance carrier. Age and service eligibility requirements for PERA (Management and BMEA employees) and city provided pensions (Fire and Police)
Retirement age	NA - no actives	NA - no actives	Healthy lives use RP2000 Combined Healthy Mortality Table projected to 2021 using Scale AA. Disabled Lives use RP2000 Disabled Mortality Table projected to 2021 using Scale AA.
Retiree mortality	Sex-distinct RP-2014 mortality for annuitants by Scale AA to 2017	Sex-distinct RP-2014 mortality for annuitants by Scale AA to 2017	All current retired participants are assumed to continue health care coverage. 25% of future eligible retired participants are assumed to participate upon retirement. 50% of future retirees who elect coverage are assumed to elect spousal coverage upon retirement
Election of retirement coverage	NA	NA	NA
Probability of spouse coverage	NA	NA	NA
Minimum death benefit	\$515 per payperiod	\$515 per payperiod	NA
First class firefighter salary	\$3,032 per payperiod	\$3,032 per payperiod	NA
Marriage rates	Actual for retirees	Actual for retirees	NA
Health care cost trend	NA	NA	Using the Getzen Model, the trend rate starts at 10.8% for 2013 and trends downward to a rate of 4.5% in 2083.
Form of payment	Normal payment method	Normal payment method	NA

Changes in Assumptions: There were no changes to actuarial assumptions of methods in the valuation reports referenced above during the year or as a result of implementation of Governmental Accounting Standards Board Statement 67 except as disclosed below. This includes changes of benefit terms, changes in the size or composition of the population covered by the benefit terms or the use of different assumptions. The few significant changes include:

First class firefighter salary	Increased from \$2,802 to \$3,032 per pay period	Increased from \$2,802 to \$3,032 per pay period	Updated to reflect highest negotiated rate. Updated to better reflect anticipated plan experience
Investment earnings assumption	Changed from 7.50% to 6.50%	Changed from 7.50% to 6.50%	Updated tables to Healthy Annuitant and Disabled Annuitant tables to better reflect anticipated plan experience.
Retiree mortality tables	NA	NA	

CITY OF BOULDER, COLORADO

Required Supplementary Information

Schedule of the City's Proportionate Share of the
Colorado Public Employees' Retirement Association Net Pension Liability

Fiscal Year Ending December 31,

	Last Ten Fiscal Years*		
	<u>2016*</u>	<u>2015*</u>	<u>2014*</u>
City's proportion (percentage) of the collective net pension liability	12.3421455967%	11.9715197388%	11.9276751932%
City's proportionate share of the collective net pension liability	\$ 135,958,731	\$ 107,299,000	\$ 98,155,000
Covered-employee payroll	\$ 68,099,369	\$ 65,598,580	\$ 64,077,750
City's proportionate share of the net pension liability as a percentage of its covered payroll	199.65%	163.57%	153.18%
Plan fiduciary net position as a percentage of the total pension liability	76.90%	80.70%	77.70%

** The amounts presented for each fiscal year were determined as of December 31 based on the measurement date of the Plan. Information earlier than 2014 was not available.*

CITY OF BOULDER, COLORADO
 Required Supplementary Information
 Schedule of the Contributions and Ratios
 Colorado Public Employees' Retirement Association Net Pension Liability
 Fiscal Year Ending December 31,
 Last Ten Fiscal Years*

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Statutorily required contributions	\$ 9,445,013	\$ 8,635,000	\$ 8,317,900
Contributions in relation to the statutorily required contributic	<u>9,445,013</u>	<u>8,635,000</u>	<u>8,317,900</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	\$ 74,487,487	\$ 68,099,369	\$ 65,598,580
Contribution as a percentage of of covered payroll	12.68%	12.68%	12.68%

** The amounts presented for each fiscal year were determined as of December 31. Information earlier than 2014 was not available.*

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GENERAL FUND DETAILS

In 2011, the City of Boulder implemented GASB Statement No. 54 which refined what qualifies for inclusion as a Special Revenue Fund. One former Special Revenue Fund did not meet the new requirements and has been combined with other general governmental operations into the General Fund. As a result, the General Fund is comprised of the following two separate sub-funds:

Core General Fund – to account for all financial resources of the general government except those accounted for in another fund.

Community Housing Assistance Program (CHAP) Fund - to account for property tax, a housing excise tax and fees to be used to increase the supply of affordable housing in Boulder.

CITY OF BOULDER, COLORADO

Combining Balance Sheet

General Fund

December 31, 2016

(Amounts in 000's)

<u>Assets</u>	Core General <u>Fund</u>	Community Hsg Asst Prgm <u>Fund</u>	Total General <u>Fund</u>
Equity in pooled cash and cash equivalents	\$ 742	\$ -	\$ 742
Investments	49,031	5,074	54,105
Receivables:			
General property taxes	30,993	2,492	33,485
Sales and use taxes	7,698	-	7,698
Accounts	2,595	-	2,595
Accrued interest	140	13	153
Intergovernmental	419	-	419
Other	14	-	14
Total receivables	<u>41,859</u>	<u>2,505</u>	<u>44,364</u>
Due from other funds	105	-	105
Inventory of materials and supplies	10	-	10
Restricted assets:			
Investments for special purposes	<u>1,243</u>	-	<u>1,243</u>
Total restricted assets	1,243	-	1,243
Other assets	<u>12</u>	-	<u>12</u>
Total assets	<u>93,002</u>	<u>7,579</u>	<u>100,581</u>
Total assets	\$ <u><u>93,002</u></u>	\$ <u><u>7,579</u></u>	\$ <u><u>100,581</u></u>

<u>Liabilities, Deferred Inflows of Resources and Fund</u> <u>Balance</u>	Core General <u>Fund</u>	Community Hsg Asst Prgm <u>Fund</u>	Total General <u>Fund</u>
Liabilities:			
Accounts and accrued liabilities:			
Vouchers and accounts payable	\$ 3,055	\$ 7	\$ 3,062
Accrued salaries, wages and amounts withheld from employees	3,193	15	3,208
Advances from other funds	1,228	-	1,228
Other liabilities	330	-	330
Unearned revenue	112	-	112
Total liabilities	<u>7,918</u>	<u>22</u>	<u>7,940</u>
Deferred inflows of resources:			
Property tax	30,993	2,492	33,485
Grants and other deferrals	534	-	534
Deferred inflows of resources	<u>31,527</u>	<u>2,492</u>	<u>34,019</u>
Fund balances:			
Nonspendable:			
Prepaid	12	-	12
Inventory	10	-	10
Endowment	100	-	100
Restricted:			
Legally restricted	762	-	762
Capital projects	1,492	-	1,492
Donor restrictions	140	-	140
Assigned:			
Special purposes	2,358	5,065	7,423
Contractual obligations	1,196	-	1,196
Unassigned	47,487	-	47,487
Total fund balances	<u>53,557</u>	<u>5,065</u>	<u>58,622</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 93,002</u>	<u>\$ 7,579</u>	<u>\$ 100,581</u>

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CITY OF BOULDER, COLORADO

Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances

General Fund

Year ended December 31, 2016
(Amounts in 000's)

	Core General <u>Fund</u>	Library <u>Fund</u>	Community Hsg Asst Prgm <u>Fund</u>	<u>Eliminations</u>	Total General <u>Fund</u>
Revenues:					
Taxes:					
Sales and use taxes	\$ 60,305	\$ -	\$ -	\$ -	\$ 60,305
General property taxes	30,550	-	2,455	-	33,005
Accommodations taxes	7,927	-	-	-	7,927
Franchise taxes	10,880	-	-	-	10,880
Specific ownership & tobacco taxes	2,277	-	-	-	2,277
Excise taxes	1,047	-	203	-	1,250
Charges for services	4,729	-	6	-	4,735
Sale of goods	84	-	-	-	84
Licenses, permits and fines	6,592	-	-	-	6,592
Intergovernmental	1,551	-	-	-	1,551
Leases, rents and royalties	603	-	-	-	603
Interest and investment earnings	557	-	47	-	604
Other	1,489	-	-	-	1,489
Total revenues	<u>128,591</u>	<u>-</u>	<u>2,711</u>	<u>-</u>	<u>131,302</u>
Expenditures:					
Current:					
General Government	17,858	-	-	-	17,858
Administrative Services	8,836	-	-	-	8,836
Public Safety	54,092	-	-	-	54,092
Public Works	7,346	-	-	-	7,346
Planning & Development Services	2,948	-	-	-	2,948
Culture and Recreation	13,057	-	-	-	13,057
Open Space and Mountain Parks	80	-	-	-	80
Housing and Human Services	6,904	-	2,471	-	9,375
Debt service payments:					
Principal	3,080	-	-	-	3,080
Interest	2,074	-	-	-	2,074
Total expenditures	<u>116,275</u>	<u>-</u>	<u>2,471</u>	<u>-</u>	<u>118,746</u>
Excess (deficiency) of revenues over (under) expenditures	<u>12,316</u>	<u>-</u>	<u>240</u>	<u>-</u>	<u>12,556</u>
Other financing sources (uses):					
Transfers in	2,333	-	-	-	2,333
Transfers out	(8,764)	(2,050)	(7)	-	(10,821)
Total other financing sources (uses)	<u>(6,431)</u>	<u>(2,050)</u>	<u>(7)</u>	<u>-</u>	<u>(8,488)</u>
Net change in fund balances	5,885	(2,050)	233	-	4,068
Fund balances, beginning of year	<u>47,672</u>	<u>2,050</u>	<u>4,832</u>	<u>-</u>	<u>54,554</u>
Fund balances, end of year	<u>\$ 53,557</u>	<u>\$ -</u>	<u>\$ 5,065</u>	<u>\$ -</u>	<u>\$ 58,622</u>

CITY OF BOULDER, COLORADO

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
(Budgetary Basis)

Core General Fund

Year ended December 31, 2016

(Amounts in 000's)

	Budgeted amounts		Actual amounts	Variance with final budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Taxes:				
Sales and use taxes	\$ 60,608	\$ 60,608	\$ 60,305	\$ (303)
General property taxes	26,693	26,702	30,550	3,848
Accommodations taxes	7,076	7,492	7,927	435
Franchise taxes	10,634	10,634	10,880	246
Specific ownership & tobacco taxes	1,833	1,833	2,277	444
Excise taxes	-	-	1,047	1,047
Charges for services	4,985	5,291	4,729	(562)
Sale of goods	75	75	84	9
Licenses, permits and fines	5,553	5,704	6,592	888
Intergovernmental	1,168	1,779	1,552	(227)
Leases, rents and royalties	152	602	603	1
Interest and investment earnings	225	225	615	390
Other	247	790	1,489	699
Total revenues	<u>119,249</u>	<u>121,735</u>	<u>128,650</u>	<u>6,915</u>
Expenditures:				
Current:				
General Government	13,150	22,805	14,888	7,917
Administrative Services	14,977	17,071	13,549	3,522
Public Safety	52,953	55,864	54,336	1,528
Public Works	6,711	10,250	7,898	2,352
Planning & Development Services	2,302	3,869	3,126	743
Culture and Recreation	5,644	13,278	12,835	443
Open Space and Mountain Parks	154	31	33	(2)
Housing and Human Services	7,192	8,556	6,870	1,686
Debt service payments:				
Principal	3,080	3,080	3,080	-
Interest	2,021	2,021	2,021	-
Total expenditures	<u>108,184</u>	<u>136,825</u>	<u>118,636</u>	<u>18,189</u>
Excess (deficiency) of revenues over (under) expenditures	<u>11,065</u>	<u>(15,090)</u>	<u>10,014</u>	<u>25,104</u>

	Budgeted amounts		Actual amounts	Variance with final budget - Positive (Negative)
	Original	Final		
Other financing sources (uses):				
Transfers in	161	493	2,543	2,050
Transfers out	<u>(15,230)</u>	<u>(9,031)</u>	<u>(9,031)</u>	<u>-</u>
Total other financing sources (uses)	<u>(15,069)</u>	<u>(8,538)</u>	<u>(6,488)</u>	<u>2,050</u>
Net change in fund balance	\$ <u><u>(4,004)</u></u>	\$ <u><u>(23,628)</u></u>	3,526	\$ <u><u>27,154</u></u>
Encumbrances, end of year			2,688	
Fund balance, beginning of year, basis of budgeting			<u>51,658</u>	
Fund balance, end of year, basis of budgeting			<u>57,872</u>	
Basis of budgeting to GAAP basis reconciliation:				
Fair market value adjustment to investments			(119)	
Accrued salaries, wages and amounts withheld from employees			(2,967)	
Advances from other funds			<u>(1,229)</u>	
Fund balance, end of year, GAAP basis			\$ <u><u>53,557</u></u>	

CITY OF BOULDER, COLORADO

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
(Budgetary Basis)

Library Fund

Year ended December 31, 2016

(Amounts in 000's)

	Budgeted amounts		Actual amounts	Variance with final budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Taxes:				
General property taxes	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-
Sale of goods	-	-	-	-
Intergovernmental	-	-	-	-
Leases, rents and royalties	-	-	-	-
Interest and investment earnings	-	-	-	-
Other	-	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:				
Current:				
Culture and Recreation	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-
Other financing sources:				
Transfers out	-	-	(2,240)	(2,240)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(2,240)</u>	<u>(2,240)</u>
 Net change in fund balance	 \$ <u>-</u>	 \$ <u>-</u>	 (2,240)	 \$ <u>(2,240)</u>
Encumbrances, end of year			-	
Fund balance, beginning of year, basis of budgeting			<u>2,240</u>	
Fund balance, end of year, basis of budgeting			-	
Basis of budgeting to GAAP basis reconciliation:				
Fair market value adjustment to investments			-	
Accrued salaries, wages and amounts withheld from employees			<u>-</u>	
Fund balance, end of year, GAAP basis			\$ <u>-</u>	

CITY OF BOULDER, COLORADO

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
(Budgetary Basis)

CHAP Fund

Year ended December 31, 2016

(Amounts in 000's)

	<u>Budgeted amounts</u>		<u>Actual amounts</u>	Variance with final budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Taxes:				
General property taxes	\$ 2,265	\$ 2,265	\$ 2,455	\$ 190
Excise taxes	150	150	203	53
Charges for services	-	-	6	6
Interest and investment earnings	136	136	53	(83)
Other	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues	2,551	2,551	2,717	166
Expenditures:				
Current:				
Housing and Human Services	<u>3,166</u>	<u>7,075</u>	<u>2,470</u>	<u>4,605</u>
Total expenditures	<u>3,166</u>	<u>7,075</u>	<u>2,470</u>	<u>4,605</u>
Excess (deficiency) of revenues over (under) expenditures	(615)	(4,524)	247	4,771
Other financing uses:				
Transfers out	<u>(7)</u>	<u>(7)</u>	<u>(7)</u>	<u>-</u>
Total other financing sources (uses)	<u>(7)</u>	<u>(7)</u>	<u>(7)</u>	<u>-</u>
Net change in fund balance	\$ <u>(622)</u>	\$ <u>(4,531)</u>	240	\$ <u>4,771</u>
Fund balance, beginning of year, basis of budgeting			<u>4,851</u>	
Fund balance, end of year, basis of budgeting			5,091	
Basis of budgeting to GAAP basis reconciliation:				
Fair market value adjustment to investments			(11)	
Accrued salaries, wages and amounts withheld from employees			<u>(15)</u>	
Fund balance, end of year, GAAP basis			\$ <u>5,065</u>	

NONMAJOR SPECIAL REVENUE FUNDS

Special Revenue Funds are established to account for the proceeds of specific revenue sources (other than pension trusts, proprietary fund operations and revenues received for major capital projects) that are legally restricted for specified purposes. The City of Boulder has the following nonmajor special revenue funds:

Capital Development Fund - to account for development excise tax proceeds to be utilized for the acquisition, construction and improvement of facilities necessary to maintain the current level of public amenities such as police, fire, library, human services, municipal offices, streets, and parks and recreation.

Lottery Fund - to account for State Conservation Trust Fund proceeds to be utilized for the refurbishment, capital improvement and debt service on park acquisitions.

Planning & Development Services Fund – to account for revenues and expenditures related to development and building services functions.

Affordable Housing Fund - to account for cash in lieu financial contributions from developers and General Fund contributions committed to be used to construct, purchase and maintain permanently affordable housing units in Boulder.

.25 Cent Sales Tax Fund - to account for earmarked sales tax authorized by the voters in 1995 for parks and recreation operating and capital needs.

Library Fund - to account for the operations of the City-owned library and branches. Financing is provided by general property taxes, gifts and donations.

Recreation Activity Fund – to account for revenues and expenditures related to the provision of recreation, reservoir and golf course services/programs.

Climate Action Plan Tax Fund – to account for revenues and expenditures related to programs implemented to increase energy efficiency, increase renewable energy use, reduce emissions from motor vehicles and take other steps toward the goal of meeting the Kyoto Protocol.

Airport Fund - to account for the operations of the City-owned municipal airport. Financing is provided by grants, rents and leases which are required to be used for airport operations.

Transportation Development Fund - to account for development excise taxes to be utilized for the construction of transportation capital improvements related to new development and growth.

Transit Pass General Improvement District – to account for earmarked property tax authorized by the voters in 2000 to fund bus transit passes for participating neighborhoods.

BJAGID – TDM – to account for revenues and expenditures related to programs implemented by the Boulder Junction Authority General Improvement District to meet its Transportation Demand Management goals.

Community Development Fund - to account for funds granted by the Community Development Block Grant program administered by the Department of Housing and Urban Development.

HOME Fund - to account for funds granted by the HOME program administered by the Department of Housing and Urban Development.

NONMAJOR CAPITAL PROJECT FUNDS

The Capital Project Funds are established to account for financial resources to be utilized for acquisition, construction and improvement of capital assets (other than those financed by Proprietary Funds). The City of Boulder has the following nonmajor capital project funds:

Permanent Parks and Recreation Fund - to account for the construction of improvements to the City park systems and the maintenance thereof. Financing is provided by general property taxes, development excise taxes and park fees.

Fire Training Center Construction Fund – to account for the construction of a new fire training facility financed by a .15 cent sales tax approved by the voters in 2006 and funding provided by Boulder County.

Boulder Junction Improvement – to account for the development of a new “Boulder Junction” 160-acre site located around 30th and Pearl streets. It will be a regional transit-oriented, mixed-use neighborhood including a new regional bus and light rail terminal developed by Regional Transportation District (RTD). Funding is provided from a portion of the use taxes collected from development in the area.

2011 Capital Improvement – to account for the projects and improvements throughout the city approved by the voters in 2011. These improvements are funded by General Fund Bonds (Capital Improvement Projects) Series 2012. Only the budget-to-actual statement for this fund appears here. The other statements for this fund are included under the Financial Section tab.

Capital Improvement CCS Fund – to account for the construction and improvement of capital assets for the Community, Culture and Safety sales and use tax increase. The sales and use tax revenues will be used to improve community spaces, bolster cultural projects and organizations, and enhance safety.

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CITY OF BOULDER, COLORADO

Combining Balance Sheet

Nonmajor Governmental Funds

December 31, 2016

(Amounts in 000's)

<u>Assets and Deferred Outflows of Resources</u>	<u>Special Revenue</u>	<u>Capital Project</u>	<u>Total</u>
Equity in pooled cash and cash equivalents	\$ 5,965	\$ 997	\$ 6,962
Investments	43,538	12,015	55,553
Receivables:			
General property taxes	1,139	2,804	3,943
Sales and use taxes	946	1,136	2,082
Accounts	273	-	273
Accrued interest	142	24	166
Intergovernmental	288	142	430
Other	-	-	-
Total receivables	<u>2,788</u>	<u>4,106</u>	<u>6,894</u>
Inventory of materials and supplies	39	-	39
Restricted assets:			
Investments for special purposes	859	-	859
Investments for capital projects	-	371	371
Total restricted assets	<u>859</u>	<u>371</u>	<u>1,230</u>
Other assets	<u>5</u>	<u>-</u>	<u>5</u>
 Total assets	 <u>53,194</u>	 <u>17,489</u>	 <u>70,683</u>
 Deferred outflows of resources	 <u>-</u>	 <u>-</u>	 <u>-</u>
Total assets and deferred outflows of resources	<u>\$ 53,194</u>	<u>\$ 17,489</u>	<u>\$ 70,683</u>
 <u>Liabilities, Deferred Inflows of Resources and Fund Balances</u>			
Liabilities:			
Accounts and accrued liabilities:			
Vouchers and accounts payable	\$ 972	\$ 885	\$ 1,857
Contracts and retainage payable	49	378	427
Accrued salaries, wages and amounts withheld from employees	662	36	698
Due to other funds	105	-	105
Other liabilities	365	-	365
Unearned revenue:			
Unearned revenue	40	-	40
Total liabilities	<u>2,193</u>	<u>1,299</u>	<u>3,492</u>
Deferred inflows of resources:			
Property tax	1,139	2,804	3,943
Grants and other deferrals	163	144	307
Deferred inflow of resources	<u>1,302</u>	<u>2,948</u>	<u>4,250</u>
Fund balances:			
Nonspendable:			
Inventory	39	-	39
Restricted:			
Legally restricted	7,920	-	7,920
Capital projects	-	12,257	12,257
Development fees	7,851	-	7,851
Lottery funds	3,167	-	3,167
Donor restrictions	508	-	508
Committed:			
Affordable housing	8,841	-	8,841
Transportation projects	3,153	-	3,153
Assigned:			
Special purposes	18,220	985	19,205
Total fund balances	<u>49,699</u>	<u>13,242</u>	<u>62,941</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 53,194</u>	<u>\$ 17,489</u>	<u>\$ 70,683</u>

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CITY OF BOULDER, COLORADO

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds

Year ended December 31, 2016

(Amounts in 000's)

	<u>Special Revenue</u>	<u>Capital Project</u>	<u>Total</u>
Revenues:			
Taxes:			
Sales and use taxes	\$ 8,680	\$ 10,628	\$ 19,308
General property taxes	1,128	2,764	3,892
Franchise taxes	1,813	-	1,813
Excise taxes	898	105	1,003
Charges for services	10,906	-	10,906
Sale of goods	290	-	290
License, permits and fines	7,492	-	7,492
Intergovernmental	3,560	(4)	3,556
Leases, rents and royalties	1,977	1	1,978
Interest and investment earnings	340	100	440
Other	1,912	15	1,927
Total revenues	<u>38,996</u>	<u>13,609</u>	<u>52,605</u>
Expenditures:			
Current:			
General Government	88	-	88
Public Works	3,964	129	4,093
Planning & Development Services	11,251	-	11,251
Culture and Recreation	18,007	2,145	20,152
Open Space and Mountain Parks	294	-	294
Housing and Human Services	3,307	-	3,307
Capital outlay	-	11,378	11,378
Debt service payments:			
Principal	9	-	9
Total expenditures	<u>36,920</u>	<u>13,652</u>	<u>50,572</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,076</u>	<u>(43)</u>	<u>2,033</u>
Other financing sources (uses):			
Transfers in	7,835	-	7,835
Transfers out	(1,058)	(1,544)	(2,602)
Total other financing sources (uses)	<u>6,777</u>	<u>(1,544)</u>	<u>5,233</u>
Net change in fund balances	8,853	(1,587)	7,266
Fund balances, beginning of year, as restated	<u>40,846</u>	<u>14,829</u>	<u>55,675</u>
Fund balances, end of year	<u>\$ 49,699</u>	<u>\$ 13,242</u>	<u>\$ 62,941</u>

