



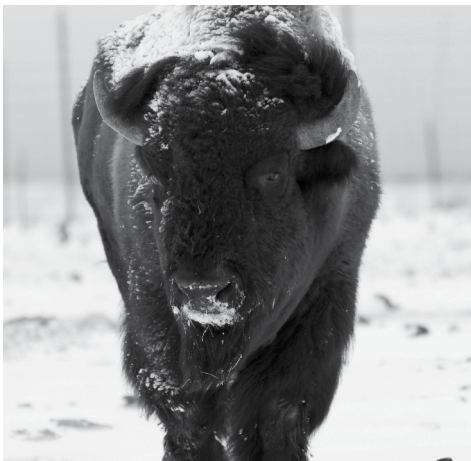
Comprehensive Annual Financial Report



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2016



Comprehensive Annual Financial Report

Year Ended December 31, 2016

City and County of Denver, Colorado



prepared by

Department of Finance

Controller's Office - Accounting and Financial Reporting Division

Brendan Hanlon, Chief Financial Officer

Beth Machann, CGFM, Controller

Available online at www.denvergov.org/finance

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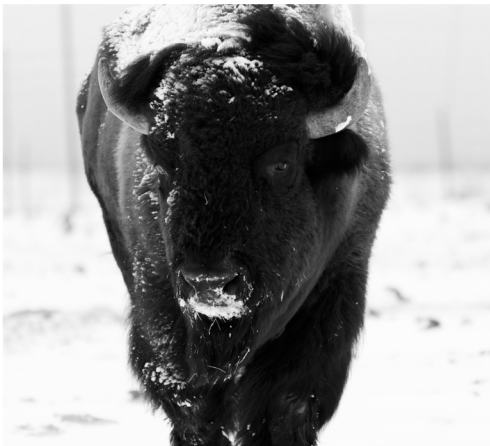
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Introduction



May 26, 2017

Citizens of the City and County of Denver,
Honorable Mayor,
Honorable Auditor,
Honorable Clerk and Recorder,
Honorable Members of City Council, and
Audit Committee



Brendan Hanlon
Chief Financial Officer

State law requires the City and County of Denver (City) to publish within seven months of the close of the fiscal year a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. This report is prepared by the Controller's Office under the Department of Finance according to Article 2, Part 5 of the City's Charter. Pursuant to the requirements, I hereby issue the Comprehensive Annual Financial Report (CAFR) of the City for the fiscal year ended December 31, 2016.

This report consists of management's representations concerning the finances of the City. Responsibility for the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the management of the City. To provide a reasonable basis for making those representations, management of the City has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with U.S. GAAP. Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

BKD, LLP, a firm of licensed certified public accountants, has audited the City's financial statements. The goal of the independent audit is to provide reasonable assurance that the financial statements of the City for the fiscal year ended December 31, 2016, are free of material misstatement. The audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion on the City's basic financial statements as of and for the year ended December 31, 2016. The independent auditors' report is presented as the first component of the financial section of this report.

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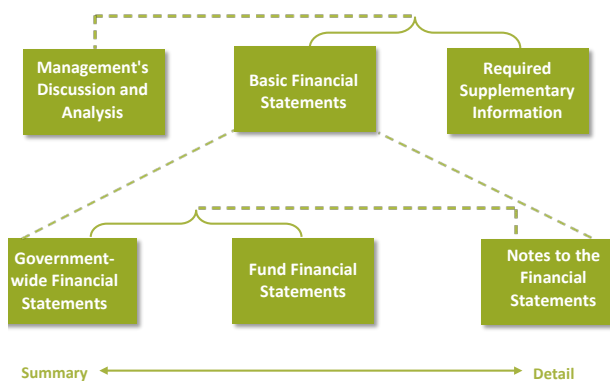
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The Report

The CAFR is presented in three sections:

- The **Introduction** section includes this letter of transmittal, Mayor, Auditor, District Attorney, Clerk and Recorder, and City Council introductions, the City’s organization chart, and certificates of achievement.
- The **Financial** section includes the report of the independent auditors, Management’s Discussion and Analysis (MD&A), the basic financial statements, including the government-wide financial statements comprised of the Statement of Net Position and the Statement of Activities and the accompanying notes to the financial statements. The Financial Section also includes the fund financial statements including the governmental funds financial statements, the proprietary funds financial statements, the fiduciary funds financial statements, the component units financial statements, and the combining individual funds financial statements for the nonmajor governmental funds and the internal service funds. Required supplementary information other than the MD&A is also included in the financial section.



- The **Statistical** section includes selected financial and demographic information, on a multi-year basis.

This transmittal letter is designed to complement the MD&A and should be read in conjunction with the MD&A.

This CAFR includes all funds of the City. The City provides a full range of services including: police and fire protection; the construction and maintenance of highways, streets and other infrastructure; and recreational activities and cultural events. The CAFR also includes the City’s component units, which are legally separate organizations and for which the City is financially accountable or whose relationship with the City is of a nature and significance that would cause the City’s financial statements to be incomplete were they not included.

The City maintains budgetary controls that have the objective of ensuring compliance with legal provisions embodied in the annual appropriated budget submitted by the Mayor and adopted by the City Council. All activities of the General Fund and Human Services special revenue fund are included in the annual appropriated budget except for capital outlay. Project-length budgets are adopted for the remaining special revenue funds and capital project funds. Budgetary control (the level at which expenditures and encumbrances cannot legally exceed the appropriated amount) is established at the department level within individual funds, except for special revenue and capital project funds, which are at the funded project level. Disbursements that would result in an overrun of funded project balances (budgets) are not released until additional appropriations are made available. At year-end, if additional monies have not been appropriated where needed, expenditures are properly reflected in the current period causing an over budget condition to exist.

In addition to the financial audit, the City undertakes a single audit in conformance with the Single Audit Act Amendments of 1996 and U.S. Office of Management and Budget (OMB) Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Audits. The results of

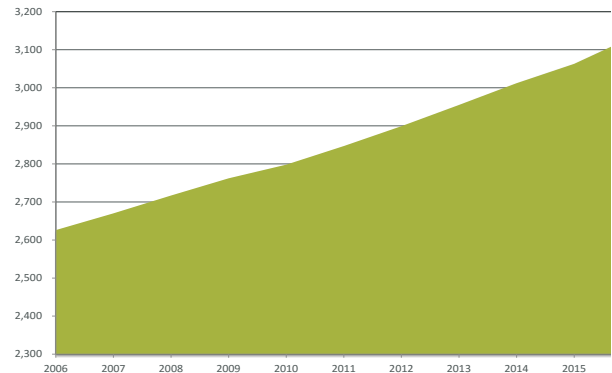
this single audit, including a schedule of expenditures of federal awards, and the independent auditor’s reports on the City’s internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards, are available in the City’s separately issued single audit report.

City Profile



The City is located at the eastern base of the Rocky Mountains in the north-central part of Colorado, encompassing 154.63 square miles. The City is the capital of the state, and it is also the cultural, distribution, entertainment, financial, service and transportation hub of the Rocky Mountain region. With an elevation of 5,280 feet the “Mile High City” has a cool, dry, sunny climate that makes it a magnet for health seekers and those enjoying outdoor recreation all year round. The Colorado State Demographer’s Office projects a population of 697,363 for Denver County for 2016. This is an estimated growth of over 14,000 new residents to the County over the previous year. It is estimated that over 3 million people reside in the Denver metro area, which includes the suburban counties of Adams, Arapahoe, Boulder, Broomfield, Douglas and Jefferson. Denver was founded November 22, 1858, after a gold discovery at the confluence of Cherry Creek and the South Platte River. Town founder William H. Larimer, Jr. named the city for James W. Denver, Governor of Kansas Territory, of which east central Colorado was then a part.

Denver Metro Area's Suburban Population
(numbers in thousands)



Numerous gold discoveries sparked a mass migration of some 100,000 in 1859-1861, leading the federal government to establish Colorado Territory in 1861. The City was incorporated on November 7, 1861 by a special act of the first session of the Legislative Assembly of Colorado Territory. In 1867 the City became the Capital of Colorado Territory and remained the capital after Colorado became a state on August 1, 1876. Denver became a City and County with home rule when Article XX was added to the Colorado Constitution in 1902. The City’s charter was enacted on March 29, 1904 establishing a strong mayor/city council form of government and an independent, elected city auditor.

The mayor and thirteen-member council, elected in non-partisan elections govern the City. The Mayor is the chief executive, exercising all administrative and executive powers granted to the City, except as otherwise delegated by the City Charter. The legislative powers of the City are vested in the City Council. The City has an elected Auditor and an elected Clerk and Recorder. All elected officials’ terms are concurrent and last four years and each position is subject to term limits of twelve years.

The Charter establishes an audit committee consisting of seven members; two members appointed by the Mayor, two members appointed by the City Council and two members appointed by the Auditor, with the Auditor as the Chair. The audit committee, among other things, is responsible for the selection and management of the external auditor. During the course

of the annual city-wide audit the audit committee monitors the progress of the audit and discusses with the external auditor any matters related to the audit. The audit committee also accepts the results of the audit.

Regional Economic Conditions

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City operates.

The City is the center of economic activity of the region, serving as a business, recreational, higher educational and cultural hub. Major features of the economy include the central business district, state capitol building, Denver International Airport, extensive library facilities, several professional sports teams, institutions of higher learning, and numerous museums and other cultural facilities. US News and World Report named Denver as second on its 2017 Best Places to Live and Forbes has cited Denver on the list of top 25 fastest growing cities in the US for 2017.

Colorado's statewide unemployment rate continued to drop, registering 2.9% in February 2017. This is flat with the previous month and a decrease from 3.3% the previous year. This was considerably lower than the national average of 4.7% for the same time period. The Denver Metro area makes up almost half of the employment in the state and totaled 3.1% (not seasonally adjusted) in January 2017.

Construction

The March 2017 OSPB Colorado Economic Perspective report states that nonresidential construction values increased by 16.3% in 2016. This was the third consecutive year of double-digit growth in nonresidential construction values. In 2017 and 2018, the OSPB does not anticipate this momentum to continue, showing a 6.2% decrease in 2017 and a 2.8% decrease in 2018.

In the OSPB's March 2017 report, Colorado's housing permits are shown to have increased by 20.5% in 2016. Growth is anticipated to continue in 2017 but at a more moderate pace. The OSPB anticipates housing permits will increase by 7.6% in 2017 and by 0.5% in 2018.

Personal Income and Wages

The March 2017 OSPB Colorado Economic Perspective report shows that Colorado personal income grew by 4.1% in 2016. This compares to 4.2% growth in 2015. The OSPB is projecting that personal incomes will be even stronger in 2017, growing by 5.6%. Continued recovery in the state's energy sector underlies this more robust growth rate.

Consumer Spending

Overall, consumer spending continues to increase according to the OSPB. Colorado retail trade sales grew by 4.3% in 2016 and are expected to increase by 5.2% in 2017. Sales and use tax revenue, which makes up half of the City's General Fund revenue stream, increased by 4.6% in 2016. The City anticipates that core sales and use tax revenue will grow approximately 4.3% in 2017.

City Financial Policies and Planning

Formal financial policies, as well as operating practices, enable the City to provide core services to citizens and employees. Formal policies exist in areas such as balanced budgets, revenue diversification and use of one-time and unpredictable revenues, operating expenditures, reserves, investments, and debt.

Revenue Administration

The City's main source of revenue for operating expenditures is sales and use tax, which makes up 50.0% of total General Fund revenues. This is less than the 70.0% average for most local governments in the region. Most of the City's revenue is not restricted to assure responsiveness to expenditure needs. One-time and unpredictable revenues are spent on

one-time costs, such as equipment replacement, or transferred to capital improvement funds for repair and rehabilitation projects.

Expenditure Administration

Expenditure budgets are carefully reviewed by both the implementing department's and the Budget and Management Office. Careful attention is paid to monitor department's ability to meet projected vacancy savings. Any unspent personnel appropriation must be approved by the Budget and Management Office in order to be transferred to non-personnel line items. General Fund budget actual expenditures were approximately \$31,500,000 less than the revised 2016 budget. This is a result of achieving unspent appropriations, due in large part to compensation savings and not fully expending contingency funds reserves.

The City has multiple reserves in its General Fund to address budgetary shortfalls. A Contingency Reserve of no less than 2.0% of total estimated expenditures, an Emergency Reserve mandated by the State Constitution equal to 3% of covered funds, and a Reserve Budget Fund Balance target of 15.0% of total budgeted expenditures. The City's budget policy concerning the use of reserves varies depending on the reserve type but generally limits the use of reserves to respond to revenue shortfalls, unanticipated expenditures, or severe economic downturn. The policy further states that use of reserves should be combined with structural changes to bring the budget back into balance. The Undesignated Fund Balance at the end of 2016 was projected to be 25.7% of expenditures.

Debt Administration

The City's debt policy establishes guidelines and parameters for the issuance and management of debt. The primary objectives of the policy are to ensure that debt is issued prudently and affordable. The Taxpayer's Bill of Rights (TABOR) under the State Constitution requires the City to obtain voter approval prior to issuing any multi-year fiscal debt or obligations. Certain exceptions apply for refunding of outstanding bonds and debt issued by enterprises of the City.

The City's Charter further restricts general obligation bonded debt to 3.0% of the actual value of the taxable property within the City. General obligation water bonds issued by Denver Water are excluded from this limitation. At December 31, 2016 the City's general obligation bonded debt of \$761,406,000 subject to this restriction, was 24% of the \$3,173,188,000 three-percent limitation amount, not including compound interest of the general obligation mini-bonds.

According to standard measures used by the primary credit rating agencies to assess debt (e.g. fund balance as a percent of operating expenses, debt-to-assessed ratios, debt per capital, etc.), the City's level of direct debt obligations are considered moderate but manageable in comparison with similarly sized cities. Rating agencies cite the City's strong financial management and prudent fiscal policies as credit strengths. As of December 31, 2016, the City is rated triple-A (AAA) by all three of the major rating agencies: Standard & Poor's, Fitch, and Moody's Investors Service.

Cash Management

The City's Charter regulates the securities in which the City may invest its funds. Permissible investments under the Charter are obligations of the United States Government, its agencies, and sponsored corporations, prime bankers' acceptances, prime commercial paper, certificates of deposit issued by banks and savings and loan institutions, repurchase agreements, security lending agreements, highly rated municipal securities, money market funds that purchased only the types of securities specified herein, and any investment type in which the Colorado State Treasurer is allowed to invest state monies in if otherwise compliant with the department's investment policy. The City Council has adopted an ordinance authorizing the investment of City moneys in Resolution Funding Corporation (REFCORP) Securities, Forward Purchase Agreements, and Debt Service Reserve Fund Put Agreements, all of which are either issued by a U.S. Government Corporation or are collateralized by surety types already authorized by the Charter. The City is not permitted to leverage its investment portfolio.

The objectives of the City's investment policy, in order of priority are to maintain principal, to ensure the availability of funds to meet obligations promptly, and to maximize yield on the investment portfolio. Bank deposits are either insured by federal deposit insurance or collateralized according to state law. Investments are held at a third-party bank in a safekeeping account in the City's name.

Long-Term Financial Planning

The City has a six-year long-range capital planning process and document that is updated each year and helps drive annual capital funding decisions as well as periodic general obligation bond issues for larger investments. For operations, revenues are forecasted out for twenty years to account for planned changes to existing revenues, such as sunseting revenues, and to project any future deficits between revenues and expenditures.

Awards and Acknowledgements

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 CAFR for the year ended December 31, 2015. The Certificate of Achievement is a national award recognizing conformance with the highest standards for preparation of state and local government financial reports. To be awarded a Certificate of Achievement, the City must publish an easily readable and efficiently organized CAFR. This report must satisfy both U.S. GAAP and applicable legal requirements. This was the thirty-sixth consecutive year that the City has received this award. A Certificate of Achievement is valid for one year only. We believe this 2016 CAFR continues to conform to the Certificate of Achievement program requirements and will submit it to the GFOA to determine its eligibility for another certificate.

Furthermore, the GFOA has given an Award for Outstanding Achievement in Popular Annual Financial Reporting to City for its Popular Annual Financial Report (PAFR) for the fiscal year ending on December 31, 2015. The Award for Outstanding Achievement in Popular Annual Financial Reporting (PAFR) is a prestigious national award recognizing conformance with the highest

standards for preparation of state and local government popular reports. In order to receive this award a government unit must publish a PAFR whose contents conform to program standards of creativity, presentation, understandability and reader appeal. This is the fourth year that the City has received this award. An Award for Outstanding Achievement in Popular Annual Financial Reporting is valid for a period of one year only. We believe our current report continues to conform to the Popular Annual Financial Reporting requirements, and we are submitting it to GFOA.

Additionally, GFOA presented a Distinguished Budget Presentation Award to the City for its annual budget for the fiscal year beginning January 1, 2016. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device. This award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another year.

The preparation of this CAFR could not have been accomplished without the efficient and dedicated service of a highly qualified staff in the Controller's Office. The Cash, Risk, and Capital Funding Division and the Budget and Management Office were also instrumental in the CAFR's completion. Their cooperation and continued assistance is necessary and appreciated. I would like to thank all personnel who helped and contributed to the preparation of this report. I also want to acknowledge the thorough and professional manner in which our independent auditors, BKD, LLP, conducted their audit.

Respectfully submitted,

Brendan Hanlon



Chief Financial Officer

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Honorable Michael B. Hancock
Mayor

Dear Denver residents:

This is a time of significant and historic success for Denver. Over the past five years, we have helped our economy create nearly 75,000 jobs and lower the unemployment rate to 2.9 percent. We have restored the fiscal health of city government, replenished our financial reserves and strengthened our bond ratings. With these accomplishments in mind as well as an eye on sustaining this success, the City of Denver has redoubled its efforts to meet my key priorities.

Our Police, Fire and Sheriff’s Departments serve and protect every neighborhood and ensure that Denver remains a safe place. Investments were made in staffing, technology, training, equipment and facilities. By hiring more officers and boosting neighborhood patrols, we are fostering stronger relationships between officers and the communities they serve. We have also implemented several key innovations in criminal justice, making the department a model for reform across the nation. The past year has seen the Denver

Police Department amplify efforts to positively engage youth and improve the department’s relationships with the community.

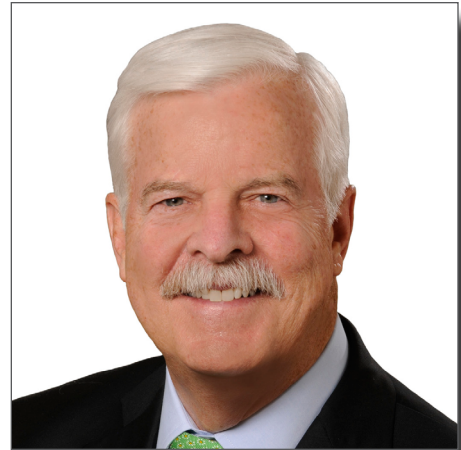
Homeownership gives families a foundation to build equity and wealth. In fall 2016, Denver City Council approved a dedicated fund for affordable housing, the first of its kind for the city. The fund will provide an estimated \$150 million over the next decade to create or retain 6,000 affordable housing units for low- to middle-income families.

This past year, the city launched Denveright, a multi-agency planning initiative that will plot the course of the Mile High City for the next two decades. Denver residents have also had an opportunity to provide direct input on projects to be included in the 2017 General Obligation Bond. As Denver’s needs expand and change, these bonds will help us to restore, replace, and expand infrastructure and capital assets across the city.

These efforts and other city initiatives provide the framework by which Denver will continue to be one of the nation’s most desirable places to live, do business, and raise a family. Together, we can work to drive improvements that will keep us uniquely Denver – active and vibrant – for generations to come.

Mayor’s Cabinet and Chief of Staff	
Happy Haynes Deputy Mayor and Executive Director of Parks and Recreation	Brendan Hanlon Chief Financial Officer
Alan Salazar Chief of Staff	Penny May Executive Director of General Services, interim
Kristin Bronson City Attorney	George Delaney Executive Director of Public Works, interim
Kim Day Executive Director of Aviation	Stephanie O’Malley Executive Director of Safety
Bob McDonald Executive Director of Environmental Health	Brad Buchanan Executive Director of Community Planning and Development
Ashley Kilroy Executive Director of Excise and Licenses	Don Mares Executive Director of Human Services

Timothy M. O'Brien is the Auditor for the City and County of Denver. Mr. O'Brien was elected Auditor in May 2015. Mr. O'Brien's term will expire on the third Monday in July 2019.



Honorable Timothy M. O'Brien, CPA
Auditor



Honorable Beth McCann
District Attorney

Beth McCann is the District Attorney for the Second Judicial District. The District Attorney is a state official. She is the chief law enforcement officer in the district and is responsible for prosecuting all felonies, misdemeanors, and serious traffic offenses arising in the district. Ms. McCann became District Attorney in January 2017; her current term will end January 8, 2021.

Debra Johnson was elected Clerk and Recorder in July 2011. Ms. Johnson also serves as Public Trustee, City Clerk, and Ex-Officio Clerk of the City and County of Denver. Ms. Johnson's term will expire on the third Monday in July 2019.



Honorable Debra Johnson
Clerk and Recorder

There are 13 city council members - 11 from equally populated districts and two elected at-large. Council members, who must be 25 years of age, US citizens and two-year Denver residents, are all elected at the same time every four years. All terms expire on the third Monday in July 2019.



Honorable Albus Brooks
President
Council District 9



Honorable Robin Kniech
Council At-Large



Honorable Deborah Ortega
Council At-Large



Honorable Rafael Espinoza
Council District 1



Honorable Kevin Flynn
Council District 2



Honorable Paul D. López
Council District 3



Honorable Kendra Black
Council District 4



Honorable Mary Beth Susman
Council District 5



Honorable Paul Kashmann
Council District 6



Honorable Jolon Clark
Council District 7



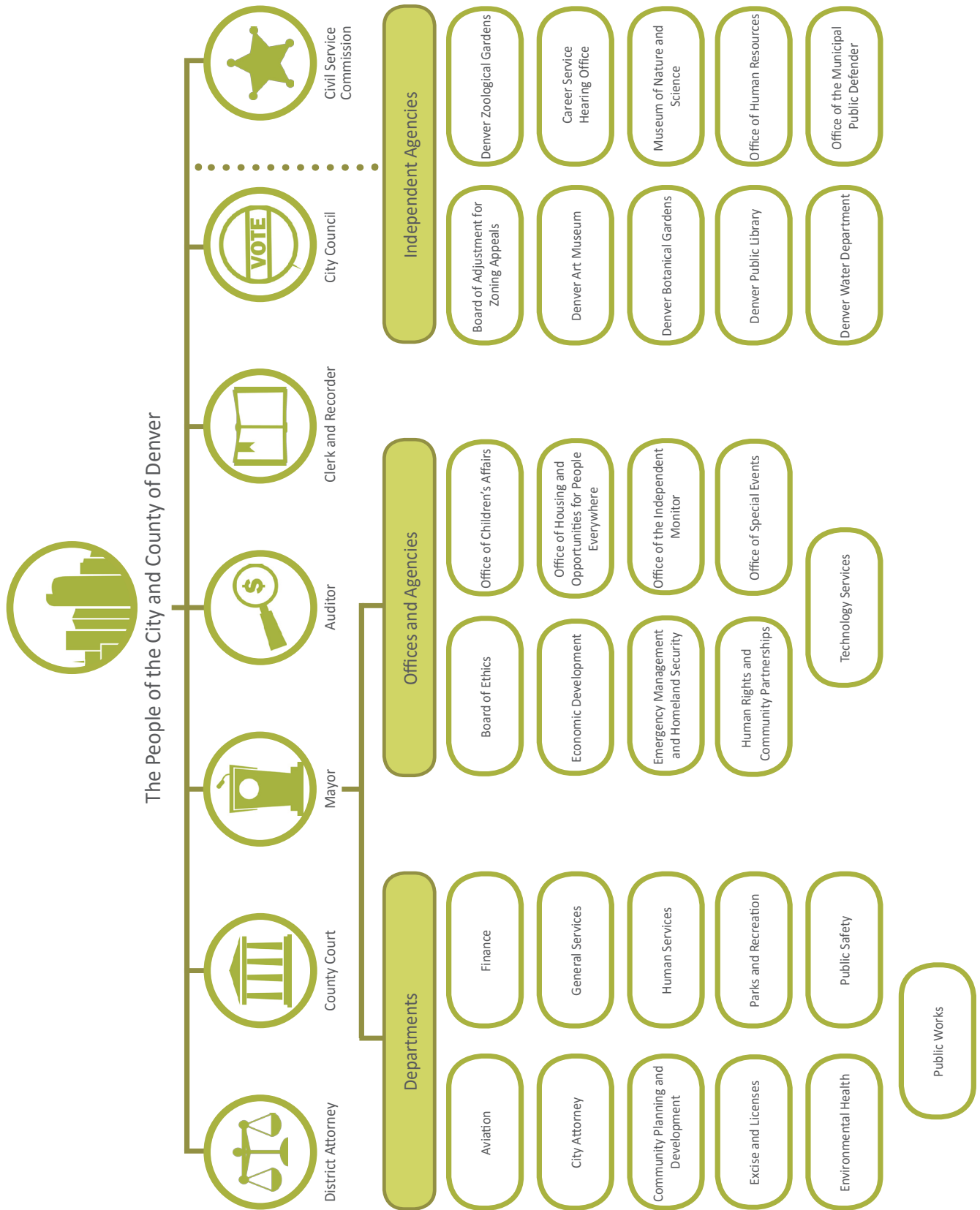
Honorable Christopher Herndon
Council District 8



Honorable Wayne New
Council District 10

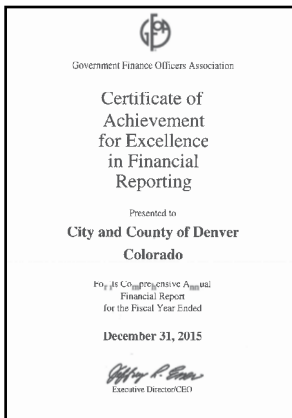


Honorable Stacie Gilmore
Council District 11



The City and County of Denver is proud to have been recognized with an award for Outstanding Achievement for Excellence in Financial Reporting, Outstanding Achievement in Popular Annual Financial Reporting and the Distinguished Budget Presentation Award offered by the Government Finance Officers Association of the United States and Canada (GFOA)

Outstanding Achievement for Excellence in Financial Reporting



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 and County of Denver for its Annual Report for the fiscal year ended December 31, 2015.

The Certificate of Achievement is the highest form of recognition for excellence in state or local government financial reporting. The Certification of Achievement Program was established to encourage municipal governments to publish high quality financial reports and to provide peer recognition and technical guidance for officials preparing these reports.

In order to be awarded a Certification of Achievement, a government unit must publish an easily-readable and efficiently-organized annual financial report, whose contents conform to program standards. Such reports should go beyond the minimum requirements of generally accepted accounting principles and demonstrate an effort to clearly communicate the municipal government's financial picture, enhance an understanding of financial reporting by municipal governments and address user needs. A Certificate of Achievement is valid for a period of one year only.

Outstanding Achievement in Popular Annual Financial Reporting

The GFOA has given an Award for Outstanding Achievement in Popular Annual Financial Reporting to the City and County of Denver for its Popular Annual Financial Report for the fiscal year ended December 31, 2015. The Award for Outstanding Achievement in popular Annual Financial Reporting is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government popular reports.

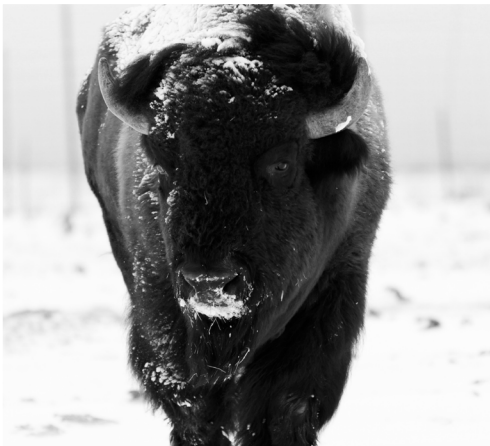
In order to receive an Award for Outstanding Achievement in Popular Annual Financial Reporting, a government unit must publish a Popular Annual Financial Report, whose contents conform to program standards of creativity, presentation, understandability, and reader appeal. An Award for Outstanding in Popular Annual Financial Reporting is valid for a period of one year only.

Distinguished Budget Presentation Award

The GFOA presented a Distinguished Budget Presentation Award to the City and County of Denver for its annual budget for the fiscal year beginning January 1, 2016. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as policy document, as an operations guide, as a financial plan, and as a communications device. This award is valid for a period of one year only.

The Distinguished Budget Presentation Awards Program is specifically designed to encourage state and local governments to prepare and issue budget documents of the highest quality. Top-quality documents are essential if citizens and others with an interest in a government's finances are to be fully informed participants in the budget process. Better budget documents contribute to better decision making and enhanced accountability.

The Distinguished Budget Presentation Awards Program allows the public finance profession a welcome opportunity to recognize those governments that have, in fact, succeeded in preparing a high quality budget document.



Financial



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Independent Auditor's Report

Audit Committee
City and County of Denver
Denver, Colorado

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the City and County of Denver (the City), as of and for the year ended December 31, 2016 and the related notes to the financial statements, which collectively comprise the City'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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Denver Convention Center Hotel Authority, Cherry Creek North Business Improvement District No. 1, Downtown Denver Business Improvement District, Denver Union Station Project Authority, and Denver Preschool Program, Inc., all of which are included as discretely presented component units, which represent 66.78 percent of total assets and 58.41 percent of total revenues of the aggregate discretely presented component units as of and for the year ended December 31, 2016. Those statements were audited by other auditors, whose report has been furnished to us, and our opinion on the aggregate discretely presented component units and, insofar as it relates to the amounts included for the Denver Convention Center Hotel Authority, Cherry Creek North Business Improvement District No. 1, Downtown Denver Business Improvement District, Denver Union Station Project Authority, and Denver Preschool Program, Inc., is based solely on the report of the other auditors. Additionally, we did not audit the financial statements of the Gateway Village General Improvement District, which is included as a blended component unit, and the Denver Employee Retirement Plan, a fiduciary component unit and the Deferred Compensation Plan, a fiduciary fund of the City, which represent 57.25 percent of total assets and 36.08 percent of total revenues of the aggregate remaining fund information as of and for the year ended December 31, 2016. Those financial statements

Audit Committee
City and County of Denver

were audited by other auditors, whose reports have been furnished to us and our opinion on the aggregate remaining fund information, insofar as it relates to the amounts included for the Gateway Village General Improvement District, the Denver Employee Retirement Plan, and the Deferred Compensation Plan, is based solely on the reports of the other auditors. We also did not audit the financial statements of the Wastewater Management Enterprise Fund, an enterprise fund of the City, and which is included in the business-type activities and as a major enterprise fund. The Wastewater Management Fund represents 14.09 percent of total assets and 12.20 percent of total revenues of the business-type activities as of and for the year ended December 31, 2016. Those financial statements were audited by another auditor, whose report has been furnished to us, and our opinion on the business-type activities, insofar as it relates to the amounts included for the Wastewater Management Enterprise Fund, is based solely on the report of the other auditor. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

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 auditor's 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, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City and County of Denver as of December 31, 2016, and the respective changes in financial position and where applicable, cash flows, thereof 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 and budgetary comparison, pension and other postemployment information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the

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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

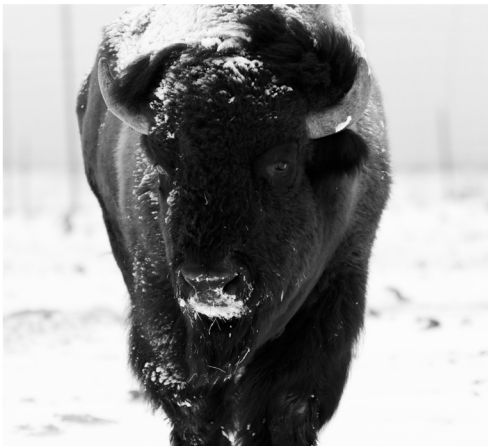
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying combining and individual fund financial statements and schedules listed in the table of contents, is presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. 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 2016 information is fairly stated in all material respects in relation to the basic financial statements as of and for the year ended December 31, 2016, as a whole. We also have previously audited, in accordance with auditing standards generally accepted in the United States of America, the City's basic financial statements as of and for the year ended December 31, 2015, which are not presented with the accompanying financial statements. In our report dated May 27, 2016, we expressed unmodified opinions on the respective financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information. In our opinion, the general fund balance sheet as of December 31, 2015 and related statement of revenues, expenditures, and changes in fund balance for the year then ended shown as supplementary information are fairly stated in all material respects in relation to the basic financial statements as of and for the year ended December 31, 2015, taken as a whole.

The introduction section and statistical section listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has 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 it.

BKD, LLP

Denver, Colorado
May 26, 2017

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Management's Discussion and Analysis

Management of the City and County of Denver (City) offers readers of the basic financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2016. Readers are encouraged to consider the information presented here in conjunction with additional information that is furnished in the letter of transmittal. The focus of the information herein is on the primary government.

Financial Highlights

- The City's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$3,236,857,000 (net position). Of this amount, \$52,817,000 represents a deficit of unrestricted net position.
- The City's total net position increased by \$235,502,000, or 7.8%, over the prior year.
- As of close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$1,265,415,000, an increase of \$302,996,000 from the prior year. Approximately 21.4% or \$271,130,000 of the fund balance (unassigned fund balance) is available for spending at the government's discretion.
- At the end of the current fiscal year, unassigned fund balance of the General Fund was \$271,130,000 which represents 21.9% of total General Fund expenditures, including transfers out.
- The City's total bonded debt increased by \$39,340,000 during the year. General obligation bonds decreased by \$54,270,000 and revenue bonds increased by \$93,610,000.
- During 2016, the City adopted Governmental Accounting Standards Board Statement No. 72, *Fair Value Measurement and Application*, Governmental Accounting Standards Board Statement No. 77, *Tax Abatement Disclosures*, and Governmental Accounting Standards Board Statement No. 79, *Certain External Investment Pools and Pool Participants*. There was no impact to net position as a result of implementing these principles.

Overview of the Financial Statements

This discussion and analysis is intended as an introduction to the City's basic financial statements. The basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. In addition to the basic financial statements, also provided are required and other supplementary information.

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, liabilities, and deferred inflows/outflows of resources, with the difference 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 reports how the City's net position changed during the most recent 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 (e.g., uncollected taxes and earned but unused vacation and sick leave).

The governmental activities reflect the City's basic services, including police, fire, public works, sanitation, economic development, culture, and recreation. Sales and property taxes finance the majority of these services.

The business-type activities reflect private sector-type operations, such as Wastewater Management; the Denver Airport System, including Denver International Airport (DIA); and Golf Courses, where fees for services typically cover all or most of the cost of operations, including depreciation.

The government-wide financial statements include not only the City itself (referred to as the primary government), but also other legally separate entities for which the City is financially accountable. Financial information for most of these component units is reported separately from the financial information presented for the primary government itself. A few component units, although legally separate, function essentially as an agency of the City and, therefore, are included as an integral part of the City.

Fund Financial Statements

A fund is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. The City 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 funds.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. Governmental fund financial statements focus on near term inflows and outflows of spendable resources, as well as on the balances left at year-end that are available for spending. Consequently, the governmental fund financial statements provide a detailed short-term view that helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. Because this information does not encompass the long-term focus of the government-wide statements, additional information is provided that reconciles the governmental fund financial statements to the government-wide statements explaining the relationship (or differences) between them.

The City maintains 22 individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund and Human Services special revenue fund, each of which is considered to be a major fund. Data from the other 20 governmental funds are combined into a single aggregated presentation. Individual fund data for these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The City adopts an annual appropriated budget for the General Fund and Human Services special revenue fund. A budgetary comparison schedule has been provided to demonstrate compliance with these budgets for the General Fund and Human Services fund in accordance with U.S. GAAP.

The City maintains two different types of **proprietary funds**: enterprise funds and internal service 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 its Wastewater Management, Denver Airport System, Environmental Services, and Golf Course funds. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for workers' compensation self-insurance and asphalt plant operations. The internal service funds provide services which predominantly benefit governmental rather than business-type functions. They have been included within governmental activities with an adjustment to reflect the consolidation for internal service fund activities related to the enterprise funds in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for Wastewater Management and the Denver Airport System, both of which are considered to be major funds of the City. Data for the other two enterprise funds and all of the internal service funds are combined into their respective single aggregated presentations. Individual fund data for the nonmajor enterprise funds and all of the internal service funds is provided in the form of combining statements elsewhere in this report.

The City uses **fiduciary funds** to account for assets held on behalf of outside parties, including other governments. When these assets are held under the terms of a formal trust agreement, a private-purpose trust fund is used.

Agency funds generally are used to account for assets that the City holds on behalf of others as their agent. Pension trust funds account for the assets of the City's employee retirement plans.

Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The **notes to basic financial statements** 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 is presented in the form of certain required supplementary information concerning the City's budgetary comparison schedules and the implicit rate subsidy on other postemployment benefits.

The combining statements supplementary information referred to earlier in connection with nonmajor funds, internal service funds, and nonmajor component units are presented immediately following the budgetary comparison required supplementary information.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows exceeded liabilities and deferred inflows by \$3,236,857,000 at the close of the most recent fiscal year. Net position of \$1,748,389,000 (54.0%) reflects investment in capital assets (e.g., land, buildings, infrastructure, machinery, and equipment) less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; 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.

Net positions of the City also include \$1,541,285,000 (47.6%) of restricted net position. These are resources subject to external restrictions as to how they may be used by the City.

Table 1 reflects the City's net position (dollars in thousands) as of December 31, 2016 and 2015:

Table 1

	Governmental Activities		Business-type Activities		Total Primary Government	
	2016	2015	2016	2015	2016	2015
Current and other assets	\$ 1,904,051	\$ 1,609,825	\$ 1,953,795	\$ 1,976,667	\$ 3,857,846	\$ 3,586,492
Capital assets	2,892,680	2,865,329	4,163,611	4,079,540	7,056,291	6,944,869
Total assets	4,796,731	4,475,154	6,117,406	6,056,207	10,914,137	10,531,361
Deferred outflows	433,322	190,041	211,439	214,661	644,761	404,702
Noncurrent liabilities	2,775,460	2,323,362	4,266,391	4,293,240	7,041,851	6,616,602
Other liabilities	313,439	287,290	554,333	627,746	867,772	915,036
Total liabilities	3,088,899	2,610,652	4,820,724	4,920,986	7,909,623	7,531,638
Deferred inflows	409,889	399,896	2,529	3,174	412,418	403,070
Net position						
Net investment in capital assets	1,572,753	1,509,354	175,636	(81,930)	1,748,389	1,427,424
Restricted	918,405	649,483	622,880	675,863	1,541,285	1,325,346
Unrestricted	(759,893)	(504,190)	707,076	752,775	(52,817)	248,585
Total net position	\$ 1,731,265	\$ 1,654,647	\$ 1,505,592	\$ 1,346,708	\$ 3,236,857	\$ 3,001,355

Table 2 reflects the City's changes in net position (dollars in thousands) for the years ended December 31, 2016 and 2015:

Table 2

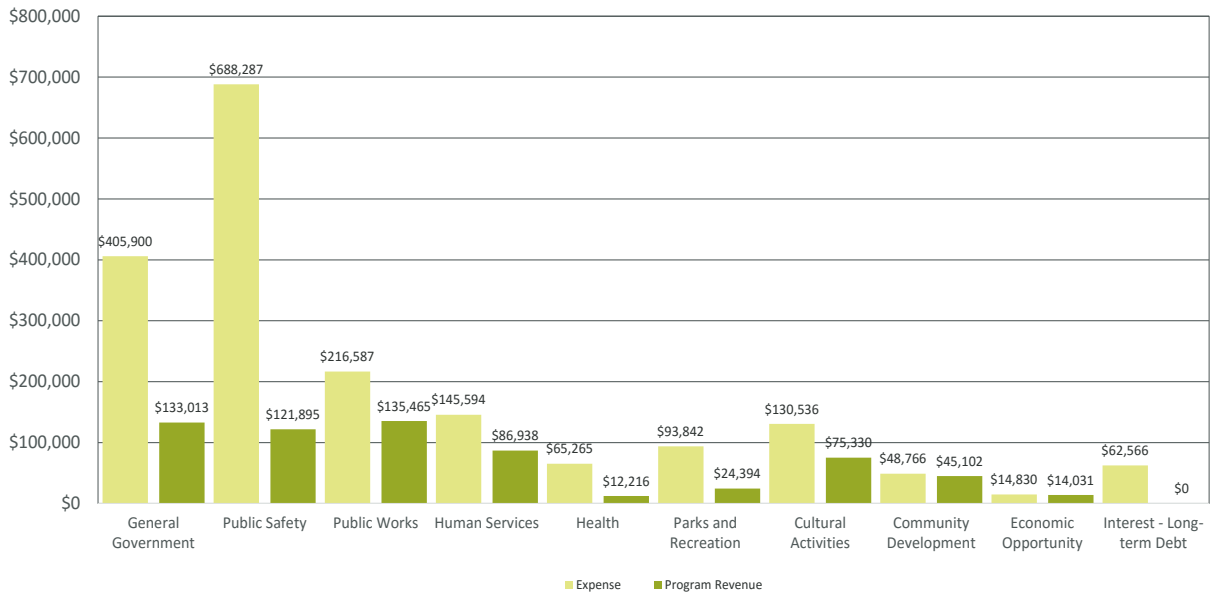
	Governmental Activities		Business-type Activities		Total Primary Government	
	2016	2015	2016	2015	2016	2015
Revenues						
Program revenues:						
Charges for services	\$ 400,525	\$ 402,760	\$ 1,032,149	\$ 946,142	\$ 1,432,674	\$ 1,348,902
Operating grants and contributions	179,641	180,537	686	19,220	180,327	199,757
Capital grants and contributions	68,218	38,298	28,975	30,047	97,193	68,345
General revenues:						
Facilities development admissions tax	12,401	12,569	-	-	12,401	12,569
Lodgers tax	88,872	82,376	-	-	88,872	82,376
Motor vehicle ownership fee	26,787	26,647	-	-	26,787	26,647
Occupational privilege tax	49,864	48,293	-	-	49,864	48,293
Property tax	399,859	349,176	-	-	399,859	349,176
Sales and use tax	674,398	638,276	-	-	674,398	638,276
Specific ownership tax	57	232	-	-	57	232
Telephone tax	9,446	10,628	-	-	9,446	10,628
Investment income	19,151	15,503	40,414	41,593	59,565	57,096
Other revenues	24,128	48,550	921	13,666	25,049	62,216
Total revenues	1,953,347	1,853,845	1,103,145	1,050,668	3,056,492	2,904,513
Expenses						
General government	405,900	340,401	-	-	405,900	340,401
Public safety	688,287	588,597	-	-	688,287	588,597
Public works	216,587	190,577	-	-	216,587	190,577
Human services	145,594	125,195	-	-	145,594	125,195
Health	65,265	64,687	-	-	65,265	64,687
Parks and recreation	93,842	68,650	-	-	93,842	68,650
Cultural activities	130,536	131,835	-	-	130,536	131,835
Community development	48,766	45,355	-	-	48,766	45,355
Economic opportunity	14,830	20,027	-	-	14,830	20,027
Interest on long-term debt	62,566	63,267	-	-	62,566	63,267
Wastewater management	-	-	114,740	111,941	114,740	111,941
Denver airport system	-	-	811,094	769,896	811,094	769,896
Other enterprise funds	-	-	22,983	20,733	22,983	20,733
Total expenses	1,872,173	1,638,591	948,817	902,570	2,820,990	2,541,161
Change in net position before transfers	81,174	215,254	154,328	148,098	235,502	363,352
Transfers	(1,676)	2,275	1,676	(2,275)	-	-
Transfers of Capital Assets	(2,880)	-	2,880	-	-	-
Change in net position	76,618	217,529	158,884	145,823	235,502	363,352
Net position (deficit) - January 1	1,654,647	1,437,118	1,346,708	1,200,885	3,001,355	2,638,003
Net position - December 31	\$ 1,731,265	\$ 1,654,647	\$ 1,505,592	\$ 1,346,708	\$ 3,236,857	\$ 3,001,355

Governmental activities increased the City's net position by \$76,618,000 for the year ended December 31, 2016. Key elements of the increase are as follows:

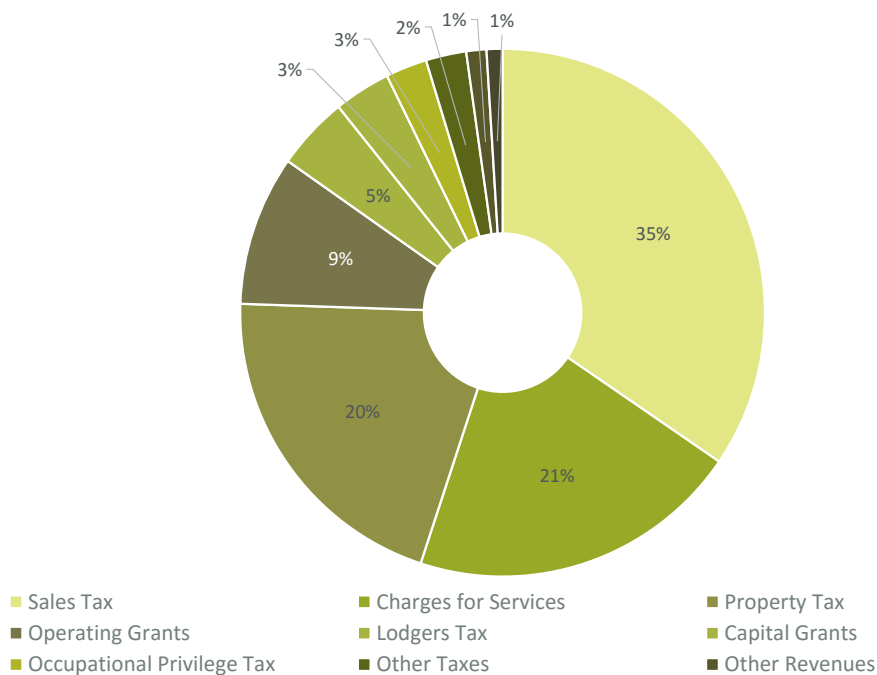
- Property tax and sales and use taxes totaled 85.1% of all tax revenues and 55.0% of all governmental activities' revenues. Property tax recorded in the governmental funds totaled \$399,859,000 for an increase of \$50,683,000 (14.5%) while sales and use tax revenues of \$674,398,000 were up \$36,122,000 (5.7%) compared to 2015, reflecting stable growth in the 2016 economy.
- Total governmental activities expenses increased by \$233,582,000 (14.3%) primarily due to an increase in costs for goods, expanded services offered by agencies, and pension expense. General government expense increased \$65,499,000 (19.2%) mainly due to pension expense. Public Safety expenses increased \$99,960,000 (16.9%) in part due to hiring additional deputies and enhanced staffing, technology, data tracking, training, and facilities as well as pension expense. Public Works expense increased \$26,010,000 (13.6%) mainly due to an increase in capital project activity and pension expense.

General government expenses in 2016 were \$405,900,000 (21.7%) of total expenses. Public safety expenses were \$688,287,000 (36.8%) of total expenses. Public works’ expenses were \$216,587,000 (11.6%) of total expenses. Cultural activities were \$130,536,000 (7.0%) of total expenses. Human services’ expenses were \$145,594,000 (7.8%) of total expenses. The remainder of the governmental activities expenses is comprised of health with \$65,265,000 (3.5%), parks and recreation with \$93,842,000 (5.0%) community development with \$48,766,000 (2.6%), economic opportunity with \$14,830,000 (0.79%), and interest on long-term debt of \$62,566,000 (3.3%).

Expenses and Program Revenues - Governmental Activities
(dollars in thousands)



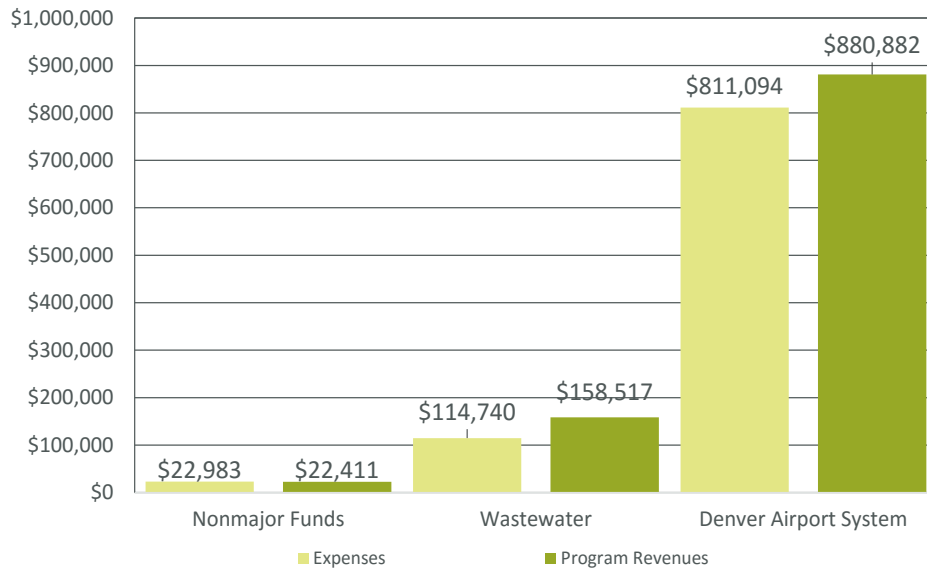
Revenues by Source - Governmental Activities



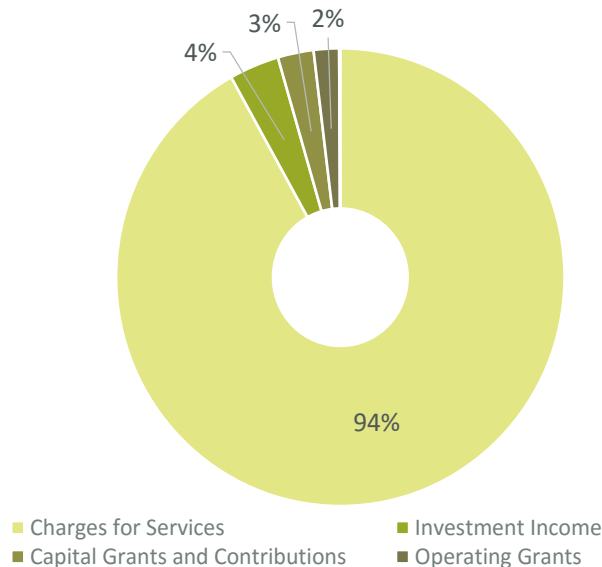
Business-type activities increased the City’s net position by \$158,884,000. Key elements of this modest increase are as follows:

- Total revenues of \$1,103,145,000 were \$52,477,000 (5.0%) higher compared to prior year amounts. This was primarily due to the stabilized rates for landing fees, facility rent revenues, and parking and car rental revenues at the Denver Airport System and a 5.0% rate increase for the sanitary fees and a 11.0% rate increase in storm fees at Wastewater Management.
- Total expenses of \$948,817,000 increased by \$46,247,000 (5.1%) when compared to the prior year. Wastewater Management expenses in 2016 totaled \$114,740,000 (12.1%) of total business-type activities. Denver Airport System expenses totaled \$811,094,000 (85.5%) of business-type activities. The remaining \$22,983,000 (2.4%) of expenses in business-type activities were related to Environmental Services and Golf activities. The main source of the increase in expenses for all funds was primarily due to an increase in personnel costs due to salary increases and pension expense.

Expenses and Program Revenues - Business-Type Activities
(dollars in thousands)



Revenues by Source - Business-Type Activities



Financial Analysis of the Government's Funds

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

Governmental Funds

The focus of the City's governmental funds is to provide information on current year revenues, expenditures, and balances of spendable resources. Such information is useful in assessing the City's near-term financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of December 31, 2016, the City's governmental funds reported combined ending fund balances of \$1,265,415,000 an increase of \$302,996,000 in comparison with the prior year. Approximately 21.4% or \$271,130,000 of the total fund balance amount constitutes unassigned fund balance, which is available for spending at the City's discretion.

The General Fund is the chief operating fund of the City. As of December 31, 2016, unassigned fund balance of the General Fund was \$271,130,000 while total fund balance was \$397,423,000. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 21.9% of total General Fund expenditures, including transfers out, of \$1,238,124,000 while total fund balance represents 32.1% of the same amount.

The total fund balance of the City's General Fund increased by \$3,223,000 (0.8%) during the year ended December 31, 2016. This is a result of recovering revenues following the economic downturn and cost savings measures implemented to reduce overall expenditures.