CITY OF BOULDER, COLORADO

Combining Balance Sheet

Nonmajor Special Revenue Funds

December 31, 2016

(Amounts in 000's)

<u>Assets and Deferred Outflows of Resources</u>	Capital Development Fund	Lottery Fund	Planning & Development Services Fund	Affordable Housing Fund	.25 Cent Sales Tax Fund	Library Fund	Recreation Activity Fund
Equity in pooled cash and cash equivalents	\$ 1,708	\$ 219	\$ 63	\$ 2,204	\$ 948	\$ 94	55
Investments	10,430	2,993	10,389	6,638	3,572	(3)	2,064
Receivables:							
General property taxes	-	-	-	-	-	1,037	-
Sales and use taxes	-	-	-	-	946	-	-
Accounts	-	-	67	-	5	51	9
Accrued interest	21	6	29	52	10	2	7
Intergovernmental	-	-	7	-	42	-	1
Total receivables	<u>21</u>	<u>6</u>	<u>103</u>	<u>52</u>	<u>1,003</u>	<u>1,090</u>	<u>17</u>
Inventory of materials and supplies	-	-	-	-	-	-	39
Restricted assets:							
Investments for special purposes	-	-	12	-	307	479	61
Investments for capital projects	-	-	-	-	-	-	-
Total restricted assets	<u>-</u>	<u>-</u>	<u>12</u>	<u>-</u>	<u>307</u>	<u>479</u>	<u>61</u>
Other assets	<u>-</u>	<u>-</u>	<u>4</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>12,159</u>	<u>3,218</u>	<u>10,571</u>	<u>8,894</u>	<u>5,830</u>	<u>1,660</u>	<u>2,236</u>
Deferred outflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets and deferred outflows of resources	<u>\$ 12,159</u>	<u>\$ 3,218</u>	<u>\$ 10,571</u>	<u>\$ 8,894</u>	<u>\$ 5,830</u>	<u>\$ 1,660</u>	<u>2,236</u>
 <u>Liabilities, Deferred Inflows of Resources and Fund Balances</u>							
Liabilities:							
Accounts and accrued liabilities:							
Vouchers and accounts payable	\$ 61	\$ 39	\$ 125	\$ 24	\$ 161	\$ 17	137
Contracts and retainage payable	-	12	-	-	22	-	-
Accrued salaries, wages and amounts withheld from employees	-	-	299	22	106	4	205
Due to other funds	-	-	-	-	-	-	-
Other liabilities	-	-	328	7	27	-	-
Unearned revenue	-	-	-	-	10	-	30
Total liabilities	<u>61</u>	<u>51</u>	<u>752</u>	<u>53</u>	<u>326</u>	<u>21</u>	<u>372</u>
Deferred inflows of resources:							
Property tax	-	-	-	-	-	1,037	-
Grants and other deferrals	-	-	55	-	49	-	1
Deferred inflows of resources	<u>-</u>	<u>-</u>	<u>55</u>	<u>-</u>	<u>49</u>	<u>1,037</u>	<u>1</u>
Fund balances:							
Nonspendable:							
Inventory	-	-	-	-	-	-	39
Restricted:							
Legally restricted	-	-	3	-	5,203	-	-
Development fees	7,851	-	-	-	-	-	-
Lottery funds	-	3,167	-	-	-	-	-
Donor restrictions	-	-	-	-	252	190	66
Committed:							
Affordable housing	-	-	-	8,841	-	-	-
Transportation projects	-	-	-	-	-	-	-
Assigned:							
Special purposes	4,247	-	9,761	-	-	412	1,758
Total fund balances	<u>12,098</u>	<u>3,167</u>	<u>9,764</u>	<u>8,841</u>	<u>5,455</u>	<u>602</u>	<u>1,863</u>
Total liabilities, deferred inflows from resources and fund balances	<u>\$ 12,159</u>	<u>\$ 3,218</u>	<u>\$ 10,571</u>	<u>\$ 8,894</u>	<u>\$ 5,830</u>	<u>\$ 1,660</u>	<u>2,236</u>

(continued)

Climate Action Plan Tax Fund	Airport Fund	Trans- portation Development Fund	Transit Pass General Improvement District	Boulder Junction Access GID - TDM	Community Development Fund	HOME Fund	Total
\$ 243	\$ 132	\$ 236	\$ 14	\$ 31	\$ -	\$ 18	\$ 5,965
1,173	1,416	4,881	-	58	(23)	(50)	43,538
-	-	-	10	92	-	-	1,139
-	-	-	-	-	-	-	946
15	126	-	-	-	-	-	273
4	1	10	-	-	-	-	142
2	-	-	-	-	166	70	288
<u>21</u>	<u>127</u>	<u>10</u>	<u>10</u>	<u>92</u>	<u>166</u>	<u>70</u>	<u>2,788</u>
-	-	-	-	-	-	-	39
-	-	-	-	-	-	-	859
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	859
-	-	-	-	1	-	-	5
<u>1,437</u>	<u>1,675</u>	<u>5,127</u>	<u>24</u>	<u>182</u>	<u>143</u>	<u>38</u>	<u>53,194</u>
-	-	-	-	-	-	-	-
<u>\$ 1,437</u>	<u>\$ 1,675</u>	<u>\$ 5,127</u>	<u>\$ 24</u>	<u>\$ 182</u>	<u>\$ 143</u>	<u>\$ 38</u>	<u>\$ 53,194</u>
\$ 312	\$ 3	\$ 20	\$ -	\$ -	\$ 36	\$ 37	\$ 972
-	-	15	-	-	-	-	49
16	6	1	-	-	2	1	662
-	-	-	-	-	105	-	105
-	3	-	-	-	-	-	365
-	-	-	-	-	-	-	40
<u>328</u>	<u>12</u>	<u>36</u>	<u>-</u>	<u>-</u>	<u>143</u>	<u>38</u>	<u>2,193</u>
-	-	-	10	92	-	-	1,139
2	56	-	-	-	-	-	163
<u>2</u>	<u>56</u>	<u>-</u>	<u>10</u>	<u>92</u>	<u>-</u>	<u>-</u>	<u>1,302</u>
-	-	-	-	-	-	-	39
1,107	1,607	-	-	-	-	-	7,920
-	-	-	-	-	-	-	7,851
-	-	-	-	-	-	-	3,167
-	-	-	-	-	-	-	508
-	-	-	-	-	-	-	8,841
-	-	3,153	-	-	-	-	3,153
-	-	1,938	14	90	-	-	18,220
<u>1,107</u>	<u>1,607</u>	<u>5,091</u>	<u>14</u>	<u>90</u>	<u>-</u>	<u>-</u>	<u>49,699</u>
<u>\$ 1,437</u>	<u>\$ 1,675</u>	<u>\$ 5,127</u>	<u>\$ 24</u>	<u>\$ 182</u>	<u>\$ 143</u>	<u>\$ 38</u>	<u>\$ 53,194</u>

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CITY OF BOULDER, COLORADO

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Special Revenue Funds

Year ended December 31, 2016

(Amounts in 000's)

	Capital Development <u>Fund</u>	Lottery <u>Fund</u>	Planning & Development Services <u>Fund</u>	Affordable Housing <u>Fund</u>
Revenues:				
Taxes:				
Sales and use taxes	\$ -	\$ -	\$ -	\$ -
General property taxes	-	-	-	-
Franchise taxes	-	-	-	-
Excise taxes	-	-	-	-
Charges for services	998	-	1,922	1,143
Sale of goods	-	-	-	-
Licenses, permits and fines	-	-	7,434	-
Intergovernmental	-	1,174	15	-
Leases, rents and royalties	-	-	-	-
Interest and investment earnings	79	20	85	79
Other	-	-	-	55
Total revenues	<u>1,077</u>	<u>1,194</u>	<u>9,456</u>	<u>1,277</u>
Expenditures:				
Current:				
General Government	-	-	-	-
Public Works	296	230	-	-
Planning & Development Services	-	-	11,251	-
Culture and Recreation	-	-	-	-
Open Space and Mountain Parks	-	294	-	-
Housing and Human Services	-	-	-	1,252
Debt service payments:				
Principal	-	-	-	-
Total expenditures	<u>296</u>	<u>524</u>	<u>11,251</u>	<u>1,252</u>
Excess (deficiency) of revenues over (under) expenditures	<u>781</u>	<u>670</u>	<u>(1,795)</u>	<u>25</u>
Other financing sources (uses):				
Transfers in	811	-	3,148	1,777
Transfers out	<u>(157)</u>	<u>-</u>	<u>-</u>	<u>(429)</u>
Total other financing sources (uses)	<u>654</u>	<u>-</u>	<u>3,148</u>	<u>1,348</u>
Net change in fund balances	1,435	670	1,353	1,373
Fund balances, beginning of year	<u>10,663</u>	<u>2,497</u>	<u>8,411</u>	<u>7,468</u>
Fund balances, end of year	<u>\$ 12,098</u>	<u>\$ 3,167</u>	<u>\$ 9,764</u>	<u>\$ 8,841</u>

	<u>.25 Cent Sales Tax Fund</u>	<u>Library Fund</u>	<u>Recreation Activity Fund</u>	<u>Climate Action Plan Tax Fund</u>	<u>Airport Fund</u>	<u>Trans- portation Development Fund</u>
Revenues:						
Taxes:						
Sales and use taxes	\$ 8,680	\$ -	-	\$ -	\$ -	\$ -
General property taxes	-	1,023	-	-	-	-
Franchise taxes	-	-	-	1,813	-	-
Excise taxes	-	-	-	-	-	898
Charges for services	-	-	6,830	-	13	-
Sale of goods	-	-	290	-	-	-
Licenses, permits and fines	8	-	50	-	-	-
Intergovernmental	258	27	-	14	17	-
Leases, rents and royalties	58	-	1,346	-	573	-
Interest and investment earnings	23	5	(3)	11	7	34
Other	219	112	77	188	1,261	-
Total revenues	<u>9,246</u>	<u>1,167</u>	<u>8,590</u>	<u>2,026</u>	<u>1,871</u>	<u>932</u>
Expenditures:						
Current:						
General Government	-	-	-	-	-	-
Public Works	451	-	-	1,923	425	622
Planning & Development Services	-	-	-	-	-	-
Culture and Recreation	6,701	1,180	10,126	-	-	-
Open Space and Mountain Parks	-	-	-	-	-	-
Housing and Human Services	-	-	-	-	-	-
Debt service payments:						
Principal	9	-	-	-	-	-
Total expenditures	<u>7,161</u>	<u>1,180</u>	<u>10,126</u>	<u>1,923</u>	<u>425</u>	<u>622</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,085</u>	<u>(13)</u>	<u>(1,536)</u>	<u>103</u>	<u>1,446</u>	<u>310</u>
Other financing sources (uses):						
Transfers in	-	615	1,479	-	-	-
Transfers out	-	-	-	-	-	(7)
Total other financing sources (uses)	<u>-</u>	<u>615</u>	<u>1,479</u>	<u>-</u>	<u>-</u>	<u>(7)</u>
Net change in fund balances	2,085	602	(57)	103	1,446	303
Fund balances, beginning of year	<u>3,370</u>	<u>-</u>	<u>1,920</u>	<u>1,004</u>	<u>161</u>	<u>4,788</u>
Fund balances, end of year	<u>\$ 5,455</u>	<u>\$ 602</u>	<u>1,863</u>	<u>\$ 1,107</u>	<u>\$ 1,607</u>	<u>\$ 5,091</u>

Transit Pass General Improvement District	Boulder Junction Access GID- TDM	Gifts and Contributions Fund	Community Development Fund	HOME Fund	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,680
10	95	-	-	-	1,128
-	-	-	-	-	1,813
-	-	-	-	-	898
-	-	-	-	-	10,906
-	-	-	-	-	290
-	-	-	-	-	7,492
-	-	-	1,280	775	3,560
-	-	-	-	-	1,977
-	-	-	-	-	340
-	-	-	-	-	1,912
<u>10</u>	<u>95</u>	<u>-</u>	<u>1,280</u>	<u>775</u>	<u>38,996</u>
-	88	-	-	-	88
17	-	-	-	-	3,964
-	-	-	-	-	11,251
-	-	-	-	-	18,007
-	-	-	-	-	294
-	-	-	1,280	775	3,307
-	-	-	-	-	9
<u>17</u>	<u>88</u>	<u>-</u>	<u>1,280</u>	<u>775</u>	<u>36,920</u>
<u>(7)</u>	<u>7</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,076</u>
5	-	-	-	-	7,835
-	-	(465)	-	-	(1,058)
<u>5</u>	<u>-</u>	<u>(465)</u>	<u>-</u>	<u>-</u>	<u>6,777</u>
(2)	7	(465)	-	-	8,853
<u>16</u>	<u>83</u>	<u>465</u>	<u>-</u>	<u>-</u>	<u>40,846</u>
\$ <u>14</u>	\$ <u>90</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>49,699</u>

CITY OF BOULDER, COLORADO

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
(Budgetary Basis)

Capital Development Fund

Year ended December 31, 2016

(Amounts in 000's)

	<u>Budgeted amounts</u>		<u>Actual amounts</u>	Variance with final budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Taxes:				
Excise taxes	\$ 102	\$ 102	\$ -	\$ (102)
Charges for services	1,169	1,169	998	(171)
Interest and investment earnings	32	32	96	64
Total revenues	<u>1,303</u>	<u>1,303</u>	<u>1,094</u>	<u>(209)</u>
Expenditures:				
Current:				
Public Works	54	998	662	336
Total expenditures	<u>54</u>	<u>998</u>	<u>662</u>	<u>336</u>
Excess (deficiency) of revenues over (under) expenditures	1,249	305	432	127
Other financing uses:				
Transfers in	811	811	811	-
Transfers out	(157)	(157)	(157)	-
Total other financing sources (uses)	<u>654</u>	<u>654</u>	<u>654</u>	<u>-</u>
Net change in fund balance	\$ <u>1,903</u>	\$ <u>959</u>	1,086	\$ <u>127</u>
Encumbrances, end of year			366	
Fund balance, beginning of year, basis of budgeting			<u>10,670</u>	
Fund balance, end of year, basis of budgeting			12,122	
Basis of budgeting to GAAP basis reconciliation:				
Fair market value adjustment to investments			<u>(24)</u>	
Fund balance, end of year, GAAP basis			\$ <u>12,098</u>	

CITY OF BOULDER, COLORADO

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
(Budgetary Basis)

Lottery Fund

Year ended December 31, 2016

(Amounts in 000's)

	Budgeted amounts		Actual amounts	Variance with final budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 849	\$ 849	\$ 1,174	\$ 325
Interest and investment earnings	<u>8</u>	<u>8</u>	<u>23</u>	<u>15</u>
Total revenues	<u>857</u>	<u>857</u>	<u>1,197</u>	<u>340</u>
Expenditures:				
Current:				
Public Works	127	984	-	984
Culture and Recreation	361	598	343	255
Open Space and Mountain Parks	<u>361</u>	<u>1,274</u>	<u>475</u>	<u>799</u>
Total expenditures	<u>849</u>	<u>2,856</u>	<u>818</u>	<u>2,038</u>
Excess (deficiency) of revenues over expenditures	<u>8</u>	<u>(1,999)</u>	<u>379</u>	<u>2,378</u>
Net change in fund balance	\$ <u>8</u>	\$ <u>(1,999)</u>	379	\$ <u>2,378</u>
Encumbrances, end of year			294	
Fund balance, beginning of year, basis of budgeting			<u>2,501</u>	
Fund balance, end of year, basis of budgeting			3,174	
Basis of budgeting to GAAP basis reconciliation:				
Fair market value adjustment to investments			(7)	
Accrued salaries, wages and amounts withheld from employees			<u>-</u>	
Fund balance, end of year, GAAP basis			\$ <u><u>3,167</u></u>	

CITY OF BOULDER, COLORADO

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
(Budgetary Basis)

Planning & Development Services Fund

Year ended December 31, 2016

(Amounts in 000's)

	Budgeted amounts		Actual amounts	Variance with final budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Charges for services	\$ 1,607	\$ 1,607	\$ 1,922	\$ 315
Sale of goods	3	3	-	(3)
Licenses, permits and fines	5,318	5,318	7,434	2,116
Intergovernmental	-	16	15	(1)
Interest and investment earnings	35	35	98	63
Total revenues	<u>6,963</u>	<u>6,979</u>	<u>9,469</u>	<u>2,490</u>
Expenditures:				
Current:				
Planning & Development Services	<u>10,839</u>	<u>13,191</u>	<u>11,506</u>	<u>1,685</u>
Total expenditures	<u>10,839</u>	<u>13,191</u>	<u>11,506</u>	<u>1,685</u>
Excess (deficiency) of revenues over (under) expenditures	(3,876)	(6,212)	(2,037)	4,175
Other financing sources (uses):				
Transfers in	<u>3,148</u>	<u>3,148</u>	<u>3,148</u>	-
Total other financing sources (uses)	<u>3,148</u>	<u>3,148</u>	<u>3,148</u>	-
Net change in fund balance	\$ <u>(728)</u>	\$ <u>(3,064)</u>	1,111	\$ <u>4,175</u>
Encumbrances, end of year			280	
Fund balance, beginning of year, basis of budgeting			<u>8,696</u>	
Fund balance, end of year, basis of budgeting			10,087	
Basis of budgeting to GAAP basis reconciliation:				
Fair market value adjustment to investments			(24)	
Accrued salaries, wages and amounts withheld from employees			<u>(299)</u>	
Fund balance, end of year, GAAP basis			\$ <u>9,764</u>	

CITY OF BOULDER, COLORADO

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
(Budgetary Basis)

Affordable Housing Fund

Year ended December 31, 2016

(Amounts in 000's)

	Budgeted amounts		Actual amounts	Variance with final budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Charges for services	\$ 1,862	\$ 1,862	\$ 1,143	\$ (719)
Interest and investment earnings	20	20	86	66
Other	-	-	55	55
Total revenues	<u>1,882</u>	<u>1,882</u>	<u>1,284</u>	<u>(598)</u>
Expenditures:				
Current:				
Housing and Human Services	<u>1,570</u>	<u>10,100</u>	<u>1,275</u>	<u>8,825</u>
Total expenditures	<u>1,570</u>	<u>10,100</u>	<u>1,275</u>	<u>8,825</u>
Excess (deficiency) of revenues over (under) expenditures	312	(8,218)	9	8,227
Other financing sources (uses):				
Transfers in	240	1,777	1,777	-
Transfers out	-	(429)	(429)	-
Total other financing sources (uses)	<u>240</u>	<u>1,348</u>	<u>1,348</u>	<u>-</u>
 Net change in fund balance	 <u>\$ 552</u>	 <u>\$ (6,870)</u>	 1,357	 <u>\$ 8,227</u>
 Encumbrances, end of year			30	
Fund balance, beginning of year, basis of budgeting			<u>7,495</u>	
Fund balance, end of year, basis of budgeting			8,882	
 Basis of budgeting to GAAP basis reconciliation:				
Fair market value adjustment to investments			(19)	
Accrued salaries, wages and amounts withheld from employees			<u>(22)</u>	
 Fund balance, end of year, GAAP basis			 <u>\$ 8,841</u>	

CITY OF BOULDER, COLORADO

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
(Budgetary Basis)

.25 Cent Sales Tax Fund

Year ended December 31, 2016

(Amounts in 000's)

	Budgeted amounts		Actual amounts	Variance with final budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Taxes:				
Sales and use taxes	\$ 8,685	\$ 8,685	\$ 8,680	\$ (5)
Licenses, permits and fines	-	-	8	8
Intergovernmental	-	-	258	258
Leases, rents and royalties	-	-	62	62
Interest and investment earnings	20	20	29	9
Other	200	400	219	(181)
Total revenues	<u>8,905</u>	<u>9,105</u>	<u>9,256</u>	<u>151</u>
Expenditures:				
Current:				
Public Works	450	464	461	3
Culture and Recreation	7,274	9,368	7,007	2,361
Debt service payments:				
Principal	-	-	9	(9)
Total expenditures	<u>7,724</u>	<u>9,832</u>	<u>7,477</u>	<u>2,355</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,181</u>	<u>(727)</u>	<u>1,779</u>	<u>2,506</u>
 Net change in fund balance	 \$ <u>1,181</u>	 \$ <u>(727)</u>	 1,779	 \$ <u>2,506</u>
 Encumbrances, end of year			304	
Fund balance, beginning of year, basis of budgeting			<u>3,497</u>	
Fund balance, end of year, basis of budgeting			5,580	
 Basis of budgeting to GAAP basis reconciliation:				
Unearned revenue			(10)	
Fair market value adjustment to investments			(9)	
Accrued salaries, wages and amounts withheld from employees			<u>(106)</u>	
Fund balance, end of year, GAAP basis			\$ <u>5,455</u>	

CITY OF BOULDER, COLORADO

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
(Budgetary Basis)

Library Fund

Year ended December 31, 2016

(Amounts in 000's)

	Budgeted amounts		Actual amounts	Variance with final budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Taxes:				
General property taxes	\$ -	\$ 943	\$ 1,023	\$ 80
Intergovernmental	-	-	27	27
Interest and investment earnings	-	-	5	5
Other	-	358	112	(246)
Total revenues	<u>-</u>	<u>1,301</u>	<u>1,167</u>	<u>(134)</u>
Expenditures:				
Current:				
Culture and Recreation	-	1,451	1,215	236
Total expenditures	<u>-</u>	<u>1,451</u>	<u>1,215</u>	<u>236</u>
Excess (deficiency) of revenues over (under) expenditures	-	(150)	(48)	102
Other financing sources:				
Transfers in	-	150	615	465
Total other financing sources (uses)	<u>-</u>	<u>150</u>	<u>615</u>	<u>465</u>
Net change in fund balance	\$ <u>-</u>	\$ <u>-</u>	567	\$ <u>567</u>
Encumbrances, end of year			39	
Fund balance, beginning of year, basis of budgeting			-	
Fund balance, end of year, basis of budgeting			<u>606</u>	
Basis of budgeting to GAAP basis reconciliation:				
Accrued salaries, wages and amounts withheld from employees			<u>(4)</u>	
Fund balance, end of year, GAAP basis			\$ <u>602</u>	

CITY OF BOULDER, COLORADO

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
(Budgetary Basis)

Recreation Activity Fund

Year ended December 31, 2016

(Amounts in 000's)

	Budgeted amounts		Actual amounts	Variance with final budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Charges for services	\$ 7,319	\$ 7,379	\$ 6,830	\$ (549)
Sale of goods	180	180	290	110
Licenses, permits and fines	185	185	50	(135)
Leases, rents and royalties	1,202	1,202	1,346	144
Interest and investment earnings	11	11	-	(11)
Other	124	155	77	(78)
Total revenues	<u>9,021</u>	<u>9,112</u>	<u>8,593</u>	<u>(519)</u>
Expenditures:				
Current:				
Culture and Recreation	<u>10,415</u>	<u>10,695</u>	<u>10,148</u>	<u>547</u>
Total expenditures	<u>10,415</u>	<u>10,695</u>	<u>10,148</u>	<u>547</u>
Excess (deficiency) of revenues over (under) expenditures	(1,394)	(1,583)	(1,555)	28
Other financing sources (uses):				
Transfers in	<u>1,479</u>	<u>1,479</u>	<u>1,479</u>	<u>-</u>
Total other financing sources (uses)	<u>1,479</u>	<u>1,479</u>	<u>1,479</u>	<u>-</u>
Net change in fund balance	\$ <u>85</u>	\$ <u>(104)</u>	(76)	\$ <u>28</u>
Encumbrances, end of year			38	
Fund balance, beginning of year, basis of budgeting			<u>2,112</u>	
Fund balance, end of year, basis of budgeting			2,074	
Basis of budgeting to GAAP basis reconciliation:				
Fair market value adjustment to investments			(6)	
Accrued salaries, wages and amounts withheld from employees			<u>(205)</u>	
Fund balance, end of year, GAAP basis			\$ <u>1,863</u>	

CITY OF BOULDER, COLORADO

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
(Budgetary Basis)

Climate Action Plan Tax Fund

Year ended December 31, 2016

(Amounts in 000's)

	Budgeted amounts		Actual amounts	Variance with final budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Taxes:				
Franchise taxes	\$ 1,843	\$ 1,843	\$ 1,813	\$ (30)
Intergovernmental	-	15	14	(1)
Interest and investment earnings	2	2	12	10
Other	-	174	188	14
Total revenues	<u>1,845</u>	<u>2,034</u>	<u>2,027</u>	<u>(7)</u>
Expenditures:				
Current:				
Planning & Development Services	<u>1,955</u>	<u>2,996</u>	<u>2,590</u>	<u>406</u>
Total expenditures	<u>1,955</u>	<u>2,996</u>	<u>2,590</u>	<u>406</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(110)</u>	<u>(962)</u>	<u>(563)</u>	<u>399</u>
 Net change in fund balance	 \$ <u><u>(110)</u></u>	 \$ <u><u>(962)</u></u>	 (563)	 \$ <u><u>399</u></u>
 Encumbrances, end of year			664	
Fund balance, beginning of year, basis of budgeting			<u>1,025</u>	
Fund balance, end of year, basis of budgeting			1,126	
 Basis of budgeting to GAAP basis reconciliation:				
Fair market value adjustment to investments			(3)	
Accrued salaries, wages and amounts withheld from employees			<u>(16)</u>	
 Fund balance, end of year, GAAP basis			\$ <u><u>1,107</u></u>	

CITY OF BOULDER, COLORADO

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
(Budgetary Basis)

Airport Fund

Year ended December 31, 2016

(Amounts in 000's)

	Budgeted amounts		Actual amounts	Variance with final budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Charges for services	\$ 11	\$ 11	\$ 13	\$ 2
Intergovernmental	-	-	17	17
Leases, rents and royalties	564	564	573	9
Interest and investment earnings	5	5	9	4
Other	-	1,261	1,261	-
Total revenues	<u>580</u>	<u>1,841</u>	<u>1,873</u>	<u>32</u>
Expenditures:				
Current:				
Public Works	<u>427</u>	<u>576</u>	<u>425</u>	<u>151</u>
Total expenditures	<u>427</u>	<u>576</u>	<u>425</u>	<u>151</u>
Excess (deficiency) of revenues over (under) expenditures	153	1,265	1,448	183
Other financing uses:				
Transfers out	<u>(35)</u>	<u>(210)</u>	<u>(210)</u>	<u>-</u>
Total other financing sources (uses)	<u>(35)</u>	<u>(210)</u>	<u>(210)</u>	<u>-</u>
 Net change in fund balance	 <u>\$ 118</u>	 <u>\$ 1,055</u>	 1,238	 <u>\$ 183</u>
 Fund balance, beginning of year, basis of budgeting			<u>377</u>	
Fund balance, end of year, basis of budgeting			1,615	
 Basis of budgeting to GAAP basis reconciliation:				
Fair market value adjustment to investments			(2)	
Accrued salaries, wages and amounts withheld from employees			(6)	
 Fund balance, end of year, GAAP basis			<u>\$ 1,607</u>	

CITY OF BOULDER, COLORADO

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
(Budgetary Basis)

Transportation Development Fund

Year ended December 31, 2016

(Amounts in 000's)

	<u>Budgeted amounts</u>		<u>Actual amounts</u>	Variance with final budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Taxes:				
Excise taxes	\$ 977	\$ 977	\$ 898	\$ (79)
Interest and investment earnings	9	9	42	33
Other	100	100	-	(100)
Total revenues	<u>1,086</u>	<u>1,086</u>	<u>940</u>	<u>(146)</u>
Expenditures:				
Current:				
Public Works	<u>1,194</u>	<u>3,324</u>	<u>718</u>	<u>2,606</u>
Total expenditures	<u>1,194</u>	<u>3,324</u>	<u>718</u>	<u>2,606</u>
Excess (deficiency) of revenues over (under) expenditures	(108)	(2,238)	222	2,460
Other financing uses:				
Transfers out	<u>(7)</u>	<u>(7)</u>	<u>(7)</u>	<u>-</u>
Total other financing sources (uses)	<u>(7)</u>	<u>(7)</u>	<u>(7)</u>	<u>-</u>
Net change in fund balance	\$ <u>(115)</u>	\$ <u>(2,245)</u>	215	\$ <u>2,460</u>
Encumbrances, end of year			96	
Fund balance, beginning of year, basis of budgeting			<u>4,790</u>	
Fund balance, end of year, basis of budgeting			<u>5,101</u>	
Basis of budgeting to GAAP basis reconciliation:				
Fair market value adjustment to investments			(9)	
Accrued salaries, wages and amounts withheld from employees			<u>(1)</u>	
Fund balance, end of year, GAAP basis			\$ <u>5,091</u>	

CITY OF BOULDER, COLORADO

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
(Budgetary Basis)

Transit Pass General Improvement District

Year ended December 31, 2016

(Amounts in 000's)

	<u>Budgeted amounts</u>		<u>Actual amounts</u>	Variance with final budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Taxes:				
General property taxes	\$ <u>10</u>	\$ <u>10</u>	\$ <u>10</u>	\$ <u>-</u>
Total revenues	<u>10</u>	<u>10</u>	<u>10</u>	<u>-</u>
Expenditures:				
Current:				
Public Works	<u>15</u>	<u>15</u>	<u>17</u>	<u>(2)</u>
Total expenditures	<u>15</u>	<u>15</u>	<u>17</u>	<u>(2)</u>
Excess (deficiency) of revenues over (under) expenditures	(5)	(5)	(7)	(2)
Other financing sources -				
Transfers in	<u>5</u>	<u>5</u>	<u>5</u>	<u>-</u>
Total other financing sources (uses)	<u>5</u>	<u>5</u>	<u>5</u>	<u>-</u>
 Net change in fund balance	 <u>\$ -</u>	 <u>\$ -</u>	 (2)	 <u>\$ (2)</u>
 Fund balance, beginning of year, basis of budgeting			 <u>16</u>	
Fund balance, end of year, basis of budgeting			<u>14</u>	
 Basis of budgeting to GAAP basis reconciliation			 <u>-</u>	
 Fund balance, end of year, GAAP basis			 <u>\$ 14</u>	

CITY OF BOULDER, COLORADO

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
(Budgetary Basis)

Boulder Junction Access GID - TDM

Year ended December 31, 2016

(Amounts in 000's)

	Budgeted amounts		Actual amounts	Variance with final budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Taxes:				
General property taxes	\$ 150	\$ 150	\$ 91	\$ (59)
Specific ownership & tobacco taxes	<u>2</u>	<u>2</u>	<u>4</u>	<u>2</u>
Total revenues	<u>152</u>	<u>152</u>	<u>95</u>	<u>(57)</u>
Expenditures:				
Current:				
General Government	<u>176</u>	<u>177</u>	<u>88</u>	<u>89</u>
Total expenditures	<u>176</u>	<u>177</u>	<u>88</u>	<u>89</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(24)</u>	<u>(25)</u>	<u>7</u>	<u>32</u>
 Net change in fund balance	 \$ <u>(24)</u>	 \$ <u>(25)</u>	 7	 \$ <u>32</u>
 Fund balance, beginning of year, basis of budgeting			<u>83</u>	
Fund balance, end of year, GAAP basis			\$ <u>90</u>	

CITY OF BOULDER, COLORADO

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
(Budgetary Basis)

Community Development Fund

Year ended December 31, 2016

(Amounts in 000's)

	Budgeted amounts		Actual amounts	Variance with final budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 634	\$ 1,801	\$ 1,282	\$ (519)
Total revenues	<u>634</u>	<u>1,801</u>	<u>1,282</u>	<u>(519)</u>
Expenditures:				
Current:				
Housing and Human Services	<u>634</u>	<u>1,801</u>	<u>1,282</u>	<u>519</u>
Total expenditures	<u>634</u>	<u>1,801</u>	<u>1,282</u>	<u>519</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
 Net change in fund balance	 \$ <u>-</u>	 \$ <u>-</u>	 -	 \$ <u>-</u>
 Fund balance, beginning of year, basis of budgeting			 <u>-</u>	
Fund balance, end of year, basis of budgeting			 -	
Basis of budgeting to GAAP basis reconciliation				
Accrued salaries, wages and amounts withheld from employees			(2)	
Grant receivable			<u>2</u>	
Fund balance, end of year, GAAP basis			 \$ <u>-</u>	

CITY OF BOULDER, COLORADO

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
(Budgetary Basis)

HOME Fund

Year ended December 31, 2016

(Amounts in 000's)

	Budgeted amounts		Actual amounts	Variance with final budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 780	\$ 2,287	\$ 775	\$ (1,512)
Total revenues	<u>780</u>	<u>2,287</u>	<u>775</u>	<u>(1,512)</u>
Expenditures:				
Current:				
Housing and Human Services	780	2,287	775	1,512
Total expenditures	<u>780</u>	<u>2,287</u>	<u>775</u>	<u>1,512</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
 Net change in fund balance	 \$ <u>-</u>	 \$ <u>-</u>	 -	 \$ <u>-</u>
 Fund balance, beginning of year, basis of budgeting			<u>-</u>	
Fund balance, end of year, basis of budgeting			-	
Accrued salaries, wages			(1)	
Grant receivable			<u>1</u>	
 Fund balance, end of year, GAAP basis			 \$ <u>-</u>	

CITY OF BOULDER, COLORADO

Combining Balance Sheet

Nonmajor Capital Project Funds

December 31, 2016

(Amounts in 000's)

<u>Assets and Deferred Outflows of Resources</u>	Permanent Parks and Recreation Fund	Fire Training Center Construction Fund	Boulder Junction Improvement Fund	2011 Capital Improvement Fund	Capital Improvement CCS Fund	<u>Total</u>
Equity in pooled cash and cash equivalents	\$ 12	\$ -	\$ -	\$ -	\$ 985	\$ 997
Investments	2,015	4	1,006	2,004	6,986	12,015
Receivables:						
General property taxes	2,804	-	-	-	-	2,804
Sales and use taxes	-	-	-	-	1,136	1,136
Accrued interest	4	-	9	11	-	24
Intergovernmental	142	-	-	-	-	142
Total receivables	<u>2,950</u>	<u>-</u>	<u>9</u>	<u>11</u>	<u>1,136</u>	<u>4,106</u>
Investments for capital projects	<u>-</u>	<u>-</u>	<u>-</u>	<u>371</u>	<u>-</u>	<u>371</u>
Total restricted assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>371</u>	<u>-</u>	<u>371</u>
 Total assets	 <u>4,977</u>	 <u>4</u>	 <u>1,015</u>	 <u>2,386</u>	 <u>9,107</u>	 <u>17,489</u>
 Total assets and deferred outflows of resources	 <u>\$ 4,977</u>	 <u>\$ 4</u>	 <u>\$ 1,015</u>	 <u>\$ 2,386</u>	 <u>\$ 9,107</u>	 <u>\$ 17,489</u>
 <u>Liabilities, Deferred Inflows of Resources and Fund Balance</u>						
Liabilities:						
Accounts and accrued liabilities:						
Vouchers and accounts payable	\$ 137	\$ -	\$ 17	\$ 37	\$ 694	\$ 885
Contracts and retainage payable	18	-	17	193	150	378
Accrued salaries, wages and amounts withheld from employees	28	-	-	4	4	36
Total liabilities	<u>183</u>	<u>-</u>	<u>34</u>	<u>234</u>	<u>848</u>	<u>1,299</u>
Deferred inflows of resources:						
Property tax	2,804	-	-	-	-	2,804
Grants and other deferrals	144	-	-	-	-	144
Deferred inflows of resources	<u>2,948</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,948</u>
 Fund balances:						
Restricted:						
Capital projects	1,846	-	-	2,152	8,259	12,257
Assigned:						
Special purposes	-	4	981	-	-	985
Total fund balances	<u>1,846</u>	<u>4</u>	<u>981</u>	<u>2,152</u>	<u>8,259</u>	<u>13,242</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 4,977</u>	<u>\$ 4</u>	<u>\$ 1,015</u>	<u>\$ 2,386</u>	<u>\$ 9,107</u>	<u>\$ 17,489</u>

CITY OF BOULDER, COLORADO

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Capital Project Funds

Year ended December 31, 2016

(Amounts in 000's)

	Permanent Parks and Recreation <u>Fund</u>	Fire Training Center Construction <u>Fund</u>	Boulder Junction Improvement <u>Fund</u>	2011 Capital Improvement <u>Fund</u>	Capital Improvement CCS Fund	<u>Total</u>
Revenues:						
Taxes:						
Sales and use taxes	\$ -	\$ -	\$ 190	\$ -	\$ 10,438	\$ 10,628
General property taxes	2,764	-	-	-	-	2,764
Excise taxes	-	-	105	-	-	105
Intergovernmental	(4)	-	-	-	-	(4)
Leases, rents and royalties	1	-	-	-	-	1
Interest and investment earnings	10	-	17	34	39	100
Other	15	-	-	-	-	15
Total revenues	<u>2,786</u>	<u>-</u>	<u>312</u>	<u>34</u>	<u>10,477</u>	<u>13,609</u>
Expenditures:						
Current:						
Capital Outlay	-	-	-	1,094	10,284	11,378
Culture and Recreation	2,145	-	-	-	-	2,145
Public Works	-	-	129	-	-	129
Total expenditures	<u>2,145</u>	<u>-</u>	<u>129</u>	<u>1,094</u>	<u>10,284</u>	<u>13,652</u>
Excess (deficiency) of revenues over (under) expenditures	641	-	183	(1,060)	193	(43)
Other financing sources (uses)						
Transfers out	<u>(7)</u>	<u>-</u>	<u>(1,537)</u>	<u>-</u>	<u>-</u>	<u>(1,544)</u>
Total other financing sources (uses)	<u>(7)</u>	<u>-</u>	<u>(1,537)</u>	<u>-</u>	<u>-</u>	<u>(1,544)</u>
Net change in fund balances	<u>634</u>	<u>-</u>	<u>(1,354)</u>	<u>(1,060)</u>	<u>193</u>	<u>(1,587)</u>
Fund balances, beginning of year	<u>1,212</u>	<u>4</u>	<u>2,335</u>	<u>3,212</u>	<u>8,066</u>	<u>14,829</u>
Fund balances, end of year	\$ <u>1,846</u>	\$ <u>4</u>	\$ <u>981</u>	\$ <u>2,152</u>	\$ <u>8,259</u>	\$ <u>13,242</u>

CITY OF BOULDER, COLORADO

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
(Budgetary Basis)

Permanent Parks and Recreation Fund

Year ended December 31, 2016

(Amounts in 000's)

	<u>Budgeted amounts</u>		<u>Actual amounts</u>	Variance with final budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Taxes:				
General property taxes	\$ 2,548	\$ 2,548	\$ 2,764	\$ 216
Intergovernmental	-	-	(4)	(4)
Leases, rents and royalties	-	-	1	1
Interest and investment earnings	15	15	13	(2)
Other	25	31	15	(16)
Total revenues	<u>2,588</u>	<u>2,594</u>	<u>2,789</u>	<u>195</u>
Expenditures:				
Culture and Recreation	<u>2,437</u>	<u>3,131</u>	<u>2,196</u>	<u>935</u>
Total expenditures	<u>2,437</u>	<u>3,131</u>	<u>2,196</u>	<u>935</u>
Excess (deficiency) of revenues over (under) expenditures	151	(537)	593	1,130
Other financing sources (uses)				
Transfers out	<u>(7)</u>	<u>(7)</u>	<u>(7)</u>	<u>-</u>
Total other financing sources (uses)	<u>(7)</u>	<u>(7)</u>	<u>(7)</u>	<u>-</u>
Net change in fund balance	\$ <u>144</u>	\$ <u>(544)</u>	586	\$ <u>1,130</u>
Encumbrances, end of year			47	
Fund balance, beginning of year, basis of budgeting			<u>1,246</u>	
Fund balance, end of year, basis of budgeting			1,879	
Basis of budgeting to GAAP basis reconciliation:				
Fair market value adjustment to investments			(5)	
Accrued salaries, wages and amounts withheld from employees			<u>(28)</u>	
Fund balance, end of year, GAAP basis			\$ <u>1,846</u>	

CITY OF BOULDER, COLORADO

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
(Budgetary Basis)

Fire Training Center Construction Fund

Year ended December 31, 2016

(Amounts in 000's)

	<u>Budgeted amounts</u>		<u>Actual amounts</u>	Variance with final budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Total revenues	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
 Net change in fund balance	 \$ <u>-</u>	 \$ <u>-</u>	 -	 \$ <u>-</u>
Fund balance, beginning of year, basis of budgeting			<u>4</u>	
Fund balance, end of year, GAAP basis			\$ <u><u>4</u></u>	

CITY OF BOULDER, COLORADO

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
(Budgetary Basis)

Boulder Junction Improvement Fund

Year ended December 31, 2016

(Amounts in 000's)

	<u>Budgeted amounts</u>		<u>Actual amounts</u>	Variance with final budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Taxes:				
Sales and use taxes	\$ 240	\$ 240	\$ 190	\$ (50)
Excise taxes	423	423	105	(318)
Charges for services	137	137	-	(137)
Interest and investment earnings	5	5	20	15
Total revenues	<u>805</u>	<u>805</u>	<u>315</u>	<u>(490)</u>
Expenditures:				
Culture and Recreation	750	-	-	-
Public Works	<u>75</u>	<u>1,071</u>	<u>141</u>	<u>930</u>
Total expenditures	<u>825</u>	<u>1,071</u>	<u>141</u>	<u>930</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(20)</u>	<u>(266)</u>	<u>174</u>	<u>440</u>
Other financing sources (uses)				
Transfers out	<u>-</u>	<u>(1,537)</u>	<u>(1,537)</u>	<u>-</u>
 Net change in fund balance	 <u>\$ (20)</u>	 <u>\$ (1,803)</u>	 (1,363)	 <u>\$ 440</u>
Encumbrances, end of year			11	
Fund balance, beginning of year, basis of budgeting			<u>2,338</u>	
Fund balance, end of year, basis of budgeting			986	
Basis of budgeting to GAAP basis reconciliation:				
Fair market value adjustment to investments			<u>(5)</u>	
Fund balance, end of year, GAAP basis			<u>\$ 981</u>	

CITY OF BOULDER, COLORADO

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
(Budgetary Basis)

2011 Capital Improvement Fund

Year ended December 31, 2016

(Amounts in 000's)

	<u>Budgeted amounts</u>		<u>Actual amounts</u>	Variance with final budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Taxes:				
Interest and investment earnings	\$ 8	\$ 8	\$ 35	\$ 27
Total revenues	<u>8</u>	<u>8</u>	<u>35</u>	<u>27</u>
Expenditures:				
Capital outlay	<u>-</u>	<u>3,222</u>	<u>2,437</u>	<u>785</u>
Total expenditures	<u>-</u>	<u>3,222</u>	<u>2,437</u>	<u>785</u>
Excess (deficiency) of revenues over (under) expenditures	<u>8</u>	<u>(3,214)</u>	<u>(2,402)</u>	<u>812</u>
Other financing uses -				
Net change in fund balance	\$ <u><u>8</u></u>	\$ <u><u>(3,214)</u></u>	(2,402)	\$ <u><u>812</u></u>
Encumbrances, end of year			1,340	
Fund balance, beginning of year, basis of budgeting			3,219	
Fund balance, end of year, basis of budgeting			<u>2,157</u>	
Basis of budgeting to GAAP basis reconciliation:				
Fair market value adjustment to investments			(1)	
Accrued salaries, wages and amounts withheld from employees			<u>(4)</u>	
Fund balance, end of year, GAAP basis			\$ <u><u>2,152</u></u>	

CITY OF BOULDER, COLORADO

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
(Budgetary Basis)

Capital Improvement CCS

Year ended December 31, 2016

(Amounts in 000's)

	<u>Budgeted amounts</u>		<u>Actual amounts</u>	Variance with final budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Taxes:				
Sales and use taxes	\$ -	\$ 9,612	\$ 10,438	\$ 826
Interest and investment earnings	-	-	53	53
Total revenues	<u>-</u>	<u>9,612</u>	<u>10,491</u>	<u>879</u>
Expenditures:				
Capital outlay	<u>-</u>	<u>17,636</u>	<u>13,949</u>	<u>3,687</u>
Total expenditures	<u>-</u>	<u>17,636</u>	<u>13,949</u>	<u>3,687</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(8,024)</u>	<u>(3,458)</u>	<u>4,566</u>
Other financing uses -				
Net change in fund balance	\$ <u><u>-</u></u>	\$ <u><u>(8,024)</u></u>	(3,458)	\$ <u><u>4,566</u></u>
Encumbrances, end of year			3,665	
Fund balance, beginning of year, basis of budgeting			8,070	
Fund balance, end of year, basis of budgeting			<u>8,277</u>	
Basis of budgeting to GAAP basis reconciliation:				
Fair market value adjustment to investments			(14)	
Accrued salaries, wages and amounts withheld from employees			<u>(4)</u>	
Fund balance, end of year, GAAP basis			\$ <u><u>8,259</u></u>	

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NONMAJOR ENTERPRISE FUNDS

Enterprise Funds are established to account for operations that are primarily funded through user charges to customers outside of the organization. The City of Boulder has the following Nonmajor Enterprise Funds:

University Hill Commercial District Fund – this district provides parking facilities and services to the commercial district adjacent to the University of Colorado (CU) campus. It is predominately self-supported by user charges but also receives general property and other tax revenues.