Almost every revenue source increased slightly in 2016 due to a recovery of the economy. Total General Fund revenues including transfers in, totaled \$1,240,783,000 an increase of \$35,051,000 or 2.9%. Certain revenues in the General Fund that increased from 2015 to 2016 include:

- Sales and use taxes earned were higher by \$31,695,000. This increase is primarily attributable to the continuing expansion of the economy and retail marijuana sales tax collections related to the implementation of Amendment 64.
- Lodgers taxes were higher by \$1,897,000 largely as a result of an increased amount of conventions and conferences hosted within Denver.
- Property taxes were higher by \$8,811,000 due in part to an increase in the assessed value of property taxed during 2016.
- Charges for services decreased by \$4,086,000. Factors contributing to this decrease include a reduction in the City's franchise fee revenue from Xcel Energy, a decrease in construction permitting revenue, lower photo radar traffic fine collections, and miscellaneous other decreases.

The national and local economies continued to recover in 2016 following the recession of 2009. The City continued to monitor 2016 expenditures. Total General Fund expenditures, including transfers out, increased by \$61,804,000, or 5.3%. The primary drivers of this increase are personnel cost increases and an increase in costs for goods and services.

The Human Services special revenue fund had a total fund balance of \$76,029,000. This amounts to a net increase in fund balance of \$17,325,000 during the current year. The underlying reasons for the change include increased cash and decreased liabilities at year-end when compared to 2015 due to increased property tax revenue resulting from an improving economy.

Proprietary Funds

The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Total net position of Wastewater Management was \$632,542,000 and for the Denver Airport System net position was \$834,141,000. Net position for all enterprise funds increased \$158,409,000. Other significant factors concerning the finances of the enterprise funds can be found in the discussion of the City's business-type activities.

General Fund Budgetary Highlights

Differences between the General Fund original budget and the final amended budget include a revision to both the projected revenues and expenditures.

Original revenue estimates for 2016, prepared in the summer of 2015, assumed moderate growth in the local and national economies. Sales and use tax revenue was originally projected to grow by 3.0% over the 2015 revised forecast and total General Fund revenue was projected to increase by 1.4% over 2015 revised figures. In the summer of 2016, the original General Fund revenue forecast, including transfers in, was revised upward by \$19,628,500 or 1.6% over original projections. Major factors contributing to this upward adjustment include:

- The sales and use tax estimate was revised upward by \$9,317,000 or 1.5% due largely to the economy expanding more rapidly than originally anticipated.
- Lodgers' tax, occupational privilege tax and motor vehicle ownership tax were revised upward by a combined \$1.4 million or 1.4% based on strong mid-year actual collections.
- Licenses and permitting revenue projections were revised upward by \$2,812,000 or 6.3%. This increase was largely driven by upward adjustments to the revenue projections for administrative review, fence/roof/antenna, and electrical permit revenue.
- Fee revenue was revised downward by \$1,885,000 or 3.3%. A number of miscellaneous increase and decreases contributed to this growth.
- Charges for services revenue was revised upward by \$1,145,000 or 0.6%.
- Transfer revenue was revised upward by \$624,000 or 1.5%. Contributing to this growth was one-time revenue from the Capital Improvement Fund to reimburse the General Fund for a contingency outlay in support of a 2015 land acquisition. This increase was partially offset by miscellaneous other decreases in transfer revenue.
- Differences between the final amended budget and actual revenues and expenditures are briefly summarized in the following paragraph.

In 2016, actual General Fund revenues, including transfers in, were approximately \$9.1 million or 0.7% higher than the revised budget for 2016. General Fund budget actual expenditures were approximately \$72,650,000 less than the revised 2016 budget. This is a result of achieving unspent appropriations, due in large part to compensation savings and not fully expending contingency funds.

Capital Assets and Bonded Debt Administration

Capital Assets

The City's capital assets for its governmental and business-type activities as of December 31, 2016, were \$7,056,291,000 (net of accumulated depreciation). This investment in capital assets includes land and land rights, collections, buildings and improvements, equipment and other, park facilities, and, for governmental activities, infrastructure (including streets, alleys, traffic signals, bridges, fiber optic cable, and trails). Infrastructure-type assets of business-type activities are reported as buildings and improvements. The City's capital assets by type at December 31, 2016 and 2015 are shown in **Table 3** (dollars in thousands):

Table 3

	Governmental Activities		Business-type Activities		Total Primary Government	
	2016	2015	2016	2015	2016	2015
Land and construction in progress	\$ 426,646	\$ 362,244	\$ 537,763	\$ 879,154	\$ 964,409	\$ 1,241,398
Buildings and Improvements	2,396,115	2,398,875	6,136,972	5,588,031	8,533,087	7,986,906
Equipment and other	322,575	320,967	880,189	831,770	1,202,764	1,152,737
Collections	44,481	42,300	-	-	44,481	42,300
Intangibles	36,661	35,035	6,125	6,125	42,786	41,160
Infrastructure	1,595,588	1,536,665	-	-	1,595,588	1,536,665
Less accumulated depreciation	(1,929,386)	(1,830,757)	(3,397,438)	(3,225,540)	(5,326,824)	(5,056,297)
Total	\$ 2,892,680	\$ 2,865,329	\$ 4,163,611	\$ 4,079,540	\$ 7,056,291	\$ 6,944,869

Major capital asset activity for the year ended December 31, 2016 included the following:

- Governmental Activities – Improvements to the McNichols building and a spot booth concession stand at Red Rocks Amphitheater were completed in 2016.
- Business-type Activities – Wastewater completed approximately \$6,700,000 in Wastewater funded projects and the received approximately \$22,600,000 in donated capital assets. The Denver Airport System completed the construction the transit center, RTD platform, and a new fire station during 2016.

Additional information on the City's capital asset activity for the year can be found in **Note III-D** in the notes to basic financial statements.

Bonded Debt

At December 31, 2016, the City had total bonded indebtedness of \$5,182,551,000. Of this amount, \$761,406,000 comprises debt backed by the full faith and credit of the City. The remainder of the City's debt, \$4,421,145,000 represents bonds and commercial paper notes secured by specified revenue sources (i.e., revenue bonds of the Denver Airport System, Wastewater Management, and excise tax revenue bonds). The City has no outstanding commercial paper notes as of December 31, 2016.

As of December 31, 2016, the City's general obligation debt is rated AAA by Standard & Poor's rating agency, Fitch Ratings, and Moody's Investors Service. Outstanding bonded debt at December 31, 2016 and 2015, is reflected in **Table 4** (dollars in thousands):

Table 4

	Governmental Activities		Business-type Activities		Total Primary Government	
	2016	2015	2016	2015	2016	2015
General obligation bonds	\$ 761,406	\$ 815,676	\$ -	\$ -	\$ 761,406	\$ 815,676
Revenue bonds	374,960	171,365	4,046,185	4,156,170	4,421,145	4,327,535
Total	\$ 1,136,366	\$ 987,041	\$ 4,046,185	\$ 4,156,170	\$ 5,182,551	\$ 5,143,211

Additional information on the City's bonded debt for the year can be found in **Note III-G** in the notes to the basic financial statements.

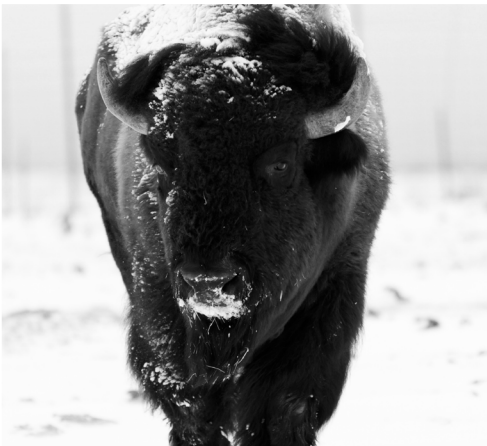
Economic Factors and Next Year's Budget

The original 2017 budget assumes moderate growth in the local economy. The 2017 General Fund original revenues are projected to increase 3.3% from actual 2016 revenues. It is anticipated that 2017 revenues will be revised upward to reflect better than expected performance in 2016 and the early part of 2017. Measures have been taken to have expenditures be in line with anticipated revenues.

It is anticipated that fund balance will increase during 2017 and the City remains committed to growing General Fund reserves.

Requests for Information

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the government's finances. Questions concerning the information provided in this report or requests for additional financial information should be addressed to the Controller's Office, 201 West Colfax Avenue, Department 1109, Denver, CO 80202. The report is available online at www.denvergov.org/finance.



Basic Financial

Statement of Net Position

December 31, 2016 (dollars in thousands)

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Assets				
Cash on hand	\$ 9,239	\$ -	\$ 9,239	\$ -
Cash and cash equivalents	1,133,377	68,537	1,201,914	37,960
Investments	-	793,465	793,465	-
Receivables (net of allowances):				
Taxes	485,286	-	485,286	130,487
Notes	61,020	-	61,020	-
Accounts	38,972	64,989	103,961	4,518
Accrued interest	5,263	7,574	12,837	195
Other	-	-	-	10,764
Due from other governments	33,840	-	33,840	-
Internal balances	5,343	(5,343)	-	-
Inventories	58	10,917	10,975	-
Prepaid items and other assets	10,771	997	11,768	1,706
Restricted assets:				
Cash and cash equivalents	73,497	53,518	127,015	51,823
Investments	-	890,726	890,726	183,727
Accounts receivable	-	18,720	18,720	-
Accrued interest receivable	-	803	803	-
Other receivables	-	557	557	-
Prepaid items	-	6,363	6,363	-
Pension asset	701	-	701	-
Long-term receivables (net of allowances)	45,954	7,041	52,995	148,106
Prepaid expense	-	1,725	1,725	-
Interest rate swaps	-	33,206	33,206	-
Assets held for disposition	730	-	730	-
Capital assets:				
Land and construction in progress	426,646	537,763	964,409	24,226
Buildings, improvements, infrastructure, collections, and equipment, net of accumulated depreciation	2,466,034	3,625,848	6,091,882	196,539
Total Assets	4,796,731	6,117,406	10,914,137	790,051
Deferred Outflows of Resources				
Accumulated decrease in fair value of hedging derivatives	27,831	16,482	44,313	-
Deferred amount on refundings	25,336	132,113	157,449	25,780
Items related to pension plans	380,155	62,844	442,999	-
Total Deferred Outflows of Resources	433,322	211,439	644,761	25,780
Liabilities				
Vouchers payable	98,096	67,070	165,166	6,524
Accrued liabilities	43,406	58,021	101,427	40,001
Unearned revenue	10,089	43,993	54,082	8,455
Interest rate swaps	31,850	154,486	186,336	-
Advances	6,434	-	6,434	3,959
Due to taxing unit	858	-	858	-
Due to other governments	-	5,129	5,129	19,354
Liabilities payable from restricted assets	-	42,003	42,003	-
Noncurrent liabilities:				
Due within one year	122,706	183,631	306,337	24,393
Due in more than one year	2,775,460	4,266,391	7,041,851	887,308
Total Liabilities	3,088,899	4,820,724	7,909,623	989,994
Deferred Inflows of Resources				
Property taxes	408,163	-	408,163	103,646
Items related to pension plans	1,726	322	2,048	-
Deferred gain on refunding of debt	-	2,207	2,207	-
Total Deferred Inflows of Resources	409,889	2,529	412,418	103,646
Net Position				
Net investment in capital assets	1,572,753	175,636	1,748,389	(67,602)
Restricted for:				
Capital projects and grants	690,288	18,389	708,677	91,658
Emergency use	48,200	-	48,200	10,403
Debt service	157,908	604,491	762,399	27,284
Pension	701	-	701	-
Donor and other restrictions:				
Expendable	6,807	-	6,807	15,613
Nonexpendable	3,000	-	3,000	-
Other purposes	11,501	-	11,501	-
Unrestricted (deficit)	(759,893)	707,076	(52,817)	(355,165)
Total Net Position (Deficit)	\$ 1,731,265	\$ 1,505,592	\$ 3,236,857	\$ (277,809)

See accompanying notes to basic financial statements.

Statement of Activities

For the Year Ended December 31, 2016 (dollars in thousands)

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental Activities:				
General government	\$ 405,900	\$ 99,847	\$ 23,475	\$ 9,691
Public safety	688,287	95,497	26,398	-
Public works	216,587	75,580	23,358	36,527
Human services	145,594	469	86,469	-
Health	65,265	2,298	9,918	-
Parks and recreation	93,842	12,466	760	11,168
Cultural activities	130,536	73,712	1,618	-
Community development	48,766	34,264	6	10,832
Economic opportunity	14,830	6,392	7,639	-
Interest on long-term debt	62,566	-	-	-
Total Governmental Activities	1,872,173	400,525	179,641	68,218
Business-type Activities:				
Wastewater management	114,740	133,375	-	25,142
Denver airport system	811,094	876,643	686	3,553
Environmental services	11,837	11,073	-	-
Golf course	11,146	11,058	-	280
Total Business-type Activities	948,817	1,032,149	686	28,975
Total Primary Government	\$ 2,820,990	\$ 1,432,674	\$ 180,327	\$ 97,193
Component Units	\$ 216,069	\$ 95,642	\$ 3,061	\$ -

General revenues

Taxes

Facilities development admissions
Lodgers
Motor vehicle ownership fee
Occupational privilege
Property
Sales and use
Specific ownership
Telephone

Investment and interest income

Other revenues

Transfers

Capital Asset Transfers

Total General Revenues and Transfers

Change in net position

Net position (deficit), January 1

Net Position (Deficit) - December 31

See accompanying notes to basic financial statements.

Net (Expense) Revenue and Changes in Net Assets			
Primary Government			Component Units
Governmental Activities	Business-type Activities	Total	
\$ (272,887)		\$ (272,887)	
(566,392)		(566,392)	
(81,122)		(81,122)	
(58,656)		(58,656)	
(53,049)		(53,049)	
(69,448)		(69,448)	
(55,206)		(55,206)	
(3,664)		(3,664)	
(799)		(799)	
(62,566)		(62,566)	
<u>(1,223,789)</u>	-	<u>(1,223,789)</u>	
-	43,777	43,777	
-	69,788	69,788	
-	(764)	(764)	
-	192	192	
-	<u>112,993</u>	<u>112,993</u>	
<u>(1,223,789)</u>	<u>112,993</u>	<u>(1,110,796)</u>	
			\$ (117,366)
12,401	-	12,401	-
88,872	-	88,872	2,809
26,787	-	26,787	-
49,864	-	49,864	-
399,859	-	399,859	98,616
674,398	-	674,398	28,812
57	-	57	304
9,446	-	9,446	-
19,151	40,414	59,565	9,987
24,128	921	25,049	34,905
(1,676)	1,676	-	-
(2,880)	2,880	-	-
<u>1,300,407</u>	<u>45,891</u>	<u>1,346,298</u>	<u>175,433</u>
76,618	158,884	235,502	58,067
1,654,647	1,346,708	3,001,355	(335,876)
<u>\$ 1,731,265</u>	<u>\$ 1,505,592</u>	<u>\$ 3,236,857</u>	<u>\$ (277,809)</u>

Balance Sheet - Governmental Funds

December 31, 2016 (dollars in thousands)

	General	Human Services	Other Governmental Funds	Total Governmental Funds
Assets				
Cash on hand	\$ 1,156	\$ 220	\$ 7,863	\$ 9,239
Cash and cash equivalents	274,060	72,015	741,791	1,087,866
Receivables (net of allowances of \$153,688)				
Taxes	189,709	65,801	229,776	485,286
Notes	2,589	-	58,431	61,020
Accounts	24,642	12,301	45,850	82,793
Accrued interest	1,902	1	3,021	4,924
Interfund receivable	11,608	18	1,224	12,850
Due from other governments	-	2,327	31,513	33,840
Prepaid items and other assets	7,215	75	6,320	13,610
Restricted assets:				
Cash and cash equivalents	68,115	-	5,382	73,497
Assets held for disposition	-	-	730	730
Total Assets	\$ 580,996	\$ 152,758	\$ 1,131,901	\$ 1,865,655
Liabilities and Fund Balances				
Liabilities:				
Vouchers payable	\$ 27,539	\$ 6,699	\$ 63,164	\$ 97,402
Accrued liabilities	19,620	1,336	955	21,911
Due to taxing units	528	69	261	858
Interfund payable	24	2,254	1,777	4,055
Unearned revenue	1,138	28	8,923	10,089
Advances	1,075	225	10,951	12,251
Compensated absences	-	-	51	51
Total Liabilities	49,924	10,611	86,082	146,617
Deferred Inflows of Resources:				
Unavailable revenues - property tax	120,019	66,118	221,532	407,669
Unavailable revenues - long-term receivables	13,630	-	32,324	45,954
Total Deferred Inflows of Resources	133,649	66,118	253,856	453,623
Fund Balances:				
Nonspendable	7,215	75	9,320	16,610
Restricted	68,114	75,954	758,043	902,111
Committed	50,964	-	24,041	75,005
Assigned	-	-	559	559
Unassigned	271,130	-	-	271,130
Total Fund Balances	397,423	76,029	791,963	1,265,415
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 580,996	\$ 152,758	\$ 1,131,901	\$ 1,865,655

See accompanying notes to basic financial statements.

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

December 31, 2016 (dollars in thousands)

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

Total fund balance-governmental funds.	\$ 1,265,415
Capital assets used in governmental activities, excluding internal service funds of \$89 are not financial resources, and therefore, are not reported in the funds.	2,892,591
Accrued interest payable not included in the funds.	(21,409)
Pension asset	701
Deferred inflow of resources related to property taxes, long-term receivables, and pensions are not available to pay for current-period expenditures, and therefore, are not recorded in the funds.	43,735
Deferred outflow of resources are not financial resources, and therefore are not reported in the funds and include:	
Accumulated decrease in fair value of hedging derivatives	27,831
Pensions	380,155
Loss on refunding	25,336
Interest rate swap liability.	(31,850)
Internal service funds are used by management to charge the cost of these funds to their primary users-governmental funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.	18,769
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the governmental funds (this excludes internal service liabilities of \$28,157).	(2,870,009)
Net position of governmental activities	<u>\$ 1,731,265</u>

See accompanying notes to basic financial statements.

Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds

For the Year Ended December 31, 2016 (dollars in thousands)

	General	Human Services	Other Governmental Funds	Total Governmental Funds
Revenues				
Taxes:				
Facilities development admission	\$ -	\$ -	\$ 12,401	\$ 12,401
Lodgers	24,969	-	63,903	88,872
Motor vehicle ownership fee	26,787	-	-	26,787
Occupational privilege	49,864	-	-	49,864
Property	116,009	64,569	219,281	399,859
Sales and use	613,617	-	63,299	676,916
Specific ownership	-	-	57	57
Telephone	2,671	-	6,775	9,446
Special assessments	-	-	1,282	1,282
Licenses and permits	59,593	-	1,642	61,235
Intergovernmental revenues	34,414	86,427	102,455	223,296
Charges for services	193,659	469	73,042	267,170
Investment and interest income	8,308	-	10,353	18,661
Fines and forfeitures	48,893	-	540	49,433
Contributions	-	42	6,667	6,709
Other revenue	10,666	505	51,118	62,289
Total Revenues	1,189,450	152,012	612,815	1,954,277
Expenditures				
Current:				
General government	259,959	-	114,646	374,605
Public safety	539,428	-	67,555	606,983
Public works	135,073	-	53,005	188,078
Health	49,194	-	12,628	61,822
Human services	3,857	131,876	-	135,733
Parks and recreation	64,534	-	11,218	75,752
Cultural activities	45,416	-	70,030	115,446
Community development	29,464	-	17,504	46,968
Economic opportunity	558	-	14,030	14,588
Debt service:				
Principal retirement	5,010	4,265	98,071	107,346
Interest	894	532	59,482	60,908
Bond issuance costs	-	-	2,073	2,073
Capital outlay	-	-	99,506	99,506
Total Expenditures	1,133,387	136,673	619,748	1,889,808
Excess (deficiency) of revenues over (under) expenditures	56,063	15,339	(6,933)	64,469
Other Financing Sources (Uses)				
Sale of capital assets	-	-	1,081	1,081
Issuance of capital leases	373	-	-	373
Bond premium	-	-	30,857	30,857
Bond proceeds - refunding	-	-	193,140	193,140
Note proceeds	-	-	3,000	3,000
Payment to escrow	-	-	(193,979)	(193,979)
Issuance of bonds	-	-	204,170	204,170
Insurance recoveries	191	-	1,370	1,561
Transfers in	51,333	3,575	127,989	182,897
Transfers out	(104,737)	(1,589)	(78,247)	(184,573)
Total Other Financing Sources (Uses)	(52,840)	1,986	289,381	238,527
Net change in fund balances	3,223	17,325	282,448	302,996
Fund balances - January 1	394,200	58,704	509,515	962,419
Fund Balances - December 31	\$ 397,423	\$ 76,029	\$ 791,963	\$ 1,265,415

See accompanying notes to basic financial statements.

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

For the Year Ended December 31, 2016 (dollars in thousands)

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

Net change in fund balances - total governmental funds	\$ 302,996
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation expense in the current period:	
Capital outlay, including sale of assets	151,814
Depreciation expense (excluding internal service)	(142,190)
Certain revenues are recorded in the funds under modified accrual but not considered revenue in the statement of activities.	12,628
The issuance of long-term debt and other obligations (e.g., bonds, certificates of participation, and capital leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however has any effect on change in net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are amortized in the statement of activities. These differences in the treatment of long-term debt and related items consist of:	
Excise Tax refunding	(397,310)
Capital lease obligations	(373)
GID Proceeds	(3,000)
Principal retirement on bonds	248,580
Amortization of premium, discounts, and deferred gain (loss) on refunding	(8,309)
Capital lease principal payments	28,816
Principal payments on GID revenue note	691
Principal payments on intergovernmental agreement	623
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:	
Compensated absences (excluding internal service)	2,452
Accrued interest payable	(1,658)
Legal liability	1,365
Net OPEB obligation	(1,450)
Amortization of imputed debt-swap	490
Portion of pension expense that do not require current financial resources	(362,125)
Pension amortization	236,463
Internal service funds are used by management to charge their cost to individual funds. The net expense of certain activities of internal service funds is reported within governmental activities.	6,115
Change in net position of governmental activities	\$ 76,618

See accompanying notes to basic financial statements.

Statement of Net Position - Proprietary Funds

December 31, 2016 (dollars in thousands)

	<u>Business-type Activities - Enterprise Funds</u>	
	<u>Wastewater Management</u>	<u>Denver Airport System</u>
Assets		
Current assets:		
Cash and cash equivalents	\$ 14,500	\$ 32,321
Investments	6,004	54,295
Receivables (net of allowance for uncollectibles of \$236):		
Accounts	21,879	40,935
Accrued interest	987	6,496
Inventories	-	10,716
Interfund receivable	113	-
Prepaid items and other assets	277	720
Restricted assets:		
Cash and cash equivalents	-	45,373
Investments	8,661	58,758
Accounts receivable	-	18,211
Accrued interest receivable	-	770
Other receivables	-	557
Prepaid items	-	6,363
Total Current Assets	52,421	275,515
Noncurrent assets:		
Investments - restricted	119,637	703,670
Investments - unrestricted	82,944	650,222
Capital assets:		
Land and construction in progress	38,228	495,236
Buildings and improvements	16,735	2,768,396
Improvements other than buildings	830,589	2,491,597
Machinery and equipment	14,440	859,589
Intangibles	6,125	-
Accumulated depreciation	(299,244)	(3,076,221)
Net capital assets	606,873	3,538,597
Long-term receivables (net of allowances)	-	7,041
Prepaid expense and other	-	1,725
Interest rate swaps	-	33,206
Total Noncurrent Assets	809,454	4,934,461
Total Assets	861,875	5,209,976
Deferred Outflows of Resources		
Accumulated decrease in fair value of hedging derivatives	-	16,482
Deferred amount on refundings	487	131,626
Items related to pension plans	9,834	49,373
Total Deferred Outflows of Resources	10,321	197,481

See accompanying notes to basic financial statements.

	Other Enterprise Funds		Total Enterprise Funds		Governmental Activities Internal Service Funds
	\$ 21,716		\$ 68,537		\$ 45,511
	-		60,299		-
	2,175		64,989		2,133
	91		7,574		339
	201		10,917		58
	11		124		27
	-		997		-
	8,145		53,518		-
	-		67,419		-
	509		18,720		-
	33		803		-
	-		557		-
	-		6,363		-
	32,881		360,817		48,068
	-		823,307		-
	-		733,166		-
	4,299		537,763		-
	13,452		2,798,583		3,627
	16,202		3,338,388		-
	6,161		880,190		1,642
	-		6,125		-
	(21,973)		(3,397,438)		(5,180)
	18,141		4,163,611		89
	2,978		10,019		-
	-		1,725		-
	-		33,206		-
	21,119		5,765,034		89
	54,000		6,125,851		48,157
	-		16,482		-
	-		132,113		-
	3,637		62,844		-
	3,637		211,439		-

continued

Statement of Net Position - Proprietary Funds, continued

December 31, 2016 (dollars in thousands)

	Business-type Activities - Enterprise Funds	
	Wastewater Management	Denver Airport System
Liabilities		
Current liabilities:		
Vouchers payable	\$ 1,208	\$ 60,767
Revenue bonds payable	4,980	-
Accrued liabilities	1,355	56,421
Unearned revenue	11,627	31,730
Interfund payable	358	8,124
Capital lease obligations	593	-
Compensated absences	940	2,299
Claims reserve	-	-
Construction payable	3,766	-
Due to other governments	5,129	-
Current liabilities (payable from restricted assets):		
Vouchers payable	-	5,836
Retainages payable	-	9,670
Notes payable	-	3,552
Accrued interest and other liabilities	-	21,543
Other accrued liabilities	-	4,503
Revenue bonds payable	-	170,045
Total Current Liabilities	29,956	374,490
Noncurrent liabilities:		
Interest rate swaps	-	154,486
Notes payable	-	11,193
Revenue bonds payable, net	167,002	3,865,703
Net pension liability	34,306	158,033
Capital lease obligations	5,685	-
Compensated absences	2,383	7,204
Claims reserve	-	-
Total Noncurrent Liabilities	209,376	4,196,619
Total Liabilities	239,332	4,571,109
Deferred Inflows of Resources		
Items related to pension plans	322	-
Deferred gain on refunding of debt	-	2,207
Total Deferred Inflows of Resources	322	2,207
Net Position		
Net investment in capital assets	553,632	(392,998)
Restricted for:		
Capital projects	-	10,153
Debt service	-	604,491
Unrestricted	78,910	612,495
Total Net Position	\$ 632,542	\$ 834,141

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

Net position of business-type activities

See accompanying notes to basic financial statements.

		Governmental	
		Activities	
Other	Total	Internal	
Enterprise	Enterprise	Service	
Funds	Funds	Funds	
\$ 1,329	\$ 63,304	\$ 694	
565	5,545	-	
245	58,021	36	
636	43,993	-	
391	8,873	73	
352	945	-	
305	3,544	106	
-	-	9,684	
-	3,766	-	
-	5,129	-	
451	6,287	-	
-	9,670	-	
-	3,552	-	
-	21,543	-	
-	4,503	-	
-	170,045	-	
4,274	408,720	10,593	
	154,486	-	
	11,193	-	
1,865	4,034,570	-	
11,773	204,112	-	
356	6,041	-	
888	10,475	238	
-	-	18,129	
14,882	4,420,877	18,367	
19,156	4,829,597	28,960	
-	322	-	
-	2,207	-	
-	2,529	-	
15,002	175,636	89	
8,236	18,389	-	
-	604,491	-	
15,243	706,648	19,108	
\$ 38,481	1,505,164	\$ 19,197	
	428		
	\$ 1,505,592		

Statement of Revenues, Expenses, and Changes in Fund Net Position - Proprietary Funds

For the Year Ended December 31, 2016 (dollars in thousands)

	<u>Business-type Activities - Enterprise Funds</u>	
	Wastewater Management	Denver Airport System
Operating Revenues		
Charges for services	\$ 133,375	\$ 742,529
Other revenue	-	-
Change in claims reserve	-	-
Total Operating Revenues	133,375	742,529
Operating Expenses		
Personnel services	25,534	165,114
Contractual services	17,982	212,699
Supplies and materials	1,925	65,061
Depreciation and amortization	18,508	179,692
District water treatment charges	49,198	-
Other operating expenses	-	26,936
Total Operating Expenses	113,147	649,502
Operating income (loss)	20,228	93,027
Nonoperating Revenues (Expenses)		
Investment and interest income	822	39,274
Passenger facility charges	-	114,230
Customer facility fee	-	19,884
Intergovernmental revenue	764	-
Disposition of assets	157	-
Grants	-	686
Interest expense	(1,646)	(156,481)
Other revenue (expense)	-	(5,485)
Net Nonoperating Revenues (Expenses)	97	12,108
Income (loss) before capital grants, contributions, and transfers	20,325	105,135
Capital grants and contributions	28,022	3,553
Transfers in	-	-
Transfers out	(29)	-
Change in net position	48,318	108,688
Net position - January 1	584,224	725,453
Net Position - December 31	\$ 632,542	\$ 834,141

Change in net position of enterprise funds
 Adjustment to reflect consolidation of internal service fund activities
 related to enterprise funds
 Change in net position of business-type activities

See accompanying notes to basic financial statements.

			Governmental Activities
	Other Enterprise Funds	Total Enterprise Funds	Internal Service Funds
	\$ 21,568	\$ 897,472	\$ 21,826
	563	563	1,618
	-	-	1,636
	<u>22,131</u>	<u>898,035</u>	<u>25,080</u>
	11,067	201,715	2,193
	6,183	236,864	580
	1,096	68,082	6,233
	1,181	199,381	126
	-	49,198	8,309
	3,348	30,284	1,625
	<u>22,875</u>	<u>785,524</u>	<u>19,066</u>
	(744)	112,511	6,014
	318	40,414	530
	-	114,230	-
	-	19,884	-
	-	764	-
	-	157	-
	280	966	-
	(156)	(158,283)	-
	-	(5,485)	-
	<u>442</u>	<u>12,647</u>	<u>530</u>
	(302)	125,158	6,544
	-	31,575	-
	2,000	2,000	-
	<u>(295)</u>	<u>(324)</u>	<u>-</u>
	1,403	158,409	6,544
	37,078	1,346,755	12,653
	<u>\$ 38,481</u>	<u>\$ 1,505,164</u>	<u>\$ 19,197</u>
		\$ 158,409	
		475	
		<u>\$ 158,884</u>	

Statement of Cash Flows - Proprietary Funds

For the Year Ended December 31, 2016 (dollars in thousands)

	Business-type Activities - Enterprise Funds	
	Wastewater Management	Denver Airport System
Cash Flows From Operating Activities		
Receipts from customers	\$ 119,324	\$ 746,787
Payments to suppliers	(60,616)	(286,555)
Payments to employees	(22,762)	(143,774)
Other receipts	-	-
Interfund activity	(8,370)	(17,833)
Claims paid	-	-
Net Cash Provided by Operating Activities	27,576	298,625
Cash Flows From Noncapital Financing Activities		
Operating grants received	-	1,209
Transfers (out) in	(29)	-
Net Cash Provided by (Used) in Noncapital Financing Activities	(29)	1,209
Cash Flows From Capital and Related Financing Activities		
Proceeds from issuance of debt	129,853	4,096
Bond issue costs	-	(978)
Principal payments	(3,428)	(176,977)
Interest payments	(2,161)	(196,683)
Passenger facility charges	-	105,174
Car rental customer facility charges	-	17,989
Payments on capital assets acquired through construction payables	(4,781)	(43,331)
Acquisition and construction of capital assets	(14,200)	(189,576)
Payments to escrow for current refunding of debt	-	(17,710)
Proceeds from sale of assets	157	1,508
Contributions and advances	1,814	4,590
Intergovernmental revenues	764	-
Net Cash Provided by (Used) in Capital and Related Financing Activities	108,018	(491,898)
Cash Flows From Investing Activities		
Purchases of investments	(356,773)	(1,417,079)
Proceeds from sale of investments	230,683	1,573,387
Sale of assets held for disposition; payments to maintain assets held	-	10,089
Insurance proceeds from remediation of asset held for disposition	-	2,179
Interest received	227	22,696
Net Cash Provided by (Used) in Investing Activities	(125,863)	191,272
Net increase (decrease) in cash and cash equivalents	9,702	(792)
Cash and cash equivalents - January 1	4,798	78,486
Cash and Cash Equivalents - December 31	\$ 14,500	\$ 77,694

See accompanying notes to basic financial statements.

Other Enterprise Funds	Total Enterprise Funds	Governmental Activities Internal Service Funds
\$ 21,802	\$ 887,913	\$ 21,044
(9,442)	(356,613)	(8,771)
(10,976)	(177,512)	(2,166)
563	563	1,618
-	(26,203)	
-	-	(8,309)
1,947	328,148	3,416
	1,209	
1,705	1,676	-
1,705	2,885	-
	133,949	-
	(978)	-
(1,153)	(181,558)	-
(156)	(199,000)	-
-	105,174	-
-	17,989	-
-	(48,112)	-
(589)	(204,365)	-
-	(17,710)	-
-	1,665	-
-	6,404	-
-	764	-
(1,898)	(385,778)	-
	(1,773,852)	-
	1,804,070	-
	10,089	-
	2,179	-
348	23,271	587
348	65,757	587
	11,012	4,003
27,759	111,043	41,508
\$ 29,861	\$ 122,055	\$ 45,511

continued

Statement of Cash Flows - Proprietary Funds, continued

For the Year Ended December 31, 2016 (dollars in thousands)

	<u>Business-type Activities - Enterprise Funds</u>	
	Wastewater Management	Denver Airport System
Reconciliation of Operating Income (loss) to Net Cash Provided by Operating Activities		
Operating income (loss)	\$ 20,228	\$ 93,027
Adjustments to reconcile operating income to net cash provided (used) by operating activities:		
Depreciation and amortization	18,508	179,692
Change in allowance for doubtful accounts	(235)	-
Miscellaneous revenue	-	(2,744)
Accounts receivable, net of allowance	(7,355)	1,431
Due from other City agencies/departments	-	61
Interfund receivable	260	-
Inventories	-	(1,086)
Prepaid items and other assets	215	(461)
Vouchers payable	(520)	4,124
Unearned revenue	(6,721)	5,571
Accrued and other liabilities	931	1,914
Interfund payable	(206)	2,627
Claims reserved	-	-
Items related to pension	2,471	14,469
Net Cash Provided by Operating Activities	<u>\$ 27,576</u>	<u>\$ 298,625</u>
Noncash Activities		
Assets acquired through capital contributions	\$ 23,608	\$ -
Assets acquired through city capital contributions, net	2,600	-
Unrealized gain on investments	-	(9,098)
Unrealized gain on derivatives	-	14,539
Capital assets acquired through accounts payable	3,766	15,506
Amortization of bond premiums and deferred losses and gains on bond refundings	261	8,905
Refunding bond proceeds delivered directly to an irrevocable trust	-	365,545

See accompanying notes to basic financial statements.

	Other Enterprise Funds	Total Enterprise Funds	Governmental Activities Internal Service Funds
	\$ (744)	\$ 112,511	\$ 6,014
	1,181	199,381	126
	-	(235)	-
	-	(2,744)	-
	37	(5,887)	(786)
	-	61	-
	-	260	(54)
	(28)	(1,114)	23
	-	(246)	-
	(50)	3,554	(297)
	205	(945)	-
	(17)	2,828	27
	310	2,731	(1)
	-	-	(1,636)
	1,053	17,993	-
	<u>\$ 1,947</u>	<u>\$ 328,148</u>	<u>\$ 3,416</u>
	\$ 280	\$ 23,888	\$ -
	-	2,600	-
	-	(9,098)	-
	-	14,539	-
	-	19,272	-
	3	9,169	-
	-	365,545	-

Statement of Fiduciary Net Position - Fiduciary Funds

December 31, 2016 (dollars in thousands)

	Pension, Health, and Other Employee Benefit Trust Funds	Private-Purpose Trust Funds	Agency Funds
Assets			
Cash on hand	\$ -	\$ 299	\$ 4,072
Cash and cash equivalents	50,121	793	42,573
Securities lending collateral	176,974	-	-
Receivables (net of allowance for uncollectibles of \$4,505):			
Taxes	-	-	885,958
Accounts	365	-	7
Accrued interest	1,636	-	-
Investments, at fair value:			
U.S. Government obligations	129,732	-	-
Domestic stocks and bonds	743,548	-	-
International stocks	487,602	-	-
Mutual funds	383,134	-	-
Real estate	164,381	-	-
Other	758,706	-	-
Total Investments	2,667,103	-	-
Capital assets, net of accumulated depreciation	4,347	-	-
Total Assets	2,900,546	1,092	\$ 932,610
Liabilities			
Vouchers payable	2,587	493	13,889
Securities lending obligation	177,601	-	-
Other accrued liabilities	-	-	13,628
Due to taxing units	-	310	905,093
Total Liabilities	180,188	803	\$ 932,610
Net Position			
Net position restricted for pensions	2,011,665	-	-
Net position held in trust for OPEB benefits	70,337	-	-
Net position held in trust for deferred compensation benefits	638,356	-	-
Net position held in trust for other purposes	-	289	-
Net Position Restricted for Pensions and Other Purposes	\$ 2,720,358	\$ 289	

See accompanying notes to basic financial statements.

Statement of Changes in Fiduciary Net Position - Fiduciary Funds

December 31, 2016 (dollars in thousands)

	Pension, Health, and Other Employee Benefit Trust Funds	Private-Purpose Trust Funds
Additions		
Contributions:		
City and County of Denver	\$ 66,079	\$ -
Denver Health and Hospital Authority	7,080	-
Plan members	87,939	-
Total Contributions	161,098	-
Investment earnings:		
Net appreciation in fair value of investments	125,202	-
Interest and dividends	76,343	-
Total Investment Earnings	201,545	-
Less investment expense	(15,230)	-
Net Investment Earnings	186,315	-
Securities lending earnings	1,205	-
Securities lending expenses:		
Borrower rebates	116	-
Agent fees	(330)	-
Net Earnings from Securities Lending	991	-
Total Net Investment Earnings	187,306	-
Total Additions	348,404	-
Deductions		
Benefits	235,760	-
Refunds of contributions	2,849	-
Administrative expenses	4,390	-
Other deductions	-	-
Total Deductions	242,999	-
Change in net position	105,405	-
Net position - January 1	2,614,953	289
Net Position -December 31	\$ 2,720,358	\$ 289

See accompanying notes to basic financial statements.

Statement of Net Position - Component Units

December 31, 2016 (dollars in thousands)

	Denver Convention Center Hotel Authority	Denver Union Station Project Authority	Denver Urban Renewal Authority	Other Component Units	Total
Assets					
Cash and cash equivalents	\$ 4,156	\$ 2,015	\$ 7,984	\$ 23,805	\$ 37,960
Receivables (net of allowances):					
Taxes	2,205	14,778	84,389	29,115	130,487
Accounts	-	-	4,025	493	4,518
Accrued interest	-	-	195	-	195
Other	-	6,882	3,872	10	10,764
Prepaid items and other assets	1,570	-	43	93	1,706
Restricted Assets:					
Cash and cash equivalents	-	25,225	26,471	127	51,823
Investments	71,782	-	111,945	-	183,727
Long-term receivables	-	148,106	-	-	148,106
Capital Assets:					
Land and construction in progress	23,703	-	-	523	24,226
Buildings and improvements	249,772	-	-	20,142	269,914
Machinery and equipment	27,542	-	157	1,795	29,494
Accumulated depreciation	(96,425)	-	(70)	(6,374)	(102,869)
Net Capital Assets	204,592	-	87	16,086	220,765
Total Assets	284,305	197,006	239,011	69,729	790,051
Deferred Outflows of Resources					
Deferred amount on refundings	5,745	-	18,287	1,748	25,780
Total Deferred Outflows of Resources	5,745	-	18,287	1,748	25,780
Liabilities					
Vouchers payable	2,464	-	-	4,060	6,524
Accrued liabilities	10,131	1,136	20,620	8,114	40,001
Unearned revenue	8,449	-	-	6	8,455
Advances	1,607	917	1,435	-	3,959
Due to other governments	-	-	562	18,792	19,354
Noncurrent liabilities:					
Due within one year	-	798	22,880	715	24,393
Due in more than one year	306,791	308,733	256,739	15,045	887,308
Total Liabilities	329,442	311,584	302,236	46,732	989,994
Deferred Inflows of Resources					
Property taxes	-	14,583	78,732	10,331	103,646
Total Deferred Inflows of Resources	-	14,583	78,732	10,331	103,646
Net Position					
Net investment in capital assets	(69,757)	-	88	2,067	(67,602)
Restricted for:					
Capital projects	23,416	-	68,242	-	91,658
Emergency use	10,102	-	-	301	10,403
Debt service	1,253	-	26,020	11	27,284
Donor and other restrictions:					
Expendable	10,314	-	5,255	44	15,613
Unrestricted (deficit)	(14,720)	(129,161)	(223,275)	11,991	(355,165)
Total Net Position (Deficit)	\$ (39,392)	\$ (129,161)	\$ (123,670)	\$ 14,414	\$ (277,809)

See accompanying notes to basic financial statements.

Statement of Activities - Component Units

For the Year Ended December 31, 2016 (dollars in thousands)

	Denver Convention Center Hotel Authority	Denver Union Station Project Authority	Denver Urban Renewal Authority	Other Component Units	Total
Expenses	\$ 103,429	\$ 13,188	\$ 68,648	\$ 30,804	\$ 216,069
Program Revenues					
Charges for services	95,273	-	-	369	95,642
Operating grants and contributions	-	-	2,528	533	3,061
Total Program Revenues	<u>95,273</u>	<u>-</u>	<u>2,528</u>	<u>902</u>	<u>98,703</u>
Net expenses	(8,156)	(13,188)	(66,120)	(29,902)	(117,366)
General Revenues					
Taxes:					
Lodgers	-	-	2,809	-	2,809
Property	-	13,038	75,134	10,444	98,616
Sales and use	-	-	28,812	-	28,812
Specific ownership	-	-	-	304	304
Investment and interest income	76	8,953	945	13	9,987
Other revenues	10,771	536	2,022	21,576	34,905
Net General Revenues	<u>10,847</u>	<u>22,527</u>	<u>109,722</u>	<u>32,337</u>	<u>175,433</u>
Change in net position	2,691	9,339	43,602	2,435	58,067
Net position: January 1	(42,083)	(138,500)	(167,272)	11,979	(335,876)
Net Position (Deficit) - December 31	<u>\$ (39,392)</u>	<u>\$ (129,161)</u>	<u>\$ (123,670)</u>	<u>\$ 14,414</u>	<u>\$ (277,809)</u>

See accompanying notes to basic financial statements.

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I. Summary of Significant Accounting Policies

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) applicable to governmental entities. A summary of the City and County of Denver's significant accounting policies applied in the preparation of these financial statements follows.

Note A – Reporting Entity

The City and County of Denver (City) was incorporated in 1861 and became a Colorado Home Rule City on March 29, 1904, under the provisions of Article XX of the Constitution of Colorado, as amended, when the people of the City ratified a Charter providing for a Mayor-Council form of government. The City is operated by authority of the powers granted by its Charter. The City provides typical municipal services with the exception of education, public housing, and sewage treatment that are administered by other governmental entities.

As required by U.S. GAAP, these financial statements present the City (primary government) and its component units. The component units discussed below are included in the City's reporting entity because of the significance of their operational or financial relationships with the City in accordance with Governmental Accounting Standards Board (GASB) Statement No. 14, The Financial Reporting Entity, GASB Statement No. 39, Determining Whether Certain Organizations Are Component Units – an amendment of GASB Statement No. 14, and GASB Statement No. 61, The Financial Reporting Entity: Omnibus – an amendment of GASB Statements No. 14 and No. 34. Certain amounts reported in the individual component unit financial statements have been reclassified to conform to the City's accounting policies. Each component unit has a December 31st year end.

1. Blended Component Units.

Gateway Village, Denver 14th Street, and RiNo General Improvement District (GID) – The districts were created by the City as separate legal entities pursuant to state statute. Per statute, the City Council serves as ex officio Board of Directors for the districts. District Advisory Boards, appointed by the City Council, conduct and manage all affairs of the districts, which provide capital improvement and maintenance services entirely to the City, subject to overall approval and supervision of the ex officio Board of Directors. The districts are reported herein in the City's special revenue and debt service funds.

2. Discretely Presented Component Units.

9th Avenue, Cherry Creek North, Cherry Creek Subarea, Colfax, Downtown Denver, Old South Gaylord, West Colfax, Federal Boulevard, Bluebird, Colfax-Mayfair, Santa Fe, and RiNo Business Improvement Districts (BID) – Each BID was created by the City as a separate legal entity pursuant to state statute for the purpose of maintaining public improvements and planning development activities within each BID's geographic boundaries. The City appoints the governing boards of the BIDs and is able to impose its will through the approval of the BID's operating budgets. The 9th Avenue BID had no activity and was dissolved in 2016.

Denver Convention Center Hotel Authority (DCCHA) – The DCCHA was organized by the City as a nonprofit corporation in accordance with State law for the purpose of owning, acquiring, constructing, equipping, operating and financing a hotel adjacent to the City's convention center. The Mayor appoints the Board of Directors of the DCCHA, subject to City Council confirmation, and a financial benefit/burden relationship exists as a result of an economic development agreement between the City and DCCHA. According to the agreement DCCHA distributes certain excess revenues to the City, makes payments in lieu of taxes to the City, and has entered into a room block agreement which coordinates the reservation of hotel room blocks with events

scheduled at the City's convention center. The City makes semi-annual economic development payments to the DCCCHA, which totaled \$10,500,000 in 2016, and will gradually increase to an annual maximum of \$11,000,000 in 2018. The City also has the right to purchase the hotel at the purchase option price per the agreement.

Denver Downtown Development Authority (DDDA) – The DDDA was created for the purpose of promoting public health, safety, prosperity, security, and general welfare in order to halt or prevent deterioration of property values or structures within the central business district and to assist in the development and redevelopment of the central business district, especially to benefit the property within the boundaries of the Authority. The City entered into a cooperation agreement with DDDA in 2009 authorizing the Authority to collect and disburse property and sales tax increment revenues. The DDDA collects property and sales tax increment revenue from the City and disburses it to the Denver Union Station Project Authority and the Denver Union Station Metro Districts. The Central Platte Valley Metropolitan District also exists within the boundaries of DDDA and it receives property tax revenue from the DDDA. The Board of Directors is appointed by the Mayor and confirmed by City Council, and City Council may remove any director at will. These appointments and the ability of the City to impose its will on the Authority make the City financially accountable for the Authority.

Denver Preschool Program, Inc. (DPP) – DPP is a nonprofit corporation organized to administer the Denver Preschool Program that provides tuition credits for children of Denver families the year before the child is eligible for kindergarten. The City is legally obligated to provide financial support to DPP, as the program is funded by a sales and use tax increase of fifteen one-hundredths of one percent (0.15%) that was voter-approved through December 2026. The Mayor appoints ten of the eleven DPP board members and City Council appoints a council member as the other board member. The City appointments to the governing body and its financial obligations to DPP make the City financially accountable for the DPP.

Denver Union Station Project Authority (DUSPA) – In 2001, the City, the Regional Transportation District (RTD), the Denver Regional Council of Governments, and the Colorado Department of Transportation entered into an intergovernmental agreement for the redevelopment of Denver Union Station and its surrounding environs as a multimodal transportation hub in the City's metropolitan area. The Denver Union Station Project Authority was created by City ordinance in 2008, as a permanent, centralized agency to accomplish the Denver Union Station Project (the Project) which will specifically deal with the financing, acquiring, equipping, designing, constructing, operating and maintaining of the Project. DUSPA is a Colorado nonprofit organization. The Mayor appoints six of the eleven voting DUSPA board members, which are then confirmed by City Council. The Mayor can remove any City appointed board member at will, giving the City the ability to impose its will on the Authority. The ability to appoint the majority of voting members and to impose its will on DUSPA makes the City financially accountable for the Authority. Tax increment revenue from the City provides funding for the Project, which creates a financial burden relationship between the City and DUSPA. DUSPA is authorized to issue revenue bonds for the Project, which for federal income tax purposes are considered to be issued on behalf of the City, however these bonds, and any other obligation incurred by DUSPA, are not liabilities of the City.

Denver Urban Renewal Authority (DURA) – DURA was created as a separate legal entity by the City pursuant to the state Urban Renewal Law to acquire, clear, rehabilitate, conserve, develop or redevelop identified slum or blighted areas existing within the City and to prevent future blight from developing. In addition, for health and safety purposes, DURA provides housing rehabilitation assistance in the form of low-interest loans to low-income Denver homeowners through two City housing rehabilitation programs. The Mayor appoints the DURA board of directors subject to City Council approval. Any urban renewal project undertaken by DURA must receive prior approval by the City. A significant amount of DURA's financing comes from incremental property and sales tax revenue from the City. In 2009, DURA established Denver Neighborhood Revitalization, Inc. (DNRI),

a registered State of Colorado not-for-profit organization and component unit of DURA, to address the needs in the Denver community related to foreclosed and/or abandoned homes. DNRI administers and executes the Neighborhood Stabilization Program (NSP) funds awarded by the City and County of Denver. DNRI activities include acquisition and rehabilitation of foreclosed residential properties in targeted neighborhoods within the City and County of Denver. For presentation purposes, DURA and DNRI financial activity is combined.

Complete financial statements, as applicable, for the following individual discretely presented component units can be obtained from their respective administrative offices:

Bluebird BID

8005 South Chester Street, Suite 150
Centennial, Colorado 80112

Cherry Creek North BID

299 Milwaukee Street, Suite 201
Denver, Colorado 80206

Cherry Creek Subarea BID

1573 South Jamaica Street
Denver, Colorado 80012

Colfax BID

P. O. Box 18853
Denver, Colorado 80218

Colfax-Mayfair BID

P. O. Box 202161
Denver, Colorado 80220

Downtown Denver BID

511 16th Street, Suite 200
Denver, Colorado 80202

Denver Convention Center Hotel Authority

1225 Seventeenth Street, Suite 3050
Denver, Colorado 80202

Denver Downtown Development Authority

201 West Colfax Avenue, Department 1109
Denver, Colorado 80202

Denver Preschool Program, Inc.

305 Park Avenue West, Suite B
Denver, Colorado 80205

Denver Union Station Project Authority

1225 17th Street, Suite 3050
Denver, Colorado 80202

Denver Urban Renewal Authority

1555 California Street, Suite 200
Denver, Colorado 80202

Federal Boulevard BID

2931 West 25th Avenue
Denver, Colorado 80211

Old South Gaylord BID

1076 South Gaylord Street
Denver, Colorado 80209

Santa Fe BID

901 West 10th Avenue, Suite 2A
Denver, Colorado 80204

West Colfax BID

4500 West Colfax Avenue
Denver, Colorado 80204

RiNO BID/GID

2901 Blake St., Suite 165
Denver, Colorado, 80205

3. Fiduciary Component Unit.

Denver Employees Retirement Plan (DERP) – The DERP is a separate legal entity established by City ordinance to provide pension benefits for substantially all City employees, except police officers and fire fighters. The Mayor appoints the members of the DERP governing board. The DERP is presented herein in the City's fiduciary funds as Pension and Health Benefits Trust Funds. The net position of the DERP is held for the sole benefit of the participants and is not available for appropriation by the City.

4. Related Organizations.

The City appoints members to the boards of the following organizations. The City's accountability for the organizations does not extend beyond making these appointments and there is no fiscal dependency by these organizations on the City.

Denver Health and Hospital Authority (Authority) – The Authority is a political subdivision and body corporate of the State of Colorado. The Authority is governed by a nine-member board, all appointed by the Mayor. The Authority entered into contractual agreements with the City to obtain and operate the City's existing hospital system. In accordance with the contractual agreements between the Authority and the City, the City paid the Authority \$60,250,000 for providing various health related services to the City and its residents during 2016. In addition, the Authority made payments in the amount of \$1,872,000 to the City for human services, fleet, sheriff, and various human resources services.

Denver Housing Authority (DHA) – The DHA was created by ordinance in accordance with U.S. Department of Housing and Urban Development (HUD) regulations. Its five-member board, appointed by the Mayor, controls the daily administration and operations of the DHA. The DHA is dependent on Federal funds from HUD and, as a result, is not financially dependent on the City. In addition, the City is not responsible for any deficits incurred and has no fiscal management control over the DHA.

Denver Public Library Trust (DPL Trust) – The DPL Trust is a charitable entity formed by the Library Commission and the DPL Friends Foundation to accept inherited interests through a bequest. All assets of the DPL Trust derive from a percentage of an interest in two real estate partnerships. The Library Commission appoints the trustees of the DPL Trust. All funds received by the DPL Trust are deposited into a bank account managed by the DPL Trust and quarterly transferred to the DPL Friends Foundation. The monies may be requested during the Denver Public Library's annual budget request from the DPL Friends Foundation.

Denver Water Board – The Denver Water Board was created pursuant to the City Charter as a separate legal entity to oversee the City's water system. The Denver Water Board's five-member governing body is appointed by the Mayor, but the City is not financially accountable for the Denver Water Board because the Denver Water Board has the power to levy property taxes to support general obligation bonds issued by the Denver Water Board and the Denver Water Boards' determination of the necessity for the mill levy would not be subject to approval or modification by the City. The Denver Water Board had no general obligation bonds outstanding as of December 31, 2016, and no longer has authority to issue general obligation bonds.

Lowry Economic Redevelopment Authority (Lowry) – Lowry was created as a public entity by contract between the City and another local government under the Colorado Governmental Immunity Act, C.R.S. Section 24-10-01. Lowry is a separate legal entity intended to maintain, manage, promote, and implement economic redevelopment of the former Lowry Air Force Base. The City is not fiscally accountable for Lowry. Lowry is governed by a nine-member board of directors of which the Mayor appoints seven.

Stapleton Development Corporation (SDC) – The City and DURA created a nonprofit corporation whose objectives would include, but not be limited to, planning an orderly public purpose assessment and redevelopment program for the former Stapleton International Airport property and implementing the redevelopment plan for the property. The SDC board of directors is composed of 11 voting members; the Mayor appoints 9 and 2 are appointed by DURA. All 11 members are confirmed by the City Council. Neither the City nor DURA is financially accountable for SDC, as the City and DURA cannot impose their will on SDC, nor does a financial benefit or burden exist between the entities.

Note B – Government-Wide and Fund Financial Statements

The government-wide financial statements, which include the statement of net position and statement of activities, report information on all of the non-fiduciary activities of the primary government and its component units. Eliminations have been made to minimize the double-counting of internal activities. Governmental activities, which generally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from business-type activities, which rely generally on fees and charges to external parties. The primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of net position reports all of the City's assets and deferred outflows of resources, and liabilities and deferred inflows of resources, with the difference being presented as net position.

The statement of activities demonstrates the extent to which the direct expenses of a given function or business-type activity is offset by program revenues. Direct expenses are clearly identifiable with a specific function. Program revenues include: 1) charges to customers who purchase, use, or directly benefit from goods, services provided by the programs, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Taxes and other items not properly included among program revenues are reported as general revenues.

Separate fund financial statements are provided for governmental funds, proprietary funds, fiduciary funds (even though fiduciary funds are excluded from the government-wide financial statements), and component units. The emphasis of fund financial statements is on major governmental funds, enterprise funds, and component units, each reported as a separate column. All remaining governmental funds, enterprise funds, and component units, are aggregated and reported as nonmajor funds.

Note C – Measurement Focus, Basis of Accounting, and Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary and fiduciary funds, and discretely presented component unit financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. On an accrual basis, property taxes are recognized in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when they are measurable and available. Available means collectible within the current period, or soon enough thereafter, to pay liabilities of the current period or when matured. The City considers all revenue as available, if collected within 60 days after year end. Property taxes, sales and use taxes, franchise taxes, occupational privilege taxes, interest revenue, and charges for services are susceptible to accrual. Other receipts, fines, licenses, permits, and parking meter revenues become measurable and available when cash is received by the City and are recognized as revenue at that time. Grant revenue is considered available if it is expected to be collected within one year and all eligibility requirements are met. Expenditures are recorded when the related liability is incurred, except for debt service expenditures, and certain compensated absences and claims and judgments, which are recognized when the payment is due.

The City reports the following major governmental funds:

- 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 reported in another fund. This fund is financed primarily by sales tax, property tax, and charges for services.
- The Human Services special revenue fund is used to account for proceeds of restricted revenue to be used for public assistance and welfare activities. This fund is financed primarily by intergovernmental revenue and property taxes.

The City reports the following major proprietary funds:

- The Wastewater Management fund accounts for the City's storm and sewer operations. This fund is financed primarily by sanitary sewer and storm drainage charges.
- The Denver Airport System fund accounts for the operation of the City's airport system which includes Denver International Airport. This fund is financed primarily by facility rentals, parking revenues, and landing fees.

The City reports the Denver Convention Center Hotel Authority, Denver Union Station Project Authority, and Denver Urban Renewal Authority component units as major component units.

Additionally, the City reports the following fund-types:

- Internal service funds account for asphalt plant and workers' compensation services provided to the various departments and agencies of the City on a cost reimbursement basis.
- Pension trust funds account for the Denver Employees Retirement Plan and Deferred Compensation Plan which accumulate resources for pension and health benefit payments to qualified City retirees and amounts employees defer from their income.
- The private-purpose trust funds are used to account for resources legally held in trust by the City for use by various organizations for various purposes, i.e., COBRA payments and unclaimed warrants. All resources of the funds, including any earnings on invested resources, may be used to support the various activities of the organizations. There is no requirement to preserve the resources as capital.
- Agency funds account for the Employee Salary Redirect plan, clearing funds for payroll and benefit provider payments, and collected receipts being temporarily held for allocation to other entities. The agency funds are custodial in nature and do not involve measurement of results of operations.

The effect of interfund activity generally has been eliminated from the government-wide financial statements.

Exceptions to this practice include payments and other charges between the City's enterprise funds and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions affected.

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 enterprise and internal service funds are charges to customers for sales and services. Operating expenses for the enterprise and internal service funds include the administrative expenses, cost of sales and services, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, the City uses the restricted resources first, then unrestricted resources as needed. If no other restrictions exist, the order of spending of resources will be committed, assigned, and lastly unassigned.

Note D – Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position or Fund Balances

- 1. Cash and Investments.** For the primary government, except when prohibited by trust agreements, the operating cash in each fund is maintained in one consolidated pool by the City. Cash in excess of operating requirements is invested by the City. The City Charter, Section 2.5.3(C) and the Denver Revised Municipal Code, Section 20-21, authorize that investments may be made in U.S. Government obligations, its agencies and sponsored corporations, prime commercial paper, prime bankers' acceptances, certificates of deposit issued by eligible banks and savings and loan associations, local government investment pools, repurchase agreements, forward purchase agreements, securities lending agreements, highly rated municipal securities, high grade corporate bonds, asset-backed securities, supranational debt obligations, federal agency collateralized mortgage obligations (CMO), federal agency mortgage pass through securities (MBS), money market funds that purchase only the types of securities specified herein, and other similar securities as may be authorized by ordinance. The pension trust funds and component units maintain deposits and investments outside of the City's investment pools. These are primarily in demand deposits and U.S. Government obligations. Some pension trust funds have investments in real property.

Investments are stated at fair value, which is primarily determined based upon quoted market prices or significant other observable inputs at year end. Fair values of real estate and other investments are determined by independent periodic appraisals.

- 2. Cash Equivalents.** The City's investments held in the consolidated pool with original maturities of three months or less from the purchase date are classified as cash equivalents. For investments owned by wastewater, the airport system, the pension trust funds, and the component units, investments with original maturities of three months or less from the date of purchase are considered cash equivalents.
- 3. Property Taxes Receivable.** Property taxes are reported as a receivable and as deferred inflows of resources when the levy is certified by the City's Assessor on or before December 15 of each year, unless there is a special election. Property taxes receivable is reduced by an allowance for uncollectible taxes. Property taxes are due and considered earned on January 1 following the year levied. The first and second halves become delinquent on March 1 and June 16, respectively. Tax rate levy authority for the 2016 fiscal year was approved when Resolution 1213, Series of 2016, was adopted by the City Council and approved by the Mayor.
- 4. Water and Wastewater Service Accounts.** Sanitary sewer accounts are maintained, billed, and collected by the Water Board in connection with its water accounts. The Wastewater Management enterprise fund is responsible for billing and collecting storm drainage charges using a cycle billing system. Flat rate accounts and certain cycle billings are billed in advance on a monthly basis and revenues relating to future years are classified as unearned revenue. Metered accounts are billed in arrears and have been accrued.
- 5. Interfund Receivables/Payables.** During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. The balances from these transactions are classified as "interfund receivable" or "interfund payable" on the balance sheet/statement of net position. Other interfund receivables/payables between individual funds have occurred because some funds have overdrawn their equity share of pooled cash.
- 6. Due from Other Governments.** Due from other governments includes amounts due from grantors for grants for specific programs and capital projects. Program and capital grants for capital assets are recorded as receivables and revenues when all eligibility requirements are met. Revenues received in advance of project costs being incurred or for which eligibility requirements have not been met are unearned. In the governmental funds, revenue recognition also depends on the timing of cash collections (availability).

- 7. Inventories and Prepaid Items.** The City values inventories at cost, which approximates market, and accounts for them using either the weighted average method or the first-in/first-out method. The costs of governmental fund-type inventories are recorded as expenditures when purchased.

Payments made to vendors for services representing costs applicable to future accounting periods are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items in the governmental funds are recorded as an expense when consumed.

- 8. Restricted Assets.** Certain assets of the General Fund, General Government special revenue fund and certain component units are classified as restricted assets because their use is completely restricted by State statute (see Note IV-E-8).

In the General Fund and Human Services special revenue fund, certain monies related to capital leases (see Note III-E-1) are classified as restricted in accordance with lease requirements.

Certain resources of the governmental activities and the Denver Airport System enterprise fund are classified as restricted assets because their use is limited by applicable bond covenants. These covenants require the accumulation of resources for current principal and interest on both bonds and subordinate bonds, principal and redemption price on term bonds subject to mandatory redemption, principal and interest emergency reserve, and operating and maintenance emergency reserve.

In the governmental activities the net pension asset is presented as a restricted asset.

Certain assets of the Environmental Services enterprise fund have been restricted by external parties to be used for future plant and equipment expenditures and payment of certain liabilities.

- 9. Capital Assets.** Land, collections, construction in progress, buildings, equipment, infrastructure, and intangible assets are reported in the applicable governmental or business-type activities, or component unit columns of the government-wide financial statements. Such assets are recorded at cost or estimated cost if purchased or constructed. Donated capital assets are recorded at their acquisition value at the date of donation. The capitalization threshold of the City is \$5,000 except for software which has a threshold of \$50,000. The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend assets' lives are not capitalized. Interest incurred during the construction phase of capital assets of business-type activities is reflected in the capitalized value of the asset constructed, net of interest earned on the invested proceeds over the same period.

Assets under capital leases are recorded at the present value of future minimum lease payments and are amortized over the shorter of the lease term or the estimated useful life of the asset.

Capital assets of the City and certain component units are depreciated on a straight-line basis over the following estimated useful lives:

Buildings and improvements	5 to 100 years
Motor vehicles and motorized equipment	5 to 20 years
Furniture, machinery, and equipment	3 to 20 years
Collections, excluding library books	15 years
Library books	4 years
Infrastructure	6 to 50 years
Intangibles	3 to 5 years

Library books are depreciated over a 4-year life using the composite method. The Western History artwork collection is not capitalized because these assets are held for public exhibition rather than financial gain and the value cannot be determined. They are protected and preserved and proceeds from any sales must be used to acquire other items for collection. In addition, artwork acquired through the Estate of Clyfford Still is not capitalized because the collection must be held for public exhibition and sale of the collection, or any piece of the collection, is prohibited, under the terms of the will and the donation agreement. A value has not been assigned to the Clyfford Still collection and due to the rarity of the collection combined with restrictions within the will for its ownership and exhibition, its ultimate value may be impossible to establish with any certainty.

Assets held for disposition in governmental funds consist of foreclosed property and land pending future sale. No depreciation is recorded for assets held for disposition.

- 10. Long-term Obligations.** The City records long-term debt and other long-term obligations as liabilities in the government-wide and proprietary fund financial statements. Bond premiums and discounts are amortized over the life of the bonds using the effective interest method or the straight-line method over the term of the debt, except for deferred refunding gains (losses) which are amortized using the same methods over the shorter of the term of either the new or old debt. Bond premiums and discounts are presented as an addition or reduction (net) of the face amount of the bond payable. With few exceptions, bonds issued by the City are tax-exempt and subject to federal arbitrage regulations.

In the fund financial statements for governmental fund-types, bond issuance costs, other than prepaid insurance, are recognized as expenditures during the current period even if withheld from actual net proceeds. Bond proceeds and bond premiums are reported as an other financing source. Bond discounts are reported as an other financing use. Issuance costs, even if withheld from actual net proceeds received, are reported as expenditures.

- 11. Compensated Absences.** The City has vacation, sick, and paid time off leave policies covering substantially all of its employees, as follows:

- Career Service Authority
- Fire and Police Departments' Classified Service
- Undersheriff
- District Attorney and Judges

Employees may accumulate earned but unused benefits up to a specified maximum. The City has recorded an accrued liability for compensated absences in the government-wide and proprietary fund financial statements that was calculated using the vesting method.

- 12. Unearned Revenues.** Unearned revenues reflect amounts that have been received before the City has a legal claim to the funds. In subsequent periods, when revenue recognition criteria are met, or when the City has a legal claim to the resources, the unearned revenue is removed from the statement of net position/balance sheet and revenue is recognized.

- 13. Pensions.** For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of the Denver Employees Retirement Plan (DERP), the Statewide Defined Benefit Plan and Old Hire Fire and Police Pension Plans, administered by the Fire and Police Pension Association of Colorado (FPPA) and the Public Employees' Retirement Association of Colorado Pension Plans (PERA), and additions to/deductions from the various pension plan's fiduciary net position have been determined on the same basis as they are reported by DERP, FPPA, and PERA. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.
- 14. Deferred Outflows of Resources and Deferred Inflows of Resources.** A deferred inflow of resources is an acquisition of net position by the City that is applicable to a future reporting period and a deferred outflow of resources is a consumption 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 financial statements as revenues, expenses, and reduction of liabilities or increase in assets until the period(s) to which they relate. The City reports deferred outflows of resources for pension-related amounts for the City's share of the difference between projected and actual earnings, for the City's share of the difference between contributions to the individual plans and the proportionate share of the contributions, and for changes of assumptions or other inputs. Deferred outflows of resources of the City also consist of the accumulated decrease in fair value of hedging derivatives and the deferred amount on refunding.

The City reports deferred inflows of resources for pension-related amounts in the government wide financial statements or the City's share of the difference between expected and actual experience and for the City's share of the difference between contributions to the individual plans and the proportionate share of the contributions. The City also reports deferred inflows of resources for property tax receivables that are reported as deferred inflow of resources when levied for the next fiscal year.

Under the modified accrual basis of accounting, revenue 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 inflows of resources are also comprised of property tax and long-term receivables that are unavailable in the fund statements.

A deferred amount on refunding is included in deferred inflows of resources relating to the Denver Airport System. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

- 15. Net Position.** In the government-wide and fund financial statements, net position is the difference between assets, liabilities, deferred inflows, and deferred outflows. Net investment in capital assets, represents capital assets; less accumulated depreciation; and less any outstanding borrowings related to the acquisition, construction, or improvement of those assets. Certain net positions are restricted for capital projects, emergency use, debt service, by donor restrictions, and for the net pension asset.

- 16. Fund Balance.** In the fund financial statements, governmental funds report nonspendable, restricted, committed, assigned, and unassigned fund balance classifications based on the nature and extent of the constraints placed on the fund balances.
- 17. Encumbrances.** Encumbrances for contracts and purchase orders are unencumbered at year end and reappropriated against the subsequent year's budget. As of December 31, 2016, the encumbrances reflected in **Table 1** (dollars in thousands) were reappropriated against the 2017 budget for remaining prior year encumbrances.

Table 1

Governmental Activities:	
General Fund	\$ 50,964
Human Services Fund	18,008
Other Governmental Funds	203,251
Total Governmental Activities	\$ 272,223
Business-type Activities:	
Wastewater Management	\$ 48,069
Denver Airport System	151,544
Other Enterprise Funds	6,296
Total Business-type Activities	\$ 205,909

Note E – Implementation of New Accounting Principles

Governmental Accounting Standards Board Statement No. 72. In 2016, the City implemented the provisions of GASB Statement No. 72 (Statement No. 72), *Fair Value Measurement and Application*, which is meant to improve financial reporting by clarifying the definition of fair value for financial reporting purposes. The statement also provides additional fair value application guidance and enhances disclosures about fair value measurements. The adoption of GASB 72 resulted in no impact on net position.

Governmental Accounting Standards Board Statement No. 77. In 2016, the city implemented the provisions of GASB Statement No. 77 (Statement No. 77), *Tax Abatement Disclosures*. This Statement requires the City to disclose in the notes to the basic financial statements information on certain tax abatement agreements entered into by the City. The disclosure will include descriptive information about the tax being abated, the gross dollar amount of taxes abated during the period and any additional comments made by the City. The aggregate amount of tax abatements disclosed as of December 31, 2016, is \$490,000. There was no impact on net position as a result of implementation.

Governmental Accounting Standards Board Statement No. 79. In 2016, the City implemented the provisions of GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*, which establishes criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost for financial reporting purposes. As of December 31, 2016, the City had a balance of \$55,632,786 in a Local Government Investment Pool, CSAFE. CSAFE adheres to the guidelines outlined in GASB Statement No. 79 regarding liquidity, maturity, quality, diversification and shadow NAV pricing. CSAFE continues to elect to measure their investments at amortized cost for financial reporting purposes. There was no impact on the net position of the City as a result of the implementation.

II. Stewardship, Compliance, and Accountability

Note A – Deficit Fund Equity

At December 31, 2016, the Denver Convention Center Hotel Authority (DCCHA), the Denver Union Station Project Authority (DUSPA), and the Denver Urban Renewal Authority (DURA) component units had deficit net position in the amounts of \$39,392,000, \$129,161,000, and \$123,670,000, respectively.

The DCCHA component unit will use revenue from its hotel facility to fund its deficit net position. DUSPA receives sales tax revenue to fund its deficit net position. The DURA component unit uses Tax Increment Financing (TIF), which is additional incremental property and sales taxes generated by redevelopment projects, to fund their deficit net position.

Note B – Excess Expenditures Over Authorizations

Budget basis expenditures exceeded authorizations for the projects shown in Table 2.

Table 2

Excess Expenditures Over Authorizations

For the Year Ended December 31, 2016 (dollars in thousands)

	Authorization	Budget Basis Expenditures	Excess over Authorization
City Council	\$ 4,691	\$ 4,780	\$ 89
District Attorney	22,737	22,895	158
Public Works	138,169	138,984	815

The expenditures, which resulted in excess of authorization, were recorded because liabilities had been incurred before year end.

III. Detailed Notes for All Funds

Note A – Deposits and Investments

- Deposits.** The City Charter, Section 2.5.3(c), requires all banking or savings and loan institutions to pledge sufficient collateral as required by law (Public Deposit Protection Act (C.R.S., 11-10.5-101)) before any public funds are deposited. In addition, the City's Investment Policy requires that certificates of deposit be purchased from institutions that are certified as Eligible Public Depositories by the appropriate state regulatory agency. Under the Colorado Public Deposit Protection Act (PDPA), all deposits exceeding the amount insured by the FDIC are to be fully collateralized at 102.00% of the deposits with specific approved securities identified in the act. The eligible collateral pledged must be held in custody by any Federal Reserve Bank, or branch thereof, or held in escrow by some other bank in a manner as the banking commissioner shall prescribe by rule and regulation, or may be segregated from the other assets of the eligible public depository and held in its own trust department. All collateral so held must be clearly identified as being security maintained or pledged for the aggregate amount of public deposits accepted and held on deposit by the eligible public depository. Deposits collateralized under the PDPA are considered collateralized with securities held by the pledging financial institutions' trust department or agent in the "City's name."

Custodial credit risk is the risk that, in the event of a failure of a financial institution or counterparty, the City would not be able to recover its deposits, investments or collateral securities. At December 31, 2016, the bank balance and carrying amounts of accounts managed by the Manager of Finance (the Manager) were \$10,915,000 and \$21,142,000 respectively. The City's deposits, except for the pension trust fund and certain component units' deposits are subject to, and in accordance with PDPA.

All deposits for DURA, DUSPA, and DCCHA were not subject to custodial credit risk at December 31, 2016, since they were covered by FDIC or PDPA.

2. **Investments.** It is the policy of the City to invest its funds in a manner which will provide for the highest investment return consistent with the preservation of principal and provision of the liquidity necessary for daily cash flow demands. The City's Investment Policy applies to all investment activity of the City under the control of the Manager, including investments of certain monies related to all governmental and business-type activities, and trust and agency funds. The City's Investment Policy does not apply to the investments of the deferred compensation plan or component units. Other monies that may from time to time be deposited with the Manager for investment shall also be administered in accordance with the Investment Policy.

The City Charter, Section 2.5.3(c), and Revised Municipal Code, Section 20-21, authorize the investments that the City can hold. The Investment Policy requires that investments shall be managed in accordance with portfolio theory management principles to compensate for actual or anticipated changes in market interest rates. To the extent possible, investment maturity will be matched with anticipated cash flow requirements of each investment portfolio. Additionally, to the extent possible, investments will be diversified by security type, market sector, and institution. This diversification is required in order that potential losses on individual securities do not exceed the income generated from the remainder of the portfolios. Deviations from expectations shall be reported in a timely fashion and appropriate action taken to control adverse developments.

At December 31, 2016, the City's investment balances were as shown in **Table 3**.

Table 3

City Investment Balances

December 31, 2016 (dollars in thousands)

	Fair Value
Repurchase agreements	\$ 234
Money market funds	2,657
Local government investment pool	143,416
Common stock	940,452
Commercial paper	15,551
Mutual funds	383,184
Municipal bonds	133,186
U.S. Treasury securities	666,069
U.S. agency securities	1,038,057
Corporate bonds	787,635
Structured products ¹	406,307
Multinational fixed income ²	244,043
Annuity contracts	237,429
Real estate	164,382
Other	571,642
Total Investments	\$ 5,734,244

¹Includes asset backed securities, collateralized mortgage obligations, and mortgage back securities.

²Includes supranational securities. Supranationals are U.S. dollar denominated bonds of international organizations such as the World Bank and International Monetary Fund.

The DERP pension trust fund had securities lending collateral of \$231,774,000 at December 31, 2016; see Note III-A-5 for additional discussion related to this balance.

At December 31, 2016, the investment balances of the discretely presented component units were as shown in **Table 4**.

Table 4

Component Units Investment Balances

December 31, 2016 (dollars in thousands)

	Fair Value
Money market funds	\$ 100,121
Local government investment pool	886
Municipal Bonds	2,271
Commercial paper	10,473
U.S. Treasury securities	30,365
U.S. agency securities	32,549
Corporate bonds	5,128
Structured products ¹	899
Multinational fixed income ²	1,222
Total Investments	\$ 183,914

¹Includes asset backed securities, collateralized mortgage obligations and mortgage backed securities.

²Includes supranational securities. Supranationals are U.S. dollar denominated bonds of international organizations such as the World Bank and International Monetary Fund.

A reconciliation of cash and investments as shown in the basic financial statements as of December 31, 2016, is shown in **Table 5**.

Table 5

Reconciliation of Cash and Investments

December 31, 2016 (dollars in thousands)

	Primary Government	Component Units	Total
Governmental and Business-type Activities			
Cash on hand	\$ 9,239	\$ -	\$ 9,239
Cash and cash equivalents	1,201,914	37,960	1,239,874
Investments	793,465	-	793,465
Restricted cash and cash equivalents	127,015	51,823	178,838
Restricted investments	890,726	183,727	1,074,453
Total Governmental and Business-type Activities	3,022,359	273,510	3,295,869
Fiduciary			
Cash on hand	4,371	-	4,371
Cash and cash equivalents	93,487	-	93,487
Investments	2,667,103	-	2,667,103
Total Fiduciary	2,764,961	-	2,764,961
Total	5,787,320	273,510	6,060,830
Less deposit balance	(53,076) ¹	(89,596)	(142,672)
Total Investments	\$ 5,734,244	\$ 183,914	\$ 5,918,158

¹The carrying amount of the City's deposits of \$21,142, plus pension deposits of \$19,685, less uncashed warrants of \$12,146, plus other cash amounts of \$24,395, equal \$53,076.

Fair Value Measurements. 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.

Equities within all asset classes that are classified in Level 1 are valued using prices quoted in active markets for those securities. Equity and equity derivative securities classified in Level 2 are securities whose values are derived daily from associated traded securities. All equity and equity derivative securities are held in the fiduciary funds. The City currently does not maintain equity securities classified as Level 3. Fixed income securities and derivatives within all asset classes that are classified in Level 2 are valued using either a bid evaluation, matrix pricing or various relational pricing model techniques. Level 2 fixed income securities have non-proprietary information that was readily available to market participants, from multiple independent sources, which are known to be actively involved in the market. The city currently does not maintain fixed income securities classified as Level 3.

Investments that are measured at fair value using the net asset value (NAV) per share (or its equivalent) as a proxy are not classified in the fair value hierarchy. See Table 7 for further detail. Short-term securities generally include investments in money market-type securities reported at amortized cost, which approximates market or fair value.

Investment derivative instruments determination of fair value consists of a two-step process. First settlement prices are determined by utilizing the income approach under GASB 72 from "mid-market" pricing data available from public and subscription source. The second step is to determine the credit valuation adjustment for the derivative instrument. The purpose of the credit valuation adjustment is to quantify the nonperformance risk

of the reporting entity as well as the nonperformance risk of the counterparty. Fair value is then determined as the settlement price of the derivative instrument adjusted by the credit valuation adjust of both the reporting entity's payment obligation and the counterparty's payment obligations.

The City has the following recurring fair value measurements as of December 31, 2016, as shown in **Table 6**:

Table 6

Fair Value Measurements
December 31, 2016 (dollars in thousands)

Governmental and Business-type Activities					Major Component Units			
	Fair Value	Level 1	Level 2	Level 3	Fair Value	Level 1	Level 2	Level 3
Money market funds	\$ -	\$ -	\$ -	\$ -	\$ 71,782	\$ -	\$ 71,782	\$ -
Municipal bonds	131,364	-	131,364	-	2,271	2,271	-	-
Mutual funds	50	50	-	-	-	-	-	-
Commercial paper	15,376	-	15,376	-	-	-	-	-
U.S. Treasury securities	589,046	-	589,046	-	30,365	30,365	-	-
U.S. agency securities	963,579	-	963,579	-	33,448	-	33,448	-
Corporate bonds	489,341	-	489,341	-	5,128	5,128	-	-
Structured products	400,406	-	400,406	-	-	-	-	-
Multinational fixed income	240,423	-	240,423	-	1,222	-	1,222	-
Governmental and Business-type Activities	\$ 2,829,585	\$ 50	\$ 2,829,535	\$ -	\$ 144,216	\$ 37,764	\$ 106,452	\$ -
Total investments measured at the NAV ¹	86,274	-	-	-	-	-	-	-
Total investments measured at amortized cost ²	54,662	-	-	-	-	-	-	-
Total other investments not valued at fair value ³	22,818	-	-	-	39,511	-	-	-
Total Governmental and Business-type Activities	\$ 2,993,339	\$ 50	\$ -	\$ -	\$ 183,727	\$ -	\$ -	\$ -
Fiduciary								
Money market funds	\$ 2,657	\$ 2,657	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Municipal Bonds	1,822	-	1,822	-	-	-	-	-
Common stock	940,452	940,452	-	-	-	-	-	-
Commercial paper	175	-	175	-	-	-	-	-
U.S. Treasury securities	44,689	36,100	8,589	-	-	-	-	-
U.S. agency securities	72,126	-	72,126	-	-	-	-	-
Corporate bonds	21,168	-	21,168	-	-	-	-	-
Structure products	6,915	-	6,915	-	-	-	-	-
Multinational fixed income	3,620	-	3,620	-	-	-	-	-
Mutual funds	383,134	383,134	-	-	-	-	-	-
Other (self directed brokerage)	244,157	154,615	89,542	-	-	-	-	-
Total Fiduciary	\$ 1,720,915	\$ 1,516,958	\$ 203,957	\$ -	\$ -	\$ -	\$ -	\$ -
Total investments measured at the NAV ⁴	739,849	-	-	-	-	-	-	-
Total investments measured at amortized cost ⁵	31,407	-	-	-	-	-	-	-
Total other investments not valued at fair value ⁶	248,734	-	-	-	-	-	-	-
Total Fiduciary	\$ 2,740,905	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Investments	\$ 5,734,244	\$ 50	\$ -	\$ -	\$ 183,727	\$ -	\$ -	\$ -
Governmental and Business-type Activities								
Investment derivative instruments								
Interest rate swaps ⁷	\$ (153,130)	\$ -	\$ (153,130)	\$ -	\$ -	\$ -	\$ -	\$ -
Total Governmental and Business-Type Activities	\$ (153,130)	\$ -	\$ (153,130)	\$ -	\$ -	\$ -	\$ -	\$ -

¹December 31, 2016 balance held at Colotrust.

²December 31, 2016 balance held at CSAFE.

³Includes \$22,584,000 money held in trust, and \$234,000 of repurchase agreements.

⁴Includes \$1,509,000 of money held at Colotrust. See **Table 7** below for detail of \$738,340,000 measured at the NAV

⁵Includes \$971,000 of money held at CSAFE and \$30,436,000 of short term investments measured at amortized cost.

⁶Includes Deferred Compensation Plan amounts of \$237,429,000 of synthetic guaranteed investment contracts and \$11,305,000 of loans to participants

⁷Net of \$33,206 of interest rate swaps at an asset position and \$186,336 of interest rate swaps at a liability position. See **Tables 37** and **41**.

Table 7

Investments Measured at the NAV
December 31, 2016 (dollars in thousands)

	December 31	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Fixed Income Investments				
Private debt	\$ 174,741	\$ 61,583	Not eligible	n/a
Emerging market debt	46,516	-	Monthly	3 days
Total Fixed Income Investments	\$ 221,257	\$ 61,583		
Real Estate Investments				
Real estate - open-end	138,940	-	Quarterly	20 - 90 days
Real estate - closed-end	25,441	19,891	Not eligible	n/a
Total real estate investments	\$ 164,381	\$ 19,891		
Alternative Investments				
Private equity	153,175	145,003	Not eligible	n/a
Energy investments	72,189	59,328	Not eligible	n/a
Timber	34,778	-	Not eligible	n/a
Total alternative investments	\$ 260,142	\$ 204,331		
Absolute Return				
Hedge Fund	92,560	-	Quarterly	65 days
Total Absolute Return	\$ 92,560	\$ -		
Total Investments Measured at the NAV	\$ 738,340	\$ 285,805		

- Fixed Income Investments - Private debt investments are intended to generate returns by lending money to various businesses and enterprises, or by purchasing loans originated by other lenders. There are six comingled investment pools, each taking the form of a partnership or similar structure. The debt may be secured or unsecured, and various yield enhancing techniques may be used, such as royalty sharing, equity options, or the application of leverage.

Investments in emerging market debt seek to purchase the publicly traded sovereign or corporate debt obligations of developing nations.

- Real Estate Investments - Open end real estate investments are pooled investments that own and operate commercial property. Returns are generated from income and price appreciation. These funds have perpetual life, and periodically accept contributions or honor redemptions.

Closed end real estate investments consist of pooled funds to own and operate commercial property. These funds have a finite life, and funds are returned as investments are liquidated.

- Alternative Investments - Private equity utilizes a fund of funds approach to make investments in venture capital, buyouts, and other corporate finance transactions.

Energy investments are a diversified portfolio of energy assets, including interests in oil, natural gas, power generation, and renewables.

Timber investments are made in both domestic and international timberland. Returns are generated through the acquisition, management, harvesting and sale of timber.

- Absolute Return Investments - A hedge fund of funds is used to generate returns that are higher than core fixed income, with significantly lower risk than public equities. A multi strategy approach is used to improve consistency of returns while limiting downside risk.

A portion of the Plan's fixed income assets are exposed to risks, including credit risk, concentration of credit risk, interest rate risk, and foreign currency risk, that have the potential to result in losses.

Interest Rate Risk. Interest rate risk is the risk that changes in financial market interest rates will adversely affect the value of an investment. The City's Investment Policy limits interest rate risk for investments under the control of the Manager by limiting the maximum maturity of investments. Investments in commercial paper have a maximum maturity of 270 days. Corporate debt obligations have a maximum maturity of five years. U.S. Treasury, agency, and supranational, municipal, and asset-backed securities can have a maximum maturity of ten years. Agency mortgage-backed securities have a maximum maturity of 31 years with an average life limitation of 20 years. Agency collateralized mortgage obligations have a maximum maturity of 31 years with an average life limitation of 10 years. To further mitigate interest rate risk, the investment policy limits investments in asset-backed securities, mortgage-backed securities, and collateralized mortgage obligations to a combined maximum of 20.00% of the City's overall investments. The City also minimizes interest rate risk by maintaining a concentration of its portfolio invested in short-term and extremely liquid investments. The Manager is authorized to waive certain portfolio constraints when such action is deemed to be in the best interest of the City. The Manager has waived the maximum maturity for certain investments in U.S. agency securities that are part of the Denver Airport System structured pool created to facilitate an economic defeasance of a portion of the future debt service payments due on certain airport system bonds, and also the investments held for the Cable Land Trust and Workman's Compensation. Maturities of the underlying investments in the local government investment pool are limited by the pool's investment policies to less than one year.

At December 31, 2016, the City's investment balances and maturities for those investments subject to interest rate risk (excluding the DERP) is shown in **Table 8** (dollars in thousands):

Table 8

Investment Type	Fair Value	Investment Maturities in Years			
		Less than 1	1 - 5	6 - 10	Greater than 10
Local government investment pool	\$ 143,416	\$ 143,416	\$ -	\$ -	\$ -
Municipal bonds	133,186	16,386	79,672	25,627	11,501
U.S. Treasury securities	597,635	40,238	480,956	76,441	-
U.S. agency securities	976,759	50,344	785,693	137,241	3,481
Corporate bonds	496,938	83,698	413,240	-	-
Multinational fixed income	244,043	9,998	182,220	49,874	1,951
Structured products	406,307	1,250	294,394	105,240	5,423
Commercial paper	15,551	15,551	-	-	-
Total	\$ 3,013,835	\$ 360,881	\$ 2,236,175	\$ 394,423	\$ 22,356

The City's portfolio of U.S. agency securities includes callable securities. If a callable investment is purchased at a discount, the maturity date is assumed to be the maturity date of the investment. If the investment is bought at a premium, the maturity date is assumed to be the call date. As of December 31, 2016, the City owned agency callable securities with a fair value of \$11,761,000.

The DERP manages interest rate risk through the constraints on duration specified in each manager's investment guidelines included in the Plan's Investment Policy. At December 31, 2016, the DERP pension trust fund investment balances and maturities for those investments subject to interest rate risk are shown in **Table 9** (dollars in thousands).

Table 9

Investment Type	Fair Value	Investment Maturities in Years			
		Less than 1	1 - 5	6 - 10	Greater than 10
U.S. Treasury securities	\$ 68,434	\$ 26	\$ 30,960	\$ 26,111	\$ 11,337
U.S. agency securities	61,298	2	34,889	15,298	11,109
Asset backed	506	-	170	183	153
Corporate	211,088	183	15,665	13,521	181,719
Non- U.S. Government bonds	51,414	139	24,074	11,883	15,318
Mortgage backed	27,689	21	10,779	11,617	5,272
Total	\$ 420,429	\$ 371	\$ 116,537	\$ 78,613	\$ 224,908

Credit Quality Risk. Credit quality risk is the risk that the issuer or other counterparty to a debt security will not fulfill its obligations to the City. Moody's, Standard & Poor's, and Fitch Ratings are the three primary Nationally Recognized Securities Rating Organizations (NRSRO) that assess this risk and assign a credit quality rating for most investments. Obligations of the U.S. Government or obligations explicitly guaranteed by the U.S. Government are assigned credit quality ratings of AAA by Fitch and Aaa by Moody's, both with stable outlooks as of December 31, 2016. Standard and Poor's rate securities of the U.S. Government AA+ also with a stable outlook. Of the City's investments at December 31, 2016, commercial paper, municipal bonds, corporate debt obligations, structured products, local government investment pools, and supranational securities were subject to credit quality risk.

The City's Investment Policy requires that commercial paper be rated by at least two NRSRO with a minimum short term rating of A-1, P-1, or F-1 at the time of purchase. The Investment Policy requires that the municipal bonds have a minimum underlying issuer rating from at least two of the three rating agencies of A+ or its equivalent. The Investment Policy requires that corporate debt obligations have a minimum underlying issuer rating from at least two of the NRSRO or A- or its equivalent. The Investment Policy requires that asset-backed securities have a minimum underlying issuer rating from at least two of the NRSRO of AA- or its equivalent. The Investment Policy requires that mortgage-backed securities and collateralized mortgage obligations that had ratings of at least Aaa by Moody's, AAA by Fitch and AA+ by Standard & Poor's. The Investment Policy also requires local government investment pools to be in compliance with Title 24 Part 7 of Article 24 of the Colorado Revised Statutes. The Investment Policy also requires supranational securities by issued by institutions with debt obligations rated AAA, or the equivalent, by at least two NRSROs.

Information on the credit ratings associated with the City's investments as of December 31, 2016, is shown in **Table 10** (dollars in thousands).

Table 10

S&P	Commercial Paper	Municipal Bonds	Corporate Debt Obligations	Asset Backed Securities	Agency Mortgage Backed Securities	Collateralized Mortgage obligations	Local Government Investment Pools	Supranational Securities	Total
AAA	\$ -	\$ 37,649	\$ 52,055	\$ 146,125	\$ 17,395	\$ 35,241	\$ 143,416	\$ 222,956	\$ 654,837
AA	-	-	-	-	-	-	-	-	-
AA+ to AA-	-	49,543	261,893	-	44,362	44,617	-	-	400,415
AA	-	29,395	55,519	-	-	-	-	-	84,914
A+ to A-	-	948	33,016	-	-	-	-	-	33,964
A to A-	-	-	94,455	-	-	-	-	-	94,455
A-1 to A-1+	15,551	-	-	-	-	-	-	-	15,551
NR	-	15,651	-	63,304	4,028	51,235	-	21,087	155,305
Total	\$ 15,551	\$ 133,186	\$ 496,938	\$ 209,429	\$ 65,785	\$ 131,093	\$ 143,416	\$ 244,043	\$ 1,439,441
Moody's									
Aaa	\$ -	\$ 32,043	\$ 86,224	\$ 155,655	\$ 61,758	\$ 101,771	\$ -	\$ 244,043	\$ 681,494
Aa1 to Aa2	-	73,817	102,219	-	-	-	-	-	176,036
Aa3 to A1	-	27,326	219,046	-	-	-	-	-	246,372
A2 to A3	-	-	89,449	-	-	-	-	-	89,449
P-1	15,551	-	-	-	-	-	-	-	15,551
NR	-	-	-	53,774	4,028	29,321	143,416	-	230,539
Total	\$ 15,551	\$ 133,186	\$ 496,938	\$ 209,429	\$ 65,786	\$ 131,092	\$ 143,416	\$ 244,043	\$ 1,439,441

The DERP manages credit risk through the constraints on investments specified in each manager's investment guidelines included in the Plan's Investment Policy. Securities implicitly governed by the U.S. Government are included.

Information on the credit ratings associated with the DERP investments in debt securities at December 31, 2016, is shown in **Table 11** (dollars in thousands).

Table 11

S&P	Moody's	Asset Backed	Corporate Bonds	Non- U.S. Government Bonds	Mortgage Backed	Implicit U.S. Government Bonds	Total
AAA	Aaa	\$ 298	\$ 16,402	\$ -	\$ 18,910	\$ 2,077	\$ 37,687
AAA	NR	-	-	-	531	-	531
AA+ to AA-	Aa3 to A1	20	3,104	-	1,259	59,076	63,459
A+ to A-	A1 to Baa2	46	9,270	15,499	2,886	-	27,701
BBB+ to BBB-	A3 to Baa3	57	7,406	13,806	3,620	-	24,889
BB+ to BB-	Ba3 to B1	-	-	10,141	-	-	10,141
B+ to B-	B1 to Caa1	-	-	107	-	-	107
CCC+ to CCC-	B3 to Caa2	85	-	-	-	-	85
D	NR	-	-	-	-	-	-
NR	Aaa to Baa2	-	-	-	483	-	483
NR	NR	-	174,906	11,861	-	-	186,767
Total		\$ 506	\$ 211,088	\$ 51,414	\$ 27,689	\$ 61,153	\$ 351,850
U.S. Government							68,434
Explicit U.S. Government Agencies							145
Total							\$ 420,429

NR - no rating available

Custodial Credit Risk. Custodial credit risk for investments is the risk that, in the event of a 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. Investments are exposed to custodial credit risk if they are uninsured, are not registered in the City's name, and are held by either the counterparty to the investment purchase or are held by the counterparty's trust department or agent but not held in the City's name. None of the City's investments owned at December 31, 2016, were subject to custodial credit risk.

In accordance with the City's Investment Policy, all of the City's repurchase agreements are collateralized at 102.00% of the market value of the portfolio by U.S. agency securities at the time of purchase. Collateral valuation is calculated and adjusted at least once per week, and adjusted on an as needed basis. Collateral for all investments, including repurchase agreements, are held in the City's name by the City's custodian, J.P. Morgan.

One City agency, the Office of Economic Development, owned repurchase agreements that are related to several bank accounts at Vectra Bank in relation to its HUD Section 108 programs. The cash in these accounts is invested each night in repurchase agreements issued by Vectra. The amounts in these accounts are held in the City's name and protected by the PDPA. In addition, Vectra pledges securities that are direct obligations of the U.S. Government, at a minimum collateralized value of 102.00% in compliance with HUD's investment requirements. The total repurchase agreements at December 31, 2016, were \$234,000.

DERP has no formal policy for custodial credit risk. At December 31, 2016, there were no investments or collateral securities subject to custodial credit risk.

Concentration of Credit Risk. Concentration of credit risk is the risk of loss attributed to the magnitude of the City's investment in a single issuer. The City's Investment Policy states that a maximum of 5.00% of the portfolio may be invested in commercial paper, municipal securities, corporate debt obligations, certificates of deposit, asset-backed securities, or mortgage-backed securities issued by any one obligor. The City's Investment Policy states that a maximum of 10.00% of the portfolio may be invested in an individual supranational obligor, local government investment pool, money market mutual fund, or collateralized mortgage obligation. The City's Investment Policy also limits investments in U.S. agency securities to 25.00% of total investments. The City's Investment Policy limits concentrations even further with a combined maximum of 50.00% of the portfolio that can be invested in corporate debt obligations, commercial paper, and certificates of deposit as well as a combined maximum of 20.00% of the portfolio that can be invested in structured products. As of December 31, 2016, all investments were in compliance with this policy. More than 5.00% of the City's investments in U.S. agency securities are in individual issuers: Federal Home Loan Bank (10.00%), Federal National Mortgage Association (9.00%), Federal Home Loan Mortgage Corporation (5.00%).

The DERP Investment Policy mandates that no managed account may invest more than 5.00% of managed assets in the securities of a single issuer. As of December 31, 2016, all DERP investments were in compliance with this policy.

Foreign Currency Risk. Foreign Currency risk is the risk that changes in exchange rates will adversely affect their value of an investment or deposit. The City's Investment Policy, excluding the DERP pension trust fund, does

not allow for investments in foreign currency. The DERP pension trust fund Investment Policy allows 18.50% to 30.0% of total investments to be invested in international equities and 1.50% to 3.50% of total investments to be invested in international fixed income. The DERP pension trust fund exposure to foreign currency risk as of December 31, 2016, is reflected in **Table 12** (dollars in thousands).

Table 12

Foreign Currency	Equities	Fixed Income	Total
Argentine Peso	\$ -	\$ 181	\$ 181
Australian Dollar	17,658	-	17,658
Brazilian Real	12,077	3,889	15,966
British Pound Sterling	52,874	-	52,874
Canadian Dollar	10,536	-	10,536
Chilean Peso	1,281	-	1,281
Chinese Yuan	47,746	-	47,746
Columbian Peso	544	2,768	3,312
Czech Koruna	667	-	667
Danish Krone	3,995	-	3,995
Egyptian Pound	246	-	246
Euro	98,206	-	98,206
Hong Kong Dollar	11,295	-	11,295
Hungarian Forint	1,368	2,386	3,754
Indian Rupee	13,247	-	13,247
Indonesian Rupiah	4,965	4,228	9,193
Japanese Yen	69,755	-	69,755
Malaysian Ringgit	3,597	3,935	7,532
Mexican Peso	3,807	3,475	7,282
New Israeli Shekel	2,951	-	2,951
New Zealand Dollar	1,657	-	1,657
Norwegian Krone	3,395	-	3,395
Peru Sole	-	963	963
Philippine Peso	667	191	858
Polish Zloty	1,667	4,666	6,333
Qatari Riyal	649	-	649
Romanian Leu	-	1,414	1,414
Russian Ruble	5,509	1,996	7,505
Singapore Dollar	5,667	-	5,667
South Korean Won	34,451	-	34,451
South African Rand	10,124	2,912	13,036
Swedish Krona	7,900	-	7,900
Swiss Franc	19,622	-	19,622
Taiwan Dollar	24,523	-	24,523
Thai Baht	7,639	3,507	11,146
Turkish Lira	3,790	3,386	7,176
United Arab Emiarti Dirham	1,491	-	1,491
Other	404	-	404
Total Foreign Deposits and Investments	\$ 485,970	\$ 39,897	\$ 525,867

3. **Denver Convention Center Hotel Authority (DCCHA).** DCCHA's investments were not subject to custodial credit risk at December 31, 2016, since they consisted solely of money market funds that are not evidenced by securities and are in DCCHA's name.
4. **Denver Urban Renewal Authority (DURA).** Although it does not have a formal policy to limit exposure to interest rate risk, DURA limits the maximum maturity of investments. At December 31, 2016, DURA's investment balances and maturities are shown in **Table 13** (dollars in thousands).

Table 13

Investment Type	Investment Maturities in Years		
	Fair Value	Less than 1	1 - 5
Money market funds	\$ 28,339	\$ 28,339	\$ -
Local government investment pool	699	699	-
U.S. Treasury securities	30,365	11,093	19,272
Structured products	899	619	280
U.S. agency securities	32,549	3,791	28,758
Corporate bonds	5,128	363	4,765
Multinational fixed income	1,222	-	1,222
Municipal bonds	2,271	-	2,271
Commercial paper	10,473	10,473	-
Total	\$ 111,945	\$ 55,377	\$ 56,568

5. **Securities Lending.** Although the City is authorized to enter into securities lending programs with certain qualified dealers, it had no security lending transactions in 2016. Under this program, investment securities owned by the City are loaned to the dealer up to a maximum of one year in exchange for a predetermined fee. The City continues to receive interest earnings on the loaned securities. The securities are collateralized by the dealer. The collateral is held in the City's name by J.P. Morgan, the City's custodian. Collateral for these transactions is limited to permissible investments included in the City's Investment Policy with maturities not exceeding one year from the date of settlement. The initial market value of the collateral for each investment position maintained with a dealer shall be 102.00% of the market value of the securities being collateralized. Market value includes investment principal plus accrued interest. Collateral valuation levels with each dealer must be determined on at least a weekly basis, and deficiencies from the required 102.00% level must be cured no later than the following business day. The City had no securities on loan as of December 31, 2016.

The DERP pension trust fund participates in a securities lending program to augment income. The program is administered by the DERP custodial agent bank, which lends certain securities for a predetermined period of time, to an independent broker/dealer (borrower) in exchange for collateral. Collateral may be cash, U.S. Government securities, defined letters of credit or other collateral approved by the DERP. Loans of domestic securities are initially collateralized at 102.00% of the fair value of securities lent. Loans of international securities are initially collateralized at 105.00% of the fair value of securities lent. The DERP continues to receive interest and dividends during the loan period as well as a fee from the borrower. There are no restrictions on the amount of securities that can be lent at one time. The duration of securities lending loans generally matches the maturation of the investments made with cash collateral. At December 31, 2016, the fair value of underlying securities lent was \$224,846,000. The fair value of associated collateral was \$231,774,000; of this amount, \$176,973,000 represents the fair value of cash collateral and \$54,801,000 is the fair value of non-cash collateral not reported on the financial statements. The DERP pension trust fund does not have the ability to pledge or sell non-cash collateral unless the borrower defaults, therefore it is not reported on the financial statements.

Note B – Receivables

1. **Accounts Receivables and Allowances.** The City reviews its accounts receivables periodically and allowances for doubtful accounts are established based upon management's assessment of collection. **Table 14** represents the accounts receivables and allowances for doubtful accounts at December 31, 2016.

Table 14

Accounts Receivables and Allowances Summary

December 31, 2016 (dollars in thousands)

Receivable	Governmental Activities					Business-type Activities				Fiduciary Funds
	General	Human Services	Other Governmental Funds	Internal Service Funds	Total	Wastewater Management	Denver Airport System	Nonmajor Business-type	Total	Agency and DERP
Property taxes	\$ 119,972	\$ 66,134	\$ 220,976	\$ -	\$ 407,082	\$ -	\$ -	\$ -	\$ -	\$ 880,608
Other taxes	70,276	-	11,253	-	81,529	-	-	-	-	9,855
Notes	5,671	-	3,859	-	9,530	-	-	-	-	-
Accounts	11,012	12,301	11,409	2,133	36,855	21,879	59,939	2,684	84,502	372
Long-term accounts	69,731	-	35,929	-	105,660	-	7,041	2,978	10,019	-
Accrued interest	1,902	1	3,021	339	5,263	987	7,266	124	8,377	1,636
Loans	8,075	-	135,694	-	143,769	-	-	-	-	-
Gross Receivable	286,639	78,436	422,141	2,472	789,688	22,866	74,246	5,786	102,898	892,471
Allowances	(67,797)	(324)	(85,567)	-	(153,688)	-	(236)	-	(236)	(4,505)
Net Receivable	\$ 218,842	\$ 78,112	\$ 336,574	\$ 2,472	\$ 636,000	\$ 22,866	\$ 74,010	\$ 5,786	\$ 102,662	\$ 887,966

2. **Notes Receivable.** The special revenue funds', General Fund, related organizations, and component unit notes receivable balance at December 31, 2016, is shown in **Table 15** (dollars in thousands).

Table 15

	Percent of Total Related Notes Receivable	
	December 31	Receivable
Neighborhood Development Loans	\$ 16,845	n/a
Economic Development Loans	29,720	n/a
Housing Development Loans	106,733	n/a
Total Office of Economic Development	153,298	
Less allowances for delinquent loans	(13,014)	n/a
Less allowances for forgivable loans	(79,264)	n/a
Notes Receivable, Net	\$ 61,020	
Denver Health and Hospital Park Hill Health Clinic	\$ 3,745	2.44%
Denver Housing Authority	6,817	4.45%
Total Related Organizations Notes Receivable	\$ 10,562 ¹	
Denver Urban Renewal Authority	\$ 8,176	5.34%

¹Amounts included in the notes receivable balance above.

Allowance for uncollectibles for notes receivable of \$92,278,000 is included in the accounts receivable allowance of \$153,688,000 in **Table 14**. The Neighborhood, Economic and Housing Development loans are funded from both federal U.S. Housing and Urban Development grants and City monies designated for affordable housing. Recipients of affordable housing loans target low and moderate income households, special needs and the homeless. Rental and occupancy covenants are recorded on these properties for affordability periods of 20 years or more. Housing loans may be fully forgivable at the end of the affordability period, due and payable in full,

or due and payable based on occupancy rates or other conditions. The Economic Development loans are made to qualified program recipients under the Community Development Block Grant to provide business owners with funds to promote job creation and growth in targeted areas. Loans are collateralized by the underlying properties.

3. **Long-Term Receivables Allowance.** Included in long-term receivables are amounts related to reimbursement for construction costs, parking fines, court fines, and library fines. The City recorded an allowance for uncollectible accounts for governmental activities of \$59,706,000.
4. **Operating Leases.** The Denver Airport System leases portions of its Denver International Airport buildings and improvements to concession tenants under non-cancelable operating leases. Lease terms vary from 1 to 30 years. The operating leases require retail concessions to pay a minimum guarantee or percentage of gross receipts, whichever is greater. Revenue from these operating leases of \$92,755,000 was recognized in the Denver Airport System enterprise fund during the year ended December 31, 2016. Minimum future rentals due from concessions under operating leases are shown in **Table 16** (dollars in thousands).

Table 16

Year	
2017	\$ 89,682
2018	35,158
2019	30,118
2020	26,967
2021	20,821
2022-2026	47,074
2027-2030	1,814
Total	\$ 251,634

The United Airlines lease provides it can be terminated by the airline if the airline's cost per enplaned passenger exceeds \$20 in 1990 dollars. Rental rates for airlines are established using the rate making methodology whereby a compensatory method is used to set terminal rental rates and a residual method is used to set landing fees. Rentals, fees, and charges must generate gross revenues together with other available funds sufficient to meet rate maintenance covenants per governing bond ordinances.

Note C – Interfund Receivables, Payables, and Transfers

Tables 17 and 18 (dollars in thousands) reflect the City's interfund balances as of December 31, 2016.