Boulder Junction Access GID - Parking Fund - to account for revenues and expenditures related to programs implemented by the Boulder Junction Authority General Improvement District to meet its parking facility and service goals. It is predominately self-supported through property tax revenue approved by the voters.

CITY OF BOULDER, COLORADO

Combining Statement of Net Position

Nonmajor Enterprise Funds

December 31, 2016

(Amounts in 000's)

	University Hill Commercial District	Boulder Junction Access GID - Parking	Total Nonmajor Enterprise Funds
Assets:			
Current assets:			
Equity in pooled cash and cash equivalents	\$ 253	\$ 323	\$ 576
Investments	625	536	1,161
Receivables:			
General property taxes	34	155	189
Accrued interest	3	-	3
Other	-	1	1
Total receivables	<u>37</u>	<u>156</u>	<u>193</u>
Total current assets	<u>915</u>	<u>1,015</u>	<u>1,930</u>
Noncurrent assets:			
Capital assets:			
Land and easements	444	-	444
Improvements other than buildings	58	-	58
Vehicles	90	-	90
Machinery and equipment	247	-	247
	<u>839</u>	<u>-</u>	<u>839</u>
Less accumulated depreciation	<u>(320)</u>	<u>-</u>	<u>(320)</u>
Total capital assets, net of accumulated depreciation	<u>519</u>	<u>-</u>	<u>519</u>
Total noncurrent assets	<u>519</u>	<u>-</u>	<u>519</u>
Total assets	<u>1,434</u>	<u>1,015</u>	<u>2,449</u>
Deferred outflows of resources	<u>103</u>	<u>-</u>	<u>103</u>
Total assets and deferred outflows of resources	\$ <u>1,537</u>	\$ <u>1,015</u>	\$ <u>2,552</u>

CITY OF BOULDER, COLORADO

Combining Statement of Net Position
continued

Nonmajor Enterprise Funds

December 31, 2016

(Amounts in 000's)

	University Hill Commercial District	Boulder Junction Access GID - Parking	Total Nonmajor Enterprise Funds
Liabilities:			
Current liabilities:			
Accounts and accrued liabilities:			
Vouchers and accounts payable	\$ 3	\$ -	\$ 3
Accrued salaries, wages and amounts withheld from employees	15	-	15
Advances from other funds	-	2	2
Other liabilities	9	-	9
Total current liabilities	<u>27</u>	<u>2</u>	<u>29</u>
Non-current liabilities:			
Advances from other funds	-	9	9
Compensated absences payable	7	-	7
Net Pension Liability	385	-	385
Retiree health care benefit	6	-	6
Total non-current liabilities	<u>398</u>	<u>9</u>	<u>407</u>
Total liabilities	<u>425</u>	<u>11</u>	<u>436</u>
Total deferred inflow of resources	<u>40</u>	<u>154</u>	<u>194</u>
Net position:			
Net investment in capital assets	518	-	518
Restricted for:			
Legally restricted	6	-	6
Unrestricted	548	850	1,398
Total net position	<u>\$ 1,072</u>	<u>\$ 850</u>	<u>\$ 1,922</u>

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CITY OF BOULDER, COLORADO

Combining Statement of Revenues, Expenses and Changes in Net Position

Nonmajor Enterprise Funds

Year ended December 31, 2016

(Amounts in 000's)

	University Hill Commercial <u>District</u>	Boulder Junction Access GID - <u>Parking</u>	Total Nonmajor Enterprise <u>Funds</u>
Operating revenues:			
Charges for services	\$ 163	\$ 2	\$ 165
Total operating revenues	<u>163</u>	<u>2</u>	<u>165</u>
Operating expenses:			
Personnel	342	-	342
Non-personnel	268	8	276
Depreciation	<u>28</u>	<u>-</u>	<u>28</u>
Total operating expenses	<u>638</u>	<u>8</u>	<u>646</u>
Operating income (loss)	<u>(475)</u>	<u>(6)</u>	<u>(481)</u>
Nonoperating revenues (expenses):			
Interest and investment earnings	4	1	5
General property taxes	35	135	170
Specific ownership & tobacco taxes	<u>1</u>	<u>7</u>	<u>8</u>
Total nonoperating revenues (expenses)	<u>40</u>	<u>143</u>	<u>183</u>
Income (loss) before capital contributions and transfers	(435)	137	(298)
Transfers in	<u>425</u>	<u>313</u>	<u>738</u>
Changes in net position	(10)	450	440
Total net position, beginning of year	<u>1,082</u>	<u>400</u>	<u>1,482</u>
Total net position, end of year	<u>\$ 1,072</u>	<u>\$ 850</u>	<u>\$ 1,922</u>

CITY OF BOULDER, COLORADO

Combining Statement of Cash Flows

Nonmajor Enterprise Funds

Year ended December 31, 2016

(Amounts in 000's)

	University Hill Commercial <u>District</u>	Boulder Junction Access GID - <u>Parking</u>	Total Nonmajor Enterprise <u>Funds</u>
Cash flows from operating activities:			
Receipts from customers and users	\$ 163	\$ 2	\$ 165
Other payments	(1)	(1)	(2)
Payments to suppliers	(277)	(8)	(285)
Payments to employees	<u>(320)</u>	<u>-</u>	<u>(320)</u>
Net cash provided (used) by operating activities	<u>(435)</u>	<u>(7)</u>	<u>(442)</u>
Cash flows from noncapital financing activities:			
Payments to other funds on advances	-	(1)	(1)
General property taxes	35	134	169
Specific ownership & tobacco taxes	-	7	7
Transfers in	<u>425</u>	<u>313</u>	<u>738</u>
Net cash provided (used) by noncapital financing activities	<u>460</u>	<u>453</u>	<u>913</u>
Cash flows from investing activities:			
Purchase of investment securities	(745)	(1,083)	(1,828)
Proceeds from sale and maturities of investment securities	369	652	1,021
Interest on investments	<u>3</u>	<u>2</u>	<u>5</u>
Net cash provided (used) in investing activities	<u>(373)</u>	<u>(429)</u>	<u>(802)</u>
Net (decrease) in cash and cash equivalents	(348)	17	(331)
Cash and cash equivalents, January 1	<u>601</u>	<u>306</u>	<u>907</u>
Cash and cash equivalents, December 31	<u>\$ 253</u>	<u>\$ 323</u>	<u>\$ 576</u>

The accompanying notes are an integral part of this statement.

CITY OF BOULDER, COLORADO

Combining Statement of Cash Flows,
continued

Nonmajor Enterprise Funds

Year ended December 31, 2016

(Amounts in 000's)

	University Hill Commercial <u>District</u>	Boulder Junction Access GID - <u>Parking</u>	Total Nonmajor Enterprise <u>Funds</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$ <u>(475)</u>	\$ <u>(6)</u>	\$ <u>(481)</u>
Adjustments to reconcile net operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	28	-	28
Other nonoperating revenues (expenses)	(1)	-	(1)
Change in assets and liabilities:			
(Increase) decrease in assets:			
Other receivables	-	(1)	(1)
Increase (decrease) in liabilities:			
Vouchers and accounts payable	(9)	-	(9)
Accrued salaries, wages and amounts withheld from employees	2	-	2
Pension Liability	<u>20</u>	<u>-</u>	<u>20</u>
Total adjustments	<u>40</u>	<u>(1)</u>	<u>39</u>
Net cash provided (used) by operating activities	\$ <u><u>(435)</u></u>	\$ <u><u>(7)</u></u>	\$ <u><u>(442)</u></u>
Noncash investing, capital and financing activities:			
Increase (decrease) in fair value of investments	\$ <u>-</u>	\$ <u>(1)</u>	\$ <u>(1)</u>
	<u><u>-</u></u>	<u><u>(1)</u></u>	<u><u>(1)</u></u>

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INTERNAL SERVICE FUNDS

The Internal Service Funds are established to finance and account for services and/or commodities required by other funds. The City of Boulder has the following Internal Service Funds:

Telecommunications Fund - to account for the costs of operating, acquiring and maintaining telecommunications equipment used by all City departments.

Property and Casualty Insurance Fund - to account for property and casualty insurance expenditures and reserves funded through cost allocation to all City departments.

Workers Compensation Insurance Fund - to account for and facilitate the monitoring of the City's self-insured workers compensation plan.

Compensated Absences Fund - to account for payments of compensated absences to employees of the General and Library Funds. Funding is received primarily from the General Fund.

Fleet Fund - to account for the costs of operating, acquiring and maintaining automotive equipment used by other City departments. Such costs are billed to the other departments.

Computer Replacement Fund - to account for the costs of acquiring and maintaining computer equipment used by other City departments. Such costs are billed to the other departments.

Equipment Replacement Fund - to account for the costs of acquiring equipment used by other City departments. Such costs are billed to the other departments.

Facility Renovation and Replacement Fund - to account for the costs of maintaining, renovating and replacing facilities within the City. Such costs are billed to the other departments.

CITY OF BOULDER, COLORADO

Combining Statement of Net Position

Internal Service Funds

December 31, 2016

(Amounts in 000's)

	Telecom- munications Fund	Property and Casualty Insurance Fund	Workers' Compensation Insurance Fund	Compensated Absences Fund
Assets:				
Current assets:				
Equity in pooled cash and cash equivalents	\$ 71	\$ 480	\$ -	\$ 216
Investments	1,628	5,008	2,377	2,009
Receivables, net:				
Accounts	12	-	-	-
Accrued interest	5	20	10	5
Intergovernmental	-	-	-	-
Total receivables	<u>17</u>	<u>20</u>	<u>10</u>	<u>5</u>
Advances to other funds	-	-	-	-
Other assets - prepaid expenses	-	420	-	-
Total current assets	<u>1,716</u>	<u>5,928</u>	<u>2,387</u>	<u>2,230</u>
Noncurrent assets:				
Advances to other funds, less current	-	-	-	-
Capital assets:				
Land and easements	-	-	-	-
Buildings	207	-	-	-
Improvements other than buildings	-	-	-	-
Infrastructure	-	-	-	-
Vehicles	-	-	-	-
Machinery and equipment	3,106	13	-	-
	<u>3,313</u>	<u>13</u>	<u>-</u>	<u>-</u>
Less accumulated depreciation	(2,491)	(12)	-	-
	<u>822</u>	<u>1</u>	<u>-</u>	<u>-</u>
Construction in progress	-	-	-	-
Total capital assets, net of accumulated depreciation	<u>822</u>	<u>1</u>	<u>-</u>	<u>-</u>
Total noncurrent assets	<u>822</u>	<u>1</u>	<u>-</u>	<u>-</u>
Total assets	<u>2,538</u>	<u>5,929</u>	<u>2,387</u>	<u>2,230</u>
Deferred outflows of resources:				
Total deferred outflow of resources	<u>61</u>	<u>114</u>	<u>51</u>	<u>171</u>
Total assets and deferred outflows of resources	<u>2,599</u>	<u>6,043</u>	<u>2,438</u>	<u>2,401</u>

Fleet Fund	Computer Replacement Fund	Equipment Replacement Fund	Facility Renovation and Replacement Fund	Total
\$ 407	\$ 2,588	\$ 168	\$ 1,139	\$ 5,069
17,516	5,840	6,167	10,493	51,038
43	-	-	20	75
41	24	16	34	155
2	-	-	112	114
<u>86</u>	<u>24</u>	<u>16</u>	<u>166</u>	<u>344</u>
153	-	-	-	153
-	-	-	-	420
<u>18,162</u>	<u>8,452</u>	<u>6,351</u>	<u>11,798</u>	<u>57,024</u>
545	-	-	-	545
-	-	-	117	117
2,381	-	108	88,174	90,870
1,437	-	-	7,305	8,742
-	-	-	468	468
34,896	-	-	-	34,896
47	4,122	3,539	372	11,199
<u>38,761</u>	<u>4,122</u>	<u>3,647</u>	<u>96,436</u>	<u>146,292</u>
(19,719)	(3,638)	(2,926)	(59,803)	(88,589)
<u>19,042</u>	<u>484</u>	<u>721</u>	<u>36,633</u>	<u>57,703</u>
-	-	-	128	128
<u>19,042</u>	<u>484</u>	<u>721</u>	<u>36,761</u>	<u>57,831</u>
<u>19,587</u>	<u>484</u>	<u>721</u>	<u>36,761</u>	<u>58,376</u>
<u>37,749</u>	<u>8,936</u>	<u>7,072</u>	<u>48,559</u>	<u>115,400</u>
<u>375</u>	<u>16</u>	<u>13</u>	<u>159</u>	<u>960</u>
<u>38,124</u>	<u>8,952</u>	<u>7,085</u>	<u>48,718</u>	<u>116,360</u>

CITY OF BOULDER, COLORADO

Combining Statement of Net Position
continuedInternal Service Funds

December 31, 2016

(Amounts in 000's)

	Telecom- munications Fund	Property and Casualty Insurance Fund	Workers' Compensation Insurance Fund	Compensated Absences Fund
Liabilities:				
Current liabilities:				
Accounts and accrued liabilities:				
Vouchers and accounts payable	32	1	1	-
Contracts and retainage payable	-	-	-	-
Accrued salaries, wages and amounts withheld from employees	4	9	7	3
Accrued environmental cleanup liability	-	-	-	-
Accrued claims liability (current portion)	-	207	929	-
Compensated absences payable (current portion)	-	-	-	-
Capitalized lease obligations (current portion)	-	-	-	-
Total current liabilities	<u>36</u>	<u>217</u>	<u>937</u>	<u>3</u>
Non-current liabilities:				
Capitalized lease obligations	-	-	-	-
Compensated absences payable	13	9	11	-
Accrued claims liability	-	493	1,385	-
Net Pension Liability	217	544	130	720
Retiree health care benefit	3	4	3	-
Total non-current liabilities	<u>233</u>	<u>1,050</u>	<u>1,529</u>	<u>720</u>
Total liabilities	<u>269</u>	<u>1,267</u>	<u>2,466</u>	<u>723</u>
Deferred inflow of resources:				
Deferred inflows of resources	<u>4</u>	<u>5</u>	<u>4</u>	<u>9</u>
Net position:				
Net investment in capital assets	822	1	-	-
Unrestricted	<u>1,504</u>	<u>4,770</u>	<u>(32)</u>	<u>1,669</u>
Total net position	<u>\$ 2,326</u>	<u>\$ 4,771</u>	<u>\$ (32)</u>	<u>\$ 1,669</u>

<u>Fleet Fund</u>	<u>Computer Replacement Fund</u>	<u>Equipment Replacement Fund</u>	<u>Facility Renovation and Replacement Fund</u>	<u>Total</u>
126	56	11	259	486
-	-	-	35	35
35	2	1	7	68
-	-	-	659	659
-	-	-	-	1,136
41	-	-	-	41
-	-	-	632	632
<u>202</u>	<u>58</u>	<u>12</u>	<u>1,592</u>	<u>3,057</u>
-	-	-	7,609	7,609
10	1	-	12	56
-	-	-	-	1,878
1,405	28	41	133	3,218
23	-	1	2	36
<u>1,438</u>	<u>29</u>	<u>42</u>	<u>7,756</u>	<u>12,797</u>
<u>1,640</u>	<u>87</u>	<u>54</u>	<u>9,348</u>	<u>15,854</u>
<u>23</u>	<u>1</u>	<u>1</u>	<u>20</u>	<u>67</u>
19,042	484	721	28,520	49,590
<u>17,419</u>	<u>8,380</u>	<u>6,309</u>	<u>10,830</u>	<u>50,849</u>
\$ <u>36,461</u>	\$ <u>8,864</u>	\$ <u>7,030</u>	\$ <u>39,350</u>	\$ <u>100,439</u>

CITY OF BOULDER, COLORADO

Combining Statement of Revenues, Expenses and Changes in Net Position

Internal Service Funds

Year ended December 31, 2016

(Amounts in 000's)

	Telecom- munications <u>Fund</u>	Property and Casualty Insurance <u>Fund</u>	Workers' Compensation Insurance <u>Fund</u>	Compensated Absences <u>Fund</u>
Operating revenues:				
Charges for services	\$ 680	\$ 1,741	\$ 1,772	\$ 819
Sales of goods	-	-	-	-
Total operating revenues	<u>680</u>	<u>1,741</u>	<u>1,772</u>	<u>819</u>
Operating expenses:				
Personnel	155	126	184	471
Non-personnel	457	1,987	2,602	9
Depreciation	194	3	-	-
Total operating expenses	<u>806</u>	<u>2,116</u>	<u>2,786</u>	<u>480</u>
Operating income (loss)	<u>(126)</u>	<u>(375)</u>	<u>(1,014)</u>	<u>339</u>
Nonoperating revenues (expenses):				
Interest and investment earnings	9	33	28	10
Leases, rents and royalties	-	-	-	-
Intergovernmental revenue	1	-	-	-
Interest expense	-	-	-	-
Gain (loss) on sale of capital assets	-	-	-	-
Other (net)	-	5	73	-
Total nonoperating revenues (expenses)	<u>10</u>	<u>38</u>	<u>101</u>	<u>10</u>
Income (loss) before capital contributions, extraordinary items, and transfers	(116)	(337)	(913)	349
Capital contributions	-	-	-	-
Transfers in	-	-	-	-
Transfers out	<u>-</u>	<u>-</u>	<u>(156)</u>	<u>-</u>
Changes in net position	(116)	(337)	(1,069)	349
Total net position, beginning of year	<u>2,442</u>	<u>5,108</u>	<u>1,037</u>	<u>1,320</u>
Total net position, end of year	<u>\$ 2,326</u>	<u>\$ 4,771</u>	<u>\$ (32)</u>	<u>\$ 1,669</u>

	<u>Fleet Fund</u>	<u>Computer Replacement Fund</u>	<u>Equipment Replacement Fund</u>	<u>Facility Renovation and Replacement Fund</u>	<u>Total</u>
\$	8,092	\$ 2,257	\$ 844	\$ 3,005	\$ 19,210
	210	-	-	-	210
	<u>8,302</u>	<u>2,257</u>	<u>844</u>	<u>3,005</u>	<u>19,420</u>
	1,082	66	42	209	2,335
	1,860	1,917	245	1,630	10,707
	<u>2,578</u>	<u>357</u>	<u>197</u>	<u>2,961</u>	<u>6,290</u>
	<u>5,520</u>	<u>2,340</u>	<u>484</u>	<u>4,800</u>	<u>19,332</u>
	<u>2,782</u>	<u>(83)</u>	<u>360</u>	<u>(1,795)</u>	<u>88</u>
	167	58	48	94	447
	-	-	-	141	141
	2	-	-	109	112
	-	-	-	(293)	(293)
	215	-	-	-	215
	<u>12</u>	<u>-</u>	<u>-</u>	<u>2</u>	<u>92</u>
	<u>396</u>	<u>58</u>	<u>48</u>	<u>53</u>	<u>714</u>
	3,178	(25)	408	(1,742)	802
	-	-	-	1,958	1,958
	-	-	283	-	283
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(156)</u>
	3,178	(25)	691	216	2,887
	<u>33,283</u>	<u>8,889</u>	<u>6,339</u>	<u>39,134</u>	<u>97,552</u>
\$	<u>36,461</u>	\$ <u>8,864</u>	\$ <u>7,030</u>	\$ <u>39,350</u>	\$ <u>100,439</u>

CITY OF BOULDER, COLORADO

Combining Statement of Cash Flows

Internal Service Funds

Year ended December 31, 2016

(Amount in 000's)

	Telecom- munications Fund	Property and Casualty Insurance Fund	Workers' Compensation Insurance Fund	Compensated Absences Fund
Cash flows from operating activities:				
Receipts from customers and users	\$ 668	\$ -	\$ -	\$ -
Receipts from interfund services provided	-	1,741	1,772	819
Other receipts	-	-	73	-
Refundable deposits receipts (payments)	-	-	-	-
Payments to suppliers	(471)	(1,989)	(2,025)	(9)
Payments to employees	(139)	(113)	(170)	(476)
Net cash provided (used) by operating activities	<u>58</u>	<u>(361)</u>	<u>(350)</u>	<u>334</u>
Cash flows from noncapital financing activities:				
Payments from other funds				
on due from (due to) balances	-	-	-	-
Payments from other funds on advances	-	-	-	-
Leases, rents and royalties	-	-	-	-
Intergovernmental revenue	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	(157)	-
Net cash provided (used) by noncapital financing activities	<u>-</u>	<u>-</u>	<u>(157)</u>	<u>-</u>
Cash flows from capital and related financing activities:				
Acquisition and construction of capital assets	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
Principal paid on capitalized lease obligation	-	-	-	-
Interest paid on capitalized lease obligation	-	-	-	-
Capital contributions	-	-	-	-
Other	-	5	-	-
Net cash provided (used) for capital and related financing activities	<u>-</u>	<u>5</u>	<u>-</u>	<u>-</u>
Cash flows from investing activities:				
Purchase of investment securities	(1,081)	(5,327)	(31)	(2,178)
Proceeds from sale and maturities of investment securities	391	4,555	493	1,565
Interest on investments	10	33	27	11
Net cash provided in investing activities	<u>(680)</u>	<u>(739)</u>	<u>489</u>	<u>(602)</u>
Net (decrease) in cash and cash equivalents	(622)	(1,095)	(18)	(268)
Equity in pooled cash and cash equivalents, January 1	<u>693</u>	<u>1,575</u>	<u>18</u>	<u>484</u>
Equity in pooled cash and cash equivalents, December 31	<u>\$ 71</u>	<u>\$ 480</u>	<u>\$ -</u>	<u>\$ 216</u>