1. Interfund Payables/Receivables.

Table 17

Receivable Fund	Payable Fund							Total
	General Fund	Human Services	Nonmajor Governmental	Wastewater Management	Denver Airport System	Nonmajor Business-type	Internal Service	
General Fund	\$ -	\$ 1,030	\$ 1,745	\$ 358	\$ 8,011	\$ 391	\$ 73	\$ 11,608
Human Services	18	-	-	-	-	-	-	18
Nonmajor Governmental	-	1,224	-	-	-	-	-	1,224
Wastewater Management	-	-	-	-	113	-	-	113
Denver Airport System	-	-	-	-	-	-	-	-
Internal Service	-	-	27	-	-	-	-	27
Nonmajor Business-type	6	-	5	-	-	-	-	11
Total	\$ 24	\$ 2,254	\$ 1,777	\$ 358	\$ 8,124	\$ 391	\$ 73	\$ 13,001

These balances result from the time lag between the dates that interfund goods and services are provided or reimbursable expenditures occur, transactions are recorded in the accounting system, and payments between funds are made. In addition, some balances result from the overdraft of cash balances in the payable funds.

2. Transfers.

Table 18

Transfers In	Transfers Out					Total
	General Fund	Human Services	Nonmajor Governmental	Wastewater Management	Nonmajor Business-type	
General Fund	\$ -	\$ 1,500	\$ 49,833	\$ -	\$ -	\$ 51,333
Human Services	3,575	-	-	-	-	\$ 3,575
Nonmajor Governmental	99,162	89	28,414	29	295	\$ 127,989
Nonmajor Business	2,000	-	-	-	-	\$ 2,000
Total out	\$ 104,737	\$ 1,589	\$ 78,247	\$ 29	\$ 295	\$ 184,897

Transfers are used to move revenues from the fund in which the City budget requires collection to the fund required to expend the monies, and to move unrestricted revenues collected in the General Fund to finance various activities accounted for in other funds.

Note D – Capital Assets

Capital asset activity for the year ended December 31, 2016, are shown in **Tables 19** and **20**.

1. Governmental Activities.

Table 19

Governmental Activities

For the Year Ended December 31, 2016 (dollars in thousands)

	January 1	Additions	Deletions	Transfers	December 31
Capital assets not being depreciated:					
Land and land rights	\$ 310,331	\$ 23,253	\$ (4,723)	\$ -	\$ 328,861
Construction in progress	51,913	99,506	(12,309)	(41,325)	97,785
Total capital assets not being depreciated	362,244	122,759	(17,032)	(41,325)	426,646
Capital assets being depreciated:					
Buildings and improvements	2,398,875	3,910	(24,199)	17,529	2,396,115
Equipment and other	320,967	29,390	(27,782)	-	322,575
Collections	42,300	6,483	(4,690)	388	44,481
Intangibles	35,035	1,368	(2,197)	2,455	36,661
Infrastructure	1,536,665	37,999	(29)	20,953	1,595,588
Total capital assets being depreciated	4,333,842	79,150	(58,897)	41,325	4,395,420
Less accumulated depreciation for:					
Buildings and improvements	(785,349)	(63,644)	10,845	-	(838,148)
Equipment and other	(239,464)	(23,770)	26,938	-	(236,296)
Collections	(21,696)	(5,334)	4,660	-	(22,370)
Intangibles	(28,554)	(4,195)	1,089	-	(31,660)
Infrastructure	(755,694)	(45,247)	29	-	(800,912)
Total accumulated depreciation	(1,830,757)	(142,190)	43,561	-	(1,929,386)
Total capital assets being depreciated, net	2,503,085	(63,040)	(15,336)	41,325	2,466,034
Governmental Activities Capital Assets, net	\$ 2,865,329	\$ 59,719	\$ (32,368)	\$ -	\$ 2,892,680

2. Business-type Activities.

Table 20

Business-type Activities

For the Year Ended December 31, 2016 (dollars in thousands)

	January 1	Additions	Deletions	Transfers	December 31
Capital assets not being depreciated:					
Land and land rights	\$ 327,700	\$ 666	\$ -	\$ 4,517	\$ 332,883
Construction in progress	551,454	263,191	(1,510)	(608,255)	204,880
Total capital assets not being depreciated	879,154	263,857	(1,510)	(603,738)	537,763
Capital assets being depreciated:					
Buildings and improvements	2,345,672	-	(23,562)	476,474	2,798,584
Improvements other than buildings	3,242,359	22,932	(17,916)	91,013	3,338,388
Machinery and equipment	837,895	15,074	(9,031)	36,251	880,189
Intangibles	6,125	-	-	-	6,125
Total capital assets being depreciated	6,432,051	38,006	(50,509)	603,738	7,023,286
Less accumulated depreciation for:					
Buildings and improvements	(1,127,084)	(73,315)	12,206	-	(1,188,193)
Improvements other than buildings	(1,371,617)	(88,722)	10,933	-	(1,449,406)
Machinery and equipment	(726,839)	(36,623)	8,217	-	(755,245)
Intangibles	(3,981)	(613)	-	-	(4,594)
Total accumulated depreciation	(3,229,521)	(199,273)	31,356	-	(3,397,438)
Total capital assets being depreciated, net	3,202,530	(161,267)	(19,153)	603,738	3,625,848
Business-type Activities Capital Assets, net	\$ 4,081,684	\$ 102,590	\$ (20,663)	\$ -	\$ 4,163,611

Note: Interest costs of \$51,778 were capitalized during 2016.

3. Discretely Presented Component Units. Capital Asset activity for the Denver Convention Center Hotel Authority, Denver Union Station Project Authority, and Denver Urban Renewal Authority component units is shown in Table 21.

Table 21

Discretely Presented Component Units

For the Year Ended December 31, 2016 (dollars in thousands)

	January 1	Additions and Transfers	Deletions	December 31
Capital assets not being depreciated:				
Land and land rights	\$ 23,421	\$ -	\$ -	\$ 23,421
Construction in progress	204	78	-	282
Total capital assets not being depreciated	23,625	78	-	23,703
Capital assets being depreciated:				
Buildings and improvements	249,805	484	(465)	249,824
Machinery and equipment	27,234	554	(141)	27,647
Total capital assets being depreciated	277,039	1,038	(606)	277,471
Less accumulated depreciation for:				
Buildings and improvements	(59,925)	(10,765)	250	(70,440)
Machinery and equipment	(26,036)	(19)	-	(26,055)
Total accumulated depreciation	(85,961)	(10,784)	250	(96,495)
Total capital assets being depreciated, net	191,078	(9,746)	(356)	180,976
Discretely Presented Component Units Capital Assets, net	\$ 214,703	\$ (9,668)	\$ (356)	\$ 204,679 ¹

¹ Excludes net capital assets of \$16,086 of Other Component Units.

4. **Depreciation Expense.** Depreciation expense that was charged to governmental activities' functions is shown in **Table 22** (dollars in thousands).

Table 22

General government	\$ 21,435
Public safety	11,887
Public works, including depreciation of infrastructure	60,625
Human services	1,031
Health	482
Parks and recreation	16,045
Cultural activities	30,473
Community development	86
Capital assets held by internal service funds	126
Total	\$ 142,190

5. **Construction Commitments.** The City's governmental and business-type activities have entered into construction and professional services contracts having remaining commitments under contract as of December 31, 2016, as shown in **Table 23** (dollars in thousands).

Table 23**Governmental Activities:**

Winter Park Capital	\$ 1,766
Capital Improvements	73,189
Conservation Trust	2,256
Bond Projects	70,399
Other Capital Projects	19,320
Entertainment and Culture	1,731
Total Governmental Activities	\$ 168,661

Business-type Activities:

Wastewater Management	\$ 48,069
Denver Airport System	82,924
Total Business-type Activities	\$ 130,993

The commitments for these funds are not reflected in the accompanying financial statements. Only the unpaid amounts incurred to date for these contracts are included as liabilities in the financial statements.

6. **Tax Abatements.** The City negotiates property tax abatement agreements on an individual basis and has tax abatement agreements with eighty-eight entities as of December 31, 2016.

Pursuant to sections 30-11-123 and 31-15-903, C.R.S., and Chapter 53, Article XVI, D.R.M.C., the City is authorized under the Business Incentive Program to enter into agreements with qualifying taxpayers for an incentive tax credit in the amount of the general fund portion of the taxes upon the taxpayer's new taxable personal property assessed by the City upon the new taxable personal property located at or within a new business facility, or directly attributable to an expanded business facility and located at or within the expanded facility, and used in connection with the operation of the new or expanded facility.

If at any time after the City grants an incentive tax credit, the City, in its sole discretion determines that the taxpayer did not meet all requirements of sections 30-11-123 and 31-15-903, C.R.S., Chapter 53, Article XVI, D.R.M.C. or other incentive tax credit requirements of the City under section 53-544, D.R.M.C. in the tax year for which a credit was granted, the City may issue a Special Notice of Valuation, and assess and collect taxes in the amount of the incentive tax credit for the subject tax year.

The City has not made any commitments as part of the agreements other than to reduce taxes. The City is not subject to any tax abatement agreements entered into by other governmental entities. Total tax abatements for the year ended December 31, 2016, were \$490,000.

Note E – Lease Obligations

1. **Capitalized Leases.** The governmental activities capital leases are for various properties including the Wellington Webb Municipal Office Building, 2000 West Third Avenue Wastewater building, Arie P. Taylor Building, the Denver office building at 200 W. 14th Ave., District 1, 2, 3, and 5 Police Stations, Fire Station #10, certain Human Services facilities, the Buell Theatre, the 5440 Roslyn maintenance facility property, and the public parking unit within the Cultural Center parking garage. The capital leases also include certain computer software and network equipment, and public works, safety, and parks and recreation equipment.

The City provided funding for the construction of parking facilities adjacent to the Denver Museum of Nature and Sciences (DMNS) the Denver Zoo, and the Denver Botanic Gardens (DBG) from proceeds of certificates of participation (COP) financings. Under separate agreements, the DMNS, the Denver Zoological Foundation Inc., and DBG agreed to increase their admission charges and provide a portion of their admission revenues to help make the COP lease payments. In 2016, the DMNS collected and remitted \$577,000 to the City to be applied to the lease payments. The Zoo collected and remitted \$642,000. DBG collected and deposited \$1,476,000 with a trustee to be applied to lease payments.

In addition to base rental payments, the lease agreement related to the Wellington Webb Municipal Office Building requires the City to make all payments for any swap agreements relating to the Series 2008A Certificates of Participation (COPs) entered into by the lessor. There are 3 swap agreements considered to be hybrid instruments embedded in the lease. See Note III-G-7 for detailed information regarding the swaps.

The Airport is obligated under leases for equipment that are accounted for as capital leases. On January 9, 2015, the Airport entered a Master Installment Purchase Agreement with Banc of America Public Capital Corp for \$1,800,000 to finance various capital equipment purchases at a rate of 1.17%. Payments are due annually. The Airport entered into an Installment Purchase Agreement on January 5, 2016, with Santander for \$4,100,000 to finance various capital equipment purchases at a rate of 1.19%. Payments are due annually. Assets under capital leases at December 31, 2016, totaled \$4,100,000 net of accumulated depreciation of \$1,900,000.

The related net book values of plant and equipment under capital lease obligations as of December 31, 2016, are shown in **Table 24** (dollars in thousands).

Table 24

	Governmental Activities	Business-type Activities
Buildings	\$ 296,138	\$ -
Equipment	29,063	4,578
Intangibles	4,169	-
Land	16,667	-
Less accumulated depreciation	(128,314)	(2,166)
Net Book Value	\$ 217,723	\$ 2,412

Table 25 (dollars in thousands) is a schedule by year of future minimum lease obligations together with the present value of the net minimum lease payments as of December 31, 2016.

Table 25

Year	Governmental Activities	Business-type Activities
2017	\$ 39,271	\$ 2,654
2018	39,924	2,678
2019	40,312	1,873
2020	36,450	875
2021	34,769	912
2022 - 2026	136,980	2,917
2027 - 2032	147,624	-
2031 - 2034	4,487	-
Total minimum lease payments	479,817	11,909
Less amounts representing interest	(104,705)	(929)
Present Value of Minimum Lease Payments	\$ 375,112	\$ 10,980

2. **Operating Leases.** The City is committed under various cancelable leases for property and equipment. These leases are considered for accounting purposes to be operating leases. Lease expenses for the year ended December 31, 2016, were approximately \$6,396,000, for governmental activities and \$1,203,000 for business-type activities. The City expects these leases to be replaced in the ordinary course of business with similar leases. Future minimum lease payments should be approximately the same amount.

Note F – Rates and Charges

The Denver Airport System establishes annually, as adjusted semi-annually, airline facility rentals, landing fees, and other charges sufficient to recover the costs of operations, maintenance, and debt service related to the airfield and space utilized by the airlines. Any differences between amounts collected and actual costs allocated to the airline's leased space are credited or billed to the airlines. As of December 31, 2016, the Denver Airport System has accrued a liability of \$3,107,000 for such amounts due to the airlines.

For the years ended December 31, 2001 through 2005, 75.00% of net revenues (as defined by bond ordinance) remaining at the end of each year is to be credited in the following year to the passenger airlines signatory to use and lease agreements; and thereafter it is 50.00%, capped at \$40,000,000. The net revenues credited to the airlines for the year ended December 31, 2016, were \$40,000,000 and have been accrued as a liability at year end. Other liabilities include a residual revenue credit balance of \$10,647,000.

Note G – Long-Term Debt

1. **General Obligation Bonds.** The City issues general obligation bonds to provide for the acquisition and construction of major capital facilities. General obligation bonds have been issued for both governmental and business-type activities. General obligation bonds are reported in the proprietary funds if they are expected to be repaid from proprietary fund revenues.

General obligation bonds are direct obligations and pledge the full faith and credit of the City. These bonds are generally issued as 15 to 20-year serial bonds, except for refunding issues. General obligation bonds outstanding, excluding unamortized premium of \$16,478,000, at December 31, 2016, are \$761,406,000. Interest rates vary from 2.30% to 5.65% with a net interest cost of 1.53% to 6.77%.

General obligation bonds have been issued by the Gateway Village General Improvement District (GID) and the Denver 14th Street GID; however, these bonds are solely the obligation of the Districts and not the primary government. As of December 31, 2016, there are bonds outstanding in the amount of \$0 for the Gateway GID and \$3,535,000 for the Denver 14th Street GID.

Annual debt service requirements to maturity for general obligation bonds are shown in **Table 26** (dollars in thousands).

Table 26

Year	Governmental Activities			
	General Government		General Improvement District	
	Principal ¹	Interest ²	Principal	Interest
2017	\$ 56,825	\$ 34,144	\$ 105	\$ 247
2018	59,930	31,675	110	240
2019	47,930	29,081	120	232
2020	49,775	27,147	130	224
2021	51,765	25,066	135	215
2022 - 2026	268,196	109,153	835	919
2027 - 2031	226,985	37,474	1,180	581
2032 - 2036	-	-	920	132
Total	\$ 761,406	\$ 293,740	\$ 3,535	\$ 2,790

¹Does not include \$5,103 and \$1,362 of compound interest on the Series 2007 and 2014A mini-bonds respectively or unamortized premium of \$16,478.

²Excludes Build America Bonds interest subsidy. The City is eligible to receive \$66 million

- Revenue Bonds.** The City and component units issue bonds and notes where income derived from acquired or constructed assets is pledged to pay debt service. Certain Airport system revenue bonds are subject to mandatory redemption requirements in 2016, and subsequent years. Revenue bonds outstanding, excluding unamortized premium (net of discount) of \$193,691,000 and \$34,996 for the primary government and the component unit DCCHA respectively, at December 31, 2016, are shown in **Table 27** (dollars in thousands).

Table 27

Purpose	Net Interest Cost	Interest Rates	Amount
Excise Tax Revenue	3.28% to 3.89%	1.53% to 5.00%	\$ 374,960
Wastewater Management	2.41% to 3.39%	3.00% to 5.00%	152,860
Golf Enterprise	4.80%	4.75% to 5.50%	2,430
Denver Airport System	1.42% to 6.76%	0.84% to 6.41%	3,890,895
Total primary government			4,421,145
DCCHA component unit		4.00% to 5.00%	271,795
Total			\$ 4,692,940

Revenue bonds' debt service requirements to maturity are shown in **Tables 28** and **29** (dollars in thousands).

Table 28

	Governmental Activities		Business-type Activities					
	Principal ¹	Interest	Golf Enterprise		Wastewater Management		Denver Airport System	
			Principal	Interest	Principal ²	Interest	Principal ³	Interest
2017	23,485	14,143	565	120	4,980	6,081	170,045	155,020
2018	22,090	13,509	590	92	5,065	5,983	187,945	147,700
2019	21,440	13,168	620	62	5,285	5,761	192,280	140,648
2020	15,910	12,777	655	31	5,500	5,529	197,355	134,412
2021	14,260	12,432	-	-	5,745	5,288	214,875	127,424
2022 - 2026	48,345	54,685	-	-	23,390	23,054	1,197,465	510,842
2027 - 2031	53,320	45,781	-	-	26,040	18,224	892,875	314,089
2032 - 2036	14,225	37,177	-	-	22,290	13,468	436,645	157,033
2037-2041	5,035	36,634	-	-	24,615	9,021	294,910	67,493
2042 - 2046	156,850	21,508	-	-	29,950	3,688	106,500	7,493
Total	\$ 374,960	\$ 261,814	\$ 2,430	\$ 305	\$ 152,860	\$ 96,097	\$ 3,890,895	\$ 1,762,154

¹Does not include unamortized premium of \$29,716.

²Does not include unamortized premium of \$19,122.

³Does not include unamortized premium of \$144,853.

Table 29

Year	Component Unit	
	DCCHA	
	Principal ¹	Interest
2017	-	14,185
2018	-	13,333
2019	2,130	13,333
2020	2,545	13,248
2021	2,985	13,146
2021 - 2026	47,895	60,576
2027 - 2031	61,125	47,344
2032 - 2036	78,015	30,456
2037 - 2040	77,100	9,679
Total	\$ 271,795	\$ 215,300

¹Does not include unamortized premium of \$34,996.

In January 2000, the City increased the tax rate on its lodger's tax by 1.75% and short-term auto rental tax by 1.75%. The City has pledged the increase portion of those taxes for debt service on \$149,190,000 of Series 2005A Excise Tax Revenue Refunding Bonds issued in August 2005, and \$73,630,000 of Series 2009A Excise Tax Revenue Refunding Bonds issued in May 2009. The bonds were issued for the purpose of refunding bonds that financed the expansion of the Colorado Convention Center and were payable through 2023. In 2016, debt service paid on the bonds was \$4,726,000.

In November 2015, Denver voters approved the indefinite extension of each of the 1.75% lodger's tax and the 1.75% auto rental tax increases ("Excise Tax Increases") and authorized the issuance of up to \$778 million of new excise tax revenue bonds supported by pledged portions of the lodger's, food and beverage, and short-term auto rental taxes for the purpose of financing tourism-related projects for the National Western Center and for improvements to the Colorado Convention Center.

In April 2016, the city issued Dedicated Tax Revenue Refunding and Improvement Bonds, Series 2016A-B, in the amount of \$397,310,000. The bonds were issued to fund the initial costs of the National Western Center and Colorado Convention Center improvements, as well as to advance refund all of the outstanding 2005A and 2009A bonds. Effective April 6, 2016, all of the outstanding 2005A and 2009A bonds were defeased and advance refunded resulting in a present value savings of \$3,608,000 and a deferred loss of \$17,517,000. The City pledged

additional revenues to the repayment of the 2016A-B bonds that were not pledged to the repayment of the 2005A and 2009A bonds. The previously unpledged 3.25% and 3.5% portions of the lodger's tax and auto rental tax, respectively, have been pledged to the repayment of the 2016A-B bonds. No new excise taxes or increases to existing excise taxes were imposed in conjunction with the issuance of 2016A-B bonds.

The Series 2016A bonds are fixed rate bonds with final maturity in 2046; The Series 2016B bonds are fixed rate bonds with final maturity in 2032. The total principal and interest remaining to be paid on the bonds is \$636,774,000, with annual combined debt service requirements ranging from \$7,327,000 to \$37,628,000. In 2016, debt service paid and net revenue available for debt service was \$26,916,000 and \$122,680,000, respectively.

The City, through its Department of Aviation, has pledged future Airport System Net Revenues, as defined in the 1984 Airport System General Bond Ordinance as supplemented and amended and the 1990 Airport System Subordinate Bond Ordinance as supplemented and amended. The \$3,890,895,000 of outstanding bonds were issued for the purpose of financing capital projects at the airport and for refinancing earlier bond issues and have maturities ranging from 2016 to 2043. The total principal and estimated interest remaining to be paid on the bonds is \$5,653,049,000. Over the past 10 years, annual net revenues available for debt service have averaged \$438,495,000. In 2016, debt service paid and net revenue available for debt service was \$366,886,000 and \$497,560,000 respectively.

On December 1, 2016, the Airport issued \$256,810,000 of Series 2016A Bonds in a non-AMT fixed rate mode to refund all of the outstanding Series 2006A, 2007B, and 2007E Bonds through a negotiated sale with RBC Capital Markets as the lead underwriter. On December 13, 2016, the Airport issued \$108,735,000 of Series 2016B Bonds in a non-AMT index rate mode to refund all of the outstanding Series 2014A Bonds through a negotiated sale with Bank of America Merrill Lynch. Combined, these two transactions will result in a net present value savings of \$41,533,000 through 2032. The difference between the reacquisition price of \$420,100,000 and the net carrying amount of the old debt of \$410,624,000 resulted in the recognition of a deferred loss on refunding in the amount of \$9,477,000. The deferred loss on refunding is being amortized over the remaining use of the old debt.

Included in the Airport System's revenue bonds are \$34,900,000 of Series 1992F, G; \$28,200,000 of Series 2002C, \$58,400,000 of Series 2008B, \$92,600,000 of Series 2008C1, \$200,000,000 of Series 2008C2-C3, \$104,655,000 of Series 2009C and \$130,600,000 of Series 2007G1-G2 of Airport Revenue Bonds Series. These bonds are currently credit facility bonds, which bear interest at rates indexed to 1-month LIBOR and are subject to mandatory redemption when the credit facilities and reimbursement agreements supporting them expire and upon the occurrence of certain other events of default. These agreements will either be extended, replaced, or the bonds will be refunded prior to the expiration date.

The City, through its Wastewater Management Division, has pledged future income from its storm drainage and sanitary sewerage facilities, net of operating expenses, for debt service on \$50,425,000 of Series 2012 Wastewater Revenue Bonds issued in January 2012 and for debt service on \$115,000,000 of Series 2016 Wastewater Revenue bonds issued in November of 2016. The Series 2012 bonds were issued for the purpose of refunding the remaining \$20,350,000 of Series 2002 Wastewater Revenue bonds outstanding and to finance improvements to the storm drainage facilities. The Series 2016 bonds were issued to finance capital improvement projects. The total principal and interest remaining to be paid on the bonds is \$248,957,000, with annual requirements ranging from \$6,725,000 to \$11,061,000. Over the past 10 years, annual net revenues available for debt service have averaged \$21,706,000. In 2016, debt service paid and net revenue available for debt service was \$4,328,000 and \$35,293,000 respectively.

The City, through its Golf Division, has pledged future income from its golf facilities, net of operating expenses, for debt service on \$7,365,000 of Series 2005 Golf Enterprise Revenue Bonds issued in March 2006. The bonds were issued for the purpose of financing the construction of certain golf facilities of the City and are payable through 2020. The total principal and interest remaining to be paid on the bonds is \$2,735,000, with annual requirements of approximately \$684,000. Over the past 10 years annual net revenues available for debt service have averaged \$1,608,000. In 2016, debt service paid and net revenue available for debt service was \$685,000 and \$1,940,000, respectively.

For detailed information on individual bond issues see **Other Supplementary Schedules – Combined Schedule of Bonds Payable and Escrows**.

3. **Other Debt.** DURA component unit note payable and tax increment bonds, exclusive of unamortized premium of \$28,864,000 at December 31, 2016, are comprised of the following individual issues shown in **Table 30** (dollars in thousands).

Table 30

Purpose	Interest Rates	Amount
Series 2007	1.78% ¹	\$ 845
Series 2010B-1	3.00% - 5.00%	61,520
Series 2013A-1	5.00%	128,240
Series 2014D-2	4.10% - 4.19%	55,050
Note payable		4,939
Total		\$ 250,594

¹Fixed rate through 2016, then converts to variable

On June 23, 2016, the RiNo Denver General Improvement district issued \$3,000,000 of revenue notes for the purpose of financing improvements to Brighton Boulevard between 29th and 44th Streets. The revenue notes were issued with a fixed rate of 3.55% and mature on 6/1/2036. Debt service for the RiNo General Improvement District's revenue note is to be paid from special assessments collected from property owners fronting Brighton Boulevard within the district. The balance on the revenue notes at December 31, 2016, is \$2,309,000.

Debt service requirements to maturity for DURA's bond issues as well as RiNo GID's revenue note are shown in **Table 31** (dollars in thousands).

Table 31

Year	DURA		RiNo GID	
	Principal	Interest	Principal	Interest
2017	\$ 22,880	\$ 11,691	\$ 107	\$ 103
2018	28,145	10,593	111	99
2019	26,685	9,255	115	95
2020	20,955	7,967	119	91
2021 - 2025	146,990	23,763	462	385
2026 - 2030	-	-	591	257
2031 - 2035	-	-	713	104
2036	-	-	91	1
Total	\$ 245,655	\$ 63,269	\$ 2,309	\$ 1,135

Debt service for DURA's note, payable to the City, is dependent on the availability of tax increment financing (TIF) revenue. Due to the uncertainty of this revenue the payments cannot be estimated. Payments will be made quarterly on the 10th of January, April, June and October, and will consist of the entirety of DURA's receipt of TIF revenues.

- 4. Indentures and Reporting Requirements.** The City is subject to a number of limitations and restrictions contained in various indentures. Such limitations and covenants include: continued collection of pledged revenues, segregation of pledged revenues, and maintenance of specified levels of bond reserve funds, permissible investment of bond proceeds and pledged revenues, and ongoing disclosure to the secondary bond market in accordance with the Securities and Exchange Commission's Rule 15c2-12. The City is in compliance with all significant covenants.
- 5. Notes payable.** The Airport System entered into Master Installment Purchase Agreements on October 26, 2006. These include an agreement with Koch Financial Corporation for \$23,000,000 and an agreement with GE Capital Public Finance for \$9,000,000. These transactions financed capital equipment purchases at rates and terms of 4.34% and 4.16% based on a 30/360 calculation for 2007 and were paid off in 2016. The Airport System entered into a \$20,500,000 Master Installment Purchase Agreement with Sovereign Leasing, LLC on January 10, 2012, to finance capital equipment purchases, at a rate of 1.96% based on a 30/360 calculation for 2012. The payment schedules relating to the note requirements as of December 31, 2016, are shown in **Table 32** (dollars in thousands).

Table 32

Year	Denver International Airport	
	Principal	Interest
2017	2,067	196
2018	2,108	155
2019	2,149	113
2020	2,192	71
2021	2,235	27
Total	\$ 10,751	\$ 562

The City has a note payable with JP Morgan Chase Bank of New York in the amount of \$1,431,000 as of December 31, 2016. This represents Housing and Urban Development (HUD) loans that are due regardless of amounts received from borrowers.

- 6. Changes in Long-term Liabilities.** Long-term liability activity for the year ended December 31, 2016, is shown in **Tables 33** and **34** (dollars in thousands).

Table 33

Governmental Activities	January 1	Additions	Deletions	December 31	Due within one year
Legal liability	\$ 5,215	\$ 2,600	\$ 3,965	\$ 3,850	\$ -
Compensated absences:					
Classified service employees - 3,164	98,259	24,873	26,553	96,579	4,523
Career Service employees - 5,912	47,947	25,395	26,149	47,193	3,923
Net other postemployment benefit obligation	15,639	1,450	-	17,089	-
Net pension liability	809,969	389,369	71,134	1,128,204	-
Claims payable	29,449	6,673	8,309	27,813	9,684
General obligation bonds ¹	820,901	1,239	54,270	767,870	54,025
GID general obligation bonds	4,130	-	595	3,535	105
GID revenue note	-	3,000	691	2,309	107
Excise tax revenue bonds	171,365	397,310	193,715	374,960	23,485
Capitalized lease obligations	403,555	373	28,816	375,112	26,196
Unamortized premium	31,080	30,858	11,685	50,253	-
Intergovernmental agreement	2,591	-	623	1,968	658
Other governmental funds - note payable	1,431	-	-	1,431	-
Total Governmental Activities	\$ 2,441,531	\$ 883,140	\$ 426,505	\$ 2,898,166	\$ 122,706

¹Additions to general obligation bonds represent mini-bond accretion of \$1,239. Ending balance includes compound interest from the 2007 and 2014A mini-bonds of \$6,465.

Table 34

	January 1	Additions	Deletions	December 31	Due within one year
Business-type Activities					
Wastewater Management					
Revenue bonds	\$ 40,710	\$ 115,000	\$ 2,850	\$ 152,860	\$ 4,980
Unamortized premium	4,613	14,853	344	19,122	-
Net pension liability	25,079	11,180	1,953	34,306	-
Capitalized lease obligations	6,857	-	579	6,278	593
Compensated absences	3,131	1,654	1,462	3,323	940
Other long-term liabilities	-	-	-	-	-
Total Wastewater Management	80,390	142,687	7,188	215,889	6,513
Denver Airport System:					
Revenue bonds	4,112,490	365,545	587,140	3,890,895	170,045
Unamortized premium	128,879	39,396	23,422	144,853	-
Net pension liability	115,000	52,209	9,176	158,033	-
Notes payable	15,692	-	4,941	10,751	2,067
Capitalized lease obligations	1,385	4,096	1,487	3,994	1,485
Compensated absences	9,071	6,717	6,285	9,503	2,299
Total Denver Airport System	4,382,517	467,963	632,451	4,218,029	175,896
Nonmajor enterprise funds:					
Revenue bonds	2,970	-	540	2,430	565
Unamortized net premium	3	-	3	-	-
Net pension liability	8,465	3,678	370	11,773	-
Capitalized lease obligations	1,322	-	614	708	352
Compensated absences	1,225	449	481	1,193	305
Total nonmajor enterprise funds	13,985	4,127	2,008	16,104	1,222
Total Business-type Activities	\$ 4,476,892	\$ 614,777	\$ 641,647	\$ 4,450,022	\$ 183,631
Major Component Units:					
Revenue bonds ¹	\$ 334,799	\$ 307,004	\$ 335,012	\$ 306,791	\$ -
Increment bonds and notes payable ²	637,719	2,571	51,301	588,989	23,678
Compensated absences	166	112	117	161	-
Total Major Component Units	\$ 972,684	\$ 309,687	\$ 386,430	\$ 895,941	\$ 23,678

¹Includes unamortized premium of \$34,996.

²Includes unamortized premium of \$28,864.

The legal liability, compensated absences, net other post-employment benefit (OPEB) obligation and other accrued liabilities in the governmental activities are generally liquidated by the General Fund. The other governmental funds include a note payable liquidated by the Community Development special revenue fund and a claims payable liquidated by the Workers' Compensation internal service fund. The amount available for long-term debt in the debt service funds and in the special revenue fund was \$140,821,000.

- 7. Swap Agreements.** Included in the City's governmental activities are three derivatives that are embedded in the City's certificated lease for the Webb Municipal Office Building. The intent of the three pay-fixed, receive-variable interest rate swaps is to protect against rising interest rates on the variable rate 2008A Certificates of Participation (COPs). In 2003, Civic Center Office Building, Inc., the lessor, entered into two swap agreements with JP Morgan, associated with the 2003C1 and 2003C2 COPs, and one swap agreement with Lehman Brothers that was associated with the 2003C3 COPs. In October 2008, due to the deteriorating credit rating of the insurer (AMBAC), the outstanding COPs were refunded by the Series 2008A1-A3 Refunding Certificates of Participation, terminating the three swaps. To maintain the interest rate hedge related to the lease payments, the derivative instruments with JP Morgan were amended and new swaps were entered into that were associated with the 2008A1 and 2008A2 COPs. The derivative instrument with Lehman Brothers was terminated and replaced with an agreement with Royal Bank of Canada (RBC). A new swap was initiated under the RBC agreement that was associated with the 2008A3 COPs. At the time of termination of the 2003 swaps, the JP Morgan swaps had negative fair values, and no termination payments were made. In addition to a termination payment made to Lehman Brothers by the City, an up-front payment of \$475,000 was received from RBC at the initiation of the 2008 replacement swap. These events resulted in off-market components of the swaps that are being treated as implied loans for accounting purposes and are being amortized through investment revenues over the life of the new hedges.

As of December 31, 2016, all three swaps are effective cash flow hedges and the fair values and changes in fair values are reported in the government-wide Statement of Net Position as deferred outflows of governmental activities. The combined fair market value of the three swaps as of December 31, 2016, was (\$31,850,000). The year-end fair values were calculated using the mid-market LIBOR swap curves as of December 31, 2016. The fair values represent the difference between the present value of the fixed payments and the present value of the floating payments, at forward floating rates as of December 31, 2016. When the present value of payments to be made by the City exceeds the present value of payments to be received, the swap has a negative value to the City. When the present value of payments to be received by the City exceeds that of payments to be made, the swap has a positive value to the City.

Table 35 provides the swap associated debt rates as of December 31, 2016.

Table 35

Swap	2008A1	2008A2	2008A3
Associated debt	2008A1 COP	2008A2 COP	2008A3 COP
Fixed payment to counterparty	3.400%	3.400%	3.130%
Variable payment from counterparty (68% LIBOR)	-(0.471%)	-(0.471%)	-(0.471%)
Net swap interest rate	2.929%	2.929%	2.659%
Variable-rate certificate coupon payment	0.710%	0.710%	0.710%
Net swap and certificate rate	3.639%	3.639%	3.369%

As rates vary, lease interest payments and net swap payments will vary. As of December 31, 2016, lease payment requirements of the related variable rate COPs and the net swap payments, assuming current rates remain the same, for their terms, are summarized in **Table 36** (dollars in thousands).

Table 36

Year	Principal	Interest	Interest Rate Swaps Net	Total
2017	8,695	1,564	6,215	16,474
2018	9,235	1,502	5,962	16,699
2019	9,805	1,437	5,693	16,935
2020	10,410	1,367	5,409	17,186
2021	11,055	1,293	5,108	17,456
2022-2026	66,355	5,187	20,350	91,892
2027-2031	104,725	2,560	9,785	117,070
Total	\$ 220,280	\$ 14,910	\$ 58,522	\$ 293,712

Table 37 (dollars in thousands) provides the fair values and the 2016 changes in fair value of the on-market and the implied loan portions of the swaps as of December 31, 2016, and the accounting classifications of the changes in fair value for the year then ended.

Table 37

Counterparty	Effective Date	Notional Amount	Termination Date	Associated Debt Series	Fair Values 12/31/2016	Change in Fair Value	Classification
2008A1 Swap Agreements							
JP Morgan Chase Bank	7/17/03	\$ 72,080	12/1/29	2008A1 COP	\$ (9,428)	\$ (2,099)	Deferred outflow Investment revenue
						\$ (255)	
2008A2 Swap Agreements							
JP Morgan Chase Bank	7/17/03	60,780	12/1/29	2008A2 COP	(7,947)	(1,771)	Deferred outflow Investment revenue
						(215)	
2008A3 Swap Agreements							
Royal Bank of Canada	10/1/08	87,420	12/1/31	2008A3 COP	(14,475)	(2,618)	Deferred outflow Investment revenue
						(20)	
Total		\$ 220,280			\$ (31,850)	\$ (6,488)	\$ (490)

Note: Certain City derivatives have been reported as investment derivatives in accordance with the provisions of GASB 53. Additionally, investment income on these derivatives has also been recognized in accordance with GASB 53. The City does not enter into derivative transactions for investment purposes, nor does the City Charter allow for the investment in derivative investments.

The risk involved in the three swaps flows through the lease from Civic Center Office Building, Inc. (the “lessor”) to the City. The following risks are generally associated with swap agreements:

- **Credit risk** – All of the governmental activity swaps rely on the performance of the respective swap counterparties. The City is exposed to the risk of these counterparties being unable to fulfill their financial obligations to the lessor. The City measures the extent of the risk based on the credit ratings of each counterparty and the fair value of the swap agreement. As of December 31, 2016, there was no risk of loss to the City, as the swap agreements had negative fair values. The credit ratings of the counterparties as of December 31, 2016, are shown in **Table 38**.

Table 38

Counterparty (Credit Support Provider)	Ratings of the Counterparty or its Credit Support Provider		
	S&P	Moody's	Fitch
JP Morgan Chase Bank	A+	Aa3	AA-
Royal Bank of Canada	AA-	Aa3	AA

- **Termination risk** – Any party to these swap agreements may terminate the swap if the other party fails to perform under the terms of the contract. Additionally, the lessor may terminate any of the swap agreements at any time at its sole discretion. If the swap had a negative fair value at the time of termination the City could be liable to the counterparty for a termination payment equal to the fair market value of the swap. If any of the swaps were terminated, the associated variable rate certificates would no longer have the benefit of the interest rate hedge.
- **Interest rate risk** – The City is exposed to interest rate risk on the swaps. In regards to the pay fixed, receive variable swaps, as the London Interbank Offered Rate (LIBOR) index rate decreases, the City’s net payments on the swaps increase.
- **Basis risk** – The City pays interest at variable rates on the COPs associated with the swaps. Each of the swap agreements provide for the applicable counterparty to make variable rate payments based on the LIBOR index. To the extent that the variable rate paid on the certificates is different than the rate received from the counterparties based on LIBOR, there may be a net loss or benefit to the City.

The Airport System has entered into interest rate swap agreements in order to protect against rising interest rates. The 1998, 1999 and 2009A swap agreements are pay fixed, receive variable rate, cash flow hedges, with the variable payment from the counterparty based on the USD-SIFMA Municipal Swap Index and the variable rate of the bonds. The rest of the Airport System’s swap agreements are considered investment derivatives as defined by GASB 53. **Table 39** provides a profile of the terms of the Airport’s swap agreements (all rates as of December 31, 2016).

Table 39

SWAP	1999, 2002 2009A	2005 2006B	2006A, 2006B 2008A	1998	2008B
Associated Debt	2002C, 2008B, 2009C	2007D, 2016A	2002C, 2007F-G, 2016A, 2016B	2008C2-C3	2002C, 2008C1
Payment to counterparty	6.323%	4.851%	4.009%	4.740%	4.760%
Payment from counterparty	1.309%	4.626%	0.541%	0.641%	0.799%
Net swap interest rate	5.014%	0.225%	3.468%	4.099%	3.962%
Associated bond interest rate	1.218%	5.000%	1.254%	1.150%	1.149%
Net swap and bond rate	6.232%	5.225%	4.722%	5.249%	5.110%

As rates vary, variable rate bond interest payments and net swap payments will vary. As of December 31, 2016, debt service requirements of the related variable rate debt and net swap payments for the Airport System's cash flow hedges (1998, 1999 and 2009A swap agreements), assuming current interest rates remain the same, for their terms, are reflected in **Table 40** (dollars in thousands).

Table 40

Year	Principal	Interest	Interest Rate Swaps Net	Total
2017	\$ 5,200	\$ 4,736	\$ 18,095	\$ 28,031
2018	8,300	4,679	18,095	31,074
2019	43,435	4,576	16,468	64,479
2020	46,680	4,057	13,216	63,953
2021	48,625	3,499	9,695	61,819
2022-2026	156,955	10,454	13,384	180,793
2027-2031	90,805	3,335	-	94,140
Total	\$ 400,000	\$ 35,336	\$ 88,953	\$ 524,289

Variable Rate Bonds and Swap payments are calculated using rates in effect on December 31, 2016.

Table 41 (dollars in thousands) provides a summary of the Airport's interest rate swap transactions as of December 31, 2016.

Table 41

Counterparty	Effective Date	Notional Amount	Bond/Swap Termination Date	Associated Debt Series	Payable Swap Rate	Variable Receivable Swap Rate	Changes in Fair Value		Fair Values December 31
							Classification	Amount	
Hedging Derivatives									
1998 Swap Agreements									
Goldman Sachs Capital Markets, L.P.	10/4/00	100,000	11/15/25	2008C2-C3	4.7600%	70% LIBOR + 0.10%	Deferred outflow	\$ (1,990)	\$ (17,214)
Societe Generale, New York Branch	10/4/00	100,000	11/15/25	2008C2-C3	4.7190%	70% LIBOR + 0.10%	Investment income	(2,374)	
							Deferred outflow	(1,979)	(17,001)
							Investment income	(2,339)	
1999 Swap Agreements									
Goldman Sachs Capital Markets, L.P.	10/4/01	100,000	11/1/22	¹	5.6179%	SIFMA	Deferred outflow	(3,602)	(16,145)
							Investment income	(2,643)	
Merrill Lynch Capital Services, Inc.	10/4/01	50,000	11/1/22	¹	5.5529%	SIFMA	Deferred outflow	(1,794)	(7,948)
							Investment income	(1,293)	
Investment Derivatives									
2002 Swap Agreements									
Goldman Sachs Capital Markets, L.P.	4/15/02	100,000	11/1/22	¹	SIFMA	76.33% LIBOR	Investment income	1,181	(516)
2005 Swap Agreements									
Royal Bank of Canada	11/15/06	49,578	11/15/25	2007D	³ 3.5650%	70% LIBOR	Investment income	(1,597)	(6,311)
JP Morgan Chase Bank, N.A.	11/15/06	49,578	11/15/25	2007D	³ 3.6874%	70% LIBOR	Investment income	(1,615)	(6,397)
Jackson Financial Products, LLC	11/15/06	99,156	11/15/25	2007D	³ 3.6560%	70% LIBOR	Investment income	(3,195)	(12,621)
Piper Jaffray Financial Products, Inc.	11/15/06	49,578	11/15/25	2007D	³ 3.6560%	70% LIBOR	Investment income	(1,597)	(6,311)
2006A Swap Agreements									
JP Morgan Chase Bank, N.A.	11/15/07	139,450	11/15/25	2007F-G/2014A	² 4.0085%	70% LIBOR	Investment income	(4,947)	(18,443)
GKB Financial Services Corp.	11/15/07	46,483	11/15/25	2007F-G/2014A	² 4.0085%	70% LIBOR	Investment income	(1,648)	(6,148)
2006B Swap Agreements									
Royal Bank of Canada	11/15/06	49,578	11/15/25	³	SIFMA	4.0855%	Investment income	2,476	6,647
JP Morgan Chase Bank, N.A.	11/15/06	49,578	11/15/25	³	SIFMA	4.0855%	Investment income	2,476	6,647
Jackson Financial Products, LLC	11/15/06	99,156	11/15/25	³	SIFMA	4.0855%	Investment income	4,960	13,287
Piper Jaffray Financial Products, Inc.	11/15/06	49,578	11/15/25	³	SIFMA	4.0855%	Investment income	2,498	6,625
2008A Swap Agreements									
Royal Bank of Canada	12/18/08	92,967	11/15/25	2007F-G	^{2,4} 4.0085%	70% LIBOR	Investment income	(3,297)	(12,294)
2008B Swap Agreements									
Loop Financial Products I, LLC	1/8/09	100,000	11/15/25	2008C1	² 4.7600%	70% LIBOR + 0.10%	Investment income	(3,718)	(19,092)
2009A Swap Agreements									
Loop Financial Products I, LLC	1/12/10	50,000	11/15/22	¹	5.6229%	SIFMA	Deferred outflow	(2,174)	(8,045)
							Investment income	(988)	
TOTAL									\$ (121,280)

¹ Swaps are currently associated with Series 2009C bonds, Series 2008B, and a portion of the Series 2002C bonds.

² A portion of the Series 2002C bonds are additionally associated with these swaps.

³ Previously associated with 2006A. Swaps currently associated with Series 2016A.

⁴ Previously associated with 2014A. Swaps currently associated with Series 2016b.

Note: Certain City derivatives have been reported as investment derivatives in accordance with the provisions of GASB 53. Additionally, investment income on these derivatives has also been recognized in accordance with GASB 53. The City does not enter into derivative transactions for investment purposes, nor does the City Charter allow for the investment in derivative investments.

Payments by the Airport System to counterparties relating to these swap agreements, including termination payments, are Subordinate Obligations, subordinate to debt service payments on the Airport System's Senior Bonds, and on parity with the Airport System's Subordinate Bonds. The year-end fair values were calculated using the mid-market LIBOR and BMA swap curves as of December 31, 2016. Fair values represent the difference between the present value of the fixed payments and the present value of the floating payments, at forward floating rates as of December 31, 2016. When the present value of payments to be made by the Airport System exceeds the present value of payments to be received, the swap has a negative value to the Airport System. When the present value of payments to be received by the Airport System exceeds that of payments to be made, the swap has a positive value to the Airport System.

The following risks are generally associated with swap agreements:

- Credit Risk** – All of the Airport System's swap agreements rely upon the performance of swap counterparties. The Airport System is exposed to the risk of these counterparties being unable to fulfill their financial obligations to the Airport System. The Airport System measures the extent of this risk based upon the credit ratings of the counterparty and the fair value of the swap agreement. If the Airport System delivers a surety policy or other credit support document guaranteeing its obligations under the swap agreement that is rated in the highest rating category of either Standard & Poor's, Moody's Investors Service or Fitch, for any swap agreement, the counterparty to that agreement is obligated to either be rated, or provide credit support securing its obligations under the swap agreement rated in the highest rating category of either Standard & Poor's, Moody's Investors Service or Fitch; or, under certain circumstances, provide collateral. The Airport System is obligated, under the swap agreements, to provide such surety policy or credit support if the unsecured and unenhanced ratings of the Airport System's Senior Bonds is below any two of BBB by Standard & Poor's, Baa2 by Moody's Investors Service or BBB by Fitch. As of December 31, 2016, the ratings of the Airport System's Senior Bonds were A+ by Standard & Poor's (with a stable outlook), A1 by Moody's Investors Service (with a stable outlook) and A+ by Fitch (with a stable outlook). Therefore, no surety policy or credit has been provided to the counterparties by the Airport System. Failure of either the Airport System or the counterparty to provide credit support or collateral, as described in the swap agreements, is a termination event under the swap agreements (see termination risk below). The ratings of the counterparties, or their credit support providers, as of December 31, 2016, are shown in **Table 42**.

Table 42

Counterparty (Credit Support Provider)	Ratings of the Counterparty or its Credit Support Provider		
	S&P	Moody's	Fitch
Goldman Sachs Capital Markets, L.P. (Goldman Sachs Group, Inc.)	BBB+	A3	A
JP Morgan Chase Bank, N.A.	A+	Aa3	AA-
LOOP Financial Products, LLC (Deutsche Bank, AG, New York Branch)	BBB+	A3	A-
Merrill Lynch Capital Services, Inc. (Merrill Lynch & Co., Inc.)	NR	Baa1	A
Royal Bank of Canada	AA-	Aa3	AA
Societe Generale, New York Branch	A	A2	A
Jackson Financial Products, LLC (Merrill Lynch & Co., Inc.)	NR	Baa1	A
GKB Financial Services Corporation II, Inc. (Societe Generale New York Branch)	A	A2	A
Piper Jaffray Financial Products, Inc. (Morgan Stanley Capital Services, Inc.)	BBB+	A3	A

NR - no rating available.

As of December 31, 2016, there was no risk of loss for the swap agreements that had negative fair values. For the swap agreements that had positive fair values, the risk of loss is the amount of the derivative's fair value.

- **Termination Risk** – Any party to the Airport System's swap agreements may terminate the swap if the other party fails to perform under the terms of the contract. Additionally, the Airport System may terminate any of its swap agreements at any time at its sole discretion. Further, certain credit events can lead to a termination event under the swap agreements (see Credit Risk on preceding page). If, at the time of termination, the swap has a negative fair value, the Airport System could be liable to the counterparty for a payment equal to the swap's fair value. If any of the Airport System's swap agreements are terminated, the associated variable rate bonds would either no longer be hedged with a synthetic fixed interest rate or the nature of the basis risk associated with the swap agreement may change. The Airport System is not aware of any existing event that would lead to a termination event with respect to any of its swap agreements.
- **Interest Rate Risk** – The Airport System is exposed to interest rate risk in that as the variable rates of the swap agreements decrease, the Airport System's net payments on the swap agreements increase.
- **Basis Risk** – Each of the Airport System's swap agreements is associated with certain debt obligations or other swaps. The Airport System pays interest at variable interest rates on some of the associated debt obligations and associated swaps. The Airport System receives variable payments under some of its swap agreements. To the extent the variable rate on the associated debt or the associated swap paid by the Airport System is based on an index different than that used to determine the variable payments received by the Airport System under the swap agreement, there may be an increase or decrease in the synthetic interest rate intended under the swap agreement.

8. **Synthetic Guaranteed Investment Contracts.** An option in the City's deferred compensation plan includes a custom stable value fund that includes synthetic guaranteed investment contracts (SGICs). The contracts provide a stable rate of return to the participants. The value of the underlying investments is \$243,435,000 as of December 31, 2016.

Note H – Fund Balances

In accordance with GASB Statement No. 54, fund balances are classified as nonspendable, restricted, committed, assigned or unassigned. When expenditures are incurred that 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, taking into account any applicable requirements of grant agreements, contracts, business circumstances, or other constraints. If no restrictions otherwise exist, the order of spending of resources will be restricted, committed, assigned and lastly, unassigned.

The City has a target of maintaining a General Fund balance reserve that is 15.00% of budgeted expenditures and should not go below 10.00% of budgeted expenditures, except in response to a severe crisis, economic or otherwise.

Fund balances by classification are detailed in **Table 43** (dollars in thousands).

Table 43

	General	Human Services	Other Governmental Funds	Total Governmental Funds
Nonspendable				
Endowment	\$ -	\$ -	\$ 3,000	\$ 3,000
Prepaid items	7,215	75	6,320	13,610
Total Nonspendable	7,215	75	9,320	16,610
Restricted:				
General government	-	-	37,608	37,608
Public safety - administration	-	-	39,522	39,522
Public safety - fire	-	-	536	536
Public safety - police	-	-	1,422	1,422
Public safety - sheriff	-	-	6,888	6,888
Public works	-	-	180,635	180,635
Human services	-	75,954	208	76,162
Health	-	-	1,193	1,193
Parks & recreation	-	-	51,620	51,620
Cultural activities	-	-	234,306	234,306
Community development	-	-	4,681	4,681
Economic opportunity	-	-	90	90
Assets held for resale	-	-	730	730
Loans receivable	-	-	60,610	60,610
Long-term debt	19,933	-	137,975	157,908
Emergency use	48,181	-	19	48,200
Total Restricted	68,114	75,954	758,043	902,111
Committed:				
General government	13,098	-	-	13,098
Public safety - admin	859	-	-	859
Public safety - fire	571	-	-	571
Public safety - police	2,043	-	-	2,043
Public safety - sheriff	3,013	-	-	3,013
Public works	25,504	-	-	25,504
Health	1,873	-	-	1,873
Parks & recreation	2,607	-	3,044	5,651
Cultural Activities	140	-	20,997	21,137
Community development	1,169	-	-	1,169
Economic opportunity	87	-	-	87
Total Committed	50,964	-	24,041	75,005
Assigned:				
General government	-	-	-	-
Public safety - admin	-	-	-	-
Public works	-	-	559	559
Parks & recreation	-	-	-	-
Cultural activities	-	-	-	-
Total Assigned	-	-	559	559
Unassigned	271,130	-	-	271,130
Total Fund Balances	\$ 397,423	\$ 76,029	\$ 791,963	\$ 1,265,415

- **Nonspendable Fund Balances** – Nonspendable fund balances are amounts that cannot be spent because they are either not in a spendable form or are legally or contractually required to be maintained intact.

The City has two types of nonspendable fund balances: Prepaid items and an endowment. The prepaid items, which total \$13,610,000, are in a nonspendable form and the endowment totaling \$3,000,000 is in a permanent fund whose earnings are used for the maintenance of the residence known as Cableland.

- **Restricted Fund Balances** – Restricted fund balances represent amounts constrained by external parties, enabling legislation and/or constitutional provisions.

General Government has restricted fund balances for future grant expenditures, capital improvements, technology upgrades, and bond projects.

Public Safety – Administration has restricted fund balance for capital improvements, operation of correctional facilities, 911 expenses, and various assets and maintenance. Public Safety – Fire and Public Safety – Police have restricted funds for capital maintenance projects. Restricted balance for Public Safety – Sheriff is primarily comprised of County Jail improvements.

Public Works has a restricted fund balance of \$180,635,000. This balance represents funds dedicated for capital improvements and maintenance. Notable capital improvements include Brighton Boulevard, drainage enhancements, Quebec Street Multimodal, Cherry Creek South Drive Corridor, and South Broadway/I-25.

Human Services has restricted fund balance for grant expenditures and improvements to the Richard T. Castro Building.

Health has \$1,193,000 restricted fund balance for grant expenditures and Energy Conservation projects.

Parks and Recreation restricted fund balance represents funds dedicated to capital projects, maintenance, and various conservation projects. Major capital projects include the Central Denver Recreation Center, Ruby Hill Park, and River North Park.

Cultural Activities fund balance restrictions include restrictions for capital projects and special revenue funds for future grant expenditures. Major capital projects include the National Western Center Project, Colorado Convention Center Upgrades, Helen Bonfils Theater renovations, Red Rocks Amphitheatre improvements, and improvements to the Denver Center for the Performing Arts Parking Garage.