	Fleet Fund	Computer Replacement Fund	Equipment Replacement Fund	Facility Renovation and Replacement Fund	Total
\$	8,066	\$ -	\$ -	\$ 3,045	\$ 11,779
		2,257	844	-	7,433
	224	-	-	2	299
	-	-	-	(245)	(245)
	(2,341)	(1,890)	(238)	(1,050)	(10,013)
	<u>(1,007)</u>	<u>(61)</u>	<u>(38)</u>	<u>(133)</u>	<u>(2,137)</u>
	<u>4,942</u>	<u>306</u>	<u>568</u>	<u>1,619</u>	<u>7,116</u>
	149	-	-	-	149
	1	-	-	-	1
	-	-	-	140	140
	-	-	-	109	109
	-	-	283	-	283
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(157)</u>
	<u>150</u>	<u>-</u>	<u>283</u>	<u>249</u>	<u>525</u>
	(4,034)	-	(258)	(1,735)	(6,027)
	496	-	-	-	496
	-	-	-	(586)	(586)
	-	-	-	(293)	(293)
	-	-	-	1,958	1,958
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5</u>
	<u>(3,538)</u>	<u>-</u>	<u>(258)</u>	<u>(656)</u>	<u>(4,447)</u>
	(4,695)	(2,344)	(1,703)	(3,067)	(20,426)
	1,939	2,327	548	2,753	14,571
	<u>179</u>	<u>64</u>	<u>51</u>	<u>97</u>	<u>472</u>
	<u>(2,577)</u>	<u>47</u>	<u>(1,104)</u>	<u>(217)</u>	<u>(5,383)</u>
	(1,023)	353	(511)	995	(2,189)
	<u>1,430</u>	<u>2,235</u>	<u>679</u>	<u>144</u>	<u>7,258</u>
\$	<u><u>407</u></u>	\$ <u><u>2,588</u></u>	\$ <u><u>168</u></u>	\$ <u><u>1,139</u></u>	\$ <u><u>5,069</u></u>

(continued)

CITY OF BOULDER, COLORADO

Combining Statement of Cash Flows,
continued

Internal Service Funds

Year ended December 31, 2016

(Amount in 000's)

	Telecom- munications <u>Fund</u>	Property and Casualty Insurance <u>Fund</u>	Workers' Compensation Insurance <u>Fund</u>	Compensated Absences <u>Fund</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	\$ (126)	\$ (375)	\$ (1,014)	\$ 339
Adjustments to reconcile net operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	194	3	-	-
Other nonoperating revenues (expenses)			73	-
Change in assets and liabilities:				
(Increase) decrease in assets:				
Accounts receivable	(12)	-	-	-
Intergovernmental receivables	-	-	-	-
Other assets - prepaid expenses	(36)	(164)	(40)	(87)
Increase (decrease) in liabilities:				
Vouchers and accounts payable	(15)	(12)	(131)	-
Contracts and retainage payable	-	-		-
Accrued salaries, wages and amounts withheld from employees	4	(2)	2	(31)
Pension Liability	48	61	52	113
Other liabilities	-	-		-
Unearned revenue	-	-		-
Accrued claims liability	-	126	708	-
Compensated absences		2		-
Retiree health care benefit	1		-	-
Total adjustments	<u>184</u>	<u>14</u>	<u>664</u>	<u>(5)</u>
Net cash provided (used) by operating activities	<u>\$ 58</u>	<u>\$ (361)</u>	<u>\$ (350)</u>	<u>\$ 334</u>
Noncash investing, capital and financing activities:				
Assets acquired through:				
Capital contributions:				
From governmental funds	\$ -	\$ -	\$ -	\$ -
Increase (decrease) in fair value of investments	<u>(3)</u>	<u>(5)</u>	<u>(2)</u>	<u>(2)</u>
	<u>\$ (3)</u>	<u>\$ (5)</u>	<u>\$ (2)</u>	<u>\$ (2)</u>

<u>Fleet Fund</u>	<u>Computer Replacement Fund</u>	<u>Equipment Replacement Fund</u>	<u>Facility Renovation and Replacement Fund</u>	<u>Total</u>
\$ <u>2,782</u>	\$ <u>(83)</u>	\$ <u>360</u>	\$ <u>(1,795)</u>	\$ <u>88</u>
2,578	357	197	2,961	6,290
14	-	-	2	89
(27)	-	-	29	(10)
1	-	-	13	14
(219)	(15)	(9)		(570)
(481)	27	7	4	(601)
-	-	-	(40)	(40)
2			2	(23)
287	19	13	30	623
-	-	-	414	414
-	-	-	-	-
-	-	-	-	834
4	1	-	(1)	6
<u>1</u>	<u>-</u>	<u>-</u>		<u>2</u>
<u>2,160</u>	<u>389</u>	<u>208</u>	<u>3,414</u>	<u>7,028</u>
\$ <u><u>4,942</u></u>	\$ <u><u>306</u></u>	\$ <u><u>568</u></u>	\$ <u><u>1,619</u></u>	\$ <u><u>7,116</u></u>
\$ -	\$ -	\$ -	\$ 7	\$ 7
<u>(23)</u>	<u>(12)</u>	<u>(8)</u>	<u>(12)</u>	<u>(67)</u>
\$ <u><u>(23)</u></u>	\$ <u><u>(12)</u></u>	\$ <u><u>(8)</u></u>	\$ <u><u>(5)</u></u>	\$ <u><u>(60)</u></u>

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SUPPLEMENTARY SCHEDULES

CITY OF BOULDER, COLORADO

Supplementary Schedule

Combined Schedule of Long-Term Debt Payable

December 31, 2016

(Amounts in 000's)

	Interest rates %	Dates		Authorized and issued	Outstanding	Current portion
		Issued	Maturity			
Governmental Activities:						
Supported by sales tax revenues and other financing sources:						
General Obligation Bonds:						
Open Space Acquisition	4.00 - 5.50	6/20/06	8/15/19	\$ 20,115	\$ 5,600	\$ 1,790
Premium on Bonds				-	21	-
Open Space Acquisition Refunding	3.50 - 4.00	6/26/07	8/15/18	12,345	3,355	1,640
Premium on Refunding Bonds				-	3	-
Open Space Acquisition Bonds	2.00 - 3.00	10/9/14	8/15/34	10,000	9,195	435
Premium on Bonds				-	101	-
Waste Reduction Bonds	2.00 - 4.00	12/15/09	12/01/29	6,000	4,245	265
Premium on Waste Reduction Bonds				-	35	-
				<u>48,460</u>	<u>22,555</u>	<u>4,130</u>
General Fund Cap. Imp. Projects Bonds	2.00 - 4.00	3/22/12	10/01/31	49,000	37,745	2,530
Premium on Cap. Imp. Projects Bonds				-	3,585	-
				<u>49,000</u>	<u>41,330</u>	<u>2,530</u>
Supported by base rentals:						
Certificates Of Participation Series 2015	2.00 - 3.80	11/17/2015	10/01/36	41,000	39,660	1,445
Premium on COPS				-	519	-
				<u>41,000</u>	<u>40,179</u>	<u>1,445</u>
Lease Purchase Revenue Notes:						
Boulder Municipal Property Authority:						
Open space acquisition:						
Foothills	Note 1997G	7/16/97	7/16/17	1,095	97	97
Gisle	Note 2005A	2/18/05	2/18/17	1,180	125	125
Luchetta	Note 2005C	8/05/05	8/05/20	720	246	57
Kolb, Edward H.	Note 2008AR-1	4/22/08	4/22/18	404	97	47
Vigil	Note 2008AR-2	4/22/08	4/22/18	404	97	47
E.R.T.L.	Note 2013A	10/31/13	10/31/23	5,000	3,664	475
				<u>8,803</u>	<u>4,326</u>	<u>848</u>
Taxable Pension Obligation Bonds	2.00 - 5.00	10/26/10	10/01/30	9,070	6,990	380
Premium on Pension Obligation Bonds				-	73	-
				<u>9,070</u>	<u>7,063</u>	<u>380</u>
Capital Lease Purchase Agreements						
Banc of America Leasing & Capital, LLC	4.93	9/27/10	11/27/23	1,500	932	114
Suntrust Equipment Finance & Leasing Corp.	2.65	1/25/12	7/25/27	9,250	7,310	517
				<u>10,750</u>	<u>8,242</u>	<u>631</u>
Compensated Absences				-	10,179	-
Retiree Health Care Benefit (OPEB)				-	2,381	-
Estimated Claims Payable				-	3,014	-
				<u>-</u>	<u>15,574</u>	<u>-</u>
Total Governmental Activities and total supported by sales tax revenues and other financing sources				\$ <u>167,083</u>	\$ <u>139,269</u>	\$ <u>9,964</u>

CITY OF BOULDER, COLORADO

Supplementary Schedule

Combined Schedule of Long-Term Debt Payable,
(continued)

December 31, 2016

(Amounts in 000's)

	Interest rates	Dates <u>Issued</u>	<u>Maturity</u>	Authorized and issued	Outstanding	Current portion
Business-type Activities:						
Supported by utility revenues:						
Revenue Bonds:						
Water and Sewer Revenue Refunding Bonds	2.00 - 4.00	2/22/11	12/01/21	18,335	9,275	1,700
Premium on Bonds				-	228	-
Water and Sewer Revenue Refunding Bonds	4.00 - 4.125	7/10/07	12/01/19	25,935	5,990	2,285
Water and Sewer Revenue Refunding Bonds	4.00 - 5.00	11/20/12	12/01/25	24,325	22,315	2,070
Premium on Bonds				-	3,572	-
Water and Sewer Revenue Bonds	2.00 - 3.00	10/12/10	12/01/30	9,980	7,530	440
Premium on Bonds				-	122	-
Storm Water & Flood Mgmt Rev. Rfdg.	2.00 - 3.00	6/08/10	12/01/18	3,165	735	365
Premium on Bonds				-	7	-
Storm Water & Flood Mgmt Revenue Bond	2.00 - 3.50	7/20/2015	12/01/34	22,845	21,625	925
Premium on Bonds				-	416	-
Water and Sewer Revenue Bonds	2.00 - 3.25	10/1/2015	12/01/35	10,075	9,680	400
Premium on Bonds				-	165	-
Water and Sewer Revenue Bonds	2.00 - 3.125	6/7/2016	12/01/35	34,145	33,455	1,445
Premium on Bonds				-	1,111	-
				<u>148,805</u>	<u>116,226</u>	<u>9,630</u>
Compensated Absences				-	968	-
Retiree Health Care Benefit (OPEB)				-	275	-
				<u>148,805</u>	<u>117,469</u>	<u>9,630</u>
Supported by parking revenues:						
General Obligation General Improvement District Bonds:						
Downtown Commercial District:						
Parking Facilities	2.00 - 3.00	11/28/12	8/15/23	7,275	5,220	685
Premium on Bonds				-	245	-
Parking Facilities	3.00 - 4.00	5/14/09	8/15/18	7,730	1,965	960
Premium on Bonds				-	23	-
				<u>15,005</u>	<u>7,453</u>	<u>1,645</u>
Compensated Absences				-	119	-
Retiree Health Care Benefit (OPEB)				-	72	-
				<u>15,005</u>	<u>7,644</u>	<u>1,645</u>
Total Business-type Activities				<u>\$ 163,810</u>	<u>\$ 125,113</u>	<u>\$ 11,275</u>

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STATISTICAL TABLES

Statistical tables are presented to provide an historical financial review of and additional information about the City of Boulder. The various tables provide information useful in analyzing the existing financial position of the City as well as in identifying trends.

The source of the statistical information in the following tables is taken from the City's records unless otherwise noted.

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CITY OF BOULDER, COLORADO

Statistical Section

Index

December 31, 2016

(Unaudited)

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

Contents	Page
Financial Trends	
These schedules contain trend information to help the reader understand how the City's financial performance and well being have changed over time.	
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Fund Balances - Governmental Funds	246
Changes in Fund Balances - Governmental Funds	248
Revenue Capacity	
These schedules contain information to help the reader assess the City's most significant local revenue sources, the property tax (or sales tax).	
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Debt Capacity	
These schedules present information to help the reader assess the affordability of the City's current level of outstanding debt and the City's ability to issue additional debt in the future.	
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Demographic and Economic Information	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	
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Operating Information	
These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	
Full Time Equivalent City Employees by Functions/Programs	266
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Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual report for the relevant year.

CITY OF BOULDER, COLORADO

Statistical Data

Net Position By Component

Last Ten Fiscal Years
(Unaudited)

(Accrual Basis of Accounting)
(Amounts in 000's)

	Fiscal Year				
	2007	2008	2009	2010	2011
Governmental activities:					
Net Investment in capital assets	\$ 350,644	\$ 363,896	\$ 379,461	\$ 395,174	\$ 418,691
Restricted	56,833	59,456	58,197	51,815	30,256
Unrestricted	45,771	51,761	51,266	69,024	86,439
Total governmental activities net position	\$ 453,248	\$ 475,113	\$ 488,924	\$ 516,013	\$ 535,386
Business-type activities:					
Net Investment in capital assets	\$ 283,633	\$ 295,936	\$ 313,583	\$ 310,791	\$ 325,861
Restricted	228	234	242	249	254
Unrestricted	57,233	65,263	59,917	65,547	67,166
Total business-type activities net position	\$ 341,094	\$ 361,433	\$ 373,742	\$ 376,587	\$ 393,281
Primary government:					
Net Investment in capital assets	\$ 634,277	\$ 659,832	\$ 693,044	\$ 705,965	\$ 744,552
Restricted	57,061	59,690	58,439	52,064	30,510
Unrestricted	103,004	117,024	111,183	134,571	153,605
Total primary government net position	\$ 794,342	\$ 836,546	\$ 862,666	\$ 892,600	\$ 928,667

Note: Fiscal year 2012 has not been restated for the effect of the adoption of GASB 65.

Fiscal Year				
2012	2013	2014	2015	2016
\$ 458,372	\$ 480,321	\$ 494,209	\$ 521,402	\$ 545,505
35,096	33,822	61,410	65,690	77,392
<u>102,519</u>	<u>113,701</u>	<u>112,637</u>	<u>45,565</u>	<u>51,377</u>
<u>\$ 595,987</u>	<u>\$ 627,844</u>	<u>\$ 668,256</u>	<u>\$ 632,657</u>	<u>\$ 674,274</u>
\$ 325,883	\$ 331,096	\$ 345,149	\$ 343,555	\$ 375,949
257	265	269	273	279
<u>61,583</u>	<u>67,747</u>	<u>72,770</u>	<u>68,100</u>	<u>64,613</u>
<u>\$ 387,723</u>	<u>\$ 399,108</u>	<u>\$ 418,188</u>	<u>\$ 411,928</u>	<u>\$ 440,841</u>
\$ 727,155	\$ 811,417	\$ 839,358	\$ 864,957	\$ 921,454
81,581	34,087	61,679	65,963	77,671
<u>174,974</u>	<u>181,448</u>	<u>185,407</u>	<u>113,665</u>	<u>115,990</u>
<u>\$ 983,710</u>	<u>\$ 1,026,952</u>	<u>\$ 1,086,444</u>	<u>\$ 1,044,585</u>	<u>\$ 1,115,115</u>

CITY OF BOULDER, COLORADO

Statistical Data

Changes In Net Position

Last Ten Fiscal Years
(Unaudited)

(Accrual Basis of Accounting)
(Amounts in 000's)

	Fiscal Year				
	2007	2008	2009	2010	2011
Expenses:					
Governmental activities:					
General Government	\$ 9,846	\$ 10,227	\$ 9,945	\$ 12,431	\$ 19,509
Administrative Services	3,182	2,951	2,139	1,678	1,892
Public Safety	42,221	44,479	45,506	45,819	47,391
Public Works	36,030	30,966	32,634	30,542	30,844
Planning & Development Services	7,657	8,966	8,619	8,248	5,665
Culture and Recreation	26,573	27,961	27,478	27,200	28,140
Open Space and Mountain Parks	13,156	13,360	13,043	13,548	14,863
Housing and Human Services	10,420	13,983	14,745	16,580	13,060
Interest on long-term debt	3,872	3,530	2,820	2,285	2,290
Total governmental activities expenses	<u>152,957</u>	<u>156,423</u>	<u>156,929</u>	<u>158,331</u>	<u>163,654</u>
Business-type activities:					
Water utility	20,767	21,713	21,051	20,921	21,223
Wastewater utility	10,849	11,693	13,458	12,885	13,948
Stormwater and flood management	4,197	4,407	4,011	4,454	4,790
Parking facilities and services	5,549	6,228	7,385	7,602	6,570
Property and facility acquisition	1,316	1,150	1,009	860	724
Total business-type activities expenses	<u>42,678</u>	<u>45,191</u>	<u>46,914</u>	<u>46,722</u>	<u>47,255</u>
Total primary government expenses	<u>195,635</u>	<u>201,614</u>	<u>203,843</u>	<u>205,053</u>	<u>210,909</u>
Program revenue:					
Governmental activities:					
Charges for services:					
General Government	2,009	2,832	2,819	3,512	2,941
Administrative Services	112	268	205	191	142
Public Safety	1,426	1,640	1,706	1,874	1,748
Public works	890	909	803	1,122	2,095
Planning & Development Services	6,803	6,327	4,587	5,421	5,862
Culture and Recreation	8,589	9,069	8,448	8,121	8,386
Open Space and Mountain Parks	374	367	384	425	479
Housing and Human Services	1,328	3,671	2,608	5,775	1,401
Operating grants and contributions:	7,522	8,500	6,607	7,338	6,154
Capital grants and contributions	13,521	6,886	11,950	8,381	7,679
Total governmental activities program revenue	<u>42,574</u>	<u>40,469</u>	<u>40,117</u>	<u>42,160</u>	<u>36,887</u>
Business-type activities:					
Charges for services:					
Water utility	21,175	21,123	20,201	21,633	22,940
Wastewater utility	12,596	12,606	12,748	12,688	12,955
Stormwater and flood management	4,796	4,959	5,084	5,080	4,896
Parking facilities and services	4,231	4,319	3,939	4,162	4,324
Property and facility acquisition	4,540	4,042	3,455	3,447	5,178
Operating grants and contributions:	210	168	136	169	151
Capital grants and contributions:	4,812	10,703	8,408	5,610	8,411
Total business-type activities program revenues	<u>52,360</u>	<u>57,920</u>	<u>53,971</u>	<u>52,789</u>	<u>58,855</u>
Total primary government program revenues	<u>94,934</u>	<u>98,389</u>	<u>94,088</u>	<u>94,949</u>	<u>95,742</u>
Net (expense) revenue:					
Governmental activities	(110,383)	(115,954)	(116,812)	(116,171)	(126,767)
Business-type activities	9,682	12,729	7,057	6,067	11,600
Total primary government net expense	<u>\$(100,701)</u>	<u>\$(103,225)</u>	<u>\$(109,755)</u>	<u>\$(110,104)</u>	<u>\$(115,167)</u>

Fiscal Year				
2012	2013	2014	2015	2016
\$ 16,625	\$ 22,857	\$ 22,406	\$ 13,436	\$ 20,073
2,627	4,387	7,655	6,742	9,750
49,693	50,468	50,662	50,190	58,151
33,110	27,558	37,406	39,117	43,112
5,555	6,087	6,041	14,033	14,600
28,112	30,749	30,819	32,247	36,216
13,040	16,023	16,774	20,922	22,010
14,431	17,937	19,795	23,400	13,085
2,984	3,532	2,679	9,750	3,815
<u>166,177</u>	<u>179,598</u>	<u>194,237</u>	<u>209,837</u>	<u>220,812</u>
21,925	22,599	22,644	22,546	23,540
13,776	13,916	14,703	13,550	14,309
4,523	4,461	6,812	6,873	7,468
7,303	6,853	6,892	6,583	6,546
479	1,118	463	618	661
<u>48,006</u>	<u>48,947</u>	<u>51,514</u>	<u>50,170</u>	<u>52,524</u>
<u>214,183</u>	<u>228,545</u>	<u>245,751</u>	<u>260,007</u>	<u>273,336</u>
7,593	7,546	7,262	9,563	10,537
548	1,163	676	1,039	1,084
1,629	1,652	2,273	675	384
1,730	2,070	4,474	1,658	1,475
7,473	7,710	8,640	8,654	9,422
9,041	9,015	9,358	11,576	9,302
506	423	475	798	889
13,303	7,859	6,458	4,825	1,414
6,911	5,824	12,213	11,400	12,856
9,260	7,630	8,906	6,175	13,765
<u>57,994</u>	<u>50,892</u>	<u>60,735</u>	<u>56,363</u>	<u>61,128</u>
24,592	23,269	22,950	28,813	29,386
13,013	14,267	13,979	19,583	18,849
5,167	5,537	5,637	10,530	10,772
4,483	4,905	5,475	6,216	6,144
2,336	1,625	2,091	-	165
181	138	-	1,931	3,664
5,175	6,498	17,983	5,665	7,854
<u>54,947</u>	<u>56,239</u>	<u>68,115</u>	<u>72,738</u>	<u>76,834</u>
<u>112,941</u>	<u>107,131</u>	<u>128,850</u>	<u>129,101</u>	<u>137,962</u>
(108,183)	(128,706)	(133,502)	(153,474)	(159,684)
6,941	7,292	16,601	22,568	24,310
<u>\$(101,242)</u>	<u>\$(121,414)</u>	<u>\$(116,901)</u>	<u>\$(130,906)</u>	<u>\$ (135,374)</u>

CITY OF BOULDER, COLORADO

Statistical Data

Changes In Net Position (Continued)

Last Ten Fiscal Years
(Unaudited)

(Accrual Basis of Accounting)
(Amounts in 000's)

	Fiscal Year				
	2007	2008	2009	2010	2011
General revenues and other changes in net position:					
Governmental activities:					
Taxes:					
Sales and use taxes (a)	\$ 88,403	\$ 84,867	\$ 85,457	\$ 87,802	\$ 92,627
Property taxes (a)	20,475	21,865	23,526	26,022	27,462
Other taxes (b)	14,791	-	-	-	-
Accommodation taxes	-	3,389	3,049	3,199	4,668
Franchise Taxes	-	9,131	9,121	10,868	10,282
Specific Ownership & Tobacco taxes	-	1,705	1,587	1,587	1,578
Excise Taxes	-	2,748	1,847	837	1,927
Interest and investment earnings	6,594	7,875	2,088	2,060	1,895
Miscellaneous (c)	6,752	5,025	5,286	5,633	6,418
Gain on Sale of Capital Assets	-	627	130	805	456
Transfers	(1,110)	587	(1,468)	5,982	(1,208)
Extraordinary Item	-	-	-	(1,535)	35
Total governmental activities	<u>135,905</u>	<u>137,819</u>	<u>130,623</u>	<u>143,260</u>	<u>146,140</u>
Business-type activities:					
Taxes:					
Sales and use tax increment (a)	99	94	83	87	94
Property taxes (a)	912	1,578	1,627	1,704	1,782
Property tax increment (a)	563	-	-	-	-
Other taxes (b)	766	-	-	-	-
Accommodation taxes	-	714	604	635	715
Specific Ownership & Tobacco taxes	-	63	55	51	51
Excess tax increment	(703)	-	-	-	-
Interest and investment earnings	5,796	5,583	1,257	1,226	1,156
Miscellaneous (c)	(25)	165	78	81	64
Gain on Sale of Capital Assets	-	-	80	-	-
Transfers	1,110	(587)	1,468	(5,982)	1,208
Extraordinary item	-	-	-	(1,024)	24
Total business-type activities	<u>8,518</u>	<u>7,610</u>	<u>5,252</u>	<u>(3,222)</u>	<u>5,094</u>
Total primary government	<u>144,423</u>	<u>145,429</u>	<u>135,875</u>	<u>140,038</u>	<u>151,234</u>
Changes in net position:					
Governmental activities	25,522	21,865	13,811	27,089	19,373
Business-type activities	18,200	20,339	12,309	2,845	16,694
Total primary government	<u>\$ 43,722</u>	<u>\$ 42,204</u>	<u>\$ 26,120</u>	<u>\$ 29,934</u>	<u>\$ 36,067</u>

- (a) Starting in 2008, Sales and use tax is combined with
The same applies to Property tax and Property tax increment.
- (b) Starting in 2008, Other Taxes is reported separately :
Accommodation taxes, Franchise Taxes, Specific Ownership & Tobacco Taxes and Ex
- (c) Starting in 2008, Gain on Sale of Capital Assets is reported separately
from Governmental Activities Miscellaneous

	Fiscal Year				
	2012	2013	2014	2015	2016
\$	97,397	\$ 104,136	\$ 116,316	\$ 131,323	\$ 136,269
	29,474	29,434	30,353	30,846	36,897
	-	-	-	-	-
	4,890	5,192	6,443	7,019	7,927
	12,310	12,815	12,226	12,777	12,693
	1,789	1,839	1,954	2,109	2,277
	1,290	1,338	3,235	4,453	2,253
	1,052	755	906	1,097	1,976
	1,645	1,678	1,437	1,008	2,825
	2,173	3,878	99	2,313	219
	16,764	(1,630)	(11)	(2,711)	(2,035)
	-	1,888	956	-	-
	<u>168,784</u>	<u>161,323</u>	<u>173,914</u>	<u>190,234</u>	<u>201,301</u>
	119	118	-	-	-
	1,952	1,976	2,013	1,178	1,293
	-	-	-	-	-
	-	-	-	-	-
	781	844	-	-	-
	55	60	66	69	57
	-	-	-	-	-
	384	301	324	486	1,073
	974	91	65	45	145
	-	-	-	562	-
	(16,764)	1,630	11	2,711	2,035
	-	-	-	-	-
	<u>(12,499)</u>	<u>5,020</u>	<u>2,479</u>	<u>5,051</u>	<u>4,603</u>
	<u>156,285</u>	<u>166,343</u>	<u>176,393</u>	<u>195,285</u>	<u>205,904</u>
	60,601	27,821	173,914	36,760	41,617
	(5,558)	21,621	2,479	27,619	28,913
\$	<u>55,043</u>	<u>\$ 49,442</u>	<u>\$ 176,393</u>	<u>\$ 64,379</u>	<u>\$ 70,530</u>

CITY OF BOULDER, COLORADO

Statistical Data

Fund Balances - Governmental Funds

Last Ten Fiscal Years
(Unaudited)

(Modified Accrual Basis of Accounting)
(Amounts in 000's)

	Fiscal Year				
	2007	2008	2009	2010	2011 (a)
General Fund:					
Reserved	\$ 2,953	\$ 2,928	\$ 3,934	\$ 4,179	\$ -
Unreserved	17,600	18,524	19,399	22,103	-
Nonspendable	-	-	-	-	297
Restricted	-	-	-	-	3,468
Committed	-	-	-	-	-
Assigned	-	-	-	-	7,711
Unassigned	-	-	-	-	20,209
Total General Fund	<u>\$ 20,553</u>	<u>\$ 21,452</u>	<u>\$ 23,333</u>	<u>\$ 26,282</u>	<u>\$ 31,685</u>
All Other Governmental Funds:					
Reserved	\$ 10,662	\$ 9,857	\$ 17,774	\$ 11,338	\$ -
Unreserved, reported in:					
Special revenue funds	38,995	57,409	38,605	45,123	-
Debt service funds	334	356	418	446	-
Capital projects funds	13,112	14,449	4,568	1,125	-
Nonspendable	-	-	-	-	63
Restricted	-	-	-	-	26,688
Committed	-	-	-	-	4,174
Assigned	-	-	-	-	21,949
Unassigned	-	-	-	-	-
Total all other government funds	<u>\$ 63,103</u>	<u>\$ 82,071</u>	<u>\$ 61,365</u>	<u>\$ 58,032</u>	<u>\$ 52,874</u>

(a) In 2011, reporting of fund balances was changed to meet the requirements of GASB 54

Fiscal Year				
2012	2013	2014	2015	2016
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
276	1,646	260	115	122
2,492	1,694	1,481	2,315	2,394
-	-	-	-	-
10,016	10,886	10,202	9,450	8,619
25,471	28,216	39,129	42,674	47,487
<u>\$ 38,255</u>	<u>\$ 42,442</u>	<u>\$ 51,072</u>	<u>\$ 54,554</u>	<u>\$ 58,622</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
47	50	46	63	39
78,732	63,649	59,829	68,445	74,898
15,399	19,376	17,195	10,352	11,994
21,964	23,754	26,996	29,020	30,396
-	-	(20)	-	-
<u>\$ 116,142</u>	<u>\$ 106,829</u>	<u>\$ 104,046</u>	<u>\$ 107,880</u>	<u>\$ 117,327</u>

CITY OF BOULDER, COLORADO

Statistical Data

Changes In Fund Balances - Governmental Funds

Last Ten Fiscal Years
(Unaudited)

(Modified Accrual Basis of Accounting)
(Amounts in 000's)

	Fiscal Year			
	2007	2008	2009	2010
Revenues:				
Taxes:				
Sales and use taxes	\$ 88,403	\$ 84,867	\$ 85,457	\$ 87,802
General property taxes	20,475	21,865	23,526	26,022
Other taxes (a)	14,791	-	-	-
Accommodation taxes	-	3,389	3,049	3,199
Franchise taxes	-	9,131	9,121	10,858
Specific Ownership & Tobacco taxes	-	1,705	1,587	1,587
Excise taxes	-	2,748	1,847	837
Charges for services	12,080	16,115	13,982	17,239
Sale of goods	2,993	329	318	812
License, permits and fines	10,259	9,910	8,716	10,956
Intergovernmental	19,842	15,192	15,589	17,043
Leases, rents and royalties	329	2,278	2,148	2,240
Interest and investment earnings	9,910	5,698	1,392	1,445
Other	15,192	1,567	1,914	1,208
Total revenues	<u>194,274</u>	<u>174,794</u>	<u>168,646</u>	<u>181,248</u>
Expenditures:				
General Government	11,705	11,838	11,294	13,852
Administrative Services	8,599	8,773	8,749	8,597
Public Safety	40,327	42,882	43,273	53,972
Public Works	34,479	29,204	32,276	31,970
Planning & Development Services	6,796	7,849	7,460	7,118
Culture and Recreation	24,179	26,195	27,029	26,352
Open Space and Mountain Parks	29,919	13,579	10,396	11,199
Housing and Human Services	10,431	12,736	13,443	15,308
Capital outlay	1,254	1,840	12,417	9,785
Debt service payments:				
Principal	8,899	10,331	11,561	9,895
Interest	3,817	2,552	2,930	2,406
Base rentals to Boulder Municipal Property Authority Debt Service Fund	4,540	4,042	3,454	3,452
Cost of issuance - refunding bonds	-	-	-	28
Total expenditures	<u>184,945</u>	<u>171,821</u>	<u>184,282</u>	<u>193,934</u>
Excess of revenues (under) expenditures	<u>9,329</u>	<u>2,973</u>	<u>(15,636)</u>	<u>(12,686)</u>
Other financing sources (uses):				
Sale of capital assets	-	-	84	24
Capital lease financing	-	-	-	-
Notes / loans payable issued	-	-	5,441	-
Bonds issued (including refunding bonds)	12,416	-	30,685	9,203
Premium on bonds issued	-	-	1,016	-
Transfers in	20,259	20,795	20,745	21,638
Transfers out	(17,948)	(18,706)	(18,410)	(18,563)
Payment to refunding bond escrow agent	(12,311)	-	(27,945)	-
Total other financing sources (uses)	<u>2,416</u>	<u>2,089</u>	<u>11,616</u>	<u>12,302</u>
Extraordinary Item				
Flood insurance recoveries	-	-	-	-
Net changes in fund balance	<u>\$ 11,745</u>	<u>\$ 5,062</u>	<u>\$ (4,020)</u>	<u>\$ (384)</u>
Debt service as a percentage of noncapital expenditures (b)	8.5%	8.3%	8.7%	7.8%

(a) Starting in 2008, Other Taxes is reported separately as follows:

Accommodation taxes, Franchise Taxes, Specific Ownership & Tobacco Taxes and Excise Taxes

(b) These percentages have been changed from prior year reports to more accurately reflect the Debt Service percentage of noncapital expenditures.

		Fiscal Year					
		2011	2012	2013	2014	2015	2016
\$	92,627	\$ 97,397	\$ 104,136	\$ 116,316	\$ 131,323	\$ 136,269	
	27,462	29,474	29,434	30,353	30,846	36,897	
	-	-	-	-	-	-	
	4,668	4,890	5,192	6,443	7,019	7,927	
	10,295	12,310	12,815	12,218	12,772	12,693	
	1,578	1,788	1,839	1,954	2,109	2,277	
	1,927	1,290	1,338	3,235	4,453	2,253	
	14,015	27,030	22,670	22,946	20,880	15,839	
	368	628	863	593	1,269	384	
	10,518	11,918	12,156	12,813	13,005	14,220	
	13,647	16,420	13,348	18,188	12,347	16,270	
	2,346	2,433	2,365	2,651	4,140	7,403	
	1,416	879	563	686	827	1,529	
	2,869	1,792	1,556	2,069	2,596	4,175	
	<u>183,736</u>	<u>208,249</u>	<u>208,275</u>	<u>230,465</u>	<u>243,586</u>	<u>258,136</u>	
	18,122	18,568	20,161	16,556	53,077	17,951	
	8,504	9,149	10,024	6,773	8,480	8,836	
	45,123	47,825	48,202	50,280	52,915	54,214	
	29,558	22,178	27,896	38,322	46,114	51,706	
	7,551	4,370	4,659	6,014	14,263	14,199	
	26,839	25,677	28,089	30,423	32,965	33,209	
	15,978	12,055	22,521	20,433	20,999	22,725	
	12,022	13,384	20,226	24,564	23,279	12,682	
	4,077	29,111	19,218	27,130	9,750	11,378	
	9,715	10,549	11,201	9,425	10,142	9,560	
	2,398	3,025	3,549	3,205	3,266	4,386	
	5,178	3,452	1,625	2,091	1,701	1,618	
	104	28	-	-	-	-	
	<u>185,169</u>	<u>193,934</u>	<u>217,371</u>	<u>235,216</u>	<u>276,951</u>	<u>242,464</u>	
	<u>(1,433)</u>	<u>(12,686)</u>	<u>(9,096)</u>	<u>(4,751)</u>	<u>(33,365)</u>	<u>15,672</u>	
	17	24	257	7	1,970	4	
	-	-	-	-	-	-	
	-	-	-	-	-	-	
	-	9,203	-	10,000	41,000	-	
	-	-	-	123	561	-	
	22,576	21,638	20,371	8,334	7,333	-	
	(19,415)	(18,563)	(18,653)	(8,822)	-	11,710	
	-	-	-	-	(10,296)	(13,871)	
	<u>3,178</u>	<u>12,302</u>	<u>2,082</u>	<u>9,642</u>	<u>40,568</u>	<u>(2,157)</u>	
	<u>(1,500)</u>	<u>-</u>	<u>1,888</u>	<u>956</u>	<u>-</u>	<u>-</u>	
\$	<u>245</u>	<u>(384)</u>	<u>(5,126)</u>	<u>5,847</u>	<u>7,203</u>	<u>13,515</u>	
	8.6%	9.2%	8.1%	6.6%	6.5%	6.7%	

CITY OF BOULDER, COLORADO

Statistical Data

Taxable Sales by Market Sector

Last Ten Fiscal Years
(Unaudited)

(Amounts in 000's)

Market Sector	2007	2008	2009	2010
Food Stores	\$ 315,876	\$ 329,727	\$ 328,338	\$ 327,796
Eating Places	306,927	321,062	311,060	321,904
Apparel Stores	79,051	82,966	77,259	79,232
Home Furnishings	85,709	80,115	75,883	76,487
General Retail	508,536	532,688	515,305	567,786
Transportation/Utilities	208,719	231,463	215,137	220,981
Automotive Trade	173,982	151,612	145,333	157,930
Building Material-Retail	91,274	90,428	82,342	87,238
Construction Use Tax	136,291	103,986	142,739	173,534
Construction Sales Tax	11,751	11,960	11,263	14,922
Constructions Firms Sales/Use Tax	-	-	-	-
Consumer Electronics	69,954	61,953	50,755	54,843
Computer Related Business Sector	153,321	158,410	168,124	146,311
All Other	344,405	335,698	390,880	351,272
Refunds	(2,565)	(3,300)	(8,349)	(5,396)
Total Sales and Use Tax	<u>\$ 2,483,231</u>	<u>\$ 2,488,768</u>	<u>\$ 2,506,069</u>	<u>\$ 2,574,840</u>
Direct city sales tax rate	3.56%	3.41%	3.41%	3.41%
Food service sales tax	<u>0.15%</u>	<u>0.15%</u>	<u>0.15%</u>	<u>0.15%</u>
Total direct city sales tax	<u><u>3.71%</u></u>	<u><u>3.56%</u></u>	<u><u>3.56%</u></u>	<u><u>3.56%</u></u>

	2011	2012	2013	2014	2015	2016
\$	359,707	\$ 388,154	\$ 397,482	\$ 418,373	\$ 440,661	\$ 452,030
	347,871	384,485	389,207	411,710	437,428	451,436
	100,696	110,467	111,504	119,125	122,977	123,958
	81,304	81,243	80,077	88,116	89,689	92,314
	586,189	606,359	613,769	630,457	658,659	737,753
	215,462	208,713	227,916	244,471	229,281	220,926
	174,631	187,675	206,196	224,224	235,029	239,489
	85,319	94,886	109,136	111,777	114,560	121,991
	153,438	171,106	254,550	240,872	-	-
	16,147	12,006	12,695	11,617	-	-
	-	-	-	-	276,746	304,301
	73,237	62,924	58,542	67,918	66,687	71,024
	167,503	188,876	209,218	201,225	205,890	195,938
	359,612	359,324	383,549	497,419	524,543	519,125
	(4,781)	-	-	-	-	-
	<u>\$ 2,716,335</u>	<u>\$ 2,856,218</u>	<u>\$ 3,053,841</u>	<u>\$ 3,267,304</u>	<u>\$ 3,402,150</u>	<u>\$ 3,530,285</u>
	3.41%	3.41%	3.41%	3.56%	3.86%	3.86%
	<u>0.15%</u>	<u>0.15%</u>	<u>0.15%</u>	<u>0.15%</u>	<u>0.15%</u>	<u>0.15%</u>
	<u>3.56%</u>	<u>3.56%</u>	<u>3.56%</u>	<u>3.71%</u>	<u>4.01%</u>	<u>4.01%</u>

CITY OF BOULDER, COLORADO

Statistical Data

Direct and Overlapping Sales Tax Rates

Last Ten Fiscal Years
(Unaudited)

City Direct Rates									
	Parks & Rec								
Tax	General Fund	General Fund	General Fund	Open Space	Open Space	Open Space	Transportation	Transportation	& General Muni
Year	Sales Tax	Sales Tax	Sales Tax	Sales Tax	Sales Tax	Sales Tax	Sales Tax	Sales Tax	Sales Tax
Levied	No Expiration	No Expiration	Expires 12/31/24	No Expiration	No Expiration	Expires 12/31/39	No Expiration	Expires 12/31/19	Expires 12/31/39
2007	1.00%	0.38%	0.15%	0.40%	0.33%	0.15%	0.60%	-	0.15%
2008	1.00%	0.38%	0.15%	0.40%	0.33%	0.15%	0.60%	-	0.15%
2009	1.00%	0.38%	0.15%	0.40%	0.33%	0.15%	0.60%	-	0.15%
2010	1.00%	0.38%	0.15%	0.40%	0.33%	0.15%	0.60%	-	0.15%
2011	1.00%	0.38%	0.15%	0.40%	0.33%	0.15%	0.60%	-	0.15%
2012	1.00%	0.38%	0.15%	0.40%	0.33%	0.15%	0.60%	-	0.15%
2013	1.00%	0.38%	0.15%	0.40%	0.33%	0.15%	0.60%	-	0.15%
2014	1.00%	0.38%	0.15%	0.40%	0.33%	0.15%	0.60%	0.15%	0.15%
2015	1.00%	0.38%	0.15%	0.40%	0.33%	0.15%	0.60%	0.15%	0.15%
2016	1.00%	0.38%	0.15%	0.40%	0.33%	0.15%	0.60%	0.15%	0.15%

Source: City Sales Tax Division and the Colorado Department of Revenue

Notes: Food services establishments collections are deposited into the General Fund and a check written for the total to the Boulder Center for Conference Services and Cultural Affairs.

Overlapping rates are those of local, county, regional and state governments that apply to sales within the City.

					Overlapping Rates						
Parks Acquisition & Recreation	Food Service Establishments	Fire Training Center	Capital Projects for Community, Safety, and Culture	Total Direct	State of Colorado	Regional Transportation District	Cultural District	Ball Stadium District	Boulder County	Total Overlapping	Total Direct and Overlapping
Sales Tax Expires 12/31/35	Sales Tax No Expiration	Sales Tax 2007 only	Sales Tax Expires 2017								
0.25%	0.15%	0.15%	-	3.71%	2.90%	1.00%	0.10%	0.10%	0.65%	4.75%	8.46%
0.25%	0.15%	-	-	3.56%	2.90%	1.00%	0.10%	0.10%	0.65%	4.75%	8.31%
0.25%	0.15%	-	-	3.56%	2.90%	1.00%	0.10%	0.10%	0.65%	4.75%	8.31%
0.25%	0.15%	-	-	3.56%	2.90%	1.00%	0.10%	0.10%	0.80%	4.90%	8.46%
0.25%	0.15%	-	-	3.56%	2.90%	1.00%	0.10%	0.10%	0.80%	4.90%	8.46%
0.25%	0.15%	-	-	3.56%	2.90%	1.00%	0.10%	-	0.80%	4.80%	8.36%
0.25%	0.15%	-	-	3.56%	2.90%	1.00%	0.10%	-	0.80%	4.80%	8.36%
0.25%	0.15%	-	-	3.71%	2.90%	1.00%	0.10%	-	0.80%	4.80%	8.51%
0.25%	0.15%	-	0.30%	4.01%	2.90%	1.00%	0.10%	-	0.985%	4.99%	9.00%
0.25%	0.15%	-	0.30%	4.01%	2.90%	1.00%	0.10%	-	0.985%	4.99%	9.00%

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CITY OF BOULDER, COLORADO

Statistical Data

Largest Sales Tax Remitters by Market Sector

Current Year and Nine Years Ago
(Unaudited)

(Amounts in 000's)

Market Sector	2007			2016		
	Number Of Filers	Tax Liability	Percentage Of Total	Number Of Filers	Tax Liability	Percentage Of Total
Food Stores	4	\$ 6,584	7.45%	4	\$ 8,134	5.97%
Automotive Trade	1	2,299	2.60%	1	3,985	2.92%
Computer Related Business Sector	2	2,721	3.08%	1	2,054	1.51%
General Retail, Utilities, & Other	3	7,235	8.18%	4	11,692	8.58%
Total	10	\$ 18,840	21.31%	10	\$ 25,865	18.98%

Source: City of Boulder Sales Tax Division

Note: Individual sales tax payer information is confidential under Boulder Revised Code. Due to this, the names of the ten largest revenue payers are not available. Taxpayer information by industry for the ten largest payers is provided to present alternative information regarding the concentration of the city's sales tax revenue sources by industry.

CITY OF BOULDER, COLORADO

Statistical Data

Ratios of Net Outstanding Debt by Type

Last Ten Fiscal Years
(Unaudited)

(Amounts in 000's)

Fiscal Year	Governmental Activities							Business-Type Activities	
	General Obligation Bonds	Taxable Pension Obligation Bonds	Revenue Bonds	Revenue Notes Payable	Lease Purchase Revenue Notes	Capitalized Lease Obligations	Loans Payable	General Obligation Bonds	Revenue Bonds
2007	67,755	-	8,810	-	-	-	1,536	20,431	101,792
2008	60,120	-	7,720	-	-	-	-	19,259	95,393
2009	58,410	-	6,614	-	-	-	500	18,071	88,780
2010	49,683	9,201	5,350	-	-	7,957	500	16,753	91,429
2011	41,746	8,881	4,054	-	-	7,763	250	15,350	84,861
2012 (b)	87,577	8,531	2,739	-	-	10,391	250	14,046	82,204
2013	77,717	8,176	1,378	-	-	9,969	-	12,390	74,385
2014	79,610	7,812	-	-	-	9,420	-	10,778	66,341
2015	70,793	7,443	-	41,561	5,727	8,837	-	9,133	91,294
2016	22,555	7,063	41,330	40,179	4,326	8,242	-	7,453	116,226

(a) Population information is presented in the Demographic and Economic Statistics schedule.

(b) 2012 amounts restated due to the implementation of GASB 65 (Items previously reported as assets and liabilities)

Note: Details regarding the City's outstanding debt may be found in the notes to the basic financial statements.

Business-Type Activities			Total Primary Government	Market Value of Taxable Property	Percentage of Property Values	Per Capita (a)
Revenue Notes Payable	Certificates Of Participation	Lease Purchase Revenue Notes				
-	2,605	16,869	219,798	16,088,279	1.37%	2,133.96
-	2,130	15,118	199,740	18,494,895	1.08%	1,920.58
-	1,635	13,024	187,034	18,685,545	1.00%	1,798.40
-	1,120	10,809	192,802	19,851,162	0.97%	1,987.65
-	575	6,739	170,219	19,992,416	0.85%	1,736.93
-	-	5,313	211,051	19,602,390	1.08%	2,089.61
-	-	8,949	192,964	19,676,353	0.98%	1,891.80
-	-	7,178	181,139	20,278,600	0.89%	1,725.13
-	-	-	234,788	20,434,242	1.15%	2,236.08
-	-	-	247,374	24,935,355	0.99%	2,311.91

CITY OF BOULDER, COLORADO

Statistical Data

Ratios of General Bonded Debt Outstanding

Last Ten Fiscal Years
(Unaudited)

(Amounts in 000's)

Fiscal Year	Governmental Activities	Business-Type Activities	Total	Taxable Sales	Percentage of Taxable Sales (a)	Per Capita (b)
	General Obligation Bonds	General Obligation Bonds				
2007	67,755	20,431	88,186	2,483,231	3.55%	856.17
2008	60,120	19,259	79,379	2,488,768	3.19%	763.26
2009	58,410	18,071	76,481	2,506,069	3.05%	735.39
2010	58,884	16,753	75,637	2,574,840	2.94%	779.76
2011	50,627	15,350	65,977	2,716,335	2.43%	673.23
2012 (c)	95,773	14,046	109,819	2,856,218	3.84%	1,087.32
2013	85,893	12,390	98,283	3,053,841	3.22%	963.56
2014	87,422	10,778	98,200	3,267,304	3.01%	935.24
2015	78,236	9,133	87,369	3,402,150	2.57%	832.09
2016	29,618	7,453	37,071	3,530,285	1.05%	346.46

(a) General bonded debt is repaid with sales tax revenues instead of property taxes. Taxable sales is used as a relevant basis for comparison.