Community Development Activities and Economic Opportunity have restricted fund balance arising from special revenue funds for grant expenditures.

- **Committed Fund Balances** – Committed funds can only be used for specific purposes pursuant to constraints imposed by City Council, the highest level of decision-making authority in the City. City Council’s formal action to establish committed funds, and to rescind committed funds, is through passage of ordinance. The General Fund has \$50,964,000 committed for various capital and community projects. The Other Governmental Funds have \$24,041,000 in committed fund balance for various community projects.
- **Assigned Fund Balances** – Assigned fund balances are constrained for specific purposes by City Council as authorized by the City’s charter. The City has \$559,000 of assigned fund balance for Public Works activities with the General Improvement Districts.
- **Unassigned Fund Balance** – Unassigned fund balance is the residual classification for the General Fund. A negative unassigned fund balance occurs when expenditures exceed amounts that are nonspendable, restricted, committed, or assigned. The General Fund has \$271,130,000 in unassigned fund balance.

IV. Other Note Disclosures

Note A – Risk Management

The City is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. In addition, the City is party to numerous pending or threatened lawsuits under which it may be required to pay certain amounts upon final disposition of these matters. The City has historically retained these risks, except where it has determined that commercial insurance is more cost beneficial or legally required. The City has covered all claim settlements and judgments out of its General Fund resources, except where specifically identifiable to an enterprise fund. The City currently reports substantially all of its risk management activities, except workers' compensation (see Note IV-C), in its General Fund. Claims expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. Current liabilities are reported when the liability has matured. These losses include an estimate of claims that have been incurred but not reported.

The Lowry Landfill, which accepted hazardous waste from the late 1960s to 1980, is listed on the national Superfund list. This means that the contamination at the site will be mitigated under the auspices of the U.S. Environmental Protection Agency. Under federal law, the City, as owner and operator of the facility is one of the parties responsible for cleanup of the site. The City's share of the remaining costs for cleanup could be incurred over the next 5 to 30 years. The City's liability for a portion of the cleanup costs is probable, but cannot be reasonably estimated.

With respect to matters expecting to be settled subsequent to 2016, the City Attorney estimates the amount of liability determined as probable and incurred but not reported claims and judgments at December 31, 2016, to be approximately \$3,850,000. Changes in the long-term legal liability during the past two years are shown in **Table 44** (dollars in thousands).

Table 44

	2016	2015
Beginning balance - January 1	\$ 5,215	\$ 6,413
Current year claims and changes in estimates	530	540
Claims settled	(1,895)	(1,738)
Ending Balance - December 31	\$ 3,850	\$ 5,215

Pursuant to Colorado law, if a monetary judgment is rendered against the City, and the City fails to provide for the payment of such judgment, the Board of County Commissioners must levy a tax (not to exceed 10 mills per annum) upon all of the taxable property within the City for the purpose of making provision for the payment of the judgment. The City must continue to levy such tax until the judgment is discharged. Such mill levy is in addition to all other mill levies for other purposes. The Colorado Governmental Immunity Act establishes limits for claims made against governmental entities. These limits are \$350,000 per injury or \$990,000 per occurrence.

See Note IV-E-5 regarding Denver Airport System related litigation.

Note B – Pollution Remediation

The City has four underground storage tanks that leaked and are under remediation. Funds spent on remediation are partially reimbursed up to 50.00% of the cost by the Colorado Petroleum Storage Tank Trust. As of December 31, 2016, the City accrued a current liability, measured at its expected amount, using the expected cash flow technique, of \$9,000 in the Environmental Services fund for its share of remediation costs related to these underground storage tanks. The City determined the liability amount by estimating a reasonable range of potential outlays, with no amount within the range considered a better estimate than any other amount.

The Environmental Protection Agency has listed a large area in north Denver on the National Priorities List of Superfund Sites because of lead, arsenic and cadmium contamination found in soils in residential neighborhoods. EPA has divided the Site into three operable units. Operable Unit 1 (OU1) consists of the contaminated residential soils in north Denver. Operable Unit 2 (OU2) is the Grant-Omaha Smelter Site. Operable Unit 3 (OU3) is the Argo Smelter Site.

ASARCO, Inc. finished the remediation of Operable Unit 1 in 2006 and has not claimed that the City is responsible for any of those costs; therefore, management believes the possibility that the City has any liability associated with OU1 is remote.

The EPA has named the City a Potentially Responsible Party (PRP) at OU2 as the current owner of part of the site where the former Grant-Omaha Smelter was located. Denver has entered into an Administrative Order on Consent to perform a remedial investigation and feasibility study and has paid \$18,000 dollars of EPA's past costs. Whether this site is contaminated or whether it will require remediation cannot be determined until completion of the remedial investigation and feasibility study. The City's responsibility for some of the investigation and clean up costs is probable; however, at this early stage in the process it is not possible to estimate the costs associated with this site, therefore no liability has been accrued. ASARCO, Inc. is another significant PRP at the site. ASARCO, Inc. filed bankruptcy and the City filed a contingent claim for environmental remediation costs and reached a settlement with ASARCO for \$640,000, for which payment has been received.

The City has no connection to OU3 and EPA has not asserted that the City has any responsibility for investigation or clean up, therefore management believes the possibility is remote that the City has any liability associated with OU3.

Note C – Workers' Compensation

The City has a Workers' Compensation self-insurance trust established in accordance with State Statutes to be held for the benefit of the City's employees. This trust is included in the Workers' Compensation internal service fund.

The Workers' Compensation internal service fund compensates City employees, or their eligible dependents, for injuries as authorized by the State Workers' Compensation law, in addition to maintaining in-house records of claims. The Workers' Compensation program is part of the City's Risk Management Office, which also provides safety training and loss prevention for all City departments and agencies.

The Department of Labor and Employment of the State of Colorado establishes the amount of funding required each year for the City to maintain its self-insured permit. The requirement is calculated using the average amount of claims paid over the previous three years plus the outstanding liability for claims as of the end of the previous year. This requirement at December 31, 2016, for 2017, was \$18,926,000. The Workers' Compensation internal service fund has current assets and appropriations set aside in 2016 to satisfy this requirement. These funds may only be used for payment of workers' compensation benefits and administrative costs.

The City has purchased reinsurance coverage in order to reduce its risk. For the period from January 1, 2016, through December 31, 2016, the self-retention amount was \$2,500,000 for all employees. The City had no settlements in the past three years that exceeded its self-retention levels.

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated, and includes an amount for claims that have been incurred but not reported. Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends, and other economic and social factors. The liability

is reported in the Workers' Compensation internal service fund and was discounted for investment income. Changes in the liability during the past two years are shown in **Table 45** (dollars in thousands).

Table 45

	2016	2015
Beginning balance, undiscounted - January 1	\$ 29,449	\$ 31,471
Current year claims and changes in estimates	12,965	13,751
Claims paid	(8,309)	(9,592)
Ending balance undiscounted	34,105	35,630
Less discount	(6,292)	(6,181)
Ending Balance - December 31	\$ 27,813	\$ 29,449

Note D – Subsequent Events

- Certificates of Participation.** On February 16, 2017, the City issued \$15,506,673 of refunding Certificates of Participation, series 2017A to advance refund the outstanding series 2008B Certificates of Participation to achieve interest cost savings for the Denver Botanic Gardens.
- General Obligation Bonds.** On March 9, 2017, the City deposited \$50,985,000 in escrow sufficient to defease the outstanding General Obligation Better Denver Bonds, series 2010D and series 2011A.
- Denver Union Station Project Authority (DUSPA).** On February 3, 2017, the Denver Union Station Project Authority, a component unit of the City, dissolved. Any remaining funds to which DUSPA may otherwise have been entitled to, including accrued incremental property and sales taxes, were transferred to the Denver Downtown Development Authority (DDDA), which is also a component unit of the City. Loan agreements entered into by DUSPA were also transferred to the DDDA.

Note E – Contingencies

- Legal Debt Margin.** Per the City Charter, the City's indebtedness for general obligation bonds shall not exceed 3.00% of actual value as determined by the last final assessment of the taxable property within the City. At December 31, 2016, the City's general obligation debt outstanding was \$761,406,000 and the City's legal debt margin was \$2,541,000.
- Prior Years' Defeased Bonds.** At various dates in prior years, the City and certain component units have placed proceeds from bond issues and cash contributions in irrevocable refunding escrow accounts. The amounts deposited in the irrevocable escrow accounts are invested in U.S. Treasury obligations that, together with interest earned thereon, would provide amounts sufficient for payment of all principal and interest of the bond issues on each remaining payment date. The likelihood of the earnings and principal maturities of the U.S. Treasury obligations not being sufficient to pay the defeased bond issues appears remote. Accordingly, the escrow accounts and outstanding defeased bonds are not included in the accompanying financial statements. Defeased bonds principal outstanding at December 31, 2016, for the City was \$257,075,000.
- Grants and Other.** Under the terms of federal and state grants, periodic audits are required and certain costs may be questioned as not being appropriate expenditures under the terms of the grants. Such audits could lead to reimbursement to the grantor agencies. City management believes disallowances, if any, will be immaterial to its financial position and activities.

The City is responsible for administering certain federal and state social services programs for which the related revenue and expenditures are not included in the accompanying financial statements since the state now makes the grant disbursements.

Table 46 (dollars in thousands) lists Denver County electronic benefit transfers (EBT) authorizations, warrant expenditures, and total expenditures associated with the Human Services special revenue fund for the year ended December 31, 2016.

Table 46

Program	City EBT Authorizations	City Share of Authorizations	City Share of Authorizations Plus		Total Expenditures
			Expenditures by City Warrant	Expenditures by City Warrant	
Adult Foster Care	\$ -	\$ -	\$ -	\$ -	\$ -
Adult Protective Services	-	-	2,862	2,862	2,862
Aid to Needy & Disabled	3,529	706	-	706	3,529
Aid to the Blind	-	-	-	-	-
Child Care	14,903	1,432	1,484	2,916	16,387
Child Support Enforcement ¹	49	25	13,183	13,208	13,232
Child Support IV-D Waiver	-	-	56	56	56
Child Welfare	23,059	4,700	37,719	42,419	60,778
Child Welfare 100 FTE	-	-	1,252	1,252	1,252
Child Welfare DDS Transition	-	-	31	31	31
Child Welfare Grants - IV-E Waiver	-	-	1,508	1,508	1,508
Child Welfare Hotline	-	-	18	18	18
Child Welfare Pathway to Success	-	-	66	66	66
Colorado Works	19,123	4,116	8,135	12,251	27,258
Core Services	6,258	970	1,896	2,866	8,154
County Administration	-	-	21,590	21,590	21,590
County Only Pass Thru	-	-	7,124	7,124	7,124
Federal Grants	-	-	6,152	6,152	6,152
Food Assistance Benefits	125,577	-	-	-	125,577
Food Assistance Fraud	-	-	487	487	487
Food Assistance Job Search	-	-	1,439	1,439	1,439
Foster Care Adoption Recruitment	-	-	3	3	3
Home Care Allowance	741	37	-	37	741
Low Income Energy Assistance	2,960	-	490	490	3,450
Non-allocated Programs ²	157	154	176	330	333
Old Age Pension	20,479	-	752	752	21,231
PSSF Caseworker Visitation	-	-	2	2	2
SSI - Home Care Allowance	882	44	-	44	882
TANF Collections-EBT	(406)	(81)	-	(81)	(406)
Title IV-B Sub Part 2 - PSSF	-	-	547	547	547
Title IV-E Independent Living	-	-	179	179	179
Total	\$ 217,311	\$ 12,103	\$ 107,151	\$ 119,254	\$ 324,462

¹The State pays Direct Settled items for EBT administration, IRS fees and Locator fees and then charges the counties for those costs. These are not true EBT payments, but are amounts settled via CFMS.

²Does not include audit adjustments, TANF Collections - IV-D Retained, Medicaid Collections and programs not settled in CFMS, with the exception of federal grants, which are also captured in the CAFR. It also excludes County Wide Cost Allocation Pass Thru, as these amounts are not earned by expenses incurred by Human Services.

- 4. Conduit Debt Obligations.** From time to time, the City issues industrial development revenue bonds, single-family mortgage revenue bonds, multi-family mortgage revenue bonds, construction loan revenue bonds, and special obligation revenue bonds to provide financial assistance to private-sector entities for the acquisition and construction of private, industrial, and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers

to the private-sector entity served by the bond issuance. Not the City, the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of December 31, 2016, the aggregate principal amount payable for the bonds, excluding the Airport's Special Facility Revenue bonds, was approximately \$60,374,000.

To finance the acquisition and construction of various facilities at Denver International Airport, the City issued three series of Special Facility Revenue Bonds. These bonds are special limited obligations of the City, payable and secured by a pledge of certain revenues to be received from lease agreements for these facilities. The bonds do not constitute a debt or pledge of the full faith and credit of the City or the Airport System, and accordingly, have not been reported in the accompanying financial statements. As of December 31, 2016, Airport Special Facility Revenue Bonds outstanding totaled \$270,025,000.

5. **Denver Airport System.** The City and Adams County entered into an intergovernmental agreement for Denver International, dated April 21, 1988 (the Intergovernmental Agreement). The Intergovernmental Agreement establishes maximum levels of noise that should not be exceeded on an average annual basis at various grid points surrounding the Airport. Penalties must be paid to Adams County when these maximums are exceeded.

There is no noise penalty due for 2016.

The Airport System is involved in several other claims and lawsuits and is the subject of certain other investigations. The Airport System and its legal counsel estimate that the ultimate resolution of these matters will not materially affect the accompanying financial statements of the Airport System.

Under the terms of the Federal grants, periodic audits are required and certain costs may be questioned as not being appropriate expenditures under the terms of the grants. Such audits could lead to reimbursement to the grantor agencies. The Airport System management believes disallowances, if any will be immaterial to its financial position and activities of the Airport.

6. **Environmental Services.** State and federal laws will require the City to close the Denver Arapahoe Disposal Site (DADS) once its capacity is reached and to monitor and maintain the site for 30 subsequent years. The contracted operator is responsible for all closure and post-closure costs for the landfill's individual cells while they are under contract to operate the landfill. However, the ultimate responsibility rests with the City as owner of the facility. The City contractually shifted this financial responsibility to its operator as described below.

Effective October 1, 1997, the City renegotiated its contract with Waste Management of Colorado, Inc. (WMC), the current operator of DADS. As a result, the City assigned its responsibility for all closure and post-closure costs to WMC. To cover these costs, WMC has provided a performance bond of \$3,000,000, provided a corporate guarantee from their parent company, Waste Management, Inc (WMI), and posted a financial assurance plan with the State of Colorado (including an insurance certificate of \$22,527,000 as of April 2017). Due to this assignment of closure and post-closure costs to WMC, the City no longer recognizes the related closure and post-closure costs liability in its financial statements.

7. **Denver Urban Renewal Authority.** In connection with DURA's development of the Denver Dry Building, DURA has guaranteed certain loans made to the Denver Building Housing, Ltd. by the Bank of Denver with an outstanding balance of \$2,486,000 at December 31, 2016. In addition, DURA has guaranteed all obligations of the Denver Dry Development Corporation as general partner, under the terms and conditions of the limited partnership agreement of the Denver Building Housing, Ltd. No amounts have been recorded as a liability in the financial statements, as DURA management believes the possibility of having to make payments under these guarantees is remote.

8. **TABOR.** At the general election held November 3, 1992, the voters of the State approved an amendment to the Colorado Constitution limiting the ability of the State and local governments, such as the City, to increase revenues, debt and spending, and restricting property, income and other taxes. In addition, the amendment requires that the State and local governments obtain voter approval to create any “multiple fiscal year direct or indirect debt or other financial obligation whatsoever without adequate present cash reserves pledged irrevocably and held for payments in all future fiscal years.” The amendment excludes from its restrictions the borrowings and fiscal operations of “enterprises.” Enterprises are defined to include government-owned businesses authorized to issue their own revenue bonds and receiving less than 10.00% of their revenues in grants from all Colorado State and local governments combined. The amendment also requires the establishment of an “Emergency Reserve” equal to 3.00% of fiscal year spending excluding debt service for all years subsequent to 1994. The City has established an emergency reserve of \$48,181,000. The amendment is also applicable to several component units, which have established emergency reserves of \$19,000.

In November 2005, local voters approved Referred Measure 1B to allow the City to retain revenues collected, with the exception of property tax revenue, in excess of the limits established by the state amendment to the constitution for ten fiscal years beginning with fiscal year 2005 and thereafter retain and spend any excess revenues up to the amount of the revenue cap as defined. For 2016, TABOR revenues exceeded the established limits by \$318,800,000.

In November 2012, Denver voters approved Referred Measure 2A to allow the City to retain all revenues collected beginning in 2013.

There are numerous uncertainties about the interpretation of the amendment and its application to particular governmental entities and their operations. It is possible that the constitutionality of the amendment as applied in some situations may be challenged on various grounds, including the argument that the amendment conflicts with other constitutional provisions and violates the protections afforded by the federal constitution against impairment of contract.

Note F – Deferred Compensation Plan

1. **Description of the Plan.** The Deferred Compensation Plan (Plan) was adopted by the City to provide a means by which public employees could defer a portion of their current income and related income taxes to future years. Under Section 457 of the Internal Revenue Code, amounts deferred and income earned on those funds are not taxed until made available to the participant. The Plan’s publicly available financial report can be obtained by contacting the City of Denver Controller’s Office at 201 West Colfax Avenue, Department 1109, Denver, Colorado, 80202.
2. **Administration of the Plan.** The Deferred Compensation Governing Committee of the City manages the Plan. The Committee has designated a third-party administrator for the Plan to account for all deferred compensation, withdrawals, interest income credited, and the individual balance for each participant. In addition, the administrators execute individual participant agreements and provide Plan information and counseling to all eligible employees.
3. **Investments.** Investments are recorded at fair value. In compliance with the City Charter, the Deferred Compensation Governing Committee has approved certain options for investment. All investments are transferred to a retirement trust investment fund offered by the Teachers Insurance and Annuity Association of America-College Retirement Equities Fund (TIAA-CREF). The Plan provides for self-directed investments by the participants.

4. **Contributions.** Participation in the Plan is voluntary and is open to all City employees. The City does not make any contributions. The maximum deferral in any one year is generally limited to 100.00% of a participant's pre-deferred taxable income or \$18,000 for 2016. Those who are age 50 and older may save an additional \$6,000 per year. However, special provisions, applicable during the last three taxable years before a participant attains normal retirement age under the Plan, or any year thereafter prior to the participants' separation from service, may increase the annual maximum up to \$36,000 for 2016. Total contributions by employees were \$36,889,000 for 2016.

5. **Withdrawals.** Withdrawals from the Plan may be made upon retirement, termination of employment with the City, or in hardship cases as approved by the Administrator. Upon death, amounts credited to the participant are paid to the beneficiary designated by the participant.

Eligible participants may elect the Systematic Withdrawal Option, purchase an annuity, or receive a lump-sum distribution. The Systemic Withdrawal Option allows eligible participants to withdraw specified amounts from their account at regular intervals. The balance of their account remains in the pool of Plan assets and continues to be invested as directed by the participant. The annuity option allows eligible participants to purchase a payment stream for a period certain or for the lifetime of the annuitant. Contracts purchased under this annuity option remain as assets of the Plan. The periodic distributions are accounted for as withdrawals in the year disbursed.

6. **Assets.** All amounts of compensation deferred under the Plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are held in trust by the City for the exclusive benefit of the participants and their beneficiaries. The assets of the Plan are reported as an other employee benefit trust fund of the City.

7. **Plan Termination and Amendments.** The City can at any time elect to amend, modify, or terminate the Plan. However, notice must be given to all participants at least 45 days prior to the effective date of an amendment. No amendments will deprive the participants of any benefits they were entitled to prior to the change. If the Plan is terminated, all amounts then credited to the participants are to be paid out by the administrators under the normal withdrawal requirements and procedures.

8. **Component Units.** Several component units offer plans similar to the City's which are also qualified under Section 457 of the Internal Revenue Code.

Note G – Pension Plans

The City has six pension plans covering substantially all employees of the primary government, as follows:

- Denver Employees Retirement Plan (DERP)
- Fire and Police Pension Plan - Statewide Defined Benefit Plan (FPPA SWDB)
- Public Employees' Retirement Association of Colorado Pension Plan - State Division Trust Fund (PERA SDTF)
- Public Employees' Retirement Association of Colorado Pension Plan - Judicial Division Trust Fund (PERA JDTF)
- Denver Old Hire Fire Pension Fund (FPPA Old Hire Fire)
- Denver Old Hire Police Pension Fund (FPPA Old Hire Police)

The majority of the City's employees are covered under the Denver Employees Retirement Plan. Full time firemen and policemen are covered under the Fire and Police Pension Association plans, and county court judges and the District Attorney are covered under the Public Employees' Retirement Association of Colorado. In addition to the six plans offered, several component units offer various types of pension plans, which include deferred annuity plans and defined contribution plans.

A summary of pension related items as of and for the year ended December 31, 2016, is presented in **Table 47** (dollars in thousands).

Table 47

Plan	Net Pension Liability	Net Pension Asset	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense
DERP:					
Governmental Activities	\$ 851,426	\$ -	\$ 243,161	\$ -	\$ 112,951
Business-type Activities	204,113	-	62,844	322	29,768
FPPA SWDB	-	701	68,823	1,284	10,745
PERA SDTF	755	-	105	21	59
PERA JDTF	11,066	-	3,457	421	1,375
Old hire Fire	168,425	-	29,519	-	44,021
Old hire Police	96,532	-	35,090	-	43,403
Total	\$ 1,332,317	\$ 701	\$ 442,999	\$ 2,048	\$ 242,322

1. Cost Sharing Multiple-Employer Defined Benefit Pension Plans.

The Denver Employees Retirement Plan (DERP)

Plan Description. The Denver Employees Retirement Plan (DERP) administers a cost-sharing multiple-employer defined benefit plan to eligible members. The DERP is administered by the DERP Retirement Board in accordance with sections 18-401 through 18-430.7 of the City's Revised Municipal Code. Amendments to the plan are made by ordinance. These Code sections establish the plan, provide complete information on the DERP, and vests the authority for the benefit and contribution provisions with the City Council. The DERP Retirement Board acts as the trustee of the Plan's assets.

The Plan provides retirement, death and disability benefits for its members and their beneficiaries. Members who were hired before July 1, 2011, and retire at or after age 65 (or at age 55 if the sum of their age and credited service is at least 75) are entitled to an annual retirement benefit, in an amount equal to 2.00% of their final average salary for each year of credited service, payable monthly for life. Effective for employees hired after September 1, 2004, the formula multiplier was reduced to 1.50%. Final average salary is based on the member's highest salary during a 36 consecutive month period of credited service. Members with 5 years of credited service may retire at or after age 55 and receive a reduced retirement benefit.

For members who were hired after July 1, 2011, they must be age 60 and have combined credited service of at least 85 in order to receive a normal retirement prior to age 65. Final average salary is based on the member's highest salary during a 60 consecutive month period of credited service. Five-year vesting is required of all employees in order to qualify for a benefit, regardless of their age at the time of termination of employment.

Annual cost of living adjustments are granted on an ad hoc basis. The estimated cost of benefit and contribution provisions is determined annually by an independent actuary, recommended by the plan's Board, and enacted into ordinance by Denver City Council.

The Plan is accounted for using the economic resources measurement focus and the accrual basis of accounting. DERP issues a publicly available comprehensive annual financial report that can be obtained at <https://www.derp.org/>.

Funding Policy. The City contributes 11.50% of covered payroll and employees make a pre-tax contribution of 8.00% in accordance with Section 18-407 of the Revised Municipal Code of the City. The City's contributions to DERP for the year ended December 31, 2016, were \$64,345,000, which equaled the required contributions.

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources

Related to Pensions. At December 31, 2016, the City reported a liability of \$1,055,539,000 for its proportionate share of the net pension liability related to DERP. 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's proportion of the net pension liability was based on City contributions to DERP for the calendar year 2015 relative to the total contributions of participating employers to DERP.

At December 31, 2015, the City's proportion was 89.51%, which was an increase of 0.63% from its proportion measured as of December 31, 2014. The proportional share of the governmental activities and the business-type activities was 72.20% and 17.31%, respectively, an increase of 0.28% and 0.35% for the governmental activities and the business-type activities, respectively.

The components of the City's proportionate share of the net pension liability related to DERP as of December 31, 2016, are presented in **Table 48** (dollars in thousands).

Table 48

	Governmental Activities	Business-type Activities	Total
Total pension liability	\$ 2,256,163	\$ 540,871	\$ 2,797,034
Plan fiduciary net position	1,404,737	336,758	1,741,495
Net pension liability	\$ 851,426	\$ 204,113	\$ 1,055,539

For the year ended December 31, 2016, the governmental activities and the business-type activities recognized pension expense of \$112,951,000 and \$29,768,000, respectively. A summary of the City's deferred outflows of resources and deferred inflows of resources related to pensions for DERP as of December 31, 2016, is presented in **Table 49** (dollars in thousands).

Table 49

	Governmental Activities		Business-type Activities		Total	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 15,146	\$ -	\$ 3,631	\$ -	\$ 18,777	\$ -
Changes of assumptions or other inputs	38,048	-	9,121	-	47,169	-
Net difference between projected and actual earnings on pension plan investments	135,622	-	32,513	-	168,135	-
Changes in proportion	1,804	-	5,775	322	7,579	322
Contributions subsequent to the measurement date	52,541	-	11,804	-	64,345	-
Total	\$ 243,161	\$ -	\$ 62,844	\$ 322	\$ 306,005	\$ 322

The \$64,345,000 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, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as presented in **Table 50** (dollars in thousands).

Table 50

Year	Governmental Activities	Business-type Activities	Total
2017	\$ 57,394	\$ 16,484	\$ 73,878
2018	57,339	15,650	72,989
2019	48,239	11,956	60,195
2020	27,649	6,627	34,276
2021	-	-	-
Thereafter	-	-	-
Total	\$ 190,621	\$ 50,717	\$ 241,338

The total pension liability in the December 31, 2015 actuarial valuation was determined using the actuarial assumptions and other inputs presented in **Table 51**.

Table 51

	DERP
Investment rate of return	7.75%
Salary increases	3.25% - 7.25%
Inflation	2.75%

Mortality rates were based on the RP-2000 Combined Mortality Table via scale AA to 2020, with multipliers specific to gender and payment status of employee.

The latest experience study was conducted in 2013 covering the 5-year period of January 1, 2008 to December 31, 2012. At the time, the recommended mortality table was expected to produce a margin of 8.00% on the retired male mortality experience and 7.00% on the retired female experience.

The long-term expected rate of return on pension plan investments was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return were adopted by the plan's trustees after considering input from the plan's investment consultant and actuary(s). For each major asset class that is included in the pension plan's target asset allocation as of December 31, 2015, these best estimates are summarized in **Table 52**.

Table 52

Asset Class	Target Allocation	Long-Term Expected Rate of Return
U. S. Equities	22.50%	4.30%
Non - U. S. developed markets	15.50%	6.00%
Emerging markets	8.00%	9.80%
Total Public Equity	46.00%	
Core fixed income	11.50%	0.80%
Debt	2.50%	5.90%
Private debt	6.50%	8.40%
Total Fixed Income	20.50%	
Real estate	8.00%	6.40%
Absolute return	5.00%	3.60%
Energy MLP's	7.00%	7.30%
Private equity/other	13.50%	7.70%
Cash	0.00%	0.50%
Total Asset Class	100.00%	

Discount Rate. The discount rate used to measure the total pension liability was 7.75% (8% at prior measurement date). This single discount rate was based on the expected rate of return on pension plan investments of 7.75%. The projection of cash flows used to determine this single rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future

benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. Table 53 presents the City's proportionate share of the net pension liability, calculated using a discount rate of 7.75%, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher (dollars in thousands):

Table 53

City's proportionate share of the net pension liability	1% Decrease	Current	1% Increase
	6.75%	Discount Rate 7.75%	8.75%
Governmental Activities	\$ 1,088,351	\$ 851,426	\$ 650,205
Business-type activities	260,911	204,113	155,874
Total	\$ 1,349,262	\$ 1,055,539	\$ 806,079

Pension Plan Fiduciary Net Position. Detailed information about the pension plan's fiduciary net position is available in the separately issued DERP financial reports found at <https://www.derp.org/index.cfm/ID/38>.

Fire and Police Pension Plan – Statewide Defined Benefit Plan (FPPA SWDB)

Plan Description. Full-time firefighters and police officers hired on or after April 8, 1978, participate in the Statewide Defined Benefit Plan - Fire and Police Pension Plan (FPPA SWDB). The plan is a cost-sharing multiple-employer defined benefit pension plan administered by the Fire and Police Pension Association of Colorado (FPPA) that provides normal, early, vested, or deferred retirement and death benefits. Authority for the plan, including benefit and contribution provisions, is derived from Title 31, Articles 30, 30.5, and 31 of the Colorado Revised Statutes. The plan is amended by statute and is accounted for using the economic resources measurement focus and the accrual basis of accounting. FPPA issues a publicly available comprehensive annual financial report that can be obtained at http://fppaco.org/toc_frames.html.

Funding Policy. Statute requires the City contribute 8.00% of base salary and employees make a pre-tax contribution of 9.00% for a total contribution rate of 17.00%. In 2014, employees elected to increase the member contribution rate to the plan beginning in 2015. Employee contribution rates will increase 0.50% annually through 2022 to a total of 12.00% of base salary. Employer contributions will remain at 8.00% resulting in a combined contribution rate of 20.00% in 2022. The City's contributions to the FPPA SWDB for the year ended December 31, 2016, were \$15,648,000.

Pension Assets, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions. At December 31, 2016, the City reported an asset of \$701,000 for its proportionate share of the net pension asset related to the FPPA SWDB plan. The net pension asset was measured as of December 31, 2015, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2014. Standard update procedures were used to roll forward the total pension asset to December 31, 2015. The City's proportion of the net pension asset was based on City contributions to FPPA SWDB plan for the calendar year 2015 relative to the total contributions of participating employers to the FPPA SWDB plan.

At December 31, 2015, the City's proportion was 39.81%, which was an increase of 0.30% from its proportion measured as of December 31, 2014.

For the year ended December 31, 2016, the City recognized pension expense of \$10,745,000. The components of the City's proportionate share of the net pension asset related to FPPA SWDB as of December 31, 2016, are presented in **Table 54** (dollars in thousands).

Table 54

	FPPA SWDB	
Total pension liability	\$	735,247
Plan fiduciary net position		735,948
Net pension liability (asset)	\$	(701)

A summary of the City's deferred outflows of resources and deferred inflows of resources related to pensions for FPPA SWDB as of December 31, 2016, is presented in **Table 55** (dollars in thousands).

Table 55

Sources	FPPA SWDB	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 5,676	\$ 829
Changes of assumptions or other inputs	11,023	
Net difference between projected and actual earnings on pension plan investments	35,716	-
Change in proportion	760	455
Contributions subsequent to the measurement date	15,648	-
Total	\$ 68,823	\$ 1,284

The \$15,648,000 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as an increase in the net pension asset in the year ended December 31, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as presented in **Table 56** (dollars in thousands).

Table 56

Year	FPPA SWDB
2017	\$ 10,906
2018	10,906
2019	10,906
2020	10,021
2021	1,757
Thereafter	7,395
Total	\$ 51,891

The total pension asset in the December 31, 2015 actuarial valuation was determined using the actuarial assumptions and other inputs presented in **Table 57**.

Table 57

	FPPA SWDB
Investment rate of return	7.50%
Salary increases	4.00% - 14.00%
Inflation	3.00%

Mortality rates were based on the RP-2014 Combined Mortality Table with Blue Collar Adjustment, projected with Scale BB, 55.00% multiplier for off-duty mortality is used in the valuation of off-duty mortality active members. On-duty related mortality is assumed to be 0.00020 per year for all members.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of December 31, 2015, are summarized in **Table 58**.

Table 58

Asset Class	Target Allocation	Long-Term Expected Rate of Return
Global equity	37.00%	6.50%
Equity long/short	10.00%	4.70%
Illiquid alternatives	20.00%	8.00%
Fixed income	16.00%	1.50%
Absolute return	11.00%	4.10%
Managed futures	4.00%	3.00%
Cash	2.00%	0.00%
Total Asset Class	100.00%	

Discount Rate. The discount rate used to measure the total pension liability was 7.50% (no change from the prior measurement date). The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the Board's funding policy, which establishes the contractually required rates under Colorado statutes. Based on those assumptions, the SWDB plan fiduciary net position was projected to be available to make all the projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City's Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate. **Table 59** presents the City's proportionate share of the net pension asset, calculated using a discount rate of 7.50%, as well as what the City's proportionate share of plan's net pension asset would be if it were calculated using a discount rate that is 1.00% lower or 1.00% higher (dollars in thousands):

Table 59

	1% Decrease 6.50%	Single Discount Rate Assumption 7.50%	1% Increase 8.50%
City's proportionate share of the net pension liability (asset)	\$ 98,307	\$ (701)	\$ (82,826)

Pension Plan Fiduciary Net Position. Detailed information about the pension plan's fiduciary net position is available in the separately issued FPPA financial reports found at http://fppaco.org/toc_frames.html.

Public Employees' Retirement Association of Colorado Pension Plans (PERA)

Plan Description. County court judges and the District Attorney of the City are provided with pensions through the State Division Trust Fund (SDTF) or the Judicial Division Trust Fund (JDTF) —cost-sharing multiple-employer defined benefit pension plans administered by PERA. PERA provides retirement, disability, and survivor benefits that 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. 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. The plans are accounted for using the economic resources measurement focus and the accrual basis of accounting. PERA issues a publicly available comprehensive annual financial report that can be obtained at www.copera.org/investments/pera-financial-reports.

Funding Policy. Eligible employees are required to contribute 8.00% of their PERA-includable salary. The City contributes 18.23% of includable salaries to the SDTF and 16.34% of includable salaries to the JDTF. Employer contributions are recognized by the SDTF and the JDTF in the period in which the compensation becomes payable to the member and the City is statutorily committed to pay the contributions to the plans. The City's contributions to the SDTF for the year ended December 31, 2016, were \$37,000. The City's contributions to the JDTF for the years ended December 31, 2016, were \$468,000.

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions. At December 31, 2016, the City reported a liability of \$755,000 and \$11,066,000 for the SDTF and JDTF, respectively, for its proportionate share of the net pension liability related to the PERA plans. The net pension liabilities were measured as of December 31, 2015, and the total pension liabilities used to calculate the net pension liabilities was determined by an actuarial valuation as of December 31, 2014. Standard update procedures were used to roll forward the total pension liabilities to December 31, 2015. The City's proportion of the net pension liabilities were based on City contributions to the SDTF and JDTF plan for the calendar year 2015 relative to the total contributions of participating employers to the SDTF and JDTF plans.

At December 31, 2015, the City's proportion of the SDTF was 0.007%, which equaled its proportion measured as of December 31, 2014.

At December 31, 2015, the City's proportion of the JDTF was 6.02% which was a decrease of 0.38% from its proportion measured as of December 31, 2014.

The components of the City's net pension liability related to PERA as of December 31, 2016, are presented in **Table 60** (dollars in thousands).

Table 60

	SDTF		JDTF	
Total pension liability	\$	1,719	\$	27,757
Plan fiduciary net position		964		16,691
Net pension liability	\$	755	\$	11,066

For the year ended December 31, 2016, the City recognized pension expense for the SDTF and JDFT of \$59,000 and \$1,375,000, respectively. A summary of the City's deferred outflows of resources and deferred inflows of resources related to pensions for the SDTF and JDTF plans as of December 31, 2016, is presented in **Table 61** (dollars in thousands).

Table 61

	SDTF		JDTF		Total	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 11	\$ -	\$ 335	\$ -	\$ 346	\$ -
Changes of assumptions or other inputs	-	9	1,681	-	1,681	9
Net difference between projected and actual earnings on pension plan investments	57	-	973	-	1,030	-
Change in proportion	-	12	-	421	-	433
Contributions subsequent to the measurement date	37	-	468	-	505	-
Total	\$ 105	\$ 21	\$ 3,457	\$ 421	\$ 3,562	\$ 442

The \$37,000 and \$468,000 reported by the SDTF and JDTF plans, respectively, 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, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as presented in **Table 62** (dollars in thousands).

Table 62

Year	SDTF	JDTF
2017	\$ 4	\$ 819
2018	16	819
2019	15	654
2020	12	276
2021	-	-
Thereafter	-	-
Total	\$ 47	\$ 2,568

The total pension liability in the December 31, 2014 actuarial valuation was determined using the actuarial assumptions and other inputs in **Table 63**.

Table 63

	SDTF	JDTF
Price inflation	2.80%	2.80%
Salary increases, including wage inflation	3.90% - 9.57%	4.40% - 5.40%
Investment Rate of Return, net of pension plan investment expenses, including price inflation	7.50%	7.50%

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.

The SDTF's and JDTF'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 most recent analysis on the long-term expected rate of return presented to the PERA Board on November 15, 2013, the target allocation and best estimates of geometric real rates of return for each major asset class are summarized in **Table 64**.

Table 64

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 government 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 Asset Class	100.00%	

SDTF 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 rates 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-retirement 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 plan's fiduciary net position is not projected to be depleted). When AIR cash flow timing is a factor in the SEIR determination process (i.e., the plan's 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 SDTF's 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.

Sensitivity of the City's proportionate share of the net pension liability to changes in the discount rate. Table 65 presents the City's proportionate share of the net pension liability calculated using the discount rate of 7.50%, as well as what the City's 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%) or 1-percentage-point higher (8.50%) than the current rate (dollars in thousands).

Table 65

	1% Decrease 6.50%	Current Discount Rate 7.50%	1% Increase 8.50%
City's proportionate share of the net pension liability	\$ 953	\$ 755	\$ 588

JDTF Discount Rate. The discount rate used to measure the total pension liability was 5.73%. 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 rates 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-retirement 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 plan’s fiduciary net position is not projected to be depleted). When AIR cash flow timing is a factor in the SEIR determination process (i.e., the plan’s 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 projection test indicates the JDTF’s fiduciary net position was projected to be depleted in 2040 and, as a result, the municipal bond index rate was used in the determination of the discount rate. The long-term expected rate of return of 7.50 percent on pension plan investments was applied to periods through 2040 and the municipal bond index rate, the Bond Buyer General Obligation 20-year Municipal Bond Index published monthly by the Board of Governors of the Federal Reserve System, was applied to periods on and after 2040 to develop the discount rate. The discount rate used to measure the total pension liability from the prior measurement date was 6.14%, a change of (0.41)% compared to the current measurement date.

Sensitivity of the City’s proportionate share of the net pension liability to changes in the discount rate. Table 66 presents the City’s proportionate share of the net pension liability calculated using the discount rate of 5.73%, as well as what the City’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.73%) or 1-percentage-point higher (6.73%) than the current rate (dollars in thousands).

Table 66

	1% Decrease 4.73%	Current Discount Rate 5.73%	1% Increase 6.73%
City’s proportionate share of the net pension liability	\$ 14,234	\$ 11,066	\$ 8,361

Pension Plan Fiduciary Net Position. Detailed information about the pension plan’s fiduciary net position is available in the separately issued PERA financial reports found at <https://www.copera.org/investments/pera-financial-reports>.

2. Agent Multiple-Employer Defined Benefit Plans

Denver Old Hire Fire and Police Pension Funds (FPPA Old Hire Fire and Police)

Plan Description. The Old Hire plans are agent multiple-employer defined benefit pension plans that are administered by the Fire and Police Pension Association (FPPA). Authority for the plans, including benefit and contribution provisions, is derived from Title 31, Articles 30, 30.5, and 31 of the Colorado Revised Statutes. The Plans are amended by statute. The plans provide normal, early, vested, or deferred retirement benefits to plan participants. The Old Hire pension plans are for fire fighter and police employees hired before April 8, 1978. The plans are accounted for using the economic resources measurement focus and the accrual basis of accounting and are closed to new entrants. FPPA issues a publicly available comprehensive annual financial report that includes the old hire plans and can be obtained at fppaco.org/toc_frames.html.

Funding Policy. The City is required to contribute to the Old Hire plans at an actuarially determined rate. Modification of the Old Hire plans is regulated by state law and by FPPA Rules and Regulations as authorized by state law. Changes to contribution requirements require an affirmative vote of 65.00% of active members and City Council ordinance. The City's contributions to the FPPA Old Hire Fire and Police plans for the year ended December 31, 2016, were \$13,061,000 and \$5,027,000, respectively.

Plan Membership. The plan membership of the Old Hire plans as of December 31, 2015 is presented in **Table 67**.

Table 67

Members	Old Hire Fire	Old Hire Police	Total
Retirees and beneficiaries	801	1,052	1,853
Inactive, non-retired beneficiaries	-	-	-
Active members	1	-	1
Total	802	1,052	1,854

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources

Related to Pensions. At December 31, 2016, the City reported a liability of \$168,425,000 and \$96,532,000 for the Old Hire Fire and Old Hire Police plans, respectively, for the net pension liability related to the FPPA old hire plans. The net pension liabilities were measured as of December 31, 2015, and the total pension liabilities used to calculate the net pension liabilities was determined by an actuarial valuation as of December 31, 2014. Standard update procedures were used to roll forward the total pension liabilities to December 31, 2015.

The components of the net pension liability of the City as of December 31, 2016, is presented in **Table 68** (dollars in thousands).

Table 68

	Old Hire Fire	Old Hire Police
Total pension liability	\$ 497,664	\$ 702,471
Fiduciary net position	329,239	605,939
Net Pension Liability	\$ 168,425	\$ 96,532

For the year ended December 31, 2016, the City recognized \$44,021,000 and \$43,403,000 of pension expense for the Old Hire Fire and Old Hire Police plans, respectively. A summary of the City's deferred outflows of resources and deferred inflows of resources related to pensions for the Old Hire Fire and Old Hire Police plans as of December 31, 2016, is presented in **Table 69** (dollars in thousands).

Table 69

	Old Hire Fire		Old Hire Police		Total	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Changes of assumptions or other inputs	-	-	-	-	-	-
Net difference between projected and actual earnings on pension plan investments	16,458	-	30,063	-	46,521	-
Contributions subsequent to the measurement date	13,061	-	5,027	-	18,088	-
Total	\$ 29,519	\$ -	\$ 35,090	\$ -	\$ 64,609	\$ -

The \$13,061,000 and \$5,027,000 reported by the Old Hire Fire and Old Hire Police plans, respectively, 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, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as presented in **Table 70** (dollars in thousands).

Table 70

Year	Old Hire Fire	Old Hire Police
2017	\$ 4,217	\$ 7,702
2018	4,217	7,702
2019	4,216	7,703
2020	3,808	6,956
2021	-	-
Thereafter	-	-
Total	\$ 16,458	\$ 30,063

The changes in net pension liability for Old Hire Fire and Old Hire Police plans are presented in **Table 71**.

Table 71

	Old Hire Fire			Old Hire Police		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances as of January 1, 2016	\$ 474,369	\$ 348,877	\$ 125,492	\$ 677,839	\$ 632,808	\$ 45,031
Changes for the year:						
Service cost	-	-	-	-	-	-
Interest	34,026	-	34,026	48,801	-	48,801
Differences between expected and actual experience	(699)	-	(699)	(12,201)	-	(12,201)
Changes of assumptions	32,102	-	32,102	43,358	-	43,358
Contributions - employer	-	16,803	(16,803)	-	18,089	(18,089)
Contributions - employee	-	7	(7)	-	-	-
Net investment income	-	6,174	(6,174)	-	11,278	(11,278)
Benefit payments	(42,134)	(42,134)	-	(55,326)	(55,326)	-
Administrative expense	-	(488)	488	-	(910)	910
Other changes	-	-	-	-	-	-
Total Net Changes	\$ 23,295	\$ (19,638)	\$ 42,933	\$ 24,632	\$ (26,869)	\$ 51,501
Balances as of December 31, 2016	\$ 497,664	\$ 329,239	\$ 168,425	\$ 702,471	\$ 605,939	\$ 96,532

The long-term expected rate of return on pension plan investments was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the Plans target asset allocation as of December 31, 2015 these best estimates are summarized in **Table 72**.

Table 72

Asset Class	Target Allocation	Long-Term Expected Rate of Return
Global equity	37.00%	6.50%
Equity long/short	10.00%	4.70%
Illiquid alternatives	20.00%	8.00%
Fixed income	16.00%	1.50%
Absolute return	11.00%	4.10%
Managed futures	4.00%	3.00%
Cash	2.00%	0.00%
Total	100.00%	

The total pension liability in the December 31, 2014 actuarial valuation was determined using the actuarial assumptions and other inputs reflected in **Table 73**.

Table 73

	Old Hire Fire	Old Hire Police
Investment rate of return	7.50%	7.50%
Salary increases	n/a	n/a
Inflation	3.00%	3.00%

Mortality rates were based on the RP-2000 Combined Mortality Table with Blue Collar Adjustment, projected with Scale AA.

The discount rate used to measure the total pension liability was 7.50%. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the Board's funding policy, which establishes the contractually required rates under Colorado statutes. Based on those assumptions, the plan fiduciary net position was projected to be available to make all the projected future benefit payments of current plan members. Therefore, the long-term expected rate of return of pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City's Net Pension Liability to Changes in the Discount Rate. **Table 74** presents the City's net pension liability/(asset), calculated using a discount rate of 7.50%, as well as what the City's net pension liability/(asset) would be if it were calculated using a discount rate that is 1.00% lower (6.50%) or 1.00% higher (8.50) (dollars in thousands):

Table 74

	1% Decrease 6.50%	Discount 7.50%	1% Increase 8.50%
Old Hire Fire net pension liability	\$ 214,178	\$ 168,425	\$ 129,129
Old Police Fire net pension liability	165,333	96,532	37,907
Total	\$ 379,511	\$ 264,957	\$ 167,036

Pension Plan Fiduciary Net Position. Detailed information about the pension plan's fiduciary net position is available in the separately issued FPPA financial reports found at http://fppaco.org/toc_frames.html.

Each retirement system issues a publicly available financial report that includes financial statements and required supplementary information of that plan. Those reports are available by contacting:

Colorado PERA

P. O. Box 5800
Denver, Colorado 80217-5800

Denver Employees Retirement Plan

777 Pearl Street
Denver, Colorado 80203

Fire and Police Pension Association

5290 DTC Parkway, Suite 100
Greenwood Village, Colorado 80111

Note H – Other Postemployment Benefits

In addition to the pension benefits described in Note IV-G, the City provides health insurance to eligible retirees and their qualifying dependents. Current and retired employees participate in the same group plans with blended premium rates creating an implicit rate subsidy for the retirees in the plans.

- 1. DERP Participants' Plan Description.** The City acts in a cost-sharing multiple-employer capacity by providing health insurance to eligible DERP retirees and their qualified dependents through the City's group insurance plans. As authorized by section 18-412 of the City's Revised Municipal Code, DERP retirees are allowed to participate in the health insurance programs offered to active employees. To be eligible, a retiree must be a minimum of 55 years of age if hired prior to July 1, 2011, and a minimum of 60 years of age if hired after July 1, 2011, with 5 years of service and have begun receiving their pension benefit. Coverage ceases when one reaches Medicare age. As of the December 31, 2015 actuarial valuation, there are 8,422 active employees under age 65 covered under the health insurance plans. In addition, there are 1,107 retired employees not yet covered by Medicare who are covered by the plans. There is no stand-alone financial report for this medical coverage benefit and it is not included in the DERP report.
- 2. Funding Policy for DERP Participants' Plan.** DERP retirees are responsible for 100.00% of the blended premium rate. They may choose to use their health benefit toward the premium costs. The health benefit associated with the DERP pension (see Note IV-H) provides monthly health insurance premium reduction of \$12.50 per year of service for retired participants under the age of 65 and \$6.25 per year of service for retirees age 65 and older. The City's required contribution toward the implicit rate subsidy is based on pay-as-you-go financing.

Contributions made by the City toward the implicit rate subsidy for DERP participants were \$5,208,000, \$5,685,000, and \$5,240,000, for the years ended December 31, 2016, 2015, and 2014, respectively, based on pay-as-you-go financing.

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.

- 3. PERA Participants' Plan Description.** The City acts in cost sharing multiple employer capacity by providing county judges and the District Attorney access to the Health Care Trust Fund ("HCTF"), a healthcare trust administered by PERA. The HCTF benefit 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 C.R.S., 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. The report can be obtained at www.copera.org/investments/pera-financial-reports.
- 4. Funding Policy for PERA Participants' Plan.** The City 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 are established under Title 24, Article 51, Part 4 of the C.R.S., as amended. The apportionment of the contributions to the HCTF is established under Title 24, Article 51, Section 208(1)(f) of the C.R.S., as amended. For the years ending December 31, 2016, 2015, and 2014, respectively the City contributions to the HCTF were \$5,000, \$6,000, and \$5,000, respectively, equal to their required contributions for each year.
- 5. FPPA Participants' Plan Description.** The City acts in a single-employer capacity by providing access to health insurance to eligible FPPA retirees and their qualified dependents through the respective groups' insurance plans. Based on City practice, fire fighter retirees and police officer retirees are allowed to participate in the health insurance programs offered to active employees. Fire fighters and police officers hired prior to April 8, 1978, are eligible for this coverage with a minimum of 25 years of service; however, police officers are also eligible when they begin collecting their pension benefit should they not obtain 25 years of service. For FPPA employees hired after April 7, 1978, they must have elected to begin collecting their pension and be a minimum of 55 years of age with 5 years of service or attained age 50 with 30 years of service. Coverage ceases when one reaches Medicare age. As of the December 31, 2016, actuarial valuation, there are 2,361 active employees under age 65 covered under the health insurance plans. In addition, there are 228 retired employees not yet covered by Medicare who are covered by the plans. There is no stand-alone financial report for this medical coverage benefit and it is not included in the FPPA report.
- 6. Funding Policy for FPPA Participants' Plan.** FPPA retirees are responsible for 100.00% of the blended premium rate. The City's required contribution toward the implicit rate subsidy is based on pay-as-you-go financing.
- 7. Annual Cost and Net Other Post Employment Benefit Obligation for FPPA Participants Plan.** The City's annual other postemployment benefit (OPEB) cost is calculated based on the Annual Required Contributions (ARC), an amount actuarially determined in accordance with the parameters of GASB 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 Accrued Liabilities (AAL) over a period of 30 years. **Table 75** (dollars in thousands) details the components of the City's annual OPEB cost for the year, the amount contributed, and changes in the City's net OPEB obligation.

Table 75

Employer's normal cost	\$	1,773
Amortization of unfunded AAL		1,508
Interest on net OPEB obligation		625
Adjustment to ARC		(622)
Annual OPEB Cost		3,284
Employer contribution		1,834
Increase in net OPEB obligation		1,450
Net OPEB obligation - January 1		15,639
Net OPEB Obligation - December 31	\$	17,089

The annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB Obligation for the year ended December 31, 2016, and the two preceding years are detailed in **Table 76** (dollars in thousands).

Table 76

Fiscal Year Ended	Annual OPEB Cost	Contributions	% of Annual Cost OPEB Contributions	Net OPEB Obligations
December 31, 2014	\$ 4,236	\$ 1,800	42.5%	\$ 13,148
December 31, 2015	4,431	1,940	43.8%	15,639
December 31, 2016	3,284	1,834	55.8%	17,089

8. **Funded Status and Funding Progress for FPPA Participants Plan.** The funded status for the year ended December 31, 2016, is presented in **Table 77** (dollars in thousands).

Table 77

	OPEB
Actuarial accrued liability (AAL)	\$ 39,396
Actuarial value of plan assets	-
Unfunded AAL (UAAL)	\$ 39,396
Funded ratio	0.00%
Covered payroll	\$ 210,650
UAAL as a % of covered payroll	18.7%

Actuarial valuations of an ongoing plan involve the 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 revisions 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.

9. **Actuarial Methods and Assumptions.** Projections and benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and included in the types of benefits provided at the time of each valuation and the historic pattern of benefit costs between the employer and the 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 long-term perspective of calculations. **Table 78** details the actuarial methods and assumptions used.

Table 78

OPEB	
Actuarial valuation date	12/31/16
Actuarial cost method	Entry age normal
Amortization method	Level % of pay
Remaining amortization period	30 years, open
Actuarial assumptions:	
Investment rate of return	4.00%
Healthcare cost trend	Grading from 8.5% decreasing by .5% per year to 5% thereafter
General inflation	3% annually
Projected salary increases	4.00%

* * *

Required Supplementary Information Budgetary Comparison Schedule - General Fund and Human Services Special Revenue Fund

Year Ended December 31, 2016 (dollars in thousands)

	General Fund			
	Budget		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Taxes	\$ 821,792	\$ 832,852	\$ 833,917	\$ 1,065
Licenses and permits	44,925	47,737	59,593	11,856
Intergovernmental revenues	32,787	34,204	34,414	210
Charges for services	198,561	198,906	193,659	(5,247)
Investment and interest income	7,218	8,806	8,308	(498)
Fines and forfeitures	57,658	55,773	48,893	(6,880)
Contributions	-	-	-	-
Other revenue	7,964	11,631	10,666	(965)
Total Revenues	1,170,905	1,189,909	1,189,450	(459)
Budget Basis Expenditures				
General government	359,490	319,872	261,419	58,453
Public safety	491,483	547,371	539,764	7,607
Public works	117,151	138,169	138,984	(815)
Human services	-	3,857	3,857	-
Health	49,774	49,774	49,194	580
Parks and recreation	63,345	68,043	64,647	3,396
Cultural activities	43,191	45,630	45,500	130
Community development	24,295	32,763	29,464	3,299
Economic Opportunity	4,739	558	558	-
Total Budget Basis Expenditures	1,153,468	1,206,037	1,133,387	72,650
Excess (deficiency) of revenues over budget basis expenditures	17,437	(16,128)	56,063	72,191
Other Financing Sources (Uses)				
Issuance of capital leases	-	-	373	373
Insurance recoveries	-	-	191	191
Transfers in	41,193	41,817	51,333	9,516
Transfers out	118,454	120,121	(104,737)	(224,858)
Total Other Financing Sources (Uses)	159,647	161,938	(52,840)	(214,778)
Excess (deficiency) of revenues and other financing sources over budget basis expenditures and other financing uses	\$ 177,084	\$ 145,810	3,223	\$ (142,587)
Fund balances - January 1			394,200	
Fund Balance - December 31			\$ 397,423	

See accompanying notes to required supplementary information.

Human Services Special Revenue Fund				
Budget		Actual	Variance with Final Budget	
Original	Final			
\$ 64,352	\$ 64,869	\$ 64,569	\$ (300)	
-	-	-	-	
87,564	92,929	92,793	(136)	
386	11	469	458	
-	-	-	-	
-	-	-	-	
-	-	42	42	
<u>13,848</u>	<u>21,100</u>	<u>505</u>	<u>(20,595)</u>	
<u>166,150</u>	<u>178,909</u>	<u>158,378</u>	<u>(20,531)</u>	
-	-	-	-	
-	-	-	-	
-	-	-	-	
168,793	166,883	143,039	23,844	
-	-	-	-	
-	-	-	-	
-	-	-	-	
-	-	-	-	
<u>168,793</u>	<u>166,883</u>	<u>143,039</u>	<u>23,844</u>	
(2,643)	12,026	15,339	3,313	
-	-	-	-	
-	-	-	-	
-	-	3,575	3,575	
<u>(1,589)</u>	<u>(1,589)</u>	<u>(1,589)</u>	<u>-</u>	
<u>(1,589)</u>	<u>(1,589)</u>	<u>1,986</u>	<u>3,575</u>	
<u>\$ (4,232)</u>	<u>\$ 10,437</u>	17,325	<u>\$ 6,888</u>	
		58,704		
		<u>\$ 76,029</u>		

Notes to Required Supplementary Information Budgetary Comparison Schedule

The City adheres to the following procedures in establishing the budgetary data for governmental fund types reflected in the financial statements:

1. Formal budgetary integration for expenditures is employed during the year for the general, special revenue, and capital projects funds except for certain special assessment projects and general improvement district funds. Formal budgetary integration is not employed for debt service funds, and certain special assessment projects and general improvement district funds included in capital projects and debt service funds, because effective budgetary control is alternatively achieved through bond and general obligation bond indenture provisions.
2. Budgets for appropriation in the General, Human Services special revenue, and capital projects funds are adopted on a basis consistent with GAAP. The General Fund and Human Services special revenue fund legally adopt budgets on an annual basis for expenditures. All other special revenue funds and the capital projects funds adopt budgets on a project length basis.
3. On or before July 1, heads of all City departments and agencies submit requests for appropriations to the budget officer who compiles the requests and submits a comprehensive budget request document to the Mayor. Thereafter, on or before September 15 of each year, the Mayor briefs the City Council on the tentative revenue and expenditure plans for the ensuing year. After receiving and considering City Council's recommendations, the Mayor prepares and submits to the City Council, on or before the third Monday in October of each year, a proposed budgetary report which includes all projected revenues and expenditures, the amount to be raised by taxation to pay interest on general obligation bonded indebtedness, and the amounts to be expended during the ensuing year for capital improvement projects identifying the sources of revenue for financing such projects. Upon receipt of the proposed budget, the City Council publishes a notice that the budget is open for inspection by the public and that a public hearing on the proposed budget will be held by no later than the fourth Monday in October. After the public hearing and consideration is given to the input by the public, the City Council, not later than the second Monday in November, adopts the budget by passage of an ordinance.
4. Authorization to transfer budgeted amounts between departments (appropriations) within any fund or revisions that alter the total expenditures of any fund must be approved by the City Council. Management can transfer budgeted amounts between line items within departments (appropriations). The legal level of budgetary control is established and maintained at the funded project level for special revenue and capital projects funds and at the department level for all other funds. Budgeted amounts are as originally adopted and as amended by the City Council throughout the year.
5. Unencumbered appropriations in the General Fund and Human Services special revenue fund lapse at year end. The unencumbered appropriations in the remaining special revenue funds and capital projects funds do not lapse at year end, but terminate upon expiration of the grant or project fiscal year or term.

Required Supplementary Information Other Postemployment Benefits - Implicit Rate Subsidy

December 31, 2016 (dollars in thousands)

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability - Entry Age	Unfunded Actuarial Accrued Liability	Funded Ratio	Covered Payroll	Unfunded Actuarial Accrued Liability as a % of Covered Payroll
DERP						
December 31, 2014	\$ -	\$ 73,738	\$ 73,738	0.0%	\$ 487,408	15.1%
December 31, 2015	-	73,495	73,495	0.0%	503,249	14.6%
December 31, 2016	-	79,371	79,371	0.0%	526,301	15.1%
FPPA						
December 31, 2014	\$ -	\$ 47,906	\$ 47,906	0.0%	\$ 201,756	23.7%
December 31, 2015	-	50,461	50,461	0.0%	209,829	24.0%
December 31, 2016	-	39,396	39,396	0.0%	210,650	18.7%

Schedule of Employer Contributions

Year Ended	Employer Contributions			
	DERP		FPPA	
	Annual Required Contribution	Percentage Contributed	Annual Required Contribution	Percentage Contributed
December 31, 2014	\$ 4,987	105.1%	\$ 4,234	42.2%
December 31, 2015	5,048	112.5%	4,431	43.8%
December 31, 2016	5,480	95.0%	3,284	55.8%

Required Supplementary Information

Schedule of City's Proportionate Share of the Net Pension Liability - DERP

December 31, 2016 (dollars in thousands)

City's Proportion of the Net Pension Liability (Asset)	City's Proportionate Share of the Net Pension Liability (Asset)	City's Covered - Employee Payroll	City's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered - Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
DERP				
December 31, 2015	88.88%	\$ 778,462	\$ 511,922	152.07%
December 31, 2016	89.51%	1,055,539	560,157	188.44%

Note: Information is not available prior to 2015. In future reports, additional years will be added until 10 years of historical data are presented.

Note: Information presented in this schedule has been determined as of the City's measurement date (December 31 of the year prior to the most recent fiscal year) of the collective net pension liability in accordance with Governmental Accounting Standards Board Statement No. 68.

Required Supplementary Information Schedule of City Contributions - DERP

December 31, 2016 (dollars in thousands)

	Statutorily Required Contributions	Contributions in Relation to Statutorily Required Contribution	Contribution Deficiency (Excess)	City's Covered Employee Payroll	Contributions as a % of Covered Employee Payroll
DERP					
December 31, 2015	\$ 64,443	\$ 60,181	\$ 4,262	\$ 560,157	10.74%
December 31, 2016	59,159	64,345	(5,186)	574,914	11.19%

Note: Information is not available prior to 2015. In future reports, additional years will be added until 10 years of historical data are presented.

Note: Information presented in this schedule has been determined as of the City's most recent fiscal year end (December 31) in accordance with Governmental Accounting Standards Board Statement No. 68.

Note: There were no benefit changes during the year.

As of October 1, 2015, the valuation interest was lowered from 8% to 7.75%. The latest experience study was conducted in 2013 covering the 5-year period of January 1, 2008 to December 31, 2012. At the time, the recommended mortality table was expected to produce a margin of 8% on the retired male mortality experience and 7% on the retired female experience (Source: Denver Employees Retirement Plan 2013 Actuarial Experience Study for the period ending December 31, 2012, page 24).

Required Supplementary Information Schedule of City's Proportionate Share of the Net Pension Liability - FPPA SWDB

December 31, 2016 (dollars in thousands)

	City's Proportion of the Net Pension Liability (Asset)	City's Proportionate Share of the Net Pension Liability (Asset)	City's Covered - Employee Payroll	City's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered - Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
FPPA SWDB					
December 31, 2015	39.51%	\$ (44,591)	\$ 230,820	19.32%	106.80%
December 31, 2016	39.81%	\$ (701)	\$ 251,518	0.28%	100.10%

Note: Information is not available prior to 2015. In future reports, additional years will be added until 10 years of historical data are presented.

Note: Information presented in this schedule has been determined as of the City's measurement date (December 31 of the year prior to the most recent fiscal year) of the collective net pension liability in accordance with Governmental Accounting Standards Board Statement No. 68.

Required Supplementary Information Schedule of City Contributions - FPPA SWDB

December 31, 2016 (dollars in thousands)

	Statutorily Required Contributions	Contributions in Relation to Statutorily Required Contribution	Contribution Deficiency (Excess)	City's Covered Employee Payroll	Contributions as a % of Covered Employee Payroll
FPPA					
SWDB					
December 31, 2015	\$ 20,121	\$ 15,299	\$ 4,822	\$ 251,518	6.08%
December 31, 2016	20,561	15,648	4,913	257,016	6.09%

Note: Information is not available prior to 2015. In future reports, additional years will be added until 10 years of historical data are presented.

Note: Information presented in this schedule has been determined as of the City's most recent fiscal year end (December 31) in accordance with Governmental Accounting Standards Board Statement No. 68.

Note: Changes in Assumptions. At least every five years, the FPPA's Board of Directors, in accordance with best practices, reviews its economic and demographic actuarial assumptions. At its July 2015 meeting, the Board of Directors reviewed and approved recommended changes to the actuarial assumptions. The recommendations were made by the FPPA's actuaries, Gabriel, Roeder, Smith & Co., based upon their analysis of past experience and expectations of the future. The assumption changes were effective for actuarial valuations beginning January 1, 2016 and were used in the rollforward calculation of total pension liability as of December 31, 2015. Actuarial assumptions effective for actuarial valuations prior to January 1, 2016 were used in the determination of the actuarially determined contributions as of December 31, 2015. The actuarial assumptions impact actuarial factors for benefit purposes such as purchases of service credit and other benefits where actuarial factors are used.

Required Supplementary Information
Schedule of City's Contributions - FPPA Old Hire Fire and Police

December 31, 2016 (dollars in thousands)

FPPA	Statutorily Required Contributions	Contributions in Relation to Actuarially Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Employee Payroll	Contributions as a % of Covered Employee Payroll
Old Hire Fire					
December 31, 2015	\$ 13,061	\$ 15,912	\$ (2,851)	139	11447.48%
December 31, 2016	13,053	13,061	(8)	90	14512.22%
Old Hire Police					
December 31, 2015	\$ 16,262	\$ 18,977	\$ (2,715)	102	18604.90%
December 31, 2016	5,027	5,027	-	n/a	n/a

Note: Information is not available prior to 2015. In future reports, additional years will be added until 10 years of historical data are presented.

Note: Information presented in this schedule has been determined as of the City's most recent fiscal year end (December 31) in accordance with Governmental Accounting Standards Board Statement No. 68.

Notes to Schedule

Valuation date: Actuarially determined contributions rates are calculated as of January 1 of even numbered years.

The contribution rates have a one-year lag, so the actuarial valuation as of January 1, 2012, determines the contribution amounts for 2013 and 2014.

Employer Contributions

Methods and assumptions used to determine contribution rates:	Old Hire Fire	Old Hire Police
Actuarial cost method	Entry Age Normal	Entry Age Normal
Amortization method	Level Dollar, Open	Level Dollar, Open
Remaining amortization period	18 Years	20 Years
Asset valuation method	5-Year smoothed market	5-Year smoothed market
Inflation	3.00%	3.00%
Salary increases	N/A	N/A
Investment rate of return	7.50%	7.50%
Retirement age	Any remaining actives are assumed to retire immediately.	Any remaining actives are assumed to retire immediately.
Mortality	Post-retirement: RP-2000 Combined Mortality Table, with Blue Collar Adjustment Disabled: RP-2000 Disabled Mortality Table All tables projected with Scale AA.	Post-retirement: RP-2000 Combined Mortality Table, with Blue Collar Adjustment Disabled: RP-2000 Disabled Mortality Table All tables projected with Scale AA.

Required Supplementary Information

Schedule of City's Proportionate Share of the Net Pension Liability - PERA

December 31, 2016 (dollars in thousands)

	City's Proportion of the Net Pension Liability (Asset)	City's Proportionate Share of the Net Pension Liability (Asset)	City's Covered - Employee Payroll	City's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered - Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
PERA SDTF					
December 31, 2015	0.007%	\$ 674	\$ 207	325.60%	59.80%
December 31, 2016	0.007%	755	221	341.63%	56.10%
PERA JDTF					
December 31, 2015	6.400%	\$ 8,854	\$ 2,800	316.21%	66.90%
December 31, 2016	6.018%	11,066	2,986	370.60%	60.10%

Note: Information is not available prior to 2015. In future reports, additional years will be added until 10 years of historical data are presented.

Note: Information presented in this schedule has been determined as of the City's measurement date (December 31 of the year prior to the most recent fiscal year) of the collective net pension liability in accordance with Governmental Accounting Standards Board Statement No. 68.

Required Supplementary Information

Schedule of City's Contributions - PERA

December 31, 2016 (dollars in thousands)

PERA	Statutorily Required Contributions	Contributions in Relation to Statutorily Required Contribution	Contribution Deficiency (Excess)	City's Covered Employee Payroll	Contributions as a % of Covered Employee Payroll
SDTF					
December 31, 2015	\$ 36	\$ 37	\$ (1)	\$ 221	16.74%
December 31, 2016	37	37	-	203	18.23%
JDTF					
December 31, 2015	\$ 488	\$ 488	\$ -	\$ 2,986	16.34%
December 31, 2016	468	468	-	2,864	16.34%

Note: Information is not available prior to 2015. In future reports, additional years will be added until 10 years of historical data are presented.

Note: Information presented in this schedule has been determined as of the City's most recent fiscal year end (December 31) in accordance with Governmental Accounting Standards Board Statement No. 68.

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

- The following changes were made:
 - Valuation of the full survivor benefit without any reduction for possible remarriage
 - Reflection of the employer match on separation benefits for all eligible years
 - Reflection of one year of service eligibility for survivor annuity benefit
 - Refinement of the 18 month annual increase timing
 - Refinements to directly value certain and life, modified cash refund and pop-up benefit forms.
- The following methodology changes were made:
 - Recognition of merit salary increases in the first projection year
 - Elimination of the assumption that 35% of future disabled members elect to receive a refund
 - Removal of the negative value adjustment for liabilities associated with refunds of future terminating members
 - Adjustments to the timing of the normal cost and unfunded actuarial accrued liability payment calculations to reflect contributions throughout the year

Required Supplementary Information**Schedule of Changes in the City's Net Pension Liability and Related Ratios - FPPA Old Hire Fire**

(dollars in thousands)

FPPA Old Hire Fire	2015	2016
Total pension liability		
Service Cost	\$ -	\$ -
Interest	34,596	34,026
Changes of benefit terms	-	-
Differences between actual and expected experience	-	(699)
Changes of assumptions	-	32,102
Benefit payments, including refunds of employee contributions	(42,249)	(42,134)
Net change in total pension liability	(7,653)	23,295
Total pension liability - beginning	482,022	474,369
Total pension liability - ending	\$ 474,369	\$ 497,664
Plan fiduciary net position		
Contributions - employer	\$ 13,944	\$ 16,803
Contributions - employee	7	7
Net investment income	23,465	6,174
Benefit payments, including refunds of employee contributions	(42,249)	(42,134)
Administrative expense	(545)	(488)
Net change in plan fiduciary net position	(5,378)	(19,638)
Plan fiduciary net position - beginning	354,255	348,877
Plan fiduciary net position - ending	\$ 348,877	\$ 329,239
Net Pension Liability	\$ 125,492	\$ 168,425
Plan fiduciary net position as a percentage of the total pension liability	73.55%	66.16%
Covered employee payroll	87	90
Net pension liability as a percentage of covered employee payroll	143734.99%	187436.70%

Note: Information is not available prior to 2015. In future reports, additional years will be added until 10 years of historical data are presented.

Note: Information presented in this schedule has been determined as of the City's measurement date (December 31 of the year prior recent fiscal year) of the collective net pension liability in accordance with Governmental Accounting Standards Board Statement No. 68.

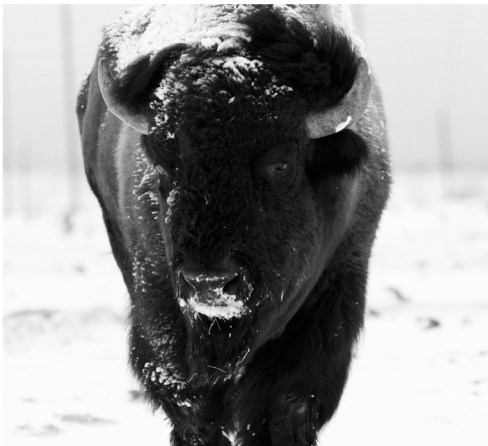
Required Supplementary Information**Schedule of Changes in the City's Net Pension Liability and Related Ratios - FPPA Old Hire Police**

(dollars in thousands)

FPPA Old Hire Police	2015	2016
Total pension liability		
Service Cost	\$ -	\$ -
Interest	49,249	48,801
Changes of benefit terms	-	-
Differences between actual and expected experience	-	(12,201)
Changes of assumptions	-	43,358
Benefit payments, including refunds of employee contributions	(55,137)	(55,326)
Net change in total pension liability	(5,888)	24,632
Total pension liability - beginning	683,727	677,839
Total pension liability - ending	\$ 677,839	\$ 702,471
Plan fiduciary net position		
Contributions - employer	\$ 16,262	\$ 18,089
Contributions - employee	5	-
Net investment income	42,091	11,278
Benefit payments, including refunds of employee contributions	(55,137)	(55,326)
Administrative expense	(977)	(910)
Net change in plan fiduciary net position	2,244	(26,869)
Plan fiduciary net position - beginning	630,564	632,808
Plan fiduciary net position - ending	\$ 632,808	\$ 605,939
Net Pension Liability	\$ 45,031	\$ 96,532
Plan fiduciary net position as a percentage of the total pension liability	93.36%	86.26%
Covered employee payroll	90	n/a
Net pension liability as a percentage of covered employee payroll	50070.05%	n/a

Note: Information is not available prior to 2015. In future reports, additional years will be added until 10 years of historical data are presented.

Note: Information presented in this schedule has been determined as of the City's measurement date (December 31 of the year prior to the most recent fiscal year) of the collective net pension liability in accordance with Governmental Accounting Standards Board Statement No. 68.



Governmental Funds

NonMajor Governmental Funds

Special Revenue Funds

Special revenue funds are operating funds used to account for the proceeds of specific revenue sources that are intended for specific purposes other than special assessments or major capital projects.

- **General Government** - to account for the proceeds of revenue not specifically accounted for in another special revenue fund.
- **Public Safety** - to account for the proceeds of revenue to be used for public safety purposes.
- **Health** - to account for the proceeds of revenue to be used for expenditures in connection with health related purposes and activities.
- **Culture and Recreation** - to account for the proceeds of revenue to be used in providing culture and recreation services.
- **Community Development** - to account for the proceeds of revenue to be used for community development purposes and activities.
- **Economic Opportunity** - to account for the proceeds of revenue to be used in providing economic opportunity services.
- **Special Funds** - to account for resources by agreement for various purposes.
- **General Improvement Districts** - to account for the financial resources segregated for the financing of improvements of properties within the general improvement districts.

Debt Service Funds

Debt service funds are used to account for the payment of principal and interest on long-term debt. Debt Service revenues are from taxes and other operating revenues, some of which are pledged specifically to repay certain outstanding bond issues.

- **Bond Principal** - to account for resources used for the payment of principal on governmental long-term debt.
- **Bond Interest** - to account for resources used for the payment of interest on governmental long-term debt.
- **Excise Tax Revenue Bond** - to account for the accumulation of funds for the payment of principal and interest on the Excise Tax Revenue bonds.
- **General Improvement Districts** - to account for the financial activities associated with the payment of principal and interest on General Improvement District general obligation bonds.

Capital Projects Funds

Capital projects funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds and trust funds.

- **Winter Park Capital Fund** - to account for financial resources from the Winter Park Trust.
- **Capital Improvements** - to account for financial resources segregated for the acquisition of major capital projects of the City other than those financed by bond projects, other capital projects, enterprise funds, and internal service funds.
- **Conservation Trusts** - to account for the proceeds from State Lottery Funds, investment earnings, and refunds; all used for parks and recreation capital improvements.
- **Bond Projects Capital Fund** - to account for the proceeds from the issuance of long-term debt to be used for paying the cost of projects as set forth in bond issuing ordinances.
- **Other Capital Projects** - to account for financial resources segregated for the financing of major capital projects for which grant or other funds will be used.
- **Entertainment and Culture** - to account for surplus seat tax used for capital improvements to entertainment and cultural facilities owned by the City that generate seat taxes.
- **Special Assessments** - to account for the financing of improvements and maintenance deemed to benefit properties against which special assessments are levied.

Permanent Fund

Cableland Trust - to account for resources by ordinance to be used to maintain the residence known as Cableland.

Governmental Individual Fund Schedules and Statements

- **General Fund and Human Services Special Revenue Fund** - Schedules of Expenditures Compared with Authorizations.
- **General Fund** - Comparative Balance Sheets and Comparative Statements of Revenues, Expenditures, and Changes in Fund Balance.

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Combining Balance Sheet - Nonmajor Governmental Funds

December 31, 2016 (dollars in thousands)

	Special Revenue	Debt Service	Capital Projects	Cableland Trust	Total
Assets					
Cash on hand	\$ 7,863	\$ -	\$ -	\$ -	\$ 7,863
Cash and cash equivalents	85,310	130,564	525,250	667	741,791
Receivables (net of allowances for uncollectibles of \$85,567):					
Taxes	46,514	118,095	65,167	-	229,776
Notes	58,431	-	-	-	58,431
Accounts	37,341	-	8,509	-	45,850
Accrued interest	143	681	2,174	23	3,021
Interfund receivable	1,224	-	-	-	1,224
Due from other governments	14,460	-	17,053	-	31,513
Prepaid items and other assets	181	2,846	3,293	-	6,320
Restricted assets:					
Cash and cash equivalents	2,055	327	-	3,000	5,382
Assets held for disposition	730	-	-	-	730
Total Assets	\$ 254,252	\$ 252,513	\$ 621,446	\$ 3,690	\$ 1,131,901
Liabilities, Deferred Inflows of Resources, and Fund Balances					
Liabilities:					
Vouchers payable	\$ 21,911	\$ -	\$ 41,253	\$ -	\$ 63,164
Accrued liabilities	882	3	70	-	955
Due to taxing units	118	128	15	-	261
Interfund payable	1,750	-	27	-	1,777
Unearned revenue	2,865	-	6,058	-	8,923
Advances	8,112	-	2,839	-	10,951
Compensated absences	51	-	-	-	51
Total Liabilities	35,689	131	50,262	-	86,082
Deferred Inflows of Resources:					
Unavailable revenues - property tax	42,875	113,364	65,293	-	221,532
Unavailable revenues - long-term receivables	28,589	-	3,735	-	32,324
Total Deferred Inflows of Resources	71,464	113,364	69,028	-	253,856
Fund Balances:					
Nonspendable	181	2,846	3,293	3,000	9,320
Restricted	122,318	136,172	498,863	690	758,043
Committed	24,041	-	-	-	24,041
Assigned	559	-	-	-	559
Unassigned	-	-	-	-	-
Total Fund Balances	147,099	139,018	502,156	3,690	791,963
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 254,252	\$ 252,513	\$ 621,446	\$ 3,690	\$ 1,131,901

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Funds

For the Year Ended December 31, 2016 (dollars in thousands)

	Special Revenue	Debt Service	Capital Projects	Cableland Trust	Total
Revenues					
Taxes:					
Facilities development admission	\$ -	\$ -	\$ 12,401	\$ -	\$ 12,401
Lodgers	24,634	39,269	-	-	63,903
Property	43,961	111,542	63,778	-	219,281
Sales and use	21,377	40,543	1,379	-	63,299
Specific ownership	39	18	-	-	57
Telephone	6,775	-	-	-	6,775
Special assessments	-	-	1,282	-	1,282
Licenses and permits	1,642	-	-	-	1,642
Intergovernmental revenues	64,645	-	37,810	-	102,455
Charges for services	72,947	-	95	-	73,042
Investment and interest income	2,381	1,744	6,142	86	10,353
Fines and forfeitures	540	-	-	-	540
Contributions	3,100	-	3,567	-	6,667
Other revenue	43,065	6,192	1,861	-	51,118
Total Revenues	285,106	199,308	128,315	86	612,815
Expenditures					
Current:					
General government	75,330	-	39,316	-	114,646
Public safety	67,555	-	-	-	67,555
Public works	8,926	-	44,079	-	53,005
Health	10,195	-	2,433	-	12,628
Parks and recreation	2,698	-	8,520	-	11,218
Cultural activities	63,503	-	6,527	-	70,030
Community development	13,090	-	4,414	-	17,504
Economic opportunity	14,030	-	-	-	14,030
Debt service:					
Principal retirement	18,365	77,906	1,800	-	98,071
Interest	11,308	46,392	1,782	-	59,482
Bond issuance costs	-	1,119	954	-	2,073
Capital outlay	-	-	99,506	-	99,506
Total Expenditures	285,000	125,417	209,331	-	619,748
Excess (deficiency) of revenues over (under) expenditures	106	73,891	(81,016)	86	(6,933)
Other Financing Sources (Uses)					
Sale of capital assets	54	-	1,027	-	1,081
Bond premium	-	12,809	18,048	-	30,857
Bond proceeds - refunding	-	193,140	-	-	193,140
Note Proceeds	-	3,000	-	-	3,000
Payment to escrow	-	(193,979)	-	-	(193,979)
Issuance of bonds	-	-	204,170	-	204,170
Insurance recoveries	1,126	-	244	-	1,370
Transfers in	32,390	-	95,599	-	127,989
Transfers out	(17,737)	(23,322)	(36,994)	(194)	(78,247)
Total Other Financing Sources (Uses)	15,833	(8,352)	282,094	(194)	289,381
Net change in fund balances	15,939	65,539	201,078	(108)	282,448
Fund balances - January 1	131,160	73,479	301,078	3,798	509,515
Fund Balances - December 31	\$ 147,099	\$ 139,018	\$ 502,156	\$ 3,690	\$ 791,963

Combining Balance Sheet - Nonmajor Special Revenue Funds

December 31, 2016 (dollars in thousands)

	General Government	Public Safety	Health
Assets			
Cash on hand	\$ 1,782	\$ -	\$ -
Cash and cash equivalents	23,953	14,583	-
Receivables (net of allowances for uncollectibles of \$80,914)			
Taxes	3,677	35,696	-
Notes	10,834	-	-
Accounts	1,504	3,264	124
Accrued interest	53	8	-
Interfund receivable	-	-	-
Due from other governments	2,746	2,256	3,025
Prepaid items and other assets	-	-	-
Restricted assets:			
Cash and cash equivalents	-	-	-
Assets held for disposition	-	-	-
Total Assets	44,549	55,807	3,149
Liabilities, Deferred Inflows of Resources, and Fund Balances			
Liabilities:			
Vouchers payable	5,053	2,107	923
Accrued liabilities	21	517	34
Due to taxing units	-	118	-
Interfund payable	16	-	578
Unearned revenue	1,117	724	719
Advances	1,978	17	-
Compensated absences	51	-	-
Total Liabilities	8,236	3,483	2,254
Deferred Inflows of Resources:			
Unavailable revenues - property tax	-	35,696	-
Unavailable revenues - long-term receivables	687	203	-
Total Deferred Inflows of Resources	687	35,899	-
Fund Balances:			
Nonspendable	-	-	-
Restricted	35,626	16,425	895
Committed	-	-	-
Assigned	-	-	-
Unassigned	-	-	-
Total Fund Balances	35,626	16,425	895
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 44,549	\$ 55,807	\$ 3,149

Culture and Recreation	Community Development	Economic Opportunity	Special Funds	General Improvement Districts	Total
\$ 6,081	\$ -	\$ -	\$ -	\$ -	\$ 7,863
33,380	4,188	-	8,671	535	85,310
-	6,690	-	-	451	46,514
-	47,597	-	-	-	58,431
3,527	-	-	28,870	52	37,341
9	22	-	51	-	143
-	-	1,224	-	-	1,224
405	4,038	1,990	-	-	14,460
181	-	-	-	-	181
-	234	-	1,803	18	2,055
-	730	-	-	-	730
43,583	63,499	3,214	39,395	1,056	254,252
9,430	1,968	2,087	316	27	21,911
116	49	58	87	-	882
-	-	-	-	-	118
23	48	927	158	-	1,750
253	-	52	-	-	2,865
6,117	-	-	-	-	8,112
-	-	-	-	-	51
15,939	2,065	3,124	561	27	35,689
-	6,728	-	-	451	42,875
20	-	-	27,679	-	28,589
20	6,728	-	27,679	451	71,464
181	-	-	-	-	181
3,402	54,706	90	11,155	19	122,318
24,041	-	-	-	-	24,041
-	-	-	-	559	559
-	-	-	-	-	-
27,624	54,706	90	11,155	578	147,099
\$ 43,583	\$ 63,499	\$ 3,214	\$ 39,395	\$ 1,056	\$ 254,252

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Special Revenue Funds

For the Year Ended December 31, 2016 (dollars in thousands)

	General Government	Public Safety	Health
Revenues			
Taxes:			
Lodgers	\$ 24,634	\$ -	\$ -
Property	4,663	38,756	-
Sales and use	21,377	-	-
Specific ownership	-	-	-
Telephone	-	-	-
Licenses and permits	1,642	-	-
Intergovernmental revenues	9,982	25,411	10,226
Charges for services	6,558	8,067	9
Investment and interest income	383	8	-
Fines and forfeitures	-	540	-
Contributions	995	16	195
Other revenue	10,552	425	3
Total Revenues	80,786	73,223	10,433
Expenditures			
Current:			
General government	74,864	1	-
Public safety	191	67,364	-
Public works	877	-	-
Health	18	-	10,177
Parks and recreation	-	-	-
Cultural activities	-	-	-
Community development	-	-	-
Economic opportunity	265	-	-
Debt service:			
Principal retirement	-	75	-
Interest	-	-	-
Total Expenditures	76,215	67,440	10,177
Excess (deficiency) of revenues over (under) expenditures	4,571	5,783	256
Other Financing Sources (Uses)			
Sale of capital asset	-	-	-
Insurance recoveries	1,109	-	-
Transfers in	3,159	387	31
Transfers out	(2,251)	(1,300)	(8)
Total Other Financing Sources (Uses)	2,017	(913)	23
Net change in fund balances	6,588	4,870	279
Fund balances - January 1	29,038	11,555	616
Fund Balances - December 31	\$ 35,626	\$ 16,425	\$ 895

Cultural and Recreation	Community Development	Economic Opportunity	Special Funds	General Improvement District	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 24,634
-	-	-	-	542	43,961
-	-	-	-	-	21,377
-	-	-	-	39	39
-	-	-	6,775	-	6,775
-	-	-	-	-	1,642
538	10,832	7,656	-	-	64,645
51,325	-	6,393	595	-	72,947
31	1,150	-	804	5	2,381
-	-	-	-	-	540
1,894	-	-	-	-	3,100
25,598	103	180	6,184	20	43,065
79,386	12,085	14,229	14,358	606	285,106
62	-	-	-	403	75,330
-	-	-	-	-	67,555
-	-	-	8,049	-	8,926
-	-	-	-	-	10,195
2,695	-	-	3	-	2,698
63,503	-	-	-	-	63,503
-	13,090	-	-	-	13,090
-	-	13,765	-	-	14,030
-	-	-	18,290	-	18,365
-	-	-	11,308	-	11,308
66,260	13,090	13,765	37,650	403	285,000
13,126	(1,005)	464	(23,292)	203	106
-	-	-	54	-	54
17	-	-	-	-	1,126
3,113	-	-	25,700	-	32,390
(9,779)	(6)	(2)	(4,391)	-	(17,737)
(6,649)	(6)	(2)	21,363	-	15,833
6,477	(1,011)	462	(1,929)	203	15,939
21,147	55,717	(372)	13,084	375	131,160
\$ 27,624	\$ 54,706	\$ 90	\$ 11,155	\$ 578	\$ 147,099

Combining Balance Sheet - Nonmajor Debt Service Funds

December 31, 2016 (dollars in thousands)

	Bond Principal	Bond Interest	Excise Tax Revenue Bond	General Improvement Districts	Total
Assets					
Cash and cash equivalents	\$ 29,916	\$ 44,081	\$ 56,413	\$ 154	\$ 130,564
Receivables (net of allowances for uncollectibles of \$489):					
Taxes	99,440	13,372	5,280	3	118,095
Accrued interest	-	306	375	-	681
Prepaid items and other assets	-	-	-	2,846	2,846
Restricted assets:					
Cash and cash equivalents	-	-	-	327	327
Total Assets	\$ 129,356	\$ 57,759	\$ 62,068	\$ 3,330	\$ 252,513
Liabilities, Deferred Inflows of Resources, and Fund Balances					
Accrued Liabilities	-	-	-	3	3
Due to taxing unit	73	45	-	10	128
Total Liabilities Balance	73	45	-	13	131
Deferred Inflows of Resources:					
Unavailable revenues - property tax	99,927	13,437	-	-	113,364
Total of Deferred Inflows of Resources	99,927	13,437	-	-	113,364
Fund Balances:					
Nonspendable	-	-	-	2,846	2,846
Restricted	29,356	44,277	62,068	471	136,172
Total Fund Balances	29,356	44,277	62,068	3,317	139,018
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 129,356	\$ 57,759	\$ 62,068	\$ 3,330	\$ 252,513

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Debt Service Funds

For the Year Ended December 31, 2016 (dollars in thousands)

	Bond Principal	Bond Interest	Excise Tax Revenue Bond	General Improvement Districts	Total
Revenues					
Taxes:					
Lodgers	\$ -	\$ -	\$ 39,269	\$ -	\$ 39,269
Property	71,131	39,249	-	1,162	111,542
Sales and use	-	-	40,543	-	40,543
Specific ownership	-	-	-	18	18
Investment and interest income	-	1,007	737	-	1,744
Other revenue	-	5,554	-	638	6,192
Total Revenues	71,131	45,810	80,549	1,818	199,308
Expenditures					
Principal retirement	54,270	-	22,350	1,286	77,906
Interest	-	36,770	9,291	331	46,392
Bond issuance costs	-	-	868	251	1,119
Total Expenditures	54,270	36,770	32,509	1,868	125,417
Excess (deficiency) of revenues over (under) expenditures	16,861	9,040	48,040	(50)	73,891
Other Financing Uses					
Note proceeds	-	-	-	3,000	3,000
Bond premium	-	-	12,809	-	12,809
Bond proceeds - refunding	-	-	193,140	-	193,140
Payment to escrow	-	-	(193,979)	-	(193,979)
Transfers out	-	-	(23,322)	-	(23,322)
Total Other Financing Uses	-	-	(11,352)	3,000	(8,352)
Net change in fund balances	16,861	9,040	36,688	2,950	65,539
Fund balances - January 1	12,495	35,237	25,380	367	73,479
Fund Balances - December 31	\$ 29,356	\$ 44,277	\$ 62,068	\$ 3,317	\$ 139,018

Combining Balance Sheet - Nonmajor Capital Projects Funds

December 31, 2016 (dollars in thousands)

	Winter Park Capital Fund	Capital Improvements	Conservation Trusts
Assets			
Cash and cash equivalents	\$ 8,047	\$ 209,841	\$ 12,452
Receivables (net of allowances for uncollectibles of \$4,164):			
Taxes	-	64,975	-
Accounts	-	847	-
Accrued interest	19	842	178
Due from other governments	-	-	-
Prepaid items and other assets	-	-	-
Total Assets	\$ 8,066	\$ 276,505	\$ 12,630
Liabilities, Deferred Inflow of Resources, and Fund Balances			
Liabilities:			
Vouchers payable	\$ 749	\$ 16,812	\$ 761
Accrued liabilities	-	70	-
Due to taxing unit	-	7	-
Interfund payable	-	27	-
Advances	-	-	-
Unearned revenue	-	-	-
Total Liabilities	749	16,916	761
Deferred Inflow of Resources:			
Unavailable revenues - property tax	\$ -	\$ 65,293	\$ -
Unavailable revenues - long-term receivables	-	-	-
Total Deferred Inflows of Resources	-	65,293	-
Fund Balances:			
Nonspendable	\$ -	\$ -	\$ -
Restricted	7,317	194,296	11,869
Total Fund Balances	7,317	194,296	11,869
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 8,066	\$ 276,505	\$ 12,630

Bond Projects	Other Capital Projects	Entertainment and Culture	Special Assessments	Total
\$ 223,571	\$ 50,726	\$ 19,132	\$ 1,481	\$ 525,250
-	192	-	-	65,167
-	5,557	1,014	1,091	8,509
937	126	66	6	2,174
-	17,053	-	-	17,053
105	3,188	-	-	3,293
<u>\$ 224,613</u>	<u>\$ 76,842</u>	<u>\$ 20,212</u>	<u>\$ 2,578</u>	<u>\$ 621,446</u>
\$ 10,370	\$ 12,191	\$ 370	\$ -	\$ 41,253
-	-	-	-	70
8	-	-	-	15
-	-	-	-	27
-	2,839	-	-	2,839
-	4,967	-	1,091	6,058
<u>10,378</u>	<u>19,997</u>	<u>370</u>	<u>1,091</u>	<u>50,262</u>
\$ -	\$ -	\$ -	\$ -	\$ 65,293
-	3,735	-	-	3,735
-	<u>3,735</u>	-	-	<u>69,028</u>
\$ 105	\$ 3,188	\$ -	\$ -	\$ 3,293
214,130	49,922	19,842	1,487	498,863
<u>214,235</u>	<u>53,110</u>	<u>19,842</u>	<u>1,487</u>	<u>502,156</u>
<u>\$ 224,613</u>	<u>\$ 76,842</u>	<u>\$ 20,212</u>	<u>\$ 2,578</u>	<u>\$ 621,446</u>

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Capital Projects Funds

For the Year Ended December 31, 2016 (dollars in thousands)

	Winter Park Capital Fund	Capital Improvements	Conservation Trusts
Revenues			
Taxes:			
Facilities development admission	\$ -	\$ -	\$ -
Property	-	63,778	-
Sales and use	-	-	-
Special assessments	-	-	-
Intergovernmental revenues	-	8,209	7,252
Charges for services	-	95	-
Investment and interest income	67	2,471	471
Contributions	-	-	-
Other revenue	-	10	-
Total Revenues	67	74,563	7,723
Expenditures			
Current:			
General government	-	16,613	-
Public works	-	37,604	-
Health	-	2,433	-
Parks and recreation	1,014	1,887	4,279
Cultural activities	-	1,324	-
Community development	-	4,414	-
Debt service:			
Principal retirement	-	1,800	-
Interest	-	1,782	-
Bond issuance costs	-	-	-
Capital outlay	919	42,092	1,159
Total Expenditures	1,933	109,949	5,438
Excess (deficiency) of revenues over (under) expenditures	(1,866)	(35,386)	2,285
Other Financing Sources (Uses)			
Sale of capital assets	-	1,027	-
Bond premium	-	-	-
Issuance of bonds	-	-	-
Issuance recoveries	-	30	-
Transfers in	3,518	69,862	-
Transfers out	-	(15,799)	(642)
Total Other Financing Sources (Uses)	3,518	55,120	(642)
Net change in fund balances	1,652	19,734	1,643
Fund balances - January 1	5,665	174,562	10,226
Fund Balances - December 31	\$ 7,317	\$ 194,296	\$ 11,869

Bond Projects	Other Capital Projects	Entertainment and Culture	Special Assessments	Total
\$ -	\$ -	\$ 12,401	\$ -	\$ 12,401
-	-	-	-	63,778
-	1,379	-	-	1,379
-	163	-	1,119	1,282
-	22,349	-	-	37,810
-	-	-	-	95
2,571	362	180	20	6,142
-	3,567	-	-	3,567
-	1,851	-	-	1,861
<u>2,571</u>	<u>29,671</u>	<u>12,581</u>	<u>1,139</u>	<u>128,315</u>
18,931	3,772	-	-	39,316
5,556	-	-	919	44,079
-	-	-	-	2,433
-	1,040	300	-	8,520
-	2,430	2,773	-	6,527
-	-	-	-	4,414
-	-	-	-	1,800
-	-	-	-	1,782
954	-	-	-	954
33,738	21,334	264	-	99,506
<u>59,179</u>	<u>28,576</u>	<u>3,337</u>	<u>919</u>	<u>209,331</u>
(56,608)	1,095	9,244	220	(81,016)
-	-	-	-	1,027
18,048	-	-	-	18,048
204,170	-	-	-	204,170
-	214	-	-	244
-	22,219	-	-	95,599
(15,260)	(1,000)	(4,274)	(19)	(36,994)
<u>206,958</u>	<u>21,433</u>	<u>(4,274)</u>	<u>(19)</u>	<u>282,094</u>
150,350	22,528	4,970	201	201,078
63,885	30,582	14,872	1,286	301,078
<u>\$ 214,235</u>	<u>\$ 53,110</u>	<u>\$ 19,842</u>	<u>\$ 1,487</u>	<u>\$ 502,156</u>

Schedule of Expenditures Compared with Authorizations - General Fund

For the Year Ended December 31, 2016 (dollars in thousands)

	2016 Annual Authorizations After Revisions	Budget Basis Expenditures	Authorized Balance
General Government			
Mayor's Office	\$ 1,621	\$ 1,577	\$ 44
Civic Events	982	917	65
Office of Special Events	534	520	14
Education/Advocacy Initiatives	4,258	3,840	418
Public Defenders Office	1,029	1,014	15
City Council	4,691	4,780	(89)
Board of Ethics	129	129	-
Office of Human Resources	13,676	13,623	53
Career Service Authority Hearing Office	104	104	-
City Attorney	32,176	30,027	2,149
Clerk and Recorder	10,043	8,649	1,394
Board of Adjustment	329	316	13
Human Rights and Community Partnerships	1,936	1,873	63
General Services	50,090	47,805	2,285
Auditor	6,866	6,126	740
Department of Finance	77,187	67,499	9,688
Contingency	16,049	-	16,049
Unemployment Insurance	1,210	811	399
Adams Mark Tax Increment	2,926	2,810	116
Annual Rental Payments	21,365	1,428	19,937
Payments to Elderly and Disabled	2,525	3	2,522
Historic Tax Rebates	300	300	-
Excise and Licenses	3,232	2,968	264
Technology Services	57,107	54,882	2,225
Office of Economic Development	9,507	9,418	89
Total General Government	\$ 319,872	\$ 261,419	\$ 58,453
Public Safety			
Safety Administration	\$ 22,796	\$ 19,256	\$ 3,540
Civil Service Commission	1,747	1,510	237
County Court	23,284	22,342	942
District Attorney	22,737	22,895	(158)
Emergency Management	693	581	112
Fire	128,519	127,075	1,444
Independent Monitor	1,483	1,432	51
Police	212,399	211,892	507
Undersheriff	133,713	132,781	932
Total Public Safety	\$ 547,371	\$ 539,764	\$ 7,607

continued

Schedule of Expenditures Compared with Authorizations - General Fund - continued

For the Year Ended December 31, 2016 (dollars in thousands)

	2016 Annual Authorizations After Revisions	Budget Basis Expenditures	Authorized Balance
Public Works	\$ 138,169	\$ 138,984	\$ (815)
Total Public Works	<u>\$ 138,169</u>	<u>\$ 138,984</u>	<u>\$ (815)</u>
Human Services	\$ 3,857	\$ 3,857	\$ -
Total Human Services	<u>\$ 3,857</u>	<u>\$ 3,857</u>	<u>\$ -</u>
Health			
Environmental Health	\$ 12,886	\$ 12,539	\$ 347
City Payments to Health Authority	30,901	30,858	43
Clinic	2,713	2,585	128
Denver C.A.R.E.S.	3,066	3,060	6
Poison Center	208	152	56
Total Health	<u>\$ 49,774</u>	<u>\$ 49,194</u>	<u>\$ 580</u>
Parks and Recreation	\$ 68,043	\$ 64,647	\$ 3,396
Total Parks and Recreation	<u>\$ 68,043</u>	<u>\$ 64,647</u>	<u>\$ 3,396</u>
Cultural Activities			
Arts and Venues	\$ 2,306	\$ 2,306	\$ -
Denver Public Library	43,324	43,194	130
Total Cultural Activities	<u>\$ 45,630</u>	<u>\$ 45,500</u>	<u>\$ 130</u>
Community Development	\$ 32,763	\$ 29,464	\$ 3,299
Total Community Development	<u>\$ 32,763</u>	<u>\$ 29,464</u>	<u>\$ 3,299</u>
Economic Development	\$ 558	\$ 558	\$ -
Total Economic Development	<u>\$ 558</u>	<u>\$ 558</u>	<u>\$ -</u>
Total	<u>\$ 1,206,037</u>	<u>\$ 1,133,387</u>	<u>\$ 72,650</u>

Schedule of Expenditures Compared with Authorizations - Human Services Special Revenue Fund

For the Year Ended December 31, 2016 (dollars in thousands)

	2016 Annual Authorizations After Revisions		Budget Basis Expenditures		Authorized Balance
Grants - Currently Active					
13001 Federal	\$ 1,538		\$ 1,538		\$ -
13007 Community Service	1,165		1,165		-
13009 Emergency Shelter	558		558		-
13012 Emergency Shelter Plus Care	4,124		4,124		-
13017 Child Care	3,343		2,374		969
13019 Homeless Vets Reintegration and Training	2		2		-
13601 Human Services Privately Funded	225		225		-
State/County Welfare					
13005 Child Welfare	42,054		36,969		5,085
13008 County Public Welfare	86,951		75,527		11,424
13301 Prenatal Fees Incentive	5		5		-
13303 Aid to the Needy Disabled	1,000		710		290
13304 Board for Developmentally Disabled	14,551		9,309		5,242
13305 General Assistance	1,582		1,338		244
13306 Local Funded Community Service	6,543		5,953		590
13501 Human Services State Funded	280		280		-
City and Other Projects					
13502 Integrated Care Management Incentive	189		189		-
13703 Drug Strategy Donations	1		1		-
13704 Homeless Services Donations	2,416		2,416		-
13706 DHS Volunteer Services	12		12		-
13802 Family Crisis Project	169		169		-
13808 Energy Assistance	30		30		-
13811 Assistance Incentive Program	145		145		-
Total	\$ 166,883		\$ 143,039	¹	\$ 23,844

¹Includes grantor expenditures of \$6,366 reported in the Economic Opportunity Special Revenue Fund.

Comparative Balance Sheets - General Fund

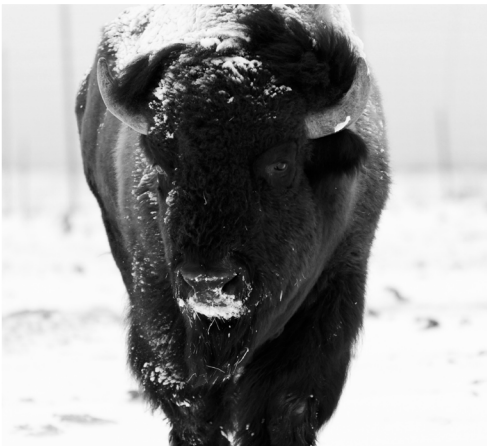
December 31, 2016 and 2015 (dollars in thousands)

	Totals	
	December 31	
	2016	2015
Assets		
Cash on hand	\$ 1,156	\$ 117
Cash and cash equivalents	274,060	273,039
Receivables (net of allowances for uncollectibles of \$67,797 and \$61,519)		
Taxes	189,709	185,474
Notes	2,589	430
Accounts	24,642	21,999
Accrued interest	1,902	1,973
Interfund receivable	11,608	12,436
Prepaid items and other assets	7,215	2,890
Restricted assets:		
Cash and cash equivalents	68,115	65,283
Total Assets	\$ 580,996	\$ 563,641
Liabilities, Deferred Inflows of Resources, and Fund Balances		
Liabilities:		
Vouchers payable	\$ 27,539	\$ 19,240
Accrued liabilities	19,620	15,882
Due to taxing units	528	556
Interfund payable	24	36
Unearned revenue	1,138	1,133
Advances	1,075	25
Total Liabilities	49,924	36,872
Deferred Inflows of Resources:		
Unavailable revenues - property tax	120,019	118,702
Unavailable revenues - long-term receivables	13,630	13,867
Total Deferred Inflows of Resources	133,649	132,569
Fund Balance:		
Nonspendable	7,215	2,890
Restricted	68,114	65,713
Committed	50,964	32,121
Unassigned	271,130	293,476
Total Fund Balance	397,423	394,200
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 580,996	\$ 563,641

Comparative Statements of Revenues, Expenditures, and Changes in Fund Balance - General Fund

For the Years Ended December 31, 2016 and 2015 (dollars in thousands)

	Totals December 31	
	2016	2015
Revenues		
Taxes:		
Lodgers	\$ 24,969	\$ 23,072
Motor vehicle ownership	26,787	26,647
Occupational privilege	49,864	48,293
Property	116,009	107,198
Sales and use	613,617	581,922
Telephone	2,671	2,692
Licenses and permits	59,593	59,909
Intergovernmental revenues	34,414	33,240
Charges for services	193,659	189,573
Investment and interest income	8,308	7,388
Fines and forfeitures	48,893	52,989
Contributions	-	107
Other revenue	10,666	16,336
Total Revenues	1,189,450	1,149,366
Expenditures		
Current:		
General government	259,959	230,258
Public safety	539,428	518,800
Public works	135,073	121,516
Human Services	3,857	-
Health	49,194	49,301
Parks and recreation	64,534	57,914
Cultural activities	45,416	44,213
Community development	29,464	21,515
Economic opportunity	558	601
Principal retirement	5,010	4,998
Interest	894	997
Total Expenditures	1,133,387	1,050,113
Excess of revenues over expenditures	56,063	99,253
Other Financing Sources (Uses)		
Sale of capital assets	-	2
Issuance of capital leases	373	485
Insurance recoveries	191	285
Transfers in	51,333	56,366
Transfers out	(104,737)	(126,207)
Total Other Financing Sources (Uses)	(52,840)	(69,069)
Net change in fund balance	3,223	30,184
Fund balances - January 1	394,200	364,016
Fund Balance - December 31	\$ 397,423	\$ 394,200



Proprietary Funds

Proprietary Funds

Proprietary funds are a group of funds that account for activities that are often seen in the private sector and are operated in a similar manner as in the private sector.

Enterprise Funds

- **Environmental Services** - to account for the operation and activity of the City's chemical waste disposal, phase out of hazardous materials disposal sites, and litter prevention.
- **Golf Course** - to account for the administration, operation, maintenance and improvement of City-owned golf facilities.

Internal Service Funds

- **Asphalt Plant** - to account for the expenditures and revenues of the City's Asphalt Plant that provides a service to the metropolitan Denver area and is an essential element in the street resurfacing program of the City's Street Maintenance division.
- **Workers' Compensation** - to account for the City's workers compensation self insurance activities.

Combining Statement of Net Position - Nonmajor Enterprise Funds

December 31, 2016 (dollars in thousands)

	Environmental Services	Golf Course	Total
Assets			
Current assets:			
Cash and cash equivalents	\$ 18,345	\$ 3,371	\$ 21,716
Receivables:			
Accounts	2,154	21	2,175
Accrued interest	75	16	91
Inventories	-	201	201
Interfund receivable	11	-	11
Restricted assets:			
Cash and cash equivalents	8,145	-	8,145
Accounts receivable	509	-	509
Accrued interest receivable	33	-	33
Total Current Assets	29,272	3,609	32,881
Capital assets:			
Land and construction in progress	3,168	1,131	4,299
Buildings and improvements	665	12,787	13,452
Improvements other than buildings	-	16,202	16,202
Machinery and equipment	199	5,962	6,161
Accumulated depreciation	(735)	(21,238)	(21,973)
Net capital assets	3,297	14,844	18,141
Long-term receivables	2,978	-	2,978
Total Noncurrent Assets	6,275	14,844	21,119
Total Assets	35,547	18,453	54,000
Deferred Outflows of Resources			
Deferred outflows on pensions	2,024	1,613	3,637
Total Deferred Outflows of Resources	2,024	1,613	3,637
Liabilities			
Current liabilities:			
Vouchers payable	971	358	1,329
Revenue bonds payable	-	565	565
Accrued liabilities	86	159	245
Unearned revenue	-	636	636
Interfund payable	381	10	391
Capital lease obligations	-	352	352
Compensated absences	173	132	305
Restricted liabilities:			
Vouchers payable	451	-	451
Total Current Liabilities	2,062	2,212	4,274
Noncurrent liabilities:			
Revenue bonds payable, net	-	1,865	1,865
Net pension liability	6,646	5,127	11,773
Capital lease obligations	-	356	356
Compensated absences	369	519	888
Total Noncurrent Liabilities	7,015	7,867	14,882
Total Liabilities	9,077	10,079	19,156
Net Position			
Net investment in capital assets	3,297	11,705	15,002
Restricted for capital projects	8,236	-	8,236
Unrestricted	16,961	(1,718)	15,243
Total Net Position	\$ 28,494	\$ 9,987	\$ 38,481

Combining Statement of Revenues, Expenses, and Changes in Fund Net Position - Nonmajor Enterprise Funds

For the Year Ended December 31, 2016 (dollars in thousands)

	Environmental Services	Golf Course	Total
Operating Revenues			
Charges for services	\$ 10,540	\$ 11,028	\$ 21,568
Other revenue	533	30	563
Total Operating Revenues	11,073	11,058	22,131
Operating Expenses			
Personnel services	5,134	5,933	11,067
Contractual services	5,360	823	6,183
Supplies and materials	121	975	1,096
Depreciation	18	1,163	1,181
Other operating expenses	1,226	2,122	3,348
Total Operating Expenses	11,859	11,016	22,875
Operating income (loss)	(786)	42	(744)
Nonoperating Revenues (Expenses)			
Grants and contributions	-	280	280
Investment and interest income	288	30	318
Interest expense	-	(156)	(156)
Net Nonoperating Revenues (Expenses)	288	154	442
Income (loss) before transfers	(498)	196	(302)
Transfers in	2,000	-	2,000
Transfers out	(295)	-	(295)
Change in Net Position	1,207	196	1,403
Net position - January 1	27,287	9,791	37,078
Net Position - December 31	\$ 28,494	\$ 9,987	\$ 38,481

Combining Statement of Cash Flows - Nonmajor Enterprise Funds

For the Year Ended December 31, 2016 (dollars in thousands)

	Environmental Services	Golf Course	Total
Cash Flows From Operating Activities			
Receipts from customers	\$ 10,587	\$ 11,215	\$ 21,802
Payments to suppliers	(5,761)	(3,681)	(9,442)
Payments to employees	(5,144)	(5,832)	(10,976)
Other receipts	533	30	563
Net Cash Provided by Operating Activities	215	1,732	1,947
Cash Flows From Noncapital Financing Activities			
Transfers in	1,705	-	1,705
Net Cash Provided by Noncapital Financing Activities	1,705	-	1,705
Cash Flows From Capital and Related Financing Activities			
Principal payments	-	(1,153)	(1,153)
Interest paid on capital debt	-	(156)	(156)
Acquisition of capital assets	(454)	(135)	(589)
Net Cash (Used) in Capital and Related Financing Activities	(454)	(1,444)	(1,898)
Cash Flows from Investing Activities			
Interest received	319	29	348
Net increase (decrease) in cash and cash equivalents	1,785	317	2,102
Cash and cash equivalents - January 1	24,705	3,054	27,759
Cash and Cash Equivalents - December 31	\$ 26,490	\$ 3,371	\$ 29,861
Reconciliation of Operating Income to Net Cash Provided by Operating Activities			
Operating income (loss)	\$ (786)	\$ 42	\$ (744)
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation and amortization	18	1,163	1,181
Accounts receivable	55	(18)	37
Inventories	-	(28)	(28)
Vouchers payable	34	(84)	(50)
Unearned revenue	-	205	205
Accrued liabilities	(10)	(7)	(17)
Interfund payable	312	(2)	310
Items related to pension plans	592	461	1,053
Net Cash Provided by Operating Activities	\$ 215	\$ 1,732	\$ 1,947
Noncash Activities			
Assets acquired through capital contributions	\$ -	\$ 280	\$ 280
Amortization of bond premiums	-	3	3

Combining Statement of Net Position - Internal Service Funds

December 31, 2016 (dollars in thousands)

	Asphalt Plant	Workers' Compensation	Total
Assets			
Current Assets:			
Cash and cash equivalents	\$ 6,958	\$ 38,553	\$ 45,511
Receivables:			
Accounts	-	2,133	2,133
Accrued interest	-	339	339
Inventories	58	-	58
Interfund receivable	27	-	27
Total Current Assets	7,043	41,025	48,068
Capital Assets:			
Buildings and improvements	3,627	-	3,627
Machinery and equipment	1,642	-	1,642
Accumulated depreciation	(5,180)	-	(5,180)
Net capital assets	89	-	89
Total Assets	7,132	41,025	48,157
Liabilities			
Current Liabilities:			
Vouchers payable	44	650	694
Accrued liabilities	9	27	36
Interfund payable	1	72	73
Compensated absences	-	106	106
Claims reserve	-	9,684	9,684
Total Current Liabilities	54	10,539	10,593
Noncurrent Liabilities:			
Compensated absences	123	115	238
Claims reserve	-	18,129	18,129
Total noncurrent liabilities	123	18,244	18,367
Total Liabilities	177	28,783	28,960
Net Position			
Net investment in capital assets	89	-	89
Unrestricted	6,866	12,242	19,108
Total Net Position	\$ 6,955	\$ 12,242	\$ 19,197

Combining Statement of Revenues, Expenses, and Changes in Fund Net Position - Internal Service Funds

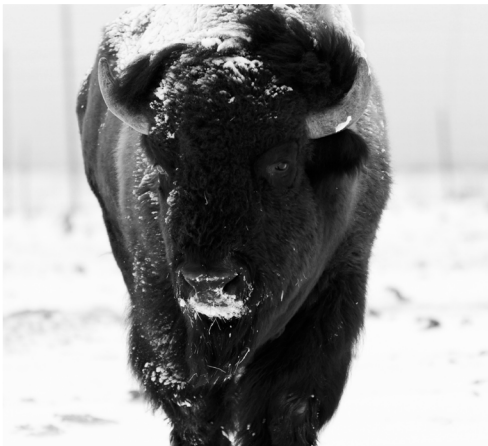
For the Year Ended December 31, 2016 (dollars in thousands)

	Asphalt Plant	Workers' Compensation	Total
Operating Revenues			
Charges for services	\$ 8,825	\$ 13,001	\$ 21,826
Other revenue	-	1,618	1,618
Change in claims reserve	-	1,636	1,636
Total Operating Revenues	8,825	16,255	25,080
Operating Expenses			
Personnel services	592	1,601	2,193
Contractual services	59	521	580
Supplies and materials	5,678	555	6,233
Depreciation	126	-	126
Claims payments	-	8,309	8,309
Other operating expenses	346	1,279	1,625
Total Operating Expenses	6,801	12,265	19,066
Operating income (loss)	2,024	3,990	6,014
Nonoperating Revenues (Expenses)			
Investment and interest income	-	530	530
Net Nonoperating Revenues (Expenses)	-	530	530
Change in net position	2,024	4,520	6,544
Net position - January 1	4,931	7,722	12,653
Net Position - December 31	\$ 6,955	\$ 12,242	\$ 19,197

Combining Statement of Cash Flows - Internal Service Funds

For the Year Ended December 31, 2016 (dollars in thousands)

	Asphalt Plant	Workers' Compensation	Total
Cash Flows From Operating Activities			
Receipts from customers	\$ 8,830	12,214	\$ 21,044
Payments to suppliers	(6,125)	(2,646)	(8,771)
Payments to employees	(577)	(1,589)	(2,166)
Other receipts	-	1,618	1,618
Claims paid	-	(8,309)	(8,309)
Net Cash Provided by Operating Activities	2,128	1,288	3,416
Cash Flows from Investing Activities			
Interest received	-	587	587
Net increase (decrease) in cash and cash equivalents	2,128	1,875	4,003
Cash and cash equivalents - January 1	4,830	36,678	41,508
Cash and Cash Equivalents - December 31	\$ 6,958	\$ 38,553	\$ 45,511
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities			
Operating income (loss)	\$ 2,024	\$ 3,990	\$ 6,014
Adjustments to reconcile operating income to net cash provided (used) by operating activities:			
Depreciation	126	-	126
Accounts receivable	1	(787)	(786)
Interfund receivable	5	(59)	(54)
Inventories	23	-	23
Vouchers payable	(65)	(232)	(297)
Accrued liabilities	15	12	27
Interfund payable	(1)	-	(1)
Claims reserved	-	(1,636)	(1,636)
Net Cash Provided by Operating Activities	\$ 2,128	\$ 1,288	\$ 3,416



Fiduciary Funds

Fiduciary Funds

Fiduciary funds are trust and agency funds which account for assets held by a governmental unit in a trustee capacity or as an agent for individuals, private organizations, other governmental units, or other funds. These include expendable trust funds, non-expendable trust funds, pension trust funds, and agency funds.

Pension, Health, and Other Employee Benefits Trust Funds

- **Pension Benefits Trust Funds** - Denver Employees Retirement Plan - to account for the pension assets of the Denver Employees Retirement Plan.
- **Health Benefits Trust Funds** - Denver Employees Retirement Plan - to account for the health benefits assets of the Denver Employees Retirement Plan.
- **Deferred Compensation** - to account for City employees' voluntary deferrals of current income to future years and the investment income earned.

Agency Funds

- **Employee Salary Redirect Plan** - to account for employees' income tax-exempt voluntary salary deductions used to pay for dependent childcare, medical expense reimbursement, and medical insurance premium payments.
- **Agency** - to account for the consolidation of payroll activity in one fund after the recording of expenditures in the appropriate funds. Also, collected receipts are temporarily held here in unapportioned accounts until a proper allocation is determined. Additionally, property taxes collected for all the taxing entities in the County of Denver are transferred here from the trust fund where they are initially recorded.

Combining Statement of Fiduciary Net Position - Pension, Health and Other Employee Benefit Trust Funds

December 31, 2016 (dollars in thousands)

	Pension Benefits Trust Fund Denver Employees Retirement Plan	Health Benefits Trust Fund Denver Employees Retirement Plan	Other Employee Benefit Trust Fund Deferred Compensation Plan	Total
Assets				
Current assets:				
Cash and cash equivalents	\$ 48,395	\$ 1,726	\$ -	\$ 50,121
Securities lending collateral	170,998	5,976	-	176,974
Receivables:				
Accounts	353	12	-	365
Accrued interest	1,581	55	-	1,636
Investments:				
U.S. Government obligations	125,351	4,381	-	129,732
Domestic stocks and bonds	718,441	25,107	-	743,548
International stocks	471,137	16,465	-	487,602
Mutual funds	-	-	383,134	383,134
Real estate	158,830	5,551	-	164,381
Other	486,483	17,001	255,222	758,706
Total Investments	1,960,242	68,505	638,356	2,667,103
Total Current Assets	2,181,569	76,274	638,356	2,896,199
Capital assets, net of accumulated depreciation	4,200	147	-	4,347
Total Assets	2,185,769	76,421	638,356	2,900,546
Liabilities				
Vouchers payable	2,500	87	-	2,587
Securities lending obligations	171,604	5,997	-	177,601
Total Liabilities	174,104	6,084	-	180,188
Net Position Held in Trust for Pension and Other Employee Benefit Trust Funds	\$ 2,011,665		\$ 638,356	
Net Position Held in Trust for OPEB Benefits		\$ 70,337		
Net Position Held in Trust for Benefits				\$ 2,720,358

Combining Statement of Changes in Fiduciary Net Position - Pension, Health, and Other Employee Benefit Trust Funds

December 31, 2016 (dollars in thousands)

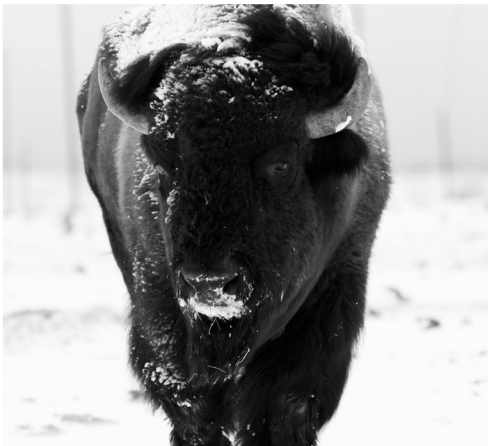
	Pension Benefits Trust Fund Denver Employees Retirement Plan	Health Benefits Trust Fund Denver Employees Retirement Plan	Other Employee Benefit Trust Fund Deferred Compensation Plan	Total
Additions				
Contributions:				
City and County of Denver	\$ 62,023	\$ 4,056	\$ -	\$ 66,079
Denver Health and Hospital Authority Plan members	6,772 48,038	308 3,012	- 36,889	7,080 87,939
Total Contributions	116,833	7,376	36,889	161,098
Investment earnings:				
Net appreciation in fair value of investments	120,923	4,279	-	125,202
Interest and dividends	40,270	1,434	34,639	76,343
Total Investment Earnings	161,193	5,713	34,639	201,545
Less investment expense	(14,708)	(522)	-	(15,230)
Net Investment Earnings	146,485	5,191	34,639	186,315
Securities lending earnings	1,164	41	-	1,205
Securities lending expenses:				
Borrower rebates	112	4	-	116
Agent fees	(319)	(11)	-	(330)
Net Earnings from Securities Lending	957	34	-	991
Total Net Investment Earnings	147,442	5,225	34,639	187,306
Total Additions	264,275	12,601	71,528	348,404
Deductions				
Benefits	191,790	12,859	31,111	235,760
Refunds of contributions	2,751	98	-	2,849
Administrative expenses	3,742	133	515	4,390
Total Deductions	198,283	13,090	31,626	242,999
Change in net position	65,992	(489)	39,902	105,405
Net Position - January 1	1,945,673	70,826	598,454	2,614,953
Net Position - December 31	\$ 2,011,665	\$ 70,337	\$ 638,356	\$ 2,720,358

Combining Statement of Changes in Assets and Liabilities - Agency Funds

December 31, 2016 (dollars in thousands)

	Balance January 1	Additions	Deductions	Balance December 31
Employee Salary Redirect Plan				
Assets				
Accounts receivable	\$ 1	\$ -	\$ 1	\$ -
Total Assets	\$ 1	\$ -	\$ 1	\$ -
Liabilities				
Other accrued liabilities	1	-	1	-
Total Liabilities	\$ 1	\$ -	\$ 1	\$ -
Agency				
Assets				
Cash on hand	\$ 3,245	\$ 827	\$ -	\$ 4,072
Cash and cash equivalents	43,741	851,843	853,011	42,573
Receivables (net of allowances for uncollectibles of \$4,505):				
Taxes	827,730	895,892	837,664	885,958
Accounts	15	-	8	7
Total Assets	\$ 874,731	\$ 1,748,562	\$ 1,690,683	\$ 932,610
Liabilities				
Vouchers payable	\$ 12,838	\$ 349,197	\$ 348,146	\$ 13,889
Other accrued liabilities	13,897	5,712	5,981	13,628
Due to taxing units	847,996	1,758,158	1,701,061	905,093
Total Liabilities	\$ 874,731	\$ 2,113,067	\$ 2,055,188	\$ 932,610
Total - All Agency Funds				
Assets				
Cash on hand	\$ 3,245	\$ 827	\$ -	\$ 4,072
Cash and cash equivalents	43,741	851,843	853,011	42,573
Receivables (net of allowances for uncollectibles of \$4,506):				
Taxes	827,730	895,892	837,664	885,958
Accounts	16	-	9	7
Total Assets	\$ 874,732	\$ 1,748,562	\$ 1,690,684	\$ 932,610
Liabilities				
Vouchers payable	\$ 12,838	\$ 349,197	\$ 348,146	\$ 13,889
Other accrued liabilities	13,898	5,712	5,982	13,628
Due to taxing units	847,996	1,758,158	1,701,061	905,093
Total Liabilities	\$ 874,732	\$ 2,113,067	\$ 2,055,189	\$ 932,610

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Component Units

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Combining Statement of Net Position - Nonmajor Component Units

December 31, 2016 (dollars in thousands)

	Bluebird BID	Cherry Creek North BID	Cherry Creek Subarea BID	Colfax BID	Colfax Mayfair BID	Denver Preschool Program, Inc.
Assets						
Cash and cash equivalents	\$ 54	\$ 1,201	\$ 72	\$ 373	\$ 129	\$ 20,053
Receivables (net of allowances):						
Taxes	87	3,890	-	431	-	-
Accounts	-	37	-	-	-	-
Accrued interest	-	-	-	-	-	-
Other	-	-	-	-	-	-
Prepaid items and other assets	2	27	-	10	-	34
Restricted Assets:						
Cash and cash equivalents	-	122	-	-	-	-
Capital Assets:						
Land and construction in progress	-	-	-	-	-	-
Buildings and improvements	-	17,017	-	3,106	-	-
Machinery and equipment	-	339	-	-	-	52
Accumulated depreciation	-	(4,527)	-	(747)	-	(45)
Net Capital Assets	-	12,829	-	2,359	-	7
Total Assets	143	18,106	72	3,173	129	20,094
Deferred Outflows of Resources						
Deferred amount on refundings	-	1,748	-	-	-	-
Total Deferred Outflows of Resources	-	1,748	-	-	-	-
Liabilities						
Vouchers payable	4	67	-	45	5	3,935
Accrued liabilities	-	216	-	-	-	7,349
Unearned revenue	-	-	-	-	-	-
Due to other governments	-	-	-	-	-	-
Noncurrent liabilities:						
Due within one year	-	715	-	-	-	-
Due in more than one year	-	15,045	-	-	-	-
Total Liabilities	4	16,043	-	45	5	11,284
Deferred Inflows of Resources						
Property tax	87	3,890	-	431	-	-
Total Deferred Inflows of Resources	87	3,890	-	431	-	-
Net Position						
Net investment in capital assets	-	(1,183)	-	2,359	-	-
Restricted for:						
Emergency use	4	85	-	14	-	-
Debt service	-	11	-	-	-	-
Donor and other restrictions:						
Expendable	-	-	-	-	44	-
Unrestricted	48	1,008	72	324	80	8,810
Total Net Position	\$ 52	\$ (79)	\$ 72	\$ 2,697	\$ 124	\$ 8,810

Downtown Denver BID	Downtown Denver Development Authority	Federal BID	Old South Gaylord BID	RiNO Bid	Santa Fe BID	West Colfax BID	Total
\$ 1,467	\$ -	\$ 29	\$ 51	\$ 106	\$ 79	\$ 191	\$ 23,805
5,761	18,784	-	-	-	-	162	29,115
456	-	-	-	-	-	-	493
-	-	-	-	-	-	-	-
-	-	1	-	4	5	-	10
12	-	-	-	8	-	-	93
-	-	-	-	-	-	5	127
-	-	-	-	-	-	523	523
-	-	-	19	-	-	-	20,142
1,404	-	-	-	-	-	-	1,795
(1,036)	-	-	(19)	-	-	-	(6,374)
368	-	-	-	-	-	523	16,086
8,064	18,784	30	51	118	84	881	69,729
-	-	-	-	-	-	-	1,748
-	-	-	-	-	-	-	1,748
-	-	-	4	-	-	-	4,060
530	-	1	10	-	-	8	8,114
6	-	-	-	-	-	-	6
-	18,784	-	-	8	-	-	18,792
-	-	-	-	-	-	-	715
-	-	-	-	-	-	-	15,045
536	18,784	1	14	8	-	8	46,732
5,761	-	-	-	-	-	162	10,331
5,761	-	-	-	-	-	162	10,331
368	-	-	-	-	-	523	2,067
194	-	-	-	-	-	4	301
-	-	-	-	-	-	-	11
-	-	-	-	-	-	-	44
1,205	-	29	37	110	84	184	11,991
\$ 1,767	\$ -	\$ 29	\$ 37	\$ 110	\$ 84	\$ 711	\$ 14,414

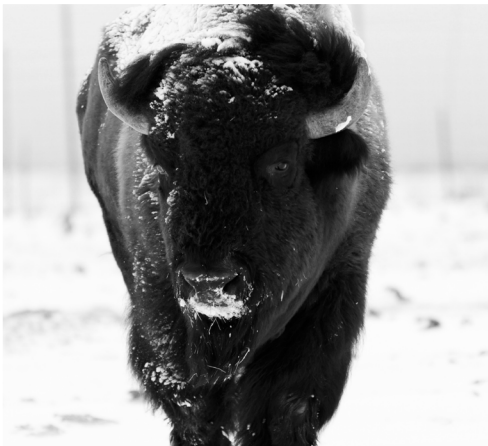
Combining Statement of Activities - Nonmajor Component Units

For the Year Ended December 31, 2016 (dollars in thousands)

	Bluebird BID	Cherry Creek North BID	Cherry Creek Subarea BID	Colfax BID	Colfax Mayfair BID	Denver Preschool Program, Inc.
Expenses	\$ 95	\$ 4,219	\$ 6	\$ 697	\$ 74	\$ 17,279
Program Revenues						
Charges for services	-	367	-	-	-	-
Operating grants and contributions	9	-	-	-	-	8
Total Program Revenues	<u>9</u>	<u>367</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8</u>
Net expenses	(86)	(3,852)	(6)	(697)	(74)	(17,271)
General Revenues						
Taxes:						
Property	87	3,358	14	431	118	-
Specific ownership	6	233	-	29	-	-
Investment and interest income	-	2	-	1	-	9
Other revenues	-	-	-	9	-	19,979
Total General Revenues	<u>93</u>	<u>3,593</u>	<u>14</u>	<u>470</u>	<u>118</u>	<u>19,988</u>
Change in net position	7	(259)	8	(227)	44	2,717
Net position - January 1	<u>45</u>	<u>180</u>	<u>64</u>	<u>2,924</u>	<u>80</u>	<u>6,093</u>
Net Position (Deficit) - December 31	<u>\$ 52</u>	<u>\$ (79)</u>	<u>\$ 72</u>	<u>\$ 2,697</u>	<u>\$ 124</u>	<u>\$ 8,810</u>

Downtown Denver BID	Downtown Denver Development Authority	Federal BID	Old South Gaylord BID	RiNo BID	Santa Fe BID	West Colfax BID	Total
\$ 7,609	\$ -	\$ 56	\$ 27	\$ 458	\$ 95	\$ 189	30,804
-	-	-	-	-	2	-	369
452	-	-	-	-	-	64	533
<u>452</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2</u>	<u>64</u>	<u>902</u>
(7,157)	-	(56)	(27)	(458)	(93)	(125)	(29,902)
5,527	-	62	52	534	102	159	10,444
-	-	2	-	34	-	-	304
-	-	-	-	-	-	1	13
1,548	-	-	-	-	40	-	21,576
<u>7,075</u>	<u>-</u>	<u>64</u>	<u>52</u>	<u>568</u>	<u>142</u>	<u>160</u>	<u>32,337</u>
(82)	-	8	25	110	49	35	2,435
<u>1,849</u>	<u>-</u>	<u>21</u>	<u>12</u>	<u>-</u>	<u>35</u>	<u>676</u>	<u>11,979</u>
<u>\$ 1,767</u>	<u>\$ -</u>	<u>\$ 29</u>	<u>\$ 37</u>	<u>\$ 110</u>	<u>\$ 84</u>	<u>\$ 711</u>	<u>\$ 14,414</u>

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Other Supplementary Schedules

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Combined Schedule of Bonds Payable and Escrows

December 31, 2016 (dollars in thousands)

	Amount Issued	Maturity	Interest ⁵ Rate	Amount Outstanding	1st Optional Call Date
Denver Airport System					
1992F-G Credit Facility Bonds	\$ 36,900	2031	0.983%	\$ 34,900	9/25/2017
Escrow - LOI	n/a	2024-2025	6.125%	40,080	5/15/2017
2002C Credit Facility Bonds	30,300	2031	0.983%	28,200	9/25/2017
2007A Airport System Revenue	188,350	2023-2030	5.00%	188,350	11/15/2017
2007C Airport System Revenue	34,635	2017-2033	5.00%	30,820	11/15/2017
2007D Airport System Revenue	147,815	2017-2023	5.25%-5.50%	130,575	11/15/2017
2007F1-F2 Airport System Revenue ²	104,000	2025	0.84%-0.983%	75,550	1/2/2017
2007G1-G2 Credit Facility Bonds ³	135,600	2031	1.332%	130,600	12/1/2023
2008A1 Airport System Revenue	221,215	2017	5.00%	6,665	Not callable
2008B Airport System Revenue ¹	81,800	2031	1.162%	58,400	1/2/2017
2008C1-C3 Airport System Revenue ¹	292,600	2031	1.150%-1.33%	292,600	1/2/2017
2009A Airport System Revenue	170,190	2017-2036	5.00-5.25%	154,480	11/15/2019
2009B Credit Facility Bonds	65,290	2039	6.414%	65,290	1/2/2017
2009C Airport System Revenue ¹	104,655	2031	1.332%	104,655	1/2/2017
2010A Airport System Revenue	171,360	2017-2032	4.00%-5.00%	166,150	11/15/2020
2011A Airport System Revenue	349,730	2017-2023	4.00%-5.75%	259,505	11/15/2021
2011B Airport System Revenue	198,370	2017-2024	4.00%-5.00%	49,250	11/15/2021
2012A Airport System Revenue	315,780	2017-2043	3.00-5.00%	281,090	11/15/2022
2012B Airport System Revenue	510,140	2017-2043	4.00-5.00%	502,950	11/15/2022
2012C Airport System Revenue	30,285	2026	3.592%	30,285	1/2/2017
2013A Airport System Revenue	326,260	2017-2043	4.00-5.50%	318,510	11/15/2023
2013B Airport System Revenue	393,655	2017-2043	5.00%-5.25%	387,105	11/15/2023
		2017-2021			
2015A Airport System Revenue	195,940	and 2023-	2.20%	189,340	11/15/2017
2016A Airport System Revenue	256,810	2017-2032	5.00%	256,810	11/15/2026
2016B Airport System Revenue	108,735	2017-2031	1.31%	108,735	5/15/2019
Total Denver Airport System				3,890,895	
Unamortized premium net of discount				144,853	
Net Denver Airport System				4,035,748	
Wastewater Management					
2012 Wastewater Revenue Bonds	50,425	2017-2032	3.00-4.00%	37,860	n/a
2016 Wastewater Revenue Bonds	115,000	2017-2046	4.00-5.00%	115,000	11/1/2026
Unamortized premium				19,122	
Total Wastewater Management				171,982	
Golf Enterprise					
2005 Golf Enterprise Revenue Bonds	7,365	2017-2020	4.70-5.00%	2,430	9/1/2017
Unamortized premium				-	
Total Golf Enterprise				2,430	

continued

Combined Schedule of Bonds Payable and Escrows - continued

December 31, 2016 (dollars in thousands)

	Amount Issued	Maturity	Interest ⁵ Rate	Amount Outstanding	1st Optional Call Date
General Obligation					
2006 Justice System Facilities Bonds	8,861	2022	4.75%	8,861 ⁴	Not callable
2008 Justice System Facilities	174,135	2017-2025	3.75-5.25%	109,530	8/1/2018
2009A Better Denver/Zoo Bonds	104,500	2017-2025	4.00-5.25%	69,980	8/1/2019
2010B Better Denver Bonds	312,055	2017-2030	3.78-5.65%	312,055	8/1/2020
2010D Better Denver Bonds	44,650	2017-2025	3.00-5.00%	29,150	8/1/2020
2011A Better Denver Bonds	16,455	2019-2025	2.75-5.00%	16,455	8/1/2021
2013A Better Denver Bonds	120,925	2017-2030	3.00-5.00%	73,215	8/1/2023
2013B1 GO Refunding Bonds	48,020	2017-2025	2.30%	43,475	8/1/2023
2013B2 GO Refunding Bonds	89,415	2017-2025	2.38%	86,685	8/1/2023
2014 Better Denver (mini-bonds)	12,000	2023, 2028	4.39-4.89%	12,000	Not callable
Total Primary Government				761,406	
Unamortized premium				16,478	
Net Primary Government				777,884	
14th Street GID	4,000	2034	7.00%	3,535	12/1/2020
Total General Obligation				781,419	
Excise Tax Revenue Bonds					
2016A Dedicated Tax Refunding and Improvement	242,500	2021-2046	2.00-5.00%	242,500	
2016B Dedicated Tax Refunding and Improvement	154,810	2017-2032	1.53%-3.818%	132,460	
Total Excise Tax Revenue Bonds				374,960	
Unamortized premium				29,716	
Net Excise Tax Revenue Bonds				404,676	
Total General Long-Term Debt				1,186,095	
Total Bonds Payable				\$ 5,396,255	

¹Variable rate issue - weekly interest rate reset

²Auction rate securities - 7 day auction

³Variable rate issue - daily interest rate reset

⁴Amounts do not include \$5,103 and \$1,362 of compound interest on the Series 2007 and 2014A mini-bonds, respectively.

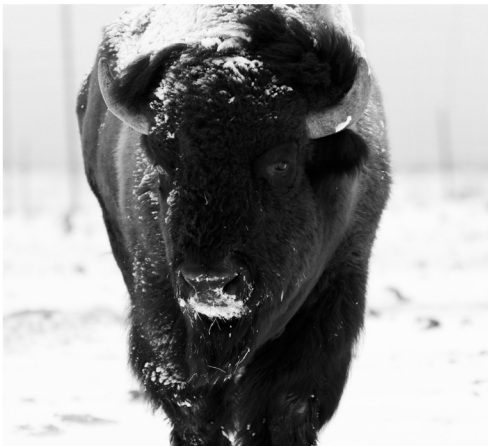
⁵Variable rate issues reflect rate in effect as of December 31, 2016.

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

LOCAL HIGHWAY FINANCE REPORT		City or County:	Denver	
		YEAR ENDING :	December 2016	
This Information From The Records Of (example - City of _ or County of _):		Prepared By:	Justin Sykes	
		Phone:	(720) 913-5533	
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)	76,014,802	
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	11,408,594	
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:		
c. Total (a.+b.)		a. Traffic control operations	13,281,252	
2. General fund appropriations	118,024,004	b. Snow and ice removal	4,366,484	
3. Other local imposts (from page 2)	1,432,607	c. Other	14,189,990	
4. Miscellaneous local receipts (from page 2)	0	d. Total (a. through c.)	31,837,726	
5. Transfers from toll facilities		4. General administration & miscellaneous	6,214,543	
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	21,894,677	
a. Bonds - Original Issues		6. Total (1 through 5)	147,370,341	
b. Bonds - Refunding Issues		B. Debt service on local obligations:		
c. Notes		1. Bonds:		
d. Total (a. + b. + c.)	0	a. Interest		
7. Total (1 through 6)	119,456,611	b. Redemption		
B. Private Contributions		c. Total (a. + b.)	0	
C. Receipts from State government (from page 2)	27,913,730	2. Notes:		
D. Receipts from Federal Government (from page 2)	0	a. Interest		
E. Total receipts (A.7 + B + C + D)	147,370,341	b. Redemption		
		c. Total (a. + b.)	0	
		3. Total (1.c + 2.c)	0	
		C. Payments to State for highways		
		D. Payments to toll facilities		
		E. Total disbursements (A.6 + B.3 + C + D)	147,370,341	
IV. LOCAL HIGHWAY DEBT STATUS (Show all entries at par)				
	Opening Debt	Amount Issued	Redemptions	Closing Debt
A. Bonds (Total)				0
1. Bonds (Refunding Portion)				
B. Notes (Total)				0
V. LOCAL ROAD AND STREET FUND BALANCE				
	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance
		147,370,341	147,370,341	E. Reconciliation
				(0)
Notes and Comments:				
- II.A.2 ("General fund appropriations") have been added to the extent that they are calculated to support highway expenditures				
- IV. Until 2006 we reported debt only for street-related special assessment districts. That amount is now negligible.				
General Obligation debt related to highways cannot be separated from debt for other purposes.				
- V.A&D. The City and County of Denver has no comprehensive, separate Road and Street "Fund." We have funds for various capital outlays; General Fund appropriations and other specified revenues support non-capital expenditures on roads and streets.				

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	1,432,607	a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & Penalties	
1. Sales Taxes		c. Parking Garage Fees	
2. Infrastructure & Impact Fees		d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	
5. Specific Ownership &/or Other		g. Other Misc. Receipts	
6. Total (1. through 5.)	0	h. Other	
c. Total (a. + b.)	1,432,607	i. Total (a. through h.)	0
	(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	27,913,730	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations		d. Federal Transit Admin	
d. Other (Specify) - DOLA Grant		e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	
f. Total (a. through e.)	0	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	27,913,730	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		3,942,124	3,942,124
b. Engineering Costs		6,991,277	6,991,277
c. Construction:			
(1). New Facilities		0	0
(2). Capacity Improvements		8,944,296	8,944,296
(3). System Preservation		50,174,240	50,174,240
(4). System Enhancement & Operation		5,962,864	5,962,864
(5). Total Construction (1) + (2) + (3) + (4)	0	65,081,401	65,081,401
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	76,014,802	76,014,802
			(Carry forward to page 1)
Notes and Comments:			

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Statistical

Contents

This part of the City and County of Denver’s comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government’s overall financial health.

166 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.

174 Revenue Capacity

These schedules contain information to help the reader assess the City’s most significant local revenue source, the sales tax.

182 Debt Capacity

These schedules present information to help the reader assess the affordability of the City’s current levels of outstanding debt and the City’s ability to issue additional debt in the future.

189 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.

191 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.

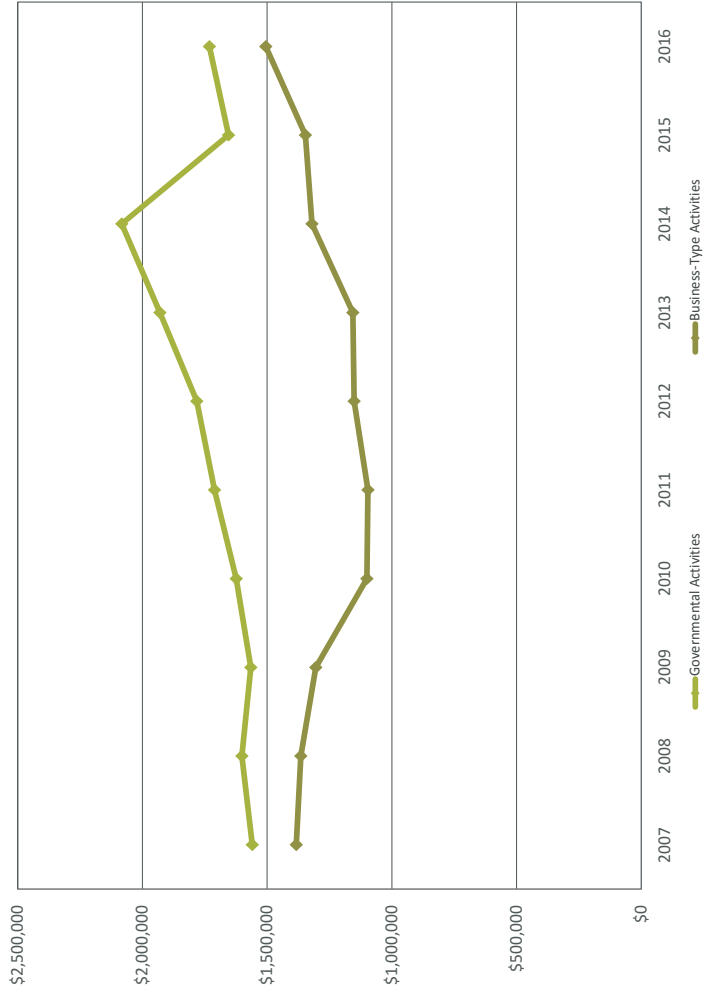
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Net Position by Component

Last Ten Fiscal Years (dollars in thousands - accrual basis of accounting)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Governmental activities										
Net investment in capital assets	\$ 1,170,496	\$ 1,238,768	\$ 1,188,810	\$ 1,211,215	\$ 1,247,292	\$ 1,315,237	\$ 1,366,632	\$ 1,420,817	\$ 1,509,354	\$ 1,572,753
Restricted	274,159	340,270	257,699	551,602	552,799	457,614	481,937	524,017	649,483	918,405
Unrestricted	115,047	22,243	119,307	(138,547)	(88,897)	9,411	81,589	138,255	(504,190)	(759,893)
Total governmental activities net position	\$ 1,559,702	\$ 1,601,281	\$ 1,565,816	\$ 1,624,270	\$ 1,711,194	\$ 1,782,262	\$ 1,930,158	\$ 2,083,089	\$ 1,654,647	\$ 1,731,265
Business-type activities										
Net investment in capital assets	\$ 317,488	\$ 262,385	\$ 212,129	\$ 114,343	\$ 91,524	\$ (13,036)	\$ (192,372)	\$ (193,351)	\$ (81,930)	\$ 175,636
Restricted	678,687	681,263	661,383	669,517	627,377	656,174	671,317	667,801	675,863	622,880
Unrestricted	387,282	421,159	431,497	316,116	377,121	507,873	677,576	846,056	752,775	707,076
Total business-type activities net position	\$ 1,383,457	\$ 1,364,807	\$ 1,305,009	\$ 1,099,976	\$ 1,096,022	\$ 1,151,011	\$ 1,156,521	\$ 1,320,506	\$ 1,346,708	\$ 1,505,592
Primary government										
Net investment in capital assets	\$ 1,487,984	\$ 1,501,153	\$ 1,400,939	\$ 1,325,558	\$ 1,338,816	\$ 1,302,201	\$ 1,174,260	\$ 1,227,466	\$ 1,427,424	\$ 1,748,389
Restricted	952,846	1,021,533	919,082	853,977	1,180,176	1,113,788	1,153,254	1,191,818	1,325,346	1,541,285
Unrestricted	502,329	443,402	550,804	544,711	288,224	517,284	759,165	984,311	248,585	(52,817)
Total primary government net position	\$ 2,943,159	\$ 2,966,088	\$ 2,870,825	\$ 2,724,246	\$ 2,807,216	\$ 2,933,273	\$ 3,086,679	\$ 3,403,595	\$ 3,001,355	\$ 3,236,857

Primary Government Net Position



Changes in Net Position

Last Ten Fiscal Years (dollars in thousands - accrual basis of accounting)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Expenses										
Governmental activities:										
General government	\$ 262,209	\$ 257,780	\$ 243,518	\$ 249,106	\$ 244,430	\$ 247,659	\$ 262,466	\$ 319,464	\$ 340,401	\$ 405,900
Public safety	475,728	536,382	506,887	526,007	531,109	570,111	563,658	592,270	588,597	688,287
Public works	79,496	134,698	159,657	144,211	149,160	195,168	164,837	193,207	190,577	216,587
Human services	132,535	139,895	128,946	119,530	114,252	111,067	114,624	114,727	125,195	145,594
Health	45,345	53,332	52,961	53,499	52,286	53,755	54,453	59,216	64,687	65,265
Parks and recreation	63,778	105,232	100,253	67,709	57,702	80,480	89,305	80,199	68,650	93,842
Cultural activities	89,967	62,499	63,646	100,190	127,606	110,885	123,248	128,799	131,835	130,536
Community development	47,098	39,945	40,480	47,501	46,571	40,262	35,142	39,598	45,355	48,766
Economic opportunity	26,280	31,647	31,803	25,905	23,036	21,481	21,218	21,091	20,027	14,830
Interest on long-term debt	54,592	76,073	62,670	70,453	77,263	74,901	70,030	66,306	63,267	62,566
Total governmental activities	1,277,028	1,436,483	1,390,821	1,404,111	1,423,415	1,505,769	1,498,981	1,614,877	1,638,591	1,872,173
Business-type activities:										
Wastewater management	76,298	75,122	80,865	84,752	97,773	99,179	105,679	102,688	111,941	114,740
Denver airport system	679,022	780,501	787,914	830,243	783,249	763,249	801,786	773,345	769,896	811,094
Environmental services	12,319	6,336	5,904	6,087	6,757	7,001	9,354	8,174	9,967	11,837
Golf course	6,570	8,252	7,884	7,935	8,757	8,943	10,474	12,254	10,766	11,146
Total business-type activities	774,209	870,211	882,567	929,017	896,536	878,372	927,293	896,461	902,570	948,817
Total Primary Government Expenses	\$ 2,051,237	\$ 2,306,694	\$ 2,273,388	\$ 2,333,128	\$ 2,319,951	\$ 2,384,141	\$ 2,426,274	\$ 2,511,338	\$ 2,541,161	\$ 2,820,990
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 51,541	\$ 76,106	\$ 82,719	\$ 79,636	\$ 78,018	\$ 75,761	\$ 87,988	\$ 97,289	\$ 99,302	\$ 99,847
Public safety	64,802	67,396	71,786	76,695	87,212	90,528	87,996	86,010	93,230	95,497
Public works	39,439	50,812	49,240	53,643	55,831	60,227	68,666	71,653	77,308	75,580
Community development	23,202	19,288	11,639	13,630	15,298	23,466	25,615	25,741	41,312	34,264
Other activities	38,044	47,862	67,138	49,841	69,337	74,844	76,577	86,043	91,608	95,337
Operating grants and contributions:										
General government	18,578	19,356	17,613	20,277	20,673	33,960	26,716	23,694	37,017	23,475
Public safety	29,266	69,663	24,713	29,792	28,817	30,634	29,023	26,861	26,914	26,398
Public works	32,333	29,902	23,633	23,067	19,256	62,269	19,370	20,654	20,825	23,358
Human services	82,879	82,004	80,428	72,644	77,417	73,133	68,244	76,207	73,768	86,469
Community development	26,151	19,282	19,419	16,562	29,258	26,617	15,800	17,064	7	6
Other activities	22,373	27,653	26,641	47,884	20,192	26,706	20,259	22,767	22,006	19,935
Capital grants and contributions:										
Public works	9,207	8,822	14,624	23,422	25,333	30,777	29,408	35,699	9,701	36,527
Other activities	16,809	7,997	6,701	14,334	15,491	2,780	40,104	18,780	28,597	31,691
Total governmental activities program revenues	454,624	526,143	496,294	521,427	542,133	611,702	595,766	608,462	621,595	648,384

continued

Changes in Net Position - continued

Last Ten Fiscal Years (dollars in thousands - accrual basis of accounting)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Business-type activities:										
Charges for services:										
Wastewater management	75,750	76,590	75,512	75,363	89,744	106,167	115,872	120,806	126,260	133,375
Denver airport system	627,666	649,933	663,355	703,997	705,979	730,145	661,637	711,490	793,543	876,643
Other activities	16,773	15,936	15,448	16,765	17,026	18,471	18,108	20,627	26,339	22,131
Operating grants and contributions:										
Denver airport system	-	-	-	-	400	675	103,513	121,690	19,220	686
Capital grants and contributions:										
Wastewater enterprises	9,906	7,690	15,018	13,984	11,652	6,890	7,289	8,379	9,564	25,142
Denver airport system	2,426	14,392	38,621	30,600	34,702	22,996	31,412	20,533	20,483	3,553
Other activities	-	-	-	-	-	-	-	-	-	280
Total business-type activities	732,521	764,541	807,954	840,709	859,503	885,344	937,831	1,003,525	995,409	1,061,810
Total Primary Government	\$ 1,187,145	\$ 1,290,684	\$ 1,304,248	\$ 1,362,136	\$ 1,401,636	\$ 1,497,046	\$ 1,533,597	\$ 1,611,987	\$ 1,617,004	\$ 1,710,194
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes:										
Property	\$ 227,188	\$ 274,809	\$ 259,963	\$ 295,381	\$ 288,106	\$ 287,062	\$ 331,914	\$ 347,079	\$ 349,176	\$ 399,859
Sales and use	455,436	468,137	421,838	447,071	481,023	494,495	539,348	615,735	638,276	674,398
Other	151,387	136,211	118,165	124,855	132,259	140,123	146,875	165,584	180,745	187,427
Investment and interest income	39,990	34,340	11,826	21,730	24,196	11,259	2,525	14,928	15,503	19,151
Other revenue	40,309	38,157	48,201	59,419	42,378	31,921	35,368	25,511	48,550	24,128
Transfers	2,261	265	(931)	275	244	275	275	575	2,275	(1,676)
Capital asset transfers	-	-	-	-	-	-	-	(10,066)	-	(2,880)
Total governmental activities	916,571	951,919	859,062	948,731	968,206	965,135	1,056,305	1,159,346	1,234,525	1,300,407
Business-type activities:										
Investment and interest income	87,885	90,279	15,828	50,424	33,323	48,275	24,357	45,205	41,593	40,414
Other revenue	33	6	56	102	-	17	948	2,225	13,666	921
Transfers	(2,261)	(265)	931	(275)	(244)	(275)	(275)	(575)	(2,275)	1,676
Capital asset transfers	-	-	-	-	-	-	-	10,066	-	2,880
Total business-type activities	85,657	90,020	16,815	50,251	33,079	48,017	25,030	56,921	52,984	45,891
Total General Revenues and Other Changes in Net Position	\$ 1,002,228	\$ 1,041,939	\$ 875,877	\$ 998,982	\$ 1,001,285	\$ 1,013,152	\$ 1,081,335	\$ 1,216,267	\$ 1,287,509	\$ 1,346,298
Changes in Net Position										
Governmental activities	\$ 94,167	\$ 41,579	\$ (35,465)	\$ 66,047	\$ 86,924	\$ 71,068	\$ 153,090	\$ 152,931	\$ 217,529	\$ 76,618
Business activities	43,969	(18,650)	(59,798)	(38,057)	(3,954)	54,989	35,568	163,985	145,823	158,884
Total Primary Government	\$ 138,136	\$ 22,929	\$ (95,263)	\$ 27,990	\$ 82,970	\$ 126,057	\$ 188,658	\$ 316,916	\$ 363,352	\$ 235,502

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Fund Balances of Governmental Funds

Last Ten Fiscal Years (dollars in thousands - modified accrual basis of accounting)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Fund										
Reserved	\$ 40,817	\$ 21,887	\$ 20,230	\$ 20,475						
Unreserved	154,774	149,562	92,990	115,586						
Nonspendable					\$ 330	\$ 159	\$ 268	\$ 425	\$ 2,890	\$ 7,215
Restricted					54,049	56,566	62,443	65,439	65,713	68,114
Committed					12,039	15,084	23,594	30,388	32,121	50,964
Assigned					-	-	-	-	-	-
Unassigned					147,892	155,039	201,030	267,764	293,476	271,130
Total General Fund	\$ 195,591	\$ 171,449	\$ 113,220	\$ 136,061	\$ 214,310	\$ 226,848	\$ 287,335	\$ 364,016	\$ 394,200	\$ 397,423
All other governmental funds										
Reserved	\$ 338,498	\$ 183,353	\$ 193,214	\$ 198,463						
Unreserved:										
Special revenue funds	96,139	97,139	92,739	93,112						
Capital projects funds	16,871	258,295	114,590	367,142						
Permanent funds	3,387	3,936	3,527	3,605						
Nonspendable					\$ 3,030	\$ 5,729	\$ 6,515	\$ 3,038	\$ 8,218	\$ 9,395
Restricted					479,270	395,160	413,008	455,110	528,071	833,997
Committed					2,616	27,786	37,804	3,966	2,262	24,041
Assigned					30,966	32,760	29,043	28,076	30,040	559
Unassigned					-	(38)	-	-	(372)	-
Total all other governmental funds	\$ 454,895	\$ 542,723	\$ 404,070	\$ 662,322	\$ 515,882	\$ 461,397	\$ 486,370	\$ 490,190	\$ 568,219	\$ 867,992

Fund Balances of Governmental Funds



Note: Reporting of fund balances was changed in 2011 due to the implementation of GASB 54.

Changes in Fund Balances of Governmental Funds

Last Ten Fiscal Years (dollars in thousands - modified accrual basis of accounting)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Revenues										
Property taxes	\$ 227,188	\$ 274,809	\$ 259,963	\$ 295,381	\$ 288,106	\$ 287,062	\$ 331,914	\$ 347,079	\$ 349,176	\$ 399,859
Sales and use taxes	455,436	468,137	421,838	447,071	481,023	494,495	539,348	608,307	640,251	675,916
Other taxes	150,017	136,211	118,165	124,855	132,259	140,123	146,875	165,584	180,745	187,427
Special assessments	1,370	1,394	1,342	1,397	1,429	1,422	1,702	1,913	1,575	1,282
Licenses and permits	29,383	29,364	24,555	29,907	31,094	35,393	44,415	49,963	61,530	61,235
Intergovernmental revenues	211,351	247,386	208,031	213,568	227,776	236,892	206,878	218,206	213,643	223,296
Charges for services	156,564	189,494	190,940	196,642	200,728	219,691	225,169	237,077	265,105	267,170
Investment and interest income	39,990	34,340	11,826	21,225	23,680	10,738	2,003	14,413	14,998	18,661
Fines and forfeitures	37,013	41,473	44,863	47,628	58,075	55,964	57,469	54,472	53,540	49,433
Contributions	8,668	9,022	5,741	5,961	8,661	6,515	7,086	5,578	4,657	6,709
Other revenue	40,376	40,167	50,664	53,840	64,905	51,030	55,664	54,660	65,103	62,289
Total revenues	1,357,356	1,471,797	1,337,928	1,437,475	1,517,736	1,539,325	1,618,523	1,757,252	1,850,323	1,954,277
Expenditures										
General government	236,694	255,008	249,526	243,697	239,138	242,091	258,408	304,479	332,024	374,605
Public safety	470,978	534,984	488,380	499,293	514,421	545,395	552,663	574,812	607,077	606,983
Public works	96,313	125,668	168,048	149,812	155,204	207,205	170,129	221,813	192,462	188,078
Health	48,694	52,191	52,734	53,035	52,415	52,848	54,205	59,469	64,036	61,822
Human services	129,451	139,013	128,592	119,083	114,004	110,784	114,079	113,799	123,095	135,733
Parks and recreation	59,791	100,928	100,182	58,212	63,895	61,761	66,992	70,301	73,222	75,752
Cultural activities	72,974	40,826	71,143	77,547	80,599	87,984	98,038	107,138	110,427	115,446
Community development	53,877	37,808	41,251	50,240	49,882	40,505	35,030	39,469	44,791	46,968
Economic opportunity	26,122	31,486	31,885	25,860	22,939	21,482	21,321	21,085	19,813	14,588
Principal retirement	81,685	70,807	65,590	70,387	81,269	87,393	99,525	95,885	104,667	107,346
Interest	53,387	82,598	61,351	60,773	79,425	75,351	72,842	69,427	64,622	60,908
Bond issuance costs	421	833	3,272	3,041	289	-	-	500	491	2,073
Capital outlay	95,821	210,430	192,232	142,706	155,267	93,934	45,877	32,697	35,194	99,506
Total Expenditures	1,426,208	1,682,580	1,654,186	1,553,686	1,608,747	1,626,733	1,589,109	1,710,874	1,771,921	1,889,808
Deficiency of revenues under expenditures	(68,852)	(210,783)	(316,258)	(116,211)	(91,011)	(87,408)	29,414	46,378	78,402	64,469

continued

Changes in Fund Balances of Governmental Funds, continued

Last Ten Fiscal Years (dollars in thousands - modified accrual basis of accounting)

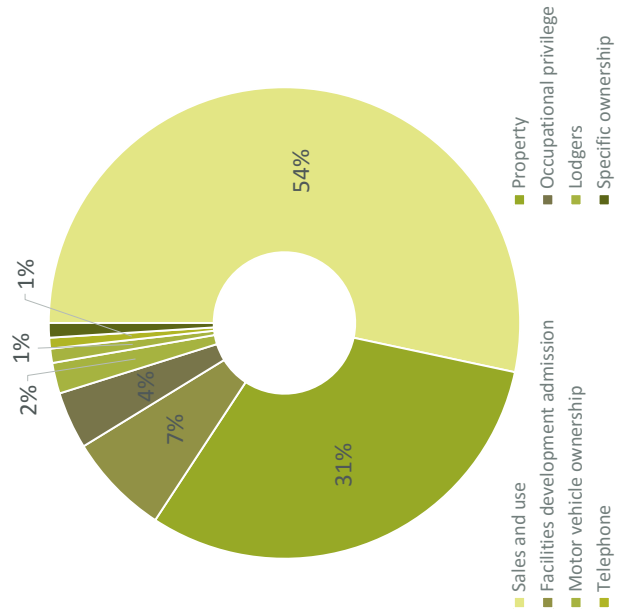
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Other financing sources (uses)										
Sale of capital assets	5,724	2,526	146	8,490	617	5	128	1,784	296	1,081
GID general obligation bonds issued	-	-	-	4,000	-	-	-	-	-	-
General obligation bonds issued	8,861	174,135	121,130	394,615	16,455	-	-	-	-	-
Excise tax revenue bonds issued	-	-	107,570	-	-	-	-	-	-	-
Issuance of certificate of participation	-	-	-	-	-	-	-	-	22,470	-
Issuance of capital leases	-	20,780	13,972	40,174	4,590	52,743	34,030	19,905	485	373
Capital leases restructured	-	260,000	1,307	-	-	-	-	-	-	-
Refunding of capital lease	-	-	-	-	-	-	-	-	-	-
Intergovernmental agreement	-	-	-	-	-	6,725	-	-	-	-
Payment to escrow	-	(250,290)	(178,024)	(129,779)	-	(13,729)	(256,518)	-	-	(193,979)
Payment to refunding escrow	-	-	-	-	-	-	-	-	-	-
Commercial paper issued	-	38,000	37,000	70,000	-	-	-	-	-	-
Bond premium (discount)	-	17,407	16,123	8,856	1,006	-	19,659	-	-	30,857
Bond proceeds - refunding	-	-	-	-	-	-	-	-	1,422	193,140
Note proceeds	-	-	-	-	-	-	-	-	-	3,000
Issuance of bonds	-	-	-	-	-	-	48,660	12,000	-	204,170
Issuance of bonds - refunding	-	-	-	-	-	-	209,700	-	-	-
Proceeds from sale of registered coupons	-	11,610	-	-	-	-	-	-	-	-
Insurance recoveries	11	86	1,083	673	484	1,240	749	500	1,266	1,561
Developer advance	-	-	-	-	-	-	-	-	-	-
Repayment of developer advance	-	-	-	-	-	-	-	-	-	-
GID bonds issued	-	-	-	-	-	-	-	-	-	-
Transfers in	85,346	111,590	114,285	101,174	73,294	87,479	108,121	112,670	206,427	182,897
Transfers out	(83,085)	(111,375)	(115,216)	(100,899)	(73,626)	(89,002)	(108,483)	(112,736)	(202,555)	(184,573)
Total other financing sources (uses)	16,857	274,469	119,376	397,304	22,820	45,461	56,046	34,123	29,811	238,527
Net change in fund balances	\$ (51,995)	\$ 63,686	\$ (196,882)	\$ 281,093	\$ (68,191)	\$ (41,947)	\$ 85,460	\$ 80,501	\$ 108,213	\$ 302,996
Debt service as a percentage of noncapital expenditures	12.2%	12.1%	11.1%	10.7%	10.9%	12.2%	11.7%	11.7%	10.5%	9.8%

Governmental Activities Tax Revenues by Source

Last Ten Fiscal Years (dollars in thousands - modified accrual basis of accounting)

Taxes	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Facilities development admission	\$ 10,092	\$ 10,016	\$ 7,082	\$ 7,160	\$ 8,325	\$ 8,986	\$ 8,721	\$ 9,262	\$ 12,569	\$ 12,401
Lodgers	49,651	53,773	43,982	49,136	55,620	57,956	63,482	75,579	82,376	88,872
Motor vehicle ownership fee	16,963	19,514	17,907	17,004	17,140	19,784	21,000	23,944	26,647	26,787
Occupational privilege	42,751	43,040	39,551	41,818	41,141	43,227	44,515	46,438	48,293	49,864
Property	227,188	274,809	259,963	295,381	288,106	287,062	331,914	347,079	349,176	399,859
Sales and use	455,436	468,137	421,838	447,071	481,023	494,495	539,348	608,307	640,251	676,916
Specific ownership	64	54	47	84	162	191	193	213	232	57
Telephone	9,918	9,814	9,596	9,653	9,871	9,979	8,964	10,148	10,628	9,446
Total primary government taxes	\$ 812,063	\$ 879,157	\$ 799,966	\$ 867,307	\$ 901,388	\$ 921,680	\$ 1,018,137	\$ 1,120,970	\$ 1,170,172	\$ 1,264,202

2016 Tax Revenues by Source

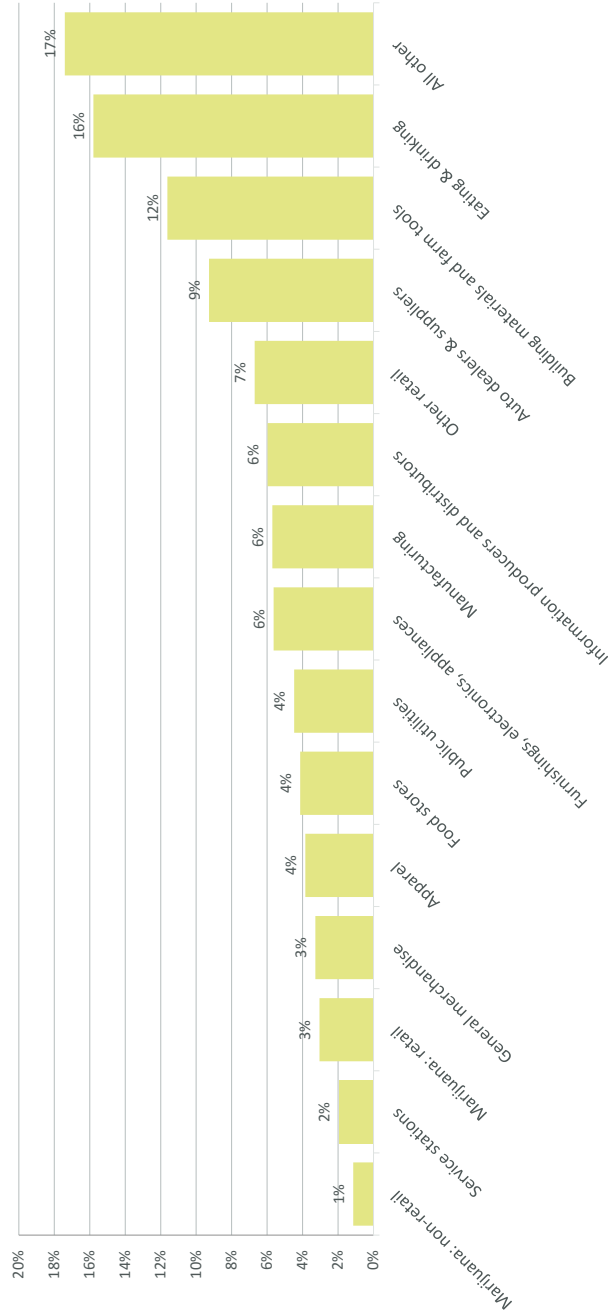


Sales Tax by Category

Last Ten Calendar Years (dollars in thousands)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Apparel stores	\$ 16,474	\$ 17,691	\$ 16,241	\$ 18,356	\$ 20,237	\$ 21,796	\$ 22,778	\$ 24,111	\$ 25,523	\$ 26,029
General merchandise	16,209	16,953	14,699	16,921	16,825	17,161	17,704	18,276	18,527	22,189
Food stores	16,210	17,961	17,795	18,790	19,467	20,269	21,399	23,698	24,994	27,972
Eating and drinking establishments	60,097	67,878	64,798	68,520	75,531	77,886	85,211	94,439	101,242	106,903
Home furnishings; electronics and appliances	21,543	22,461	19,105	20,413	21,827	22,584	24,410	26,138	28,026	38,112
Building materials and farm tools	35,826	37,741	31,258	30,962	33,700	36,837	44,188	52,708	55,122	78,695
Auto dealers and supplies	38,350	39,584	33,927	35,853	41,544	44,371	50,021	55,414	62,000	62,801
Service stations	11,942	10,719	14,792	20,345	16,798	15,100	14,396	15,027	15,058	13,333
Public utilities	24,503	30,145	26,118	28,783	30,333	28,164	30,944	32,931	31,106	30,285
Manufacturing	34,033	34,947	29,666	31,526	35,073	36,415	40,651	46,870	46,166	38,616
Information producers and distributors	36,164	41,431	36,154	37,531	40,445	38,576	37,877	38,213	37,036	40,450
Marijuana stores - retail	n/a	n/a	n/a	n/a	n/a	n/a	n/a	10,761	15,636	20,611
Marijuana stores - not including retail	n/a	n/a	n/a	n/a	n/a	n/a	n/a	6,451	6,996	7,730
Other retail stores	44,383	40,913	29,743	34,631	47,463	51,512	52,656	55,634	55,530	45,338
All other outlets	99,702	89,713	87,542	84,440	81,780	83,824	97,113	107,636	117,289	117,852
Total	\$ 455,436	\$ 468,137	\$ 421,838	\$ 447,071	\$ 481,023	\$ 494,495	\$ 539,348	\$ 608,307	\$ 640,251	\$ 676,916
City direct sales tax rate	3.50%	3.62%	3.62%	3.62%	3.62%	3.62%	3.62%	3.62%	3.62%	3.65%

2016 Sales Tax by Category



Note: The 2016 tax rate for retail marijuana is 7.12%

Source: Denver Controller's Office

Assessed Value and Estimated Actual Value of Taxable Property

Last Ten Fiscal Years (Dollars in thousands)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Vacant property	\$ 198,284	\$ 210,633	\$ 231,563	\$ 218,132	\$ 194,051	\$ 193,826	\$ 212,668	\$ 181,758	\$ 219,528	\$ 186,774
Residential property	4,394,658	4,510,588	4,545,672	4,598,108	4,325,747	4,345,018	4,469,706	4,567,603	5,919,659	6,059,029
Commercial property	4,372,532	4,383,397	5,452,125	5,426,538	4,655,265	4,567,479	4,886,510	4,909,533	6,445,053	6,521,348
Industrial property	130,130	125,108	144,380	142,372	147,433	120,329	124,503	122,425	150,606	143,930
Agricultural property	113	56	44	44	120	55	69	69	79	138
Oil and gas property	1,279	3,286	4,020	63	-	-	-	-	-	-
Personal property	779,600	792,393	813,037	739,224	726,354	722,513	741,538	765,486	825,798	827,331
State assessed property	784,031	837,783	821,502	835,603	888,485	808,218	829,207	838,378	824,187	920,535
Total taxable assessed value	\$ 10,660,627	\$ 10,863,244	\$ 12,012,343	\$ 11,960,084	\$ 10,937,455	\$ 10,757,438	\$ 11,264,201	\$ 11,385,252	\$ 14,384,910	\$ 14,659,085
Total direct tax rate	27.119	26.535	25.308	26.043	28.419	32.926	33.119	33.055	30.119	0.500
Estimated actual taxable value	\$ 76,813,114	\$ 78,563,808	\$ 82,844,303	\$ 83,151,295	\$ 77,142,543	\$ 76,697,449	\$ 79,581,379	\$ 80,891,083	\$ 100,203,607	\$ 105,772,919
Assessed value as a percentage of estimated actual value	13.9%	13.8%	14.5%	14.4%	14.2%	14.0%	14.2%	14.1%	14.4%	13.9%

Note: The TABOR amendment, which was approved by Colorado voters in 1992, requires all assessors to use only the market approach in valuing residential property. For commercial real property, the income approach is generally the appropriate method to use in estimating value. Under Colorado law, all assessors must reappraise real property every two years; this occurs in every odd-numbered year (2007, 2009, 2011, 2013, 2015, and 2017). If home sales have been very active, and home prices have been increasing, then the property value and assessment for many types and styles of homes typically will increase during these reappraisals. Property tax is determined by the mill levy, which is set in December of each year by the taxing authorities in Denver (the school district, city council, special districts, etc.)

In November 2012, Denver voters removed the Taxpayer Bill of Rights (TABOR) limits on property tax, and as a result mill levies assessed after 2012 will not be subject to TABOR limits.

Taxable assessed values are reported net of tax-exempt property.

Source: Abstract of Assessment documents

Direct and Overlapping Property Tax Rates

Last Ten Fiscal Years (mill levy - total general taxes)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
County Direct Rates										
General fund	6.306	6.389	5.867	8.455	9.805	13.362	13.185	13.156	11.331	11.276
Bond principal	4.750	4.470	4.470	4.470	3.980	4.170	4.330	4.100	5.433	7.433
Bond interest	3.683	3.110	3.110	3.110	3.600	3.780	4.103	4.333	3.000	1.000
Social services	3.630	3.698	3.394	3.556	4.101	4.520	4.480	4.470	3.849	3.835
Developmentally disabled	1.013	1.011	1.013	1.019	1.030	1.033	1.021	1.016	1.012	1.010
Fire pension	1.345	1.371	1.258	1.317	1.519	1.587	1.572	1.568	1.350	1.345
Police pension	1.607	1.636	1.502	1.572	1.812	1.893	1.875	1.870	1.610	1.604
Capital improvement	2	2	2.170	-	-	-	-	-	-	-
Capital maintenance	3	3	2.524	2.544	2.572	2.581	2.553	2.542	2.534	2.528
Affordable housing	-	-	-	-	-	-	-	-	-	0.500
Total County Direct Rates	27.119	26.535	25.308	26.043	28.419	32.926	33.119	33.055	30.119	30.531
School District #1										
General fund	33.611	33.464	32.912	33.172	34.307	39.575	38.853	38.780	37.147	41.013
Bond redemption	5.599	6.193	6.350	6.800	7.958	10.913	10.446	10.519	10.250	9.383
Total School District #1	39.210	39.657	39.262	39.972	42.265	50.488	49.299	49.299	47.397	50.396
Urban Drainage & Flood Control District	0.568	0.591	0.569	0.576	0.623	0.657	0.672	0.700	0.611	0.620
Total General Taxes	66.897	66.783	65.139	66.591	71.307	84.071	83.090	83.054	78.127	81.547

Mill Levy - Total General Taxes



Note: The mill levy shown for total general taxes does not include special district mill levies.

In November 2012, Denver voters removed the Taxpayer Bill of Rights (TABOR) limits on property tax, and as a result mill levies assessed after 2012 will not be subject to TABOR limits.

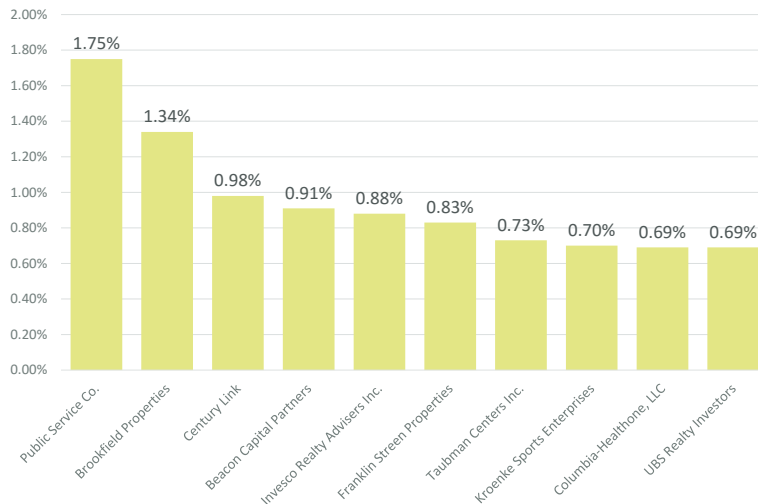
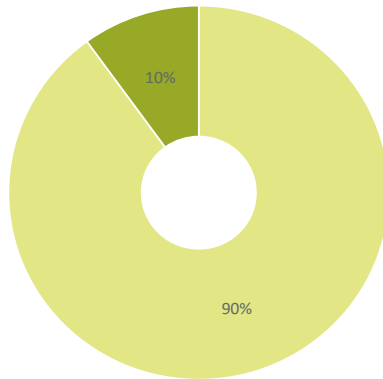
Source: Abstract of Assessment documents

Principal Property Taxpayers

Current Year and Nine Years Ago (dollars in thousands)

Taxpayer	2016			2007		
	Value	Rank	Total Taxable	Value	Rank	Total Taxable
Public Service Co.	\$ 252,378	1	1.75%	\$ 170,858	2	1.60%
Brookfield Properties	192,537	2	1.34%			
CenturyLink, Inc. ¹	141,253	3	0.98%	197,929	1	1.86%
Beacon Capital Partners	130,493	4	0.91%			
Invesco Realty Advisers Inc.	126,558	5	0.88%			
Franklin Street Properties	118,949	6	0.83%			
Taubman Centers Inc.	105,713	7	0.73%			
Kroenke Sports Enterprises	100,042	8	0.70%			
Columbia-Healthone, LLC	99,519	9	0.69%			
UBS Realty Investors	99,189	10	0.69%			
Callahan Capital Partners				96,501	4	0.91%
Republic Plaza Properties				71,893	7	0.67%
Frontier Airlines				72,018	6	0.68%
United Airlines, Inc.				103,997	3	0.98%
LBA Realty Fund II Co. IV				69,152	8	0.65%
Transwestern Broadreach				66,155	10	0.62%
Crescent Real Estate Equities				67,390	9	0.63%
Temple Hoyne Buell Foundation				75,206	5	0.70%
Totals	\$ 1,366,631		9.50%	\$ 991,099		9.30%

2016 Principal Property Taxpayers



¹ CenturyLink, Inc. merged with Qwest Corp. in April 2011.

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Property Tax Levies and Collections

Last Ten Fiscal Years (dollars in thousands)

General Fund

	Taxes levied	Prepaid amounts collected within the fiscal year of the levy	Amount collected in year due	Percentage of levy prepaid and collected in year due	Collections in subsequent years ¹	Total collections to date	
						Amount	Percentage of levy
2007	\$ 63,216	437	\$ 62,213	99.10%	(222)	\$ 62,428	98.75%
2008	65,079	510	63,315	98.07%	413	64,238	98.71%
2009	66,126	441	64,579	98.33%	(588)	64,432	97.44%
2010	68,934	473	67,649	98.82%	(195)	67,927	98.54%
2011	73,181	494	71,281	98.08%	(264)	71,511	97.72%
2012	106,177	358	105,134	99.35%	20	105,512	99.37%
2013	109,268	469	107,758	99.05%	(104)	108,123	98.95%
2014	109,682	580	108,074	99.06%	-	108,654	99.06%
2015	118,856	631	116,532	98.58%	-	117,163	98.58%
2016	120,180	586	n/a	0.49%	n/a	-	-

Affordable Housing

2016	\$ 6,730	33	\$ -	0.49%	n/a	\$ -	-
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Bond Principal Fund

2007	\$ 47,618	329	\$ 46,862	99.10%	(168)	\$ 47,024	98.75%
2008	45,532	357	44,298	98.07%	289	44,944	98.71%
2009	50,381	336	49,202	98.33%	(448)	49,090	97.44%
2010	49,908	343	48,978	98.82%	(141)	49,180	98.54%
2011	40,599	274	39,546	98.08%	(147)	39,673	97.72%
2012	41,730	141	41,320	99.36%	8	41,469	99.37%
2013	45,268	194	44,643	99.05%	(44)	44,793	98.95%
2014	43,121	228	42,512	99.12%	-	42,740	99.12%
2015	71,837	381	70,525	98.70%	-	70,906	98.70%
2016	100,054	487	n/a	0.49%	n/a	-	-

Bond Interest Fund

2007	\$ 36,921	255	\$ 36,336	99.11%	(130)	\$ 36,461	98.75%
2008	31,679	248	30,820	98.07%	201	31,269	98.71%
2009	35,052	234	34,232	98.33%	(311)	34,155	97.44%
2010	34,724	238	34,077	98.82%	(98)	34,217	98.54%
2011	36,723	248	35,770	98.08%	(133)	35,885	97.72%
2012	37,827	128	37,455	99.35%	8	37,591	99.38%
2013	42,895	184	42,302	99.05%	(41)	42,445	98.95%
2014	45,572	241	44,928	99.12%	-	45,169	99.12%
2015	39,667	211	38,942	98.70%	-	39,153	98.70%
2016	13,461	65	n/a	0.48%	n/a	-	-

continued

Property Tax Levies and Collections, continued

Last Ten Fiscal Years (dollars in thousands)

Human Services Fund

	Taxes levied	Prepaid amounts collected within the fiscal year of the levy	Amount collected in year due	Percentage of levy prepaid and collected in year due	Total collections to date		
					Collections in subsequent years ¹	Amount	Percentage of levy
2007	\$ 46,545	322	\$ 45,806	99.10%	(164)	\$ 45,964	98.75%
2008	47,966	376	46,666	98.07%	305	47,347	98.71%
2009	49,671	331	48,508	98.33%	(441)	48,398	97.44%
2010	51,081	351	50,128	98.82%	(145)	50,334	98.54%
2011	52,340	354	50,981	98.08%	(189)	51,146	97.72%
2012	56,335	187	55,778	99.34%	12	55,977	99.36%
2013	58,308	247	57,501	99.04%	(55)	57,693	98.95%
2014	58,530	305	57,706	99.11%	-	58,011	99.11%
2015	65,295	341	64,097	98.69%	-	64,438	98.69%
2016	66,205	317	n/a	0.48%	n/a	-	-

Capital Improvement and Maintenance Funds

2007	\$ 47,969	332	\$ 47,207	99.10%	(169)	\$ 47,370	98.75%
2008	49,403	386	48,065	98.07%	314	48,765	98.71%
2009	52,905	353	51,668	98.33%	(471)	51,550	97.44%
2010	53,872	370	52,868	98.82%	(153)	53,085	98.54%
2011	53,075	359	51,697	98.08%	(192)	51,864	97.72%
2012	53,369	180	52,844	99.35%	11	53,035	99.37%
2013	55,183	237	54,420	99.05%	(53)	54,604	98.95%
2014	64,472	292	54,526	99.09%	-	54,818	99.09%
2015	65,381	318	n/a	0.49%	n/a	63,597	98.64%
2016							

Total

2007	\$ 242,270	1,675	\$ 238,424	99.10%	(853)	\$ 239,247	98.75%
2008	239,659	1,877	233,164	98.07%	1,522	236,563	98.71%
2009	254,135	1,695	248,189	98.33%	(2,259)	247,625	97.44%
2010	258,518	1,775	253,699	98.82%	(732)	254,743	98.54%
2011	255,918	1,729	249,275	98.08%	(925)	250,079	97.72%
2012	295,438	994	292,531	99.35%	59	293,584	99.37%
2013	310,922	1,331	306,624	99.05%	(297)	307,658	98.95%
2014	312,228	1,646	307,746	99.09%	-	309,392	99.09%
2015	360,128	1,906	353,351	98.65%	-	355,257	98.65%
2016	365,281	1,773	n/a	0.49%	n/a	-	-

¹ Net of adjustments based upon the appeals process.

² Taxes are determined to be uncollectable after six (6) years from the date of becoming delinquent and cancelled as authorized by C.R.S. 39-10-114(2)(b).

Note: The property tax is certified by the City's Assessor on or before December 15 of each year, unless there is a special election. Property taxes are due and considered earned on January 1 following the year levied. The first and second halves become delinquent on March 1 and June 16, respectively.

Source: Denver Controller's Office

Ratios of Outstanding Debt by Type

Last Ten Fiscal Years (dollars in thousands, except per capita amount)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Governmental Activities										
General obligation bonds	\$ 422,924	\$ 551,679	\$ 616,209	\$ 969,229	\$ 941,484	\$ 895,649	\$ 903,939	\$ 867,646	\$ 815,676	\$ 761,406
Commercial paper notes	-	38,000	22,000	-	-	-	-	-	-	-
Special assessment bonds	-	-	-	-	-	-	-	-	-	-
Excise tax revenue bonds	304,105	290,950	278,450	266,640	249,140	230,650	211,325	191,150	171,365	374,960
Capital leases	416,914	435,306	436,546	444,591	429,279	447,679	413,417	406,490	403,555	375,112
Unamortized premium	35,646	46,672	55,827	56,644	48,876	40,927	47,108	37,948	31,080	50,253
Deferred amount on refunding	2,642	2,432	(2,903)	(2,601)	(2,299)	(1,997)	(16,073)	(14,361)	(12,675)	(25,336)
Line of credit	735	770	-	-	-	-	-	-	-	-
Note payable	14,038	14,532	14,656	11,777	8,640	13,804	7,856	7,456	1,431	1,431
Business-Type Activities										
Revenue bonds	4,230,760	4,130,135	4,164,880	4,002,585	3,803,945	3,950,425	4,491,390	4,330,935	4,156,170	4,046,185
Unamortized (discount)/premium	58,554	63,637	59,312	61,066	70,089	173,057	177,856	158,108	133,495	163,975
Capital leases	-	-	617	487	430	9,769	8,785	9,345	8,179	10,980
Notes payable	61,671	63,648	94,961	36,428	24,466	35,169	25,804	20,987	17,077	10,751
Total primary government	\$ 5,547,989	\$ 5,637,741	\$ 5,740,555	\$ 5,846,846	\$ 5,574,050	\$ 5,795,132	\$ 6,271,407	\$ 6,015,704	\$ 5,725,353	\$ 5,769,717
Percentage of personal income	16.95%	17.07%	17.35%	18.33%	15.81%	15.55%	16.37%	n/a	n/a	n/a

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

Ratios of General Bonded Debt Outstanding

Last Ten Fiscal Years (dollars in thousands, except per capita amount)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General obligation bonds	\$ 422,924	\$ 551,679	\$ 616,209	\$ 969,229	\$ 941,484	\$ 895,649	\$ 903,939	\$ 867,646	\$ 815,676	\$ 761,406
Less amounts available in debt service fund	(19,930)	(21,751)	(26,436)	(34,280)	(38,943)	(32,777)	(26,513)	(64,755)	(84,239)	(129,356)
Total	\$ 402,994	\$ 529,928	\$ 589,773	\$ 934,949	\$ 902,541	\$ 862,872	\$ 877,426	\$ 802,891	\$ 731,437	\$ 632,050
Percentage of estimated actual taxable value of property	0.53%	0.67%	0.71%	1.12%	1.17%	1.13%	1.10%	0.99%	0.73%	0.60%
Per Capita	\$ 681	\$ 895	\$ 996	\$ 1,579	\$ 1,524	\$ 1,457	\$ 1,482	\$ 1,356	\$ 1,235	\$ 1,068

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statement.

Direct and Overlapping Governmental Activities Debt

December 31, 2016 (dollars in thousands)

	Debt Outstanding	Percentage Applicable	City and County of Denver Share of Debt
Direct Debt			
General Obligation bonds	\$ 761,406 ¹		
General Improvement District bonds	3,535		
Capital leases	375,112		
Housing and Urban Development notes	1,431		
Intergovernmental agreement	1,968		
Total Net Direct Debt	1,143,452		
Overlapping Debt			
Regional Transportation District	3,554,333	30.5% ²	\$ 1,084,072
Metro Wastewater Reclamation District	585,010	38.5% ³	225,229
School District #1	2,736,332	100.0%	2,736,332
Total Overlapping Debt	6,875,675		4,045,633
Total Net Direct and Overlapping Debt	\$ 8,019,127		\$ 5,189,085

¹ Does not include \$16,478 unamortized premium.

² Percentage calculated on estimated Scientific and Cultural Facilities District sales and use tax for Denver City and County compared to State total, per the Colorado Department of Revenue, Office of Research and Analysis.

³ Percentage calculated on Denver's wastewater charges compared to the entire metro district per Metro Wastewater Reclamation District.

Legal Debt Margin Information

Last Ten Fiscal Years (dollars in thousands)

Calculation of Legal Debt Margin for Fiscal Year 2016

Total Estimated Actual Valuation	<u>\$ 105,772,919</u>
Maximum general obligation debt, limited to 3% of total valuation	\$ 3,173,188
Outstanding bonds chargeable to limit	761,406
Less amount reserved for long-term debt	129,356
Net chargeable to bond limit	<u>632,050</u>
Legal Debt Margin – December 31	\$ 2,541,138

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Debt limit	\$ 2,304,393	\$ 2,356,914	\$ 2,485,329	\$ 2,494,539	\$ 2,314,276	\$ 2,300,923	\$ 2,387,441	\$ 2,426,732	\$ 3,006,108	\$ 3,173,188
Total net debt application to limit	402,994	567,928	649,694	976,103	902,541	862,872	877,426	802,891	731,437	632,050
Legal debt margin	\$ 1,901,399	\$ 1,788,986	\$ 1,835,635	\$ 1,518,436	\$ 1,411,735	\$ 1,438,051	\$ 1,510,015	\$ 1,623,841	\$ 2,274,671	\$ 2,541,138
Total net debt applicable to the limit as a percentage of debt limit	17.49%	24.10%	26.14%	39.13%	39.00%	37.50%	36.75%	33.09%	24.33%	19.92%

Legal Debt Margin



Note: Section 7.2.5, Charter of the City and County of Denver: The City and County of Denver shall not become indebted for general obligation bonds, to any amount, which, including indebtedness, shall exceed three percent of the actual value as determined by the last final assessment of the taxable property within the City and County of Denver.

National Western Center and Convention Center Excise Pledged-Revenue Coverage

Last Ten Fiscal Years (dollars in thousands)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Pledged 3.0% lodger's tax revenues	\$ 13,857	\$ 15,006	\$ 12,279	\$ 13,703	\$ 15,553	\$ 16,173	\$ 17,726	\$ 21,092	\$ 22,989	\$ 24,802
Pledged 0.5% food and beverage tax revenues	10,396	10,720	10,141	11,116	12,243	12,840	13,564	15,202	16,350	17,164
Pledged 2.0% short-term auto rental tax revenues	7,957	7,721	6,874	7,707	8,058	8,595	9,425	10,894	11,614	12,468
Other sources	1,026	849	415	402	287	324	263	381	541	961
Total pledged excise tax base	\$ 33,236	\$ 34,296	\$ 29,709	\$ 32,928	\$ 36,141	\$ 37,932	\$ 40,978	\$ 47,569	\$ 51,494	\$ 55,395
Debt service (2009B Bonds)	7,383	7,380	7,341	4,198	8,648	8,644	8,647	8,655	n/a	n/a
Pledged excise tax base remaining after payment of 2009B Bonds debt service	\$ 25,853	\$ 26,916	\$ 22,368	\$ 28,730	\$ 27,493	\$ 29,288	\$ 32,331	\$ 38,914	\$ 51,494	\$ 55,395
Pledged 1.75% short-term auto rental increase	6,962	6,756	6,015	6,745	7,051	7,521	8,247	9,532	10,163	10,910
Pledged 1.75% lodgers' tax increase	8,083	8,754	7,162	7,993	9,072	9,434	10,340	12,303	13,410	14,468
Available for Series 2005A and 2009A Bonds debt service	\$ 40,898	\$ 42,426	\$ 35,545	\$ 43,468	\$ 43,616	\$ 46,243	\$ 50,918	\$ 60,749	\$ 75,067	\$ 80,773
Debt service (2005A and 2009A Bonds)	13,165	16,365	17,394	19,828	19,913	19,887	19,868	19,824	27,165	4,726
Additional pledged 3.25% lodger's tax revenues	-	-	-	-	-	-	-	-	-	24,969
Additional pledged 3.50% short-term auto rental revenues	-	-	-	-	-	-	-	-	-	21,664
Available for Series 2016A and 2016B Bonds debt service	-	-	-	-	-	-	-	-	-	122,680
Debt service (2016A and 2016B Bonds)	-	-	-	-	-	-	-	-	-	26,916

Note: The pledged excise tax base is funded by portions of the lodger's tax (3.0%), short-term auto rental tax (2.0%), and food and beverage tax (0.5%). The pledged excise tax base was used to pay the debt service on the series 2009B Excise Tax Bonds, which matured and was fully paid off in 2014. The pledged excise tax increase is funded by portions of the lodger's tax (1.75%) and short-term auto rental tax (1.75%). The pledged excise tax increase has only been used to pay the debt service on the series 2005A and 2009A Excise Tax Bonds. Any deficiency in the pledged excise tax increase revenue was covered by excess funds in the pledged excise tax base. The series 2005A, 2009A and 2009B bond issuances funded the Colorado Convention Center and its expansion. In 2016 the City issued series 2016A-B Bonds, which were issued to fund the initial costs of the National Western Center and Colorado Convention Center improvements as well as to advance refund of all the outstanding 2005A and 2009A bonds. The City pledged the excise tax base and excise tax increase revenues to the repayment of the 2016A-B Bonds as well as additional revenues that were not pledged to the repayment of the 2005A and 2009A Bonds. These additional revenues include 3.25% Lodger's Tax and 3.5% Auto Rental Tax.

Wastewater Management Fund Pledged-Revenue Coverage

Last Ten Fiscal Years (dollars in thousands)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Net pledged revenues	\$ 14,993	\$ 16,013	\$ 9,260	\$ 8,722	\$ 10,202	\$ 24,562	\$ 28,016	\$ 36,635	\$ 33,363	\$ 35,293
Combined average debt service requirements ¹	\$ 2,450	\$ 2,387	\$ 2,471	\$ 2,484	\$ 2,484	\$ 3,223	\$ 3,164	\$ 3,099	\$ 3,027	\$ 8,299
Debt service coverage ratio	6.12	6.71	3.75	3.51	4.11	7.62	8.85	11.82	11.02	4.25
Required coverage	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25

¹ Numbers through 2011 apply to Series 2002 bonds that were refunded in January 2012 by Series 2012 bonds.

Note: The Wastewater Management bonds are secured by the net revenues derived from the operation of Wastewater Management's Storm Drainage Facilities and Sanitary Sewer Facilities.

Golf Fund Pledged-Revenue Coverage

Last Ten Fiscal Years (dollars in thousands)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Net pledged revenues	\$ 2,590	\$ 1,114	\$ 1,775	\$ 2,034	\$ 1,551	\$ 1,996	\$ 907	\$ 1,264	\$ 912	\$ 1,940
Rate maintenance account	\$ 240	\$ 240	\$ 240	\$ 240	\$ 240	\$ 240	\$ 240	\$ 240	\$ 240	\$ 240
Available fund balance	\$ 12,507	\$ 12,883	\$ 13,362	\$ 14,238	\$ 14,468	\$ 15,325	\$ 14,253	\$ 12,933	\$ 9,791	\$ 9,987
Annual debt service requirement	\$ 687	\$ 682	\$ 682	\$ 686	\$ 685	\$ 685	\$ 682	\$ 686	\$ 684	\$ 685
Service coverage ratio	n/a	1.99	2.95	3.31	2.61	3.26	1.68	2.19	1.68	\$ 3.18
Required coverage	n/a	1.35	1.35	1.35	1.35	1.35	1.35	1.35	1.35	1.35

***Golf bonds were issued in 2006**

¹ Does not include non-cash expenditure of \$617 for leased items that did not meet City's capitalization limit.

² Does not include non-cash expenditure of \$1,318 for leased items that did not meet City's capitalization limit.

Note: The Golf bonds were issued to fund improvement to the City-owned golf courses and are secured by the gross revenues of the Golf Enterprise fund minus certain Operating and Maintenance Expenses.

Denver International Airport Fund Pledged-Revenue Coverage

Last Ten Fiscal Years (dollars in thousands)

	2007 ¹	2008	2009	2010	2011	2012	2013	2014	2015	2016
Gross Revenues	\$ 616,106	\$ 635,607	\$ 631,592	\$ 668,885	\$ 702,157	\$ 713,279	\$ 743,101	\$ 803,620	\$ 808,614	\$ 863,126
Operation and maintenance expenses	282,746	305,382	309,270	302,881	312,278	318,394	349,987	355,769	377,199	417,140
Net revenues	333,360	330,225	322,322	366,004	389,879	394,885	393,114	447,851	431,415	445,986
Other available funds	53,251	53,575	49,288	57,449	57,528	51,685	50,409	54,834	50,320	51,574
Total amount available for debt service	\$ 386,611	\$ 383,800	\$ 371,610	\$ 423,453	\$ 447,407	\$ 446,570	\$ 443,523	\$ 502,685	\$ 481,735	\$ 497,560
Debt service requirements per general and supplemental bond ordinances	\$ 229,923	\$ 240,028	\$ 237,905	\$ 253,244	\$ 235,356	\$ 247,563	\$ 242,816	\$ 219,334	\$ 201,279	\$ 294,914
Debt service coverage	1.68	1.60	1.56	1.67	1.90	1.80	1.83	2.29	2.39	1.69
Required coverage	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25

¹ Per restated financial statements.

Source: Denver International Airport Financial Statements

Demographic and Economic Statistics

Last Ten Calendar Years

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Population	592,052	598,707	610,345	600,158	619,968	634,265	649,495	663,862	682,545	693,060
Personal income (expressed in millions)	\$ 30,949	\$ 31,308	\$ 31,512	\$ 30,515	\$ 33,811	\$ 35,721	\$ 36,999	\$ 41,743	\$ 46,617	n/a
Per capita personal income	\$ 53,908	\$ 52,788	\$ 51,630	\$ 50,845	\$ 54,537	\$ 56,318	\$ 56,967	\$ 62,880	\$ 68,299	n/a
School enrollment	73,873	75,269	78,352	79,423	81,870	84,424	87,398	90,150	91,429	92,331
Unemployment rate	4.20%	5.30%	9.00%	10.00%	9.20%	8.20%	7.00%	4.30%	3.70%	3.00%

City and County of Denver Population



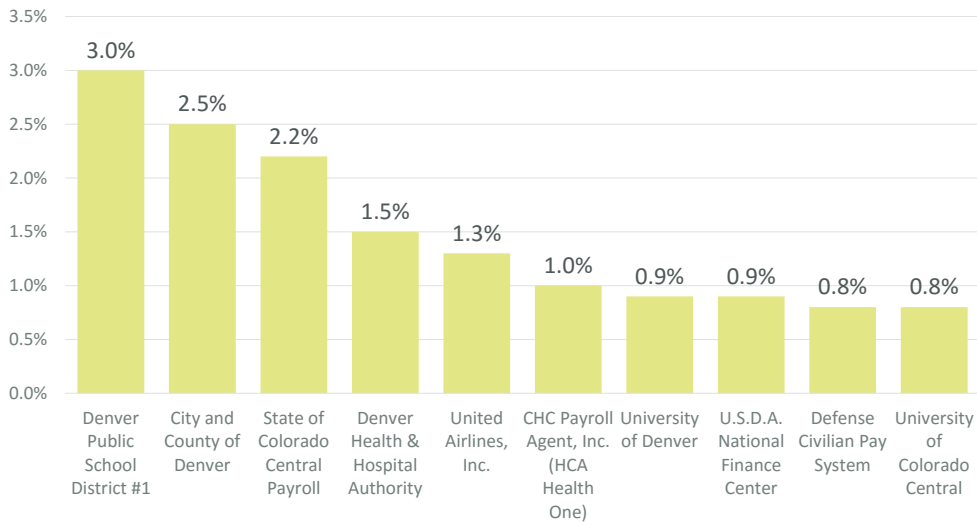
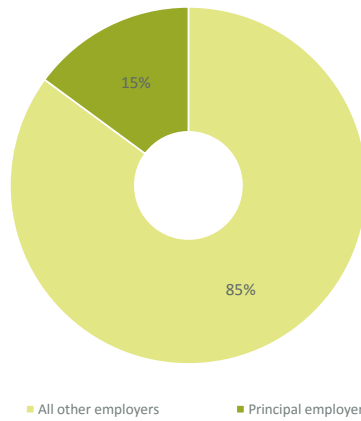
Source: Denver Public Schools
 U.S. Bureau of Labor Statistics, Local Area Unemployment Statistics
 U.S. Census Bureau
 U.S. Department of Commerce

Principal Employers

Current Year and Nine Years Ago

	2016			2007		
	Employees	Rank	City Employment	Employees	Rank	City Employment
Denver Public School District #1	12,924	1	3.0%	9,298	2	2.6%
City and County of Denver	10,781	2	2.5%	11,602	1	3.3%
State of Colorado Central Payroll	9,588	3	2.2%	9,183	3	2.6%
Denver Health & Hospital Authority	6,541	4	1.5%	3,982	8	1.1%
United Airlines, Inc.	5,777	5	1.3%	5,455	6	1.5%
CHC Payroll Agent, Inc. (HCA Health One)	4,196	6	1.0%	3,199	9	0.9%
University of Denver	3,866	7	0.9%			
U.S.D.A. National Finance Center	3,852	8	0.9%	8,833	4	2.5%
Defense Civilian Pay System	3,323	9	0.8%			
University of Colorado Central	3,317	10	0.8%	6,060	5	1.7%
Frontier Airlines Inc.				4,171	7	1.2%
King Soopers				2,509	10	0.1%
Total	64,165		14.9%	64,292		17.5%

2016 Principal Employers



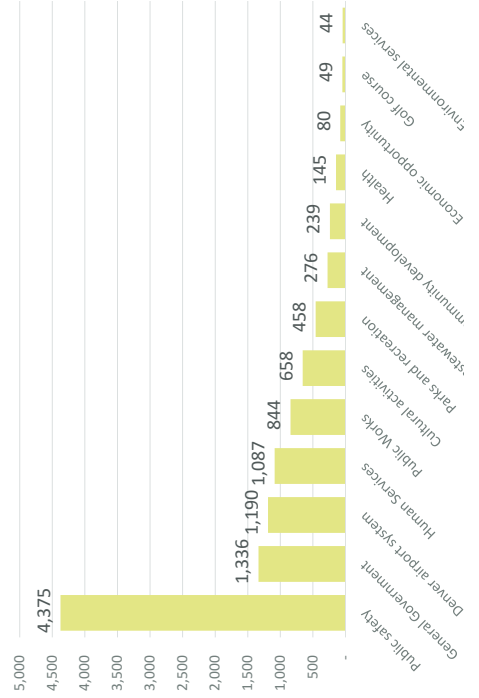
Source: Based on 2016 and 2007 Occupational Privilege Tax Remitters.

Full-Time Equivalent City Government Employees by Function

Last Ten Fiscal Years

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Government	1,309	1,329	1,194	1,212	1,155	1,179	1,190	1,282	1,290	1,336
Public safety	4,303	4,327	4,211	4,167	4,109	4,095	4,192	4,256	4,324	4,375
Public Works	804	822	795	784	751	736	754	754	794	844
Human Services	1,060	1,050	890	892	894	890	884	941	1,022	1,087
Health	120	126	114	122	109	111	124	131	136	145
Parks and recreation	548	542	446	449	431	431	449	450	450	458
Cultural activities	575	563	512	520	517	570	628	642	665	658
Community development	225	215	191	190	185	179	176	200	219	239
Economic opportunity	226	249	211	212	198	183	182	186	176	80
Wastewater management	255	271	258	246	234	251	248	252	259	276
Denver airport system	990	1,030	1,001	972	983	1,001	1,035	1,097	1,125	1,190
Environmental services	26	26	30	31	38	43	43	46	44	44
Golf course	44	48	42	39	36	35	41	44	45	49
Total	10,485	10,598	9,895	9,836	9,640	9,704	9,946	10,281	10,549	10,781

2016 Full-Time City Employees by Function



Source: Denver Controller's Office

Operating Indicators by Function

Last Ten Fiscal Years

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Police										
Physical arrests	75,312	70,883	68,803	56,497	51,390	54,545	50,878	52,517	52,912	51,340
Traffic violations	119,336	132,659	114,879	144,370	126,849	118,644	109,342	98,434	86,427	73,011
Fire										
Emergency responses	91,838	85,098	81,326	80,463	89,211	101,530	105,290	112,370	107,076	114,224
Fires extinguished	690	684	609	995	2,071	2,248	1,985	1,986	1,792	2,010
Inspections	23,946	31,819	31,360	29,969	39,955	30,226	31,818	34,044	36,897	33,825
Sheriff										
Average daily population	2,412	2,273	2,164	2,082	2,111	2,144	2,270	2,049	2,004	2,221
Number of jails	2	2	2	2	2	2	2	2	2	2
Public works										
Parking tickets issued	585,290	618,556	622,811	652,094	644,712	646,150	677,369	640,126	653,491	642,320
Recyclables collected (tons)	26,550	28,067	29,092	31,116	31,042	31,600	33,193	34,350	37,318	38,325
Refuse collected (tons)	231,956	219,675	221,797	216,382	213,411	213,411	205,985	208,222	207,132	196,870
Other public works										
Alleys paved (square yards)	66,042	167,400	154,824	77,662	57,475	41,545	7,750	14,358	19,860	15,867
Potholes repaired (tons of asphalt)	4,273	4,346	4,249	3,819	4,237	4,364	3,358	4,666	5,025	3,374
Street resurfacing (square yards)	1,354,905	1,808,286	1,473,894	2,015,914	2,181,463	2,013,962	2,553,301	2,563,000	2,721,030	2,778,788
Human services										
Family Medicaid Application for Denver clients	13,747	14,513	14,461	9,045	9,049	7,061	29,025 ¹	77,219 ¹	38,061 ¹	38,273
New child welfare case involvements	2,501	2,656	1,589	1,240	1,187	1,305	974	824	1,231	1,769
Community development										
Permits issued	52,184	45,999	41,474	41,000	51,549	55,463	55,252	67,818	75,717	64,624
Economic opportunity										
Low income affordable housing units created	30	45	182	250	452	503	568	557	749	579
Percent of job seekers entering employment	61.84%	68.40%	56.90%	57.00%	50.54%	51.15%	55.83%	59.51%	65.30%	56.83%
Library										
Total volumes borrowed	9,517,573	9,776,905	9,681,013	9,292,314	8,915,628	9,552,145	9,811,501	9,067,577	9,097,572	9,556,962
Volumes in collection	2,436,793	2,398,677	2,165,258	2,265,420	2,288,437	2,227,910	1,982,000	2,049,703	1,922,628	2,111,879
Denver airport system										
Passenger air traffic	49,800,000	51,245,000	50,168,000	50,240,000	52,800,000	53,156,278	52,556,359	53,472,514	54,014,502	58,266,515
Excise and Licenses										
Number of business license transactions	18,355	17,895	16,776	17,100	17,360	16,248	15,085	17,230	22,207	24,168

¹ Family Medicaid Applications increased due to changes in the Affordable Care Act and additional outreach funding client engagement.

Sources: Denver Department of Aviation
 Denver Department of Community Planning and Development
 Denver Department of Excise and Licenses
 Denver Department of Finance
 Department of Human Services
 Denver Department of Public Works
 Denver Department of Safety
 Denver Office of Economic Development
 Denver Public Library

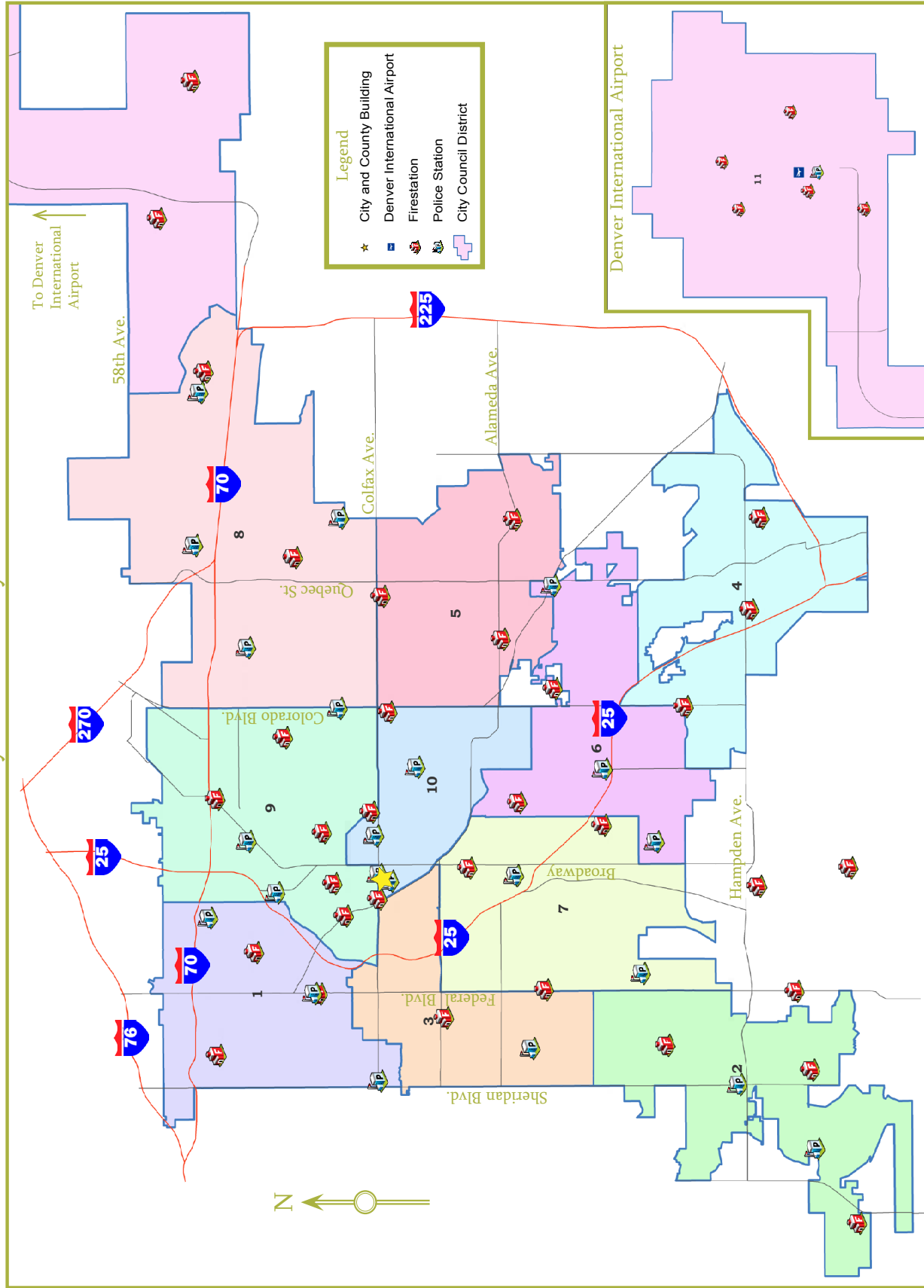
Capital Asset Statistics

Last Ten Fiscal Years

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Fire										
Number of engines/trucks	39/23	39/23	39/23	39/23	40/22	41/22	40/22	41/23	44/23	42/23
Number of stations	33	33	33	34	34	34	34	34	37	38
Police										
Number of patrol marked/unmarked vehicles	313/101	313/101	311/101	269/98	325/115	329/111	392/207	414/213	417/209	430/265
Number of stations	6	6	6	6	6	6	6	6	6	6
Public works										
Bridges (major/minor)	288/177	290/179	292/181	293/181	294/181	294/181	297/182	297/182	297/184	297/187
Alleys										
paved	4340	4,573	4,758	4,834	4,934	5,116	5,125	5,142	5,169	5,190
unpaved	791	563	375	297	192	148	102	100	73	73
Streets (centerline miles)	1949	2,005	2,005	2,005	2,005	2,005	2,005	2,005	2,005	2,010
Traffic signals	1255	1,259	1,257	1,249	1,267	1,263	1,267	1,272	1,285	1,295
Parks and recreation										
Acreage owned	19,889	20,036	20,038	20,095	20,097	20,106	20,106	20,106	20,361	20,374
Golf courses	7	8	8	8	8	8	8	8	8	8
Mountain acreage	14,141	14,141	14,141	14,141	14,141	14,141	14,141	14,141	14,141	14,141
Number of parks (includes mountain parks)	307	312	312	317	318	319	332	325	332	336
Parkways (miles)	60	60	60	60	60	60	60	60	60	60
Athletic fields/lighted	303/27	303/27	303/33	309/33	315/47	318/47	324/45	329/50	330/50	328/52
Recreation centers	30	30	30	31	31	31	30	30	30	30
Swimming pools	28	28	28	28	29	29	29	29	29	29
Tennis courts/lighted	149/88	155/88	155/88	155/88	155/88	152/88	148/88	146/88	146/88	148/88
Cultural activities										
Concert venues	7	7	7	7	7	7	7	7	7	7
Public libraries	23	23	23	23	24	24	24	25	26	26
Wastewater										
Sanitary sewers (miles)	1461	1,461	1,464	1,464	1,483	1,504	1,504	1,506	1,514	1,523
Storm sewers (miles)	694	694	742	742	782	793	802	805	812	821
Denver airport system										
Acreage	33,800	33,800	33,800	33,800	33,800	33,800	33,800	33,800	33,800	33,800
Number of runways	6	6	6	6	6	6	6	6	6	6
Seating Capacities										
Boettcher Concert Hall	2,679	2,679	2,679	2,709	2,709	2,709	2,709	2,679	2,679	2,679
Colorado Convention Center	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
Denver Coliseum	11,500	11,500	11,500	10,474	10,474	10,474	10,474	10,000	10,000	10,000
Ellie Caulkins Opera House	2,225	2,225	2,225	2,225	2,225	2,225	2,225	2,225	2,255	2,255
Red Rocks Amphitheater	9,450	9,450	9,450	9,450	9,450	9,450	9,450	9,525	9,525	9,525
Temple Hoyne Buell Theatre	2,844	2,844	2,844	2,846	2,846	2,846	2,846	2,884	2,884	2,884
McNichols Civic Center Building	-	-	-	-	-	-	-	2,000	1,900	1,900

Source: Denver Department of Aviation
 Denver Department of Finance
 Denver Department of General Services
 Denver Department of Parks and Recreation
 Denver Department of Public Works
 Denver Department of Safety
 Denver Public Library

The City and County of Denver





Department of Finance
Controller's Office

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Denver, Colorado 80202

www.denvergov.org/finance