(b) Personal income is not available at the City level; therefore, the Per Capita is used for this calculation as allowed.

(c) 2012 amounts restated due to the implementation of GASB 65 (Items previously reported as assets and liabilities)

Note: Details regarding the City's outstanding debt may be found in the notes to the basic financial statements.

CITY OF BOULDER, COLORADO

Statistical Data

Direct and Overlapping Debt

December 31, 2016
(Unaudited)

(Amounts in 000's)

<u>Jurisdiction</u>	<u>Par value of net General Obligation debt outstanding (a)</u>	<u>Percentage applicable to City of Boulder (b)</u>	<u>Amount applicable to City of Boulder (c)</u>
Boulder Valley School District RE-2	\$ 541,065	61.86 %	\$ 334,696
Boulder Central Area General Improvement District	7,453	100.00	7,453
Northern Colorado Water Conservancy District (NCWCD)	3,929	17.64	693
Boulder County	-	45.89	-
Urban Drainage and Flood Control District	-	6.91	-
Total Overlapping Debt			342,842
City Direct Governmental Activity Debt			123,695
Total Direct and Overlapping Debt			<u>\$ 466,537</u>

(a) Source for net General Obligation debt outstanding: Boulder Valley School District, NCWCD, Boulder County, and Urban Drainage and Flood Control District

(b) Source for percentage applicable to City of Boulder: 2013 Abstract of Assessment and Summary of Levies (Boulder County Assessor's Office), NCWCD, UDFC and Boulder Valley School District RE-2.

(c) The City of Boulder's valuation is divided by each jurisdiction's valuation, with the exception of the Boulder Central Area General Improvement District, which is wholly within the City limits.

For 2016, each jurisdiction had the following valuations (in 000's):

The City of Boulder	\$ 3,146,952
Boulder Valley School District	5,087,314
NCWCD	17,844,139
Boulder County	6,857,334
Urban Drainage & Flood Control	45,552,210

CITY OF BOULDER, COLORADO

Statistical Data

Legal Debt Margin Information

Last Ten Fiscal Years
(Unaudited)

(Amounts in 000's)

	<u>2007</u>	<u>2008</u>
Debt limit	\$ 62,838	\$ 72,496
Total net debt applicable to limit	<u>-</u>	<u>-</u>
Legal debt margin	<u>\$ 62,838</u>	<u>\$ 72,496</u>
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%

(a) 2012 amounts adjusted due to the implementation of GASB 65
(Items previously reported as assets and liabilities)

Note: The total indebtedness of the City, payable solely from the proceeds of ad valorem taxes, shall not exceed 3% of assessed value of taxable property in the municipality. Indebtedness payable in whole or in part from other revenue sources, or is subject to annual appropriations therefrom by the Boulder City Council, is not included in this limitation. (Charter of the City of Boulder, Sec. 97.)

Legal Debt Margin Calculation for Fiscal Year 2016

Assessed value	\$ 3,146,952
Debt limit - 3% of assessed value	<u>94,409</u>
Debt applicable to limit:	
Total bonded debt	37,071
Deductions allowed by law:	
Self-supporting General Obligation bonds	(37,071)
Total net debt applicable to limit	<u>-</u>
Legal debt margin	<u><u>\$ 94,409</u></u>

2009	2010	2011	2012 (a)	2013	2014	2015	2016
\$ 76,882	\$ 76,981	\$ 74,943	\$ 75,021	\$ 77,024	\$ 77,981	\$ 94,814	\$ 94,409
-	-	-	-	-	-	-	-
<u>\$ 76,882</u>	<u>\$ 76,981</u>	<u>\$ 74,943</u>	<u>\$ 75,021</u>	<u>\$ 77,024</u>	<u>\$ 77,981</u>	<u>\$ 94,814</u>	<u>\$ 94,409</u>
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

CITY OF BOULDER, COLORADO

Statistical Data

Pledged Revenue Coverage

Last Ten Years
(Unaudited)

(Amounts in 000's)

Pledged Water and Sewer Bonds

<u>Fiscal year</u>	<u>Gross revenue (a)</u>	<u>Direct operating expense (b)</u>	<u>Net revenue available for debt service</u>	<u>Maximum annual debt service requirement</u>	<u>Coverage (c)</u>
2007	42,081	21,205	20,876	10,037	2.08
2008	43,394	23,340	20,054	10,029	2.00
2009	39,151	21,633	17,518	10,029	1.75
2010	38,626	20,199	18,427	10,704	1.72
2011	41,412	23,026	18,386	10,615	1.73
2012	41,390	23,503	17,887	12,550	1.43
2013	42,526	24,347	18,179	12,379	1.47
2014	46,519	27,657	18,862	12,379	1.52
2015	51,959	28,220	23,739	11,741	2.02
2016	52,125	29,266	22,859	11,421	2.00

(a) Gross revenue as defined by applicable bond ordinances includes gross operating and nonoperating revenues, plant investment fees and special assessments in the Water Utility and Wastewater Utility Funds.

(b) Direct operating expense equals total operating expenses less depreciation and amortization expense. In 2004, all prior year direct operating expense totals were restated to include the portion of the annual payment to the Municipal Subdistrict, Northern Colorado Water Conservancy District, that reduces the deferred credit for future water rights in the Water Utility Fund.

(c) Prior to issuing additional parity bonds, the City must meet the following "facilities earnings test":

The annual gross revenue derived from the operation of the facilities for the fiscal year immediately preceding the date of the issuance of additional parity bonds must be sufficient to pay the annual operation and maintenance expenses of the facilities for that fiscal year, and, in addition, sufficient to pay an amount representing 125% of the combined maximum annual principal and interest requirements of the outstanding bonds, and any other bonds payable from and constituting a lien upon net income of the facilities, and the bonds proposed to be issued.

CITY OF BOULDER, COLORADO

Statistical Data

Pledged Revenue Coverage

Last Ten Years
(Unaudited)

(Amounts in 000's)

Stormwater and Flood Management Bonds

<u>Fiscal year</u>	<u>Gross income (d)</u>	<u>Operating and Maintenance expense (e)</u>	<u>Net revenue available for debt service</u>	<u>Average annual debt service requirement</u>	<u>Coverage (f)</u>
2007	5,537	2,969	2,568	625	4.11
2008	5,988	3,237	2,751	608	4.52
2009	5,362	2,945	2,417	563	4.29
2010	6,590	3,261	3,329	386	8.62
2011	5,185	3,341	1,844	386	4.78
2012	5,386	3,161	2,225	386	5.76
2013	5,708	3,279	2,429	386	6.29
2014	5,642	3,737	1,905	385	4.95
2015	11,806	6,064	5,742	1,934	2.97
2016	13,991	6,146	7,845	1,934	4.06

(d) Gross income as defined by applicable bond ordinances means all income and revenues derived directly or indirectly by the City from the Fees, including interest earnings on moneys in any fund or account created by the bond ordinance and includes all revenues earned by the City therefrom.

(e) Operating and Maintenance Expenses means all reasonable and necessary current expenses of the City paid or accrued, of operating, maintaining and repairing the Flood Control System. It does not include depreciation, capital replacements, or operating, maintenance or repair reserves.

(f) Prior to issuing additional parity bonds, the City must meet the following "fee test":

The annual gross income for the fiscal year immediately preceding the date of the issuance of additional parity bonds shall have been sufficient to pay the annual operation and maintenance expenses of the Flood Control System for said fiscal year, and, in addition, sufficient to pay an amount representing 125% of the combined average annual principal and interest requirements of the Outstanding Series 1998 Bonds of the City payable from and constituting a lien upon net income from the Fees and the bonds proposed to be issued.

CITY OF BOULDER, COLORADO

Statistical Data

Demographic and Economic Statistics

Last Ten Fiscal Years
(Unaudited)

(Amounts in 000's)

Fiscal Year Ended April 30	City of Boulder Population (a)	Boulder, Colorado Metropolitan Statistical Area				Unemployment Rate (e)(f)
		Population (b)	Total Personal Income (c)	Per Capita Income (d)		
2007	103	296	14,784	49,999	3.9%	
2008	104	300	15,237	50,714	4.6%	
2009	104	303	14,334	48,891	5.3%	
2010	97	296	14,768	50,031	6.5%	
2011	98	300	15,536	51,893	5.9%	
2012	101	305	16,639	54,502	5.6%	
2013	102	310	17,042	54,968	4.7%	
2014	105	314	18,370	58,627	3.2%	
2015	105	319	19,233	60,220	2.8%	
2016	107	*	*	*	2.2%	

(a) Source: City of Boulder Department of Community Planning & Sustainability. Estimates are based on January 1.

(b) Source: Colorado Department of Local Affairs, State Demography Office. Estimates are based on July 1.

(c) Source: U.S. Department of Commerce, Bureau of Economic Analysis, Table CA1-3

(d) Source: U.S. Department of Commerce, Bureau of Economic Analysis, Table CA1-3

(e) Source: Colorado Department of Labor and Employment (average annual rate for the City of Boulder).

(f) Source: Starting in 2008, amounts were based on Boulder Economic Council estimates.

* 2016 Boulder, Colorado Metropolitan Statistic Area not available

Note: Personal income information is not available for the City of Boulder. Boulder, Colorado Metropolitan Statistical Area population and personal income information was used.

CITY OF BOULDER, COLORADO

Statistical Data

Principal Employers

Current Year and Nine Years Ago
(Unaudited)

Employer	2007			2016		
	Employees	Rank	Percentage of Total County Employment (a)	Employees	Rank	Percentage of Total County Employment (a) (a1)
University of Colorado at Boulder	6,902	1	4.28%	6,652	1	3.78%
St. Vrain Valley School District	3,392	4	2.11%	4,661	2	2.65%
Boulder Valley School District	4,144	2	2.57%	4,381	3	2.49%
Boulder County	1,684	10	1.05%	1,957	4	1.11%
IBM Corporation	3,400	3	2.11%	1,800	5	1.02%
Boulder Community Hospital	2,380	8	1.48%	1,796	6	1.02%
Medtronic Surgical Technologies	-	-	-	1,700	7	0.97%
Ball Corporation	3,000	7	1.86%	1,616	8	0.92%
City of Boulder	-	-	-	1,400	9	0.80%
National Center for Atmospheric (NCAR)	-	-	-	1,226	10	0.70%
Sun Microsystems Inc	3,387	5	2.10%	-	-	-
State of Colorado	3,048	6	1.89%	-	-	-
Level 3 Communications Inc.	2,000	9	1.24%	-	-	-
	<u>33,337</u>		<u>20.69%</u>	<u>27,189</u>		<u>15.46%</u>

Source: The Boulder County Business Report Book of Lists and Colorado Department of Labor and Employment

- (a) This list is the 10 largest employers in Boulder and Broomfield counties. Employment information specific to the City of Boulder is not available for the years presented
- (a1) Starting in 2016, Broomfield county has been excluded
- (b) Per 2017 Book of Lists Report, Employee numbers are from 2015 data
- (c) Per 2017 Book of Lists Report, Employee numbers are estimates

CITY OF BOULDER, COLORADO

Statistical Data

Full-Time Equivalent City Employees By Functions/Programs

Last Ten Fiscal Years
(Unaudited)

<u>Functions/Program</u>	<u>Full-Time Equivalent Employees</u>				
	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
General Government:					
City Council	1.00	1.00	1.00	-	-
Municipal Court	18.50	18.50	18.00	16.25	16.25
City Attorney	19.70	18.65	18.65	18.65	18.65
City Manager- Administration	10.00	16.50	16.50	14.30	11.80
City Manager- Downtown & University Hill Mgt	42.25	42.25	42.25	42.25	42.25
City Manager- Communications	11.50	6.00	6.00	4.00	5.50
Administrative Services:					
Human Resources	14.63	16.38	16.63	14.88	14.88
Finance	28.87	29.37	28.37	26.37	33.50
Information Technology	32.75	35.25	35.25	33.50	34.50
Public Safety:					
Police	269.25	273.25	273.25	269.50	276.50
Fire	111.33	111.33	112.33	112.33	112.33
Planning & Development Services:					
Environmental Affairs:	69.36	72.56	76.56	79.47	78.66
	5.50	9.50	10.50	-	-
Public Works:					
Administration	-	-	-	-	-
Fleet	16.87	16.87	16.87	14.87	14.82
Transportation	65.99	68.24	68.69	67.10	59.28
Utilities	154.93	155.18	156.23	155.90	154.84
Facility / Asset Management	13.58	14.58	14.58	14.58	14.68
Culture and Recreation:					
Parks and Recreation	144.62	145.82	146.99	139.24	126.12
Library	79.45	80.20	79.95	76.95	75.45
Arts	1.50	1.50	1.50	1.50	1.50
Open Space / Mountain Parks:	83.25	92.00	91.00	90.50	85.60
Housing and Human Services:	56.51	56.24	57.42	56.10	53.39
Total	<u>1,251.34</u>	<u>1,281.17</u>	<u>1,288.52</u>	<u>1,248.24</u>	<u>1,230.50</u>

Source: City of Boulder Summary of Standard FTE's per the annual budget document.

Note: Number of FTE's budgeted and approved for each fiscal year

Full-Time Equivalent Employees				
2012	2013	2014	2015	2016
-	-	-	-	-
16.25	18.16	18.13	21.13	21.13
20.15	20.20	21.20	19.20	25.70
12.68	12.00	12.00	19.50	17.00
42.25	42.25	42.25	44.50	46.50
6.50	6.50	6.50	6.50	12.75
15.38	15.63	18.63	24.63	24.38
34.00	34.00	36.00	38.67	44.50
34.50	34.00	36.85	37.18	40.25
279.50	279.50	282.50	288.00	290.89
115.33	118.33	120.33	121.33	124.33
82.97	88.74	93.87	105.92	112.72
-	-	-	-	-
-	2.74	2.74	3.74	2.85
14.82	14.77	14.77	14.77	15.12
59.52	59.78	60.09	70.34	71.34
154.84	153.59	154.17	166.92	168.02
14.68	14.73	14.84	14.84	17.53
126.37	128.37	127.37	130.35	136.35
75.13	74.14	76.26	76.26	77.50
2.00	3.25	3.25	2.25	1.00
89.60	91.60	95.35	102.35	117.15
46.73	48.34	48.91	50.39	52.14
<u>1,243.20</u>	<u>1,260.62</u>	<u>1,286.01</u>	<u>1,358.77</u>	<u>1,419.15</u>

CITY OF BOULDER, COLORADO

Statistical Data

Operating Indicators By Function/Program

Last Ten Fiscal Years
(Unaudited)

Function/Program	2007	2008	2009	2010
General Government:				
Municipal Court				
Traffic tickets processed	11,204	13,782	13,260	17,433
General summons processed	3,760	4,099	4,510	4,351
Animal summons processed	1,366	986	1,055	870
Arraignments	3,974	4,716	5,543	5,218
Court trials	114	93	98	87
Jury trials	6	9	8	8
Public Safety:				
Police				
Number of police officers	171	171	171	171
DUI arrests	989	1,089	781	767
Traffic summons	19,554	21,205	15,304	18,394
Total traffic accidents	3,641	3,242	3,405	3,222
Total calls for service	87,320	78,204	77,745	76,383
Fire				
Number of firefighters	95	95	96	96
Total annual responses	8,943	8,943	9,730	9,535
Percentage of responses within 6 minutes	80%	80%	72%	77%
Planning & Development Services:				
Number of applications received	5,920	5,781	5,532	6,309
Number of zoning and environmental code enforcement cases	4,515	3,000	2,821	1,995
Public Works				
Transportation				
Daily vehicle miles of travel in Boulder Valley	2.57 million	2.49 million	2.46 million	2.49 million
Culture and Recreation:				
Parks and Recreation				
Recreation center attendance	464,432	453,248	428,682	422,200
Outdoor pool attendance	58,954	58,643	83,335	88,303
Adult athletics participation	216,550	234,567	237,292	236,950
Recreation class enrollment	27,791	26,583	26,671	22,201
Reservoir attendance	57,408	48,713	36,582	42,688
Rounds of golf	48,384	49,360	43,348	38,293
Library				
Circulation of books, videos, tapes	1,183,717	1,274,299	1,354,742	1,363,545
Remote use of library resources online	2,028,526	1,792,633	669,217	806,770
Adults participating in cultural and educational programs	65,455	66,994	37,319	33,175
Attendance at outreach program activities	7,554	14,569	5,796	4,525
Arts				
Participants in Boulder Arts Resource	555	625	677	678
Housing Division:				
Number of permanently affordable housing units added on an annual basis	147	163	84	100

Source: City of Boulder departmental records.

(a) Prior years each page viewed online was counted. For 2016, the count only includes the online visit regardless of how many pages were viewed.

2011	2012	2013	2014	2015	2016
17,181	15,681	12,464	10,998	8,273	9,361
6,028	6,498	5,871	4,466	4,886	4,239
1,318	1,635	1,340	1,074	2,016	840
5,437	5,810	5,049	4,341	4,459	5,090
69	63	84	61	54	27
20	12	16	23	12	2
173	173	173	176	179	181
674	706	592	583	568	486
17,530	16,547	18,438	12,530	13,106	11,439
3,328	3,183	3,598	3,449	3,593	3,691
81,218	91,675	107,519	108,279	105,315	111,349
96	96	96	96	96	96
10,111	10,293	11,203	9,910	10,669	11,818
76%	74%	78%	47%	66%	69%
5,888	6,488	7,727	6,115	6,170	6,289
2,145	706	809	821	1,178	1,371
2.34 million	2.34 million	2.40 million	2.89 million	2.46 million	2.49 million
628,639	725,000	736,138	727,531	488,707	414,366
83,707	77,441	74,175	75,597	64,638	29,500
250,372	175,543	181,752	161,652	176,404	210,000
21,794	23,092	23,417	29,451	31,223	21,098
330,205	238,265	227,935	156,034	139,396	63,155
39,440	43,974	36,872	41,494	37,174	35,397
1,384,900	1,446,816	1,449,679	1,305,894	1,350,156	1,359,858
804,998	748,917	752,629	840,954	757,918	(a) 295,040
33,298	31,063	23,999	25,737	36,203	39,198
4,185	5,312	4,429	4,650	3,282	4,943
718	737	NA	NA	NA	NA
24	18	236	141	205	246

CITY OF BOULDER, COLORADO

Statistical Data

Capital Asset Statistics By Function/Program

Last Ten Fiscal Years
(Unaudited)

Function/Program	2007	2008	2009	2010
Public Safety:				
Police				
Number of stations and annexes	3	3	4	3
Fire				
Number of stations	7	7	7	7
Public Works:				
Fleet Services				
Cars, Pickups, Vans, and Motorcycles	297	311	343	355
Fire Apparatus	11	11	22	15
Other Heavy Trucks and Equipment	477	658	594	585
Total Vehicles/Equipment in Fleet	785	980	959	955
Transportation				
Miles of streets	288	289	292	293
Number of street lights	4,567	4,608	4,638	4,678
Utilities - Water				
Number of water accounts	28,578	28,359	28,458	28,519
Average daily water production (000's)	16,458	16,900	15,400	17,300
Miles of water mains	451	451	458	461
Utilities - Sewer				
Miles of sanitary sewer mains	349	351	350	375
Miles of storm sewers	138	150	124	183
Culture and Recreation:				
Parks and Recreation				
Acres of urban parks	1,880	1,880	1,880	1,880
Library				
Number of libraries	4	4	4	4
Number of library items in collection	389,805	389,805	403,960	405,034
Open Space / Mountain Parks:				
Acres of mountain parks and open space	44,921	45,090	45,091	45,130

Source: City of Boulder departmental records.

2011	2012	2013	2014	2015	2016
4	4	5	5	5	5
7	7	7	7	7	7
347	312	328	377	377	381
14	14	14	14	14	14
607	677	720	704	713	831
968	1,003	1,062	1,095	1,104	1,226
293	295	295	295	300	300
4,689	4,742	4,766	4,811	4,822	5,059
28,619	28,759	28,747	28,829	28,944	29,140
17,000	17,600	15,737	15,692	15,800	15,600
463	463	462	463	463	467
355	355	355	356	356	356
186	153	152	153	144	153
1,800	1,800	1,800	1,800	1,800	1,800
4	4	4	5	5	5
392,506	390,427	413,740	412,824	473,716	331,078
45,405	45,591	46,632	45,518	45,518	45,540

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CITY OF BOULDER, COLORADO
Schedule of Expenditures of Federal Awards
Year Ended December 31, 2016

Federal Grantor, Program Title, Project/Grant Number, and Program Year	Federal CFDA Number	Pass thru Entity Identifying Number	Amount Provided to Subrecipient	Federal Expenditures 1/1/16-12/31/16
Department of Housing and Urban Development:				
Direct Programs:				
Community Development Block Grants/Entitlement Grants	14.218	N/A	1,047,596	1,282,702
Home Investment Partnerships Program	14.239	N/A	685,609	775,384
Passed through State of Colorado:				
CDBG – Disaster Recovery	14.269	See Note 4	0	2,807,002
Total Department of Housing and Urban Development			<u>1,733,205</u>	<u>4,865,088</u>
Department of Justice:				
Direct Programs:				
Public Safety Partnership and Community Policing Grants	16.710	N/A	0	65,542
Edward Byrne Memorial Justice Assistance Grant Program	16.738	N/A	0	26,951
Total Department of Justice			<u>0</u>	<u>92,493</u>
Department of Transportation:				
Passed through Colorado Department of Transportation:				
Highway Planning and Construction	20.205	None provided	0	15,312,948
Total Department of Transportation			<u>0</u>	<u>15,312,948</u>
Department of Energy:				
Direct Programs:				
REDI Grant	81.122	N/A	0	33,700
Environmental Protection Agency:				
Passed through Colorado Department of Public Health and Environment:				
Nonpoint Source Implementation Grants	66.460	13 FAA 56804	0	4,101
Department of the Interior:				
Passed through History Colorado:				
Certified Local Government Grants	15.904	None provided	0	15,747
Total Department of Health and Human Services			<u>0</u>	<u>15,747</u>
Department of Public Safety:				
Passed through Colorado Department of Public Safety:				
Disaster Grants - Public Assistance	97.036	See Note 4	0	1,122,900
Passed through Colorado Department of Public Works:				
Fleet Generator	97.039	N/A	0	47,480
Total Department of Public Safety			<u>0</u>	<u>1,170,380</u>
Total Federal Expenditures			<u>\$1,733,205</u>	<u>\$ 21,494,457</u>

See Notes to Schedule of Expenditures of Federal Awards

CITY OF BOULDER, COLORADO
Notes to Schedule of Expenditures of Federal Awards
Year Ended December 31, 2016

Note 1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the City of Boulder, Colorado for the year ended December 31, 2016. All federal financial assistance received directly from federal agencies, as well as federal financial assistance passed through other governmental agencies, is included in the schedule. The information in this schedule is presented in accordance with requirements of the Code of Federal Regulations, 2 CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the presentation of, the basic 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. For governmental funds, revenue from federal grants is recognized when it becomes both measurable and available. Expenditures of federal awards are recognized in the accounting period when the liability is incurred. The City has elected to not use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

Note 3. Expenditures Incurred in Prior Years

The accompanying Schedule of Expenditures of Federal Awards includes expenditures incurred in prior years related to the Community Development Block Grant Disaster Recovery, CFDA # 14.269. Total expenditures incurred in prior years were \$500,000.

Note 4. Pass Through Entity Identifying Numbers

The pass through award numbers for the Disaster Grants - Public Assistance program were PW-00840, PW-00889, PW-01019, PW-01032, PW-01041, PW-01068, PW-01070, PW-01073, PW-01093, PW-01142, PW-01155, PW-01168, PW-01171, PW-01211, PW-00092, PW-00118, PW-00126, 84-F. The pass through award numbers for the CDBG - Disaster Recovery program were DR1-40-3, DR P14-003, DR2P15-058, DR P16-001, B-13-DS-08-001.



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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Boulder, Colorado, as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the City of Boulder, Colorado's basic financial statements, and have issued our report thereon dated June 28, 2017.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2016-001, 2016-002, and 2016-003 that we consider to be significant deficiencies.

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

Compliance and Other Matters

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

City of Boulder, Colorado's Response to Findings

The City of Boulder, Colorado's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The City of Boulder, Colorado's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

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



CliftonLarsonAllen LLP

Broomfield, Colorado
June 28, 2017



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

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

Report on Compliance for Each Major Federal Program

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

Management's Responsibility

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

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the City of Boulder, Colorado's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of Boulder, 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 on compliance for each major federal program. However, our audit does not provide a legal determination of the City of Boulder, Colorado's compliance.

Opinion on Each Major Federal Program

In our opinion, the City of Boulder, Colorado complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2016.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as item 2016-004. Our opinion on each major federal program is not modified with respect to these matters.

The City of Boulder, Colorado's response to the noncompliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The City of Boulder, Colorado's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Management of the City of Boulder, Colorado is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City of Boulder, Colorado's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Boulder, 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. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item 2016-004 that we consider to be a significant deficiency.

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

The City of Boulder, Colorado's response to the internal control over the compliance finding identified in our audit are described in the accompanying schedule of findings and questioned costs. The City of Boulder, Colorado's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Broomfield, Colorado
June 28, 2017

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**CITY OF BOULDER, COLORADO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2016**

Section I – Summary of Auditors’ Results

Financial Statements

1. Type of auditors’ report issued: Unmodified
2. Internal control over financial reporting:
- Material weakness(es) identified? _____ yes x no
 - Significant deficiency(ies) identified? x yes _____ none reported
3. Noncompliance material to financial statements noted? _____ yes x no

Federal Awards

1. Internal control over major federal programs:
- Material weakness(es) identified? _____ yes x no
 - Significant deficiency(ies) identified? x yes _____ none reported
2. Type of auditors’ report issued on compliance for major federal programs: Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? x yes _____ no

Identification of Major Federal Programs

CFDA Number(s)	Name of Federal Program or Cluster
14.218	Community Development Block Grants/Entitlement Grants (CDBG)
14.269	[Community Development Block Grants/Entitlement Grants - Disaster Recovery (CDBG-DR)
14.239	Home Investment Partnerships Program (HOME)
20.205	Highway Planning and Construction

Dollar threshold used to distinguish between Type A and Type B programs: \$ \$750,000

Auditee qualified as low-risk auditee? _____ yes x no

**CITY OF BOULDER, COLORADO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2016**

Section II – Financial Statement Findings

2016 – 001

Type of Finding:

- Significant Deficiency in Internal Control over Financial Reporting

Condition: Internal controls over financial reporting should be in place to ensure the financial statements are fairly presented in accordance with accounting principles general accepted (U.S. GAAP). The City should have controls in place to properly record accounts payable balances to prevent material misstatements in the financial statements.

Criteria or specific requirement: During our search for unrecorded liabilities and review of year-end accounts payable detail, we noted one invoice partially relating to 2016 which was not accrued during year-end closing procedures in the amount of \$107,896. We also noted one invoice related to 2015 that was originally paid during 2015, but mistakenly duplicated and accrued again during 2016 in the amount of \$204,482. Both invoices pertained to the Transportation Fund, neither of which were individually material to the fund. Further, due to the opposite impact on expenditures and accounts payable of each invoice, the amounts were not material in the aggregate to the fund. These were discussed with the City's management who passed on the adjustments as they did not materially misstate the financial statements.

Context: Accounts payable and related expenditures for the Transportation Fund were overstated by \$96,586 as of December 31, 2016.

Effect: The City's financial statements are not accurate due to the \$96,586 error noted.

Cause: The City's internal controls over financial reporting did not identify these errors in order to ensure the financial statements were correctly stated as of year-end.

Repeat Finding: Yes; see finding 2015-001.

Recommendation: We recommend the City continue to consider its internal controls over financial reporting and perform additional reviews of significant accounts to ensure the financial statements are accurate.

Views of responsible officials and planned corrective actions: The overstatement of expenditures in the Transportation Fund was the result of a 2015 invoice that was duplicated and included in accounts payable as of 12/31/16 and one invoice that included four days of 2016 activity that was not properly accrued as of 12/31/16. The duplicated invoice was not noted in the review of the accounts payable detail as of year end. Going forward the City will review all invoice dates as part of the year end reconciliation process to ensure any older invoices are correctly being included in the accrual. The City agrees that the four days included on the other invoice should have been accrued into 2016. The City provides training to all City staff on year-end procedures including the correct method of recording invoices into a prior year. The City will use this invoice as an example during the next training session to point out to staff that invoices that cross years need to be properly split between years. In addition, any significant invoices will be reviewed by senior accounting staff.

**CITY OF BOULDER, COLORADO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2016**

2016 – 002

Type of Finding:

- Significant Deficiency in Internal Control over Financial Reporting

Condition: Internal controls over financial reporting should be in place to ensure the financial statements are fairly presented in accordance with accounting principles general accepted (U.S. GAAP). The City should have controls in place to properly record pollution remediation liabilities to prevent misstatements in the financial statements.

Criteria or specific requirement: During our review of attorney inquiry responses, it was brought to our attention that the City was involved in a voluntary environmental remediation project. After reviewing the fact pattern against GASB Statement No. 49 - Pollution Remediation, it was determined that the City had an undisclosed pollution remediation liability.

Context: Remediation liability and expenses for the Facility Renovation and Replacement Fund were understated by approximately \$659,000 as of December 31, 2016.

Effect: The City's financial statements were misstated due to the error noted. An audit adjustment totaling \$659,000 was recorded by management to properly reflect this activity as of December 31, 2016 in both the Facility Renovation and Replacement Fund and the Statement of Net Position for Governmental Activities.

Cause: The City's internal controls over financial reporting did not identify these errors in order to ensure the financial statements were correctly stated as of year-end.

Repeat Finding: No.

Recommendation: We recommend the City continue to consider its internal controls over financial reporting and perform additional reviews of significant activity to ensure the financial statements are correct. We also recommend the City enhance its communications between the Finance Department and other departments during the year-end close and reporting process to assist with the accuracy of reporting.

Views of responsible officials and planned corrective actions: The City agrees that there was an undisclosed pollution remediation liability. All current expenses for the project had been appropriately recorded when incurred. However, as this is a voluntary environmental remediation project any potential future costs related to the liability must also be recorded. Going forward the City will add an item to the year-end checklist to follow up with City Attorney's Office to ensure any potential legal liabilities are discussed and properly recorded and disclosed if necessary. This checklist is reviewed weekly by the Controller and Assistant Controller.

**CITY OF BOULDER, COLORADO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2016**

2016 – 003

Type of Finding:

- Significant Deficiency in Internal Control over Financial Reporting

Condition: Internal controls over financial reporting should be in place to ensure the financial statements are fairly presented in accordance with accounting principles general accepted (U.S. GAAP). The City should have controls in place to properly record revenue to prevent misstatements in the financial statements.

Criteria or specific requirement: During our audit, we identified an escrow balance in the amount of \$1,998,215 that as of 2016 was no longer refundable to the outside organization from whom the money was received and as such, should have been recognized as revenue.

Context: The City has been receiving and holding funds in escrow on behalf of a third party related to the party's responsibility for a portion of an old environmental remediation project. During 2016 a final settlement was signed between the City and the third party which indicated any unspent escrow funds were property of the City, which totaled \$1,998,215 as of December 31, 2016.

Effect: The City's financial statements were misstated due to the error noted. An audit adjustment totaling \$1,998,215 was recorded by management to properly reflect this activity as of December 31, 2016.

Cause: The City's internal controls over financial reporting did not identify these errors in order to ensure the financial statements were correctly stated as of year-end.

Repeat Finding: No.

Recommendation: We recommend the City continue to consider its internal controls over financial reporting and perform additional reviews of significant accounts to ensure the financial statements are materially correct.

Views of responsible officials and planned corrective actions: The City agrees that the unspent escrow funds in the amount of \$1,998,215 should have been recognized as revenue. The City intends to implement monthly reporting by the end of 2017. This monthly reporting will also include a more robust account variance analysis which would have identified this error prior to the year end audit. The monthly statements will be reviewed by both central finance and central budget.

**CITY OF BOULDER, COLORADO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2016**

Section III – Findings and Questioned Costs – Major Federal Programs

2016 – 004

Federal agency: U.S. Department of Transportation
Federal program title: Highway Planning and Construction
CFDA Number: 20.205
Pass-Through Agency: Colorado Department of Transportation
Pass-Through Number(s): 310TR914NG through 310TR121NC
Award Period: Varied per award, all in effect for 2016
Compliance Requirement: Allowable Costs / Cost Principles
Type of Finding:

- Significant Deficiency in Internal Control over Compliance, Other Matters

Criteria or specific requirement: 2 CFR 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements (the Uniform Guidance), went into effect on December 26, 2014. This requires non-Federal entities to establish and maintain effective internal controls over Federal awards so that they provide reasonable assurance that the non-Federal entity is managing Federal awards in compliance with Federal statutes, regulations, and the terms and conditions of Federal awards per 2 CFR section 200.303(a). Expenditures are to include evidence of review of a payment request form, vendor invoice, or related information to ensure the accuracy and validity of the expenditure and evidence it is approved by a person qualified to determine the allowability of the cost as a program expenditure.

Condition: From a sample of forty general disbursement expenditures, three selections did not have evidence of review by a person qualified to determine the allowability of the cost as a program expenditure. These selection did have proper supporting documentation evidencing the expenditure incurred.

Questioned costs: None noted.

Context: Three selections did not have the proper evidence of approval, an error rate of 7.5%.

Cause: Internal controls around the approval process for program expenditures may be lacking.

Effect: The potential for data entry error or incurrence of unallowable costs are more prevalent when segregation of duties is not in place.

Repeat Finding: No.

Recommendation: We recommend that the City continue to evaluate the design of internal controls to ensure an adequate review of expenditures and related support is conducted to verify the accuracy, validity and allowability of program expenditures.

Views of responsible officials: There is no disagreement with the audit finding.

**CITY OF BOULDER, COLORADO
CORRECTIVE ACTION PLAN
YEAR ENDED DECEMBER 31, 2016**

The City of Boulder, Colorado respectfully submits the following corrective action plan for the year ended December 31, 2016.

Audit period: December 31, 2016

The findings from the schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the schedule.

FINDINGS—FINANCIAL STATEMENT AUDIT

SIGNIFICANT DEFICIENCY

2016-001

Recommendation: We recommend the City continue to consider its internal controls over financial reporting and perform additional reviews of significant accounts to ensure the financial statements are accurate.

Explanation of disagreement with audit finding: There is no disagreement with the audit finding.

Action planned/taken in response to finding: The overstatement of expenditures in the Transportation Fund was the result of a 2015 invoice that was duplicated and included in accounts payable as of 12/31/16 and one invoice that included four days of 2016 activity that was not properly accrued as of 12/31/16. The duplicated invoice was not noted in the review of the accounts payable detail as of year end. Going forward the City will review all invoice dates as part of the year end reconciliation process to ensure any older invoices are correctly being included in the accrual. The City agrees that the four days included on the other invoice should have been accrued into 2016. The City provides training to all City staff on year-end procedures including the correct method of recording invoices into a prior year. The City will use this invoice as an example during the next training session to point out to staff that invoices that cross years need to be properly split between years. In addition, any significant invoices will be reviewed by senior accounting staff.

Name(s) of the contact person(s) responsible for corrective action: Anne Penney, Controller, 303-441-1812

Planned completion date for corrective action plan: 11/30/2017

2016-002

Recommendation: We recommend the City continue to consider its internal controls over financial reporting and perform additional reviews of significant activity to ensure the financial statements are correct. We also recommend the City enhance its communications between the Finance Department and other departments during the year-end close and reporting process to assist with the accuracy of reporting.

Explanation of disagreement with audit finding: There is no disagreement with the audit finding.

**CITY OF BOULDER, COLORADO
CORRECTIVE ACTION PLAN
YEAR ENDED DECEMBER 31, 2016**

Action planned/taken in response to finding: The City agrees that there was an undisclosed pollution remediation liability. All current expenses for the project had been appropriately recorded when incurred. However, as this is a voluntary environmental remediation project any potential future costs related to the liability must also be recorded. Going forward the City will add an item to the year-end checklist to follow up with City Attorney's Office to ensure any potential legal liabilities are discussed and properly recorded and disclosed if necessary. This checklist is reviewed weekly by the Controller and Assistant Controller.

Name(s) of the contact person(s) responsible for corrective action: Anne Penney, Controller, 303-441-1812

Planned completion date for corrective action plan: 12/31/2017

2016-003

Recommendation: We recommend the City continue to consider its internal controls over financial reporting and perform additional reviews of significant accounts to ensure the financial statements are materially correct.

Explanation of disagreement with audit finding: There is no disagreement with the audit finding.

Action planned/taken in response to finding: The City agrees that the unspent escrow funds in the amount of \$1,998,215 should have been recognized as revenue. The City intends to implement monthly reporting by the end of 2017. This monthly reporting will also include a more robust account variance analysis which would have identified this error prior to the year end audit. The monthly statements will be reviewed by both central finance and central budget.

Name(s) of the contact person(s) responsible for corrective action: Anne Penney, Controller, 303-441-1812

Planned completion date for corrective action plan: 12/31/2017

FINDINGS—FEDERAL AWARD PROGRAMS AUDITS

U.S. Department of Transportation

2016-004 Highway Planning and Construction – CFDA No. 20.205

Recommendation: We recommend that the City continue to evaluate the design of internal controls to ensure an adequate review of expenditures and related support is conducted to verify the accuracy, validity and allowability of program expenditures.

Explanation of disagreement with audit finding: There is no disagreement with the audit finding.

Action taken in response to finding: The City's financial system provides the ability to electronically review all accounts payable invoices. This review process is referred to as "workflow". The workflow approval threshold for these items was set at \$1,000. To ensure that all transactions are properly reviewed by a person qualified to determine the

**CITY OF BOULDER, COLORADO
CORRECTIVE ACTION PLAN
YEAR ENDED DECEMBER 31, 2016**

allowability of the cost as a program expenditure this threshold has been lowered to \$0 in the City's financial system.

Name(s) of the contact person(s) responsible for corrective action: Gerrit Slatter, Principal Transportation Engineer, 303-441-3266

Planned completion date for corrective action plan: 5/31/17

If there are questions regarding this plan, please call Anne Penney at 303-441-1812.

**CITY OF BOULDER, COLORADO
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED DECEMBER 31, 2016**

The City of Boulder, Colorado respectfully submits the following summary schedule of prior audit findings for the year ended December 31, 2016.

Audit period: December 31, 2016

The findings from the prior audit's schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the prior year.

FINDINGS—FINANCIAL STATEMENT AUDIT

2015 – 001

Condition: Internal controls over financial reporting should be in place to ensure the financial statements are fairly presented in accordance with accounting principles general accepted (U.S. GAAP). The City should have controls in place to properly record accounts payable and deferred inflows of resources balances to prevent material misstatements in the financial statements.

Status: See current year finding 2016-001.

Reason for finding's recurrence: The City's financial system provides the ability to electronically review all accounts payable invoices. This review process is referred to as "workflow". During the year, the workflow process normally requires an invoice to be electronically approved by the supervisor or manager of the department who initiated the invoice and a member of central finance. If an invoice is part of a previously approved purchase order or contract, the invoice does not go through workflow a second time. For year-end processing of accounts payable, workflow was set up to route all invoices processed in 2017 to central finance staff to review. This included regular invoices and invoices associated with purchase orders and contracts. The purpose of this review was to help identify any 2017 invoices, which should be accrued back to 2016. This new control was in response to the 2015 finding and thought to be very effective during the 2016 year-end in identifying the proper accounting treatment of many invoices. The City acknowledges one invoice should have had four days accrued back to 2016. The City will continue to educate its staff on this important issue and will also implement an additional review of significant invoices by senior level accounting staff.

Corrective Action: The city wide year-end training classes will continue to be conducted by the Controller and the Assistant Controller. The training will emphasize the importance that all accounts payable invoices are recorded in the correct fiscal year. An additional review of all significant invoices will also be completed by either the Controller or Assistant Controller.

2015 – 002

Condition: Internal controls over financial reporting should be in place to ensure the financial statements are fairly presented in accordance with accounting principles general accepted (U.S. GAAP). The City should have controls in place to properly record accounts receivables and deferred inflows of resources balances to prevent material misstatements in the financial statements.

Status: Corrective action was taken.

FINDINGS— FEDERAL AWARD PROGRAMS AUDITS

There were no federal award program audit findings in the prior year.

If there are questions regarding this schedule, please call Anne Penney at 303-441-1812.

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

LOCAL HIGHWAY FINANCE REPORT		City or County: City of Boulder
		YEAR ENDING : December 2016
This Information From The Records Of: City of Boulder		Prepared By: Jenna Pratt, Budget & Finance Analyst Phone: 303-441-3001

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

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT	ITEM	AMOUNT
A. Receipts from local sources:		A. Local highway disbursements:	
1. Local highway-user taxes		1. Capital outlay (from page 2)	19,086,599
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	1,748,830
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	2,754,475
2. General fund appropriations	4,195,846	b. Snow and ice removal	1,179,271
3. Other local imposts (from page 2)	26,224,228	c. Other	2,581,950
4. Miscellaneous local receipts (from page 2)	243,772	d. Total (a. through c.)	6,515,696
5. Transfers from toll facilities	0	4. General administration & miscellaneous	3,992,745
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	3,633,621
a. Bonds - Original Issues	0	6. Total (1 through 5)	34,977,492
b. Bonds - Refunding Issues	0	B. Debt service on local obligations:	
c. Notes	0	1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	717,851
7. Total (1 through 6)	30,663,845	b. Redemption	1,145,333
B. Private Contributions	0	c. Total (a. + b.)	1,863,183
C. Receipts from State government (from page 2)	2,963,371	2. Notes:	
D. Receipts from Federal Government (from page 2)	11,684,765	a. Interest	0
E. Total receipts (A.7 + B + C + D)	45,311,981	b. Redemption	0
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	1,863,183
		C. Payments to State for highways	0
		D. Payments to toll facilities	0
		E. Total disbursements (A.6 + B.3 + C + D)	36,840,675

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

	Opening Debt	Amount Issued	Redemptions	Closing Debt
A. Bonds (Total)	17,609,198	0	1,145,333	16,463,865
1. Bonds (Refunding Portion)		0	0	
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
Transportation Funds	22,696,486	39,970,803	31,493,976	31,173,313	
Capital Improvement Bond Fund (Street & Road)	1,491,120	0	5,521	1,485,599	0
General Fund (Street & Road)	0	5,341,178	5,341,178	0	0
Totals	24,187,606	45,311,981	36,840,675	32,658,912	0

Notes and Comments:

Transportation Funds include the Transportation, Transportation Development and Boulder Junction Improvement Funds. Balances for Transportation Funds reflected in Section V include balances not restricted for road and street purposes as transportation funding within the City of Boulder supports multi-modal transportation. In contrast, receipt and disbursement financial data only reflect road and street-related activity.

LOCAL HIGHWAY FINANCE REPORT	STATE: Colorado
	YEAR ENDING (mm/yy): December 2016

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL

ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assessments	0	a. Interest on investments	243,772
b. Other local imposts:		b. Traffic Fines & Penalties	0
1. Sales Taxes	25,038,989	c. Parking Garage Fees	0
2. Infrastructure & Impact Fees	896,982	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	288,256	g. Other Misc. Receipts	0
6. Total (1. through 5.)	26,224,228	h. Other	0
c. Total (a. + b.)	26,224,228	i. Total (a. through h.)	243,772
	(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	2,534,139	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	274,360	d. Federal Transit Admin	0
d. Other - Hwy/Signal Maint Contract	56,826	e. U.S. Corps of Engineers	0
e. Other - CDOT	98,046	f. Other Federal (FHWA)	11,684,765
f. Total (a. through e.)	429,232	g. Total (a. through f.)	11,684,765
4. Total (1. + 2. + 3.f)	2,963,371	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	3,314	2,667,519	2,670,834
c. Construction:			
(1). New Facilities	0	0	0
(2). Capacity Improvements	0	6,290,444	6,290,444
(3). System Preservation	1,254	4,661,570	4,662,824
(4). System Enhancement & Operation	28,854	5,433,645	5,462,498
(5). Total Construction (1) + (2) + (3) + (4)	30,107	16,385,658	16,415,766
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	33,422	19,053,177	19,086,599
			(Carry forward to page 1)

Notes and Comments: