

# CITY OF BOULDER, COLORADO

## Comprehensive Annual Financial Report

For the fiscal year ended

December 31, 2018

Prepared by the Finance Department

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# CITY OF BOULDER, COLORADO

## Comprehensive Annual Financial Report

December 31, 2018

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

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June 24, 2019

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

Both the City of Boulder Charter and State law require that an audit of city financial records be conducted each year by an independent certified public accountant. Such an audit has been performed and this report is being published as part of the requirement for the fiscal year ended December 31, 2018.

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

CliftonLarsonAllen LLP, has issued unmodified (“clean”) opinions on the City of Boulder’s financial statements for the year ended December 31, 2018. The independent auditors’ report is located at the front of the financial section of this report.

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

## **PROFILE OF THE GOVERNMENT**

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

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

The population of the city per the 2018 Boulder Community Profile is 108,507.

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

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

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

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

### Budgetary Process

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

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



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

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

## **FACTORS AFFECTING FINANCIAL CONDITION**

Actual sales and use tax revenues for the City increased by 3.92% from 2017. During 2018, Retail Sales Tax was up 2.37%, Business/Consumer Use Tax was down 8.06%, Construction Use Tax was up 31.53%, and Motor Vehicle Use Tax was up 7.94%. Accommodations Tax increased 14.83% over 2017 while Admissions Tax decreased 6.13% over 2017. Admissions Tax collections are dependent on the number of taxable productions and events held in the City and the level of attendance at such events.

Sales and use tax revenues in 2018 made up approximately 44% of the General Fund, 93% of the Open Space and Mountain Parks Fund and 80% of the Transportation Fund total revenues.

The property tax base for 2018 was appraised at the 2017 actual value. The assessed valuation for property within the City of Boulder decreased from \$3.667 billion in 2016 to \$3.660 billion in 2017, or 0.19%. Taxes levied against the 2017 assessed valuation will be collected in 2018. Since 2012, with voter approval the City is not subject to the Taxpayer Bill of Rights (TABOR) spending limitations except for the UHGID and CAGID Funds.

### Projections for the Future

According to “The Colorado Outlook Report”, released March 15, 2019, Colorado’s economy will continue to grow, but at a more moderate pace than in 2017 and 2018. The state’s employment growth is expected to moderate as the labor market tightens. Housing price growth and rental rate increases have slowed however affordability remains a concern.

According to the Leeds Business Confidence Index, published by the University of Colorado, expectations for the state economy continue to be positive however they are at the lowest level since 2011. When expectations for the economy are positive, businesses are more likely to hire and invest, which then brings about the expected economic growth.

The U.S. economic momentum continues to remain strong. The labor market is expected to continue to grow at an accelerated rate with a steady labor force participation rate. Global economic growth appears to be slowing although it continues to expand. Nationwide, personal income growth increased 4.4 percent in 2018 while Colorado posted a 5.5 percent increase. The unemployment rate Nationwide was 3.9 percent in 2018 while Colorado was 0.3 percentage points lower at 3.6 percent.

The change in March 2019 year-to-date sales and use tax revenue, compared to March 2018 year-to-date is as follows:

<b>TAX CATEGORY</b>	<b>% CHANGE IN REVENUE Increase/(Decrease)</b>	<b>% OF TOTAL</b>
Sales Tax	2.41%	76.94%
Business/Consumer Use Tax	(6.47%)	9.62%
Construction Use Tax	1.64%	8.14%
Motor Vehicle Use Tax	9.48%	4.09%
Recreational Marijuana Tax	66.39%	1.21%
<b>Total Sales &amp; Use Tax</b>	<b>2.28%</b>	<b>100.00%</b>

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

- Sales Tax – Actual retail sales tax revenue was up 2.41% through March 31, 2019 compared to March 31, 2018. Sales tax revenue continues to grow slowly. The 2019 budget reflects a 1% increase in sales tax revenue to account for this slow growth.
- Business/Consumer Use Tax – Revenues are down by 6.47% from March 31, 2019 compared to March 31, 2018. This category can be volatile as it is associated primarily with the amount and timing of capital asset purchases by businesses in the city and the amount and timing of audit revenue. A significant portion of this amount is one time in nature and is not expected to reoccur in future months.
- Construction Use Tax – This category is up 1.64% from March 31, 2019 compared to March 31, 2018. This is another volatile tax category as it depends upon the number and timing of construction projects in any given period. Revenue in this category assumes “base” number of projects will continue indefinitely. Revenue from large projects above the base is considered one-time revenue used for one-time expenses.
- Motor Vehicle Use Tax is up by 4.09% year to date 2019. Vehicles purchased by Boulder residents are subject to a 3.86% use tax. If sales tax is not paid at the time of purchasing a vehicle, a Motor Vehicle Use Tax is due at the time a vehicle is registered or titled to an address within the city.
- Recreational Marijuana Tax - Revenues are up by 66.39% from March 31, 2019 compared to March 31, 2018. This increase is due, in part, to audit revenue.

The most current City revenue report can be found at the following website: <https://bouldercolorado.gov/tax-license/revenue-reports>.

The City is monitoring the local economy closely, and staff recommended a conservative operating budget that reflected the City’s flattening retail sales tax revenues in 2017 and the projected modest increase in 2018 and 2019. By using the City’s Priority Based Budgeting process, existing financial policies and the six-year planning model for operations, the city will maintain targeted fund balances, redirect any funding increases to the highest priority areas and ensure that operating revenues exceed ongoing operating expenditures each year.

Below is a table with actual percentage changes in sales and use tax for 2017 and 2018, along with the 2019 sales tax projections for the City of Boulder as well as actuals and projections for consumer prices, retail sales trade and personal income from the Colorado Office of State Planning and Budgeting:

<b>Forecast</b>	<b>2017 Actual</b>	<b>2018 Actual</b>	<b>2019 Projected</b>
Base Sales/Use Tax - City of Boulder	0.08%	3.92%	1.00%
Denver-Aurora-Lakewood Consumer Price Index	3.40%	2.70%	2.30%
Statewide Retail Sales Trade Growth	4.80%	4.80%	6.60%
Statewide Personal Income Growth	5.40%	5.50%	4.90%

## **THE IMPORTANCE OF SOUND STRATEGIC PLANNING**

The following narratives were extracted from the City Manager's message found in the 2017 and 2018 Annual Budgets, Volume I:

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

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

During 2018, the city continued to implement the financial policy of using one-time revenue only for one-time expenditures, which has served the city well during and since the last recession.

## **MAJOR INITIATIVES**

Current economic conditions and long-term structural budget realities require that the City of Boulder conduct business in a new way, evaluate what services and programs can be provided, continue to focus on being as efficient as possible, and refine processes and systems to work with staffing levels that can be sustained over time. In order to address these economic and structural realities, a Priority Based Budgeting approach was implemented as part of the 2011 budget process and was continued in 2012 and 2013. Starting in 2014, Priority Based Budgeting was the sole framework used in all decisions to determine the set of services and programs that were provided to the community and continued in 2018.

The 2019 Capital Improvements Program (CIP) includes proposed funding of \$70.6 million. The entire six-year (2019-24) CIP includes proposed funding of \$489.0 million for 145 discrete

projects. The city is spending the majority, over 79% of its 2019 capital funds on capital enhancement and maintenance of its existing assets, 5% on land and asset acquisition, 16% on new capital projects and less than 1% on capital planning. CIP funding varies year to year depending on the type and cost of projects recommended for funding in that year and the amount of external funding received. Highlights of the six-year plan include \$100.0 million for Water Utility related projects, \$87.1 million for Storm Water and Flood Utility related projects, \$78.4 million for Wastewater Utility related projects, \$83.2 million for Transportation related projects and \$22.2 million for Open Space related projects.

On November 7, 2017, Boulder voters approved a renewal of the Community, Culture, and Safety Sales and Use Tax for another four years (2018-2021) to fund another diverse mix of projects. The package includes key public safety projects and important enhancements to renovation and infrastructure projects currently underway. More information on these projects can be found at the City's website (<https://bouldercolorado.gov/city-manager/community-culture-safety>).

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

## **OTHER FINANCIAL INFORMATION**

### Debt Ratings

During 2018, the city's general obligation credit ratings were reaffirmed as Aa1 by Moody's Investors Service and AAA by Standard & Poor's. The primary reasons cited for these high rating levels were the general strength of the Boulder economy, its distinctiveness from the general Denver metropolitan economy, and the lesser reliance of the city's General Fund on sales taxes when compared with other Colorado municipalities.

## **CERTIFICATE OF ACHIEVEMENT**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the city for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended December 31, 2017. This was the twenty-ninth consecutive year that the city has achieved this prestigious award and the thirty-sixth year in total. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

In addition, the city also received the GFOA's Distinguished Budget Presentation Award for its 2018 budget document. In order to qualify for the Distinguished Budget Presentation Award, the

government's budget document had to be judged proficient as a policy document, a financial plan, an operations guide, and a communications device.

Another important accomplishment for the City of Boulder is the Award for Outstanding Achievement for producing a Popular Annual Financial Report (PAFR) for the fiscal year ended December 31, 2017. This is again only valid for a period of one year and is awarded by the GFOA. This report is a useful tool for residents to obtain a greater understanding of the role of the city's government. The intent is to provide a report that is informative and easy to understand.

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

### **ACKNOWLEDGMENTS**

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

Respectfully submitted,

*Anne Penney*

Anne Penney  
Controller

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Government Finance Officers Association

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

Presented to

**City of Boulder  
Colorado**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**December 31, 2017**

*Christopher P. Morill*

Executive Director/CEO

CITY OF BOULDER, COLORADO

Principal Elected and Administrative Officials

At December 31, 2018

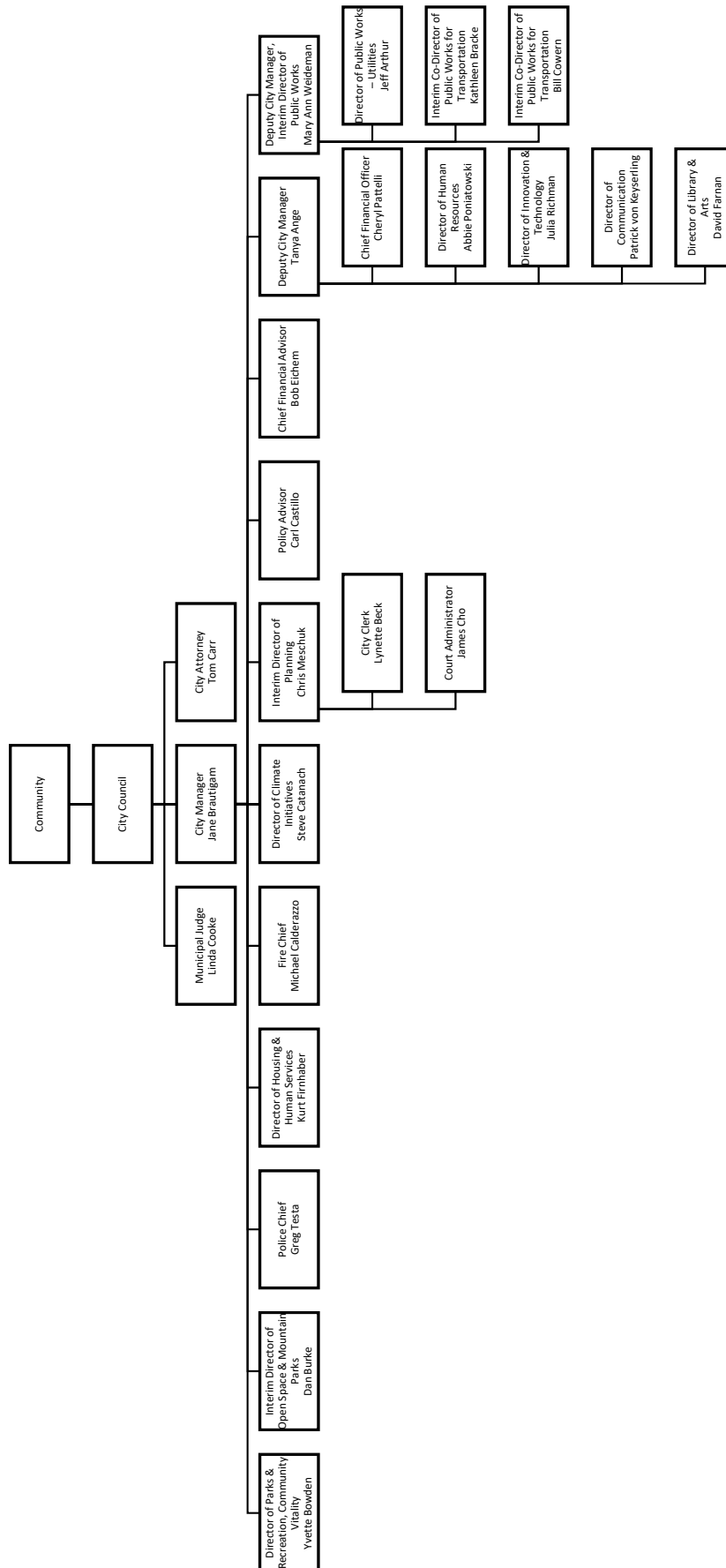
Mayor and City Council

Mayor:	Suzanne Jones
Mayor Pro Tem	Sam Weaver
Council Members:	Jill Adler Grano Cindy Carlisle Mirabai Kuk Nagle Lisa Morzel Mary Young Aaron Brockett Bob Yates

Administrative

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





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## INDEPENDENT AUDITORS' REPORT

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

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Boulder, Colorado (the City), as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the entity's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditors' Responsibility***

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

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

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Boulder, Colorado as of December 31, 2018, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison statements (budgetary basis) for the General Fund, Open Space and Mountain Parks Fund, Transportation Fund, and Boulder Municipal Property Authority Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Emphasis of a Matter***

#### ***Implementation of GASB Statement No. 75***

During fiscal year ended December 31, 2018, the City of Boulder, Colorado adopted GASB Statement No. 75 – *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. As a result of the implementation of this standard, the City of Boulder, Colorado reported a restatement for the change in accounting principle (see Note A). As of January 1, 2018, the City of Boulder, Colorado's net position was restated to reflect the impact of this adoption. Our auditors' opinions were not modified with respect to the restatement.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, pension information and other postemployment benefits information on pages 21-34 and 175-186 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### ***Other Information***

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

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

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

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

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 24, 2019, on our consideration of the City of Boulder, Colorado's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Boulder, Colorado's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Boulder, Colorado's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

**CliftonLarsonAllen LLP**

Broomfield, Colorado  
June 24, 2019

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City of Boulder, Colorado

MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2018

This section of the City of Boulder's (the city) financial statements provides a narrative overview and analysis of its financial activities for the year ended December 31, 2018. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal at the front of this report and the city's financial statements, which follow this section. All amounts within this comprehensive annual financial report are expressed in thousands of dollars unless otherwise indicated.

**Financial Highlights**

- The assets and deferred outflows of resources of the city exceeded its liabilities and deferred inflows of resources at the close of 2018 by \$1,174.7 million (\$690.8 million in governmental activities net position and \$483.9 million in business-type activities net position). Of the governmental activities net position total, -\$12.7 million, or -2%, is unrestricted. The unrestricted balance is negative due to the effects of GASB 68 and GASB 75. Similarly, \$78.0 million, or 16%, of business-type activities net position is unrestricted.
- Total net position of the city increased \$24.4 million, or 2%, compared to 2017. Net position of the city's governmental activities increased \$5.9 million, which represents an increase of 1% from 2017. Net position of the city's business-type activities increased \$18.5 million, or 4%, from 2017.
- Total revenues, excluding transfers, increased \$12.4 million, or 3%, to \$365.9 million compared to 2017. Governmental activities revenues increased \$12.0 million, or 4%, to \$287.8 million, while revenues of business-type activities decreased \$454 thousand, or .6%, to \$77.1 million compared to 2017.
- The total expenses of all the city's programs, excluding transfers, increased \$13.9 million, or 4%, to \$326.9 million compared to 2017. The expenses of governmental activities programs increased \$9.7 million, or 4%, to \$268.2 million, while the expenses of business-type activities increased \$4.3 million, or 8%, from 2017 to \$58.1 million.
- As of December 31, 2018, the city's governmental funds reported a combined ending fund balance of \$182.5 million. Approximately 50%, or \$91.6 million, is unrestricted fund balance and, therefore, available for spending at the city's discretion within the purposes specified for the city's funds.

## **Overview of the Financial Statements**

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

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

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

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

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

Fund financial statements – A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The city, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the city can be divided into three categories: governmental funds, proprietary funds and fiduciary (Pension Trust) funds.

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



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

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

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

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

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

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

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

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

### **Government-wide Financial Analysis**

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

**Table 1 - Net Position** (dollars in thousands)

	<u>Governmental Activities</u>		<u>Business-type</u>		<u>Total Primary Government</u>	
	2018	2017	2018	2017	2018	2017
Current and other assets	\$ 310,236	\$ 303,580	\$ 122,862	\$ 126,428	\$ 433,098	\$ 430,008
Capital assets	720,148	686,167	533,265	481,357	1,253,413	1,167,524
Total assets	<u>1,030,384</u>	<u>989,747</u>	<u>656,127</u>	<u>607,785</u>	<u>1,686,511</u>	<u>1,597,532</u>
Deferred outflows of resources	23,291	37,644	5,685	9,061	28,976	46,705
Noncurrent liabilities	268,914	271,521	166,347	141,787	435,261	279,549
Other liabilities	26,596	26,512	5,628	8,028	32,224	168,299
Total liabilities	<u>295,510</u>	<u>298,033</u>	<u>171,975</u>	<u>149,815</u>	<u>467,485</u>	<u>447,848</u>
Deferred inflows of resources	67,345	44,406	5,977	1,701	73,322	46,107
Net position:						
Invested in capital assets	612,784	577,789	405,547	387,932	1,018,331	965,721
Restricted	90,764	94,646	302	288	91,066	94,934
Unrestricted	(12,728)	12,517	78,011	77,110	65,283	89,627
Total net position	<u>\$ 690,820</u>	<u>\$ 684,952</u>	<u>\$ 483,860</u>	<u>\$ 465,330</u>	<u>\$ 1,174,680</u>	<u>\$ 1,150,282</u>

*Table 1* presents an analysis of the city's net position as of December 31, 2018. The city's assets exceeded its liabilities by \$1,174.7 million at the close of the current fiscal year. By far the largest portion of the city's net position (87%) reflects its investment of \$1,018.3 million in capital assets (for example, land, buildings, transportation infrastructure, machinery and equipment, utility plant in service and underground drainage facilities), less any related debt used to acquire those assets that is still outstanding. The city uses these capital assets to provide services to the public; consequently, these assets are *not* available for future spending. Although the city's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the city's net position, \$91.1 million (8%), represents resources that are subject to restrictions as to how they may be used. The remaining balance of unrestricted net position, \$65.3 million (5%), may be used to meet the city's on-going obligations to the public and creditors.

Net investment in capital assets increased \$52.6 million, or 5%, compared to 2017. This increase is due to capital project costs related to land acquisitions in Open Space, development of the Alpine

Balsam site, and other large utility construction projects. Restricted net position decreased \$3.9 million, or 4%, compared to 2017 mainly due to a decrease in restricted fund balance in the Open Space fund. The \$24.3 million, or 27%, decrease in unrestricted net position during 2018 was due in large part to the effects of GASB 68 and GASB 75. See notes U and W for further discussion of Pension and Retirement Plans and Other Post Employment Benefit Plans, respectively.

It is important to note that approximately \$51.4 million in governmental unrestricted net position arises from the net position of the city's internal service funds, discussed above in "Overview of the Financial Statements – Proprietary Funds." Although it is highly unlikely that these funds will be liquidated, in the event that they are, the distribution of the net position of these funds would result in a portion of these unrestricted net positions being liquidated to unrestricted net position of governmental activities and unrestricted net position of business-type activities.

### **Analysis of Changes in Net Position**

As can be seen from *Table 2*, the city's net position increased by \$24.4 million during 2018. This increase is explained in the governmental and business-type activities discussion below.

#### **Governmental Activities**

Net position of governmental activities increased by \$5.9 million during 2018, accounting for 24% of the total increase in the city's net position. This increase was \$4.8 million less than the \$10.7 million increase in net position in 2017.

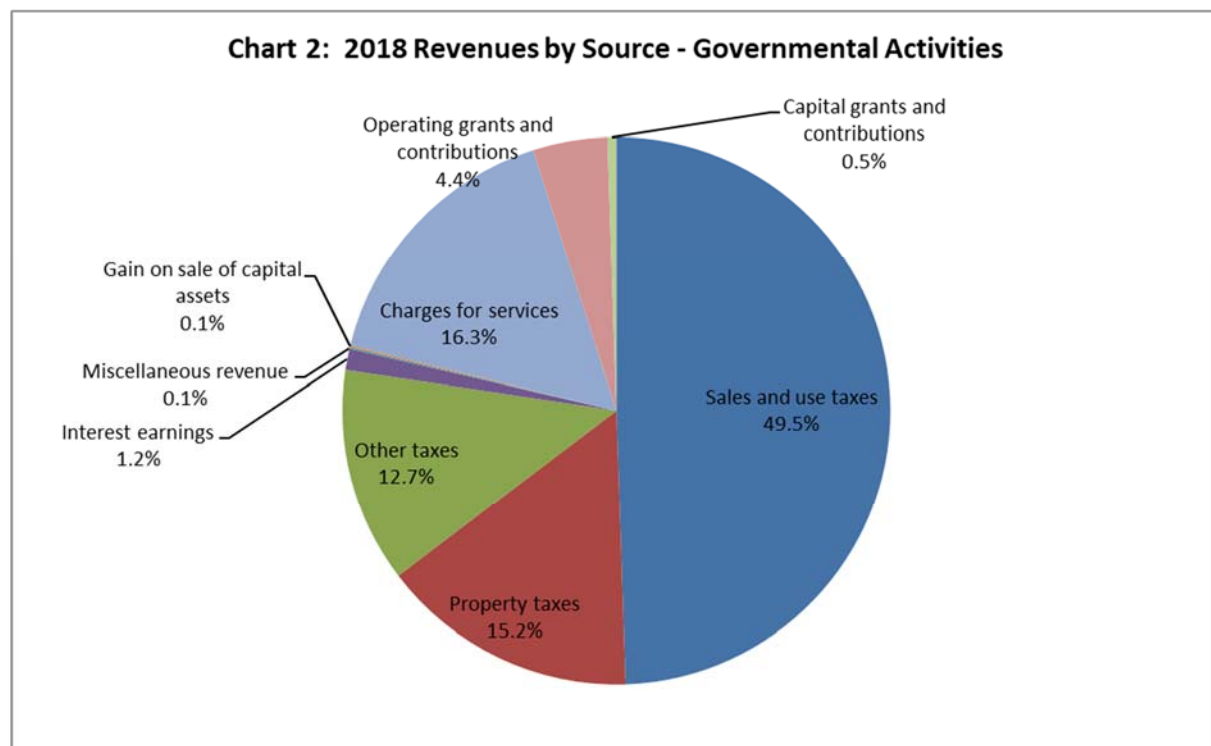
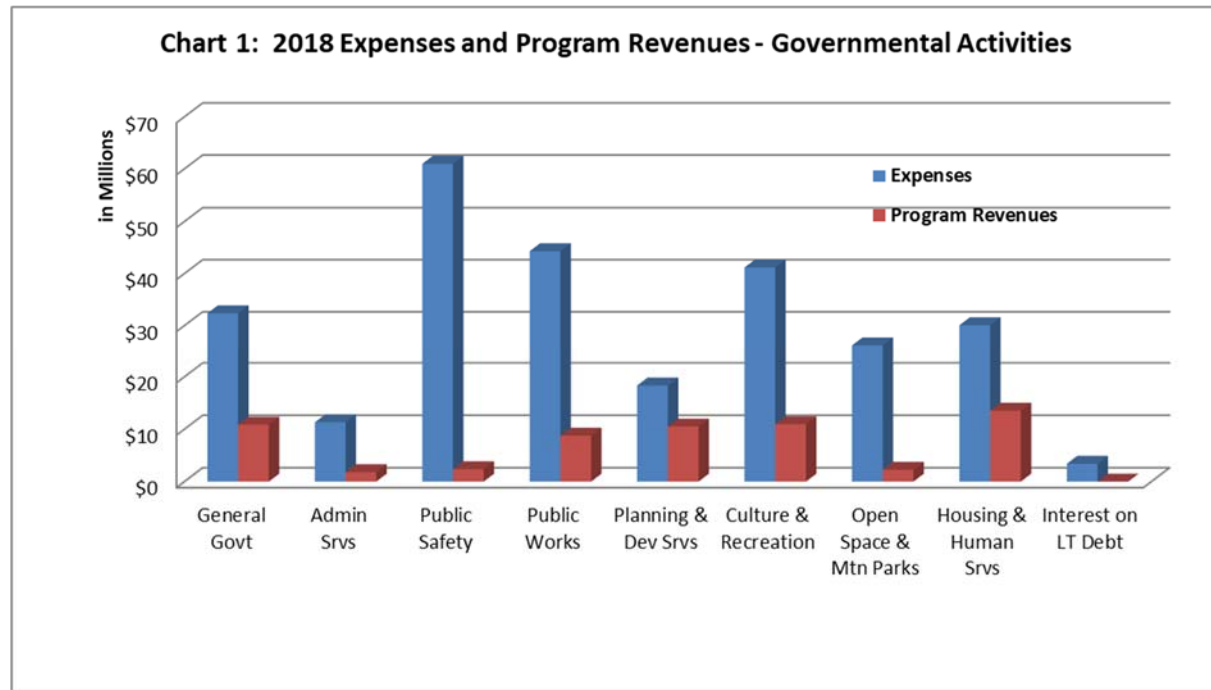
Revenues during 2018 increased by \$12.0 million compared to 2017. Due to changes in economic factors, sales and use taxes increased \$6.4 million during 2018 while miscellaneous revenues decreased \$5.2 million. Other taxes which includes Accommodation, Franchise, Excise, Specific Ownership and Tobacco Taxes also increased by \$6.7 million. Operating grant revenue decreased \$4.6 million compared to 2017, primarily due to the decrease in active grants throughout all funds. Capital grant revenue decreased by \$2.8 million compared to 2017, primarily due to a decrease in transportation project spending during 2018.

Expenses increased \$9.7 million in 2018 compared to 2017. Culture and Recreation expenses increased \$3.8 million and Public Works expenses increased \$4.7 million. This was primarily due to a larger amount of capital expenditures transferred out of expenses in 2017 compared to 2018. Open Space expenses decreased \$3.9 million due to a significant increase in capitalized expenditures in 2018 compared to 2017. This was due to land acquisitions that occurred in 2018.

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

	Governmental Activities		Business-type		Total Primary Government	
	2018	2017	2018	2017	2018	2017
Program revenues:						
Charges for services	\$ 46,877	\$ 43,874	\$ 69,846	\$ 65,741	\$ 116,723	\$ 109,615
Operating grants and contributions	12,645	17,211	-	3,353	12,645	20,564
Capital grants and contributions	1,494	4,305	4,427	5,912	5,921	10,217
General revenue:						
Sales and use taxes	142,344	135,913	-	-	142,344	135,913
Property taxes	43,700	37,252	1,554	1,402	45,254	38,654
Other taxes	36,596	29,859	76	91	36,672	29,950
Interest and investment earnings	3,566	1,491	1,744	885	5,310	2,376
Miscellaneous revenue	280	5,526	450	158	730	5,684
Gain on sale of capital assets	297	410	-	101	297	511
Total Revenues	287,799	275,841	78,097	77,643	365,896	353,484
Program expenses (includes indirect expenses allocation):						
Governmental activities:						
General Government	32,376	32,773	-	-	32,376	32,773
Administrative Services	11,320	10,278	-	-	11,320	10,278
Public Safety	60,970	58,350	-	-	60,970	58,350
Public Works	44,305	39,571	-	-	44,305	39,571
Planning and Development Services	18,339	17,334	-	-	18,339	17,334
Culture and Recreation	41,175	37,359	-	-	41,175	37,359
Open Space and Mountain Parks	26,200	30,110	-	-	26,200	30,110
Housing and Human Services	30,078	29,214	-	-	30,078	29,214
Interest on long-term debt	3,408	3,468	-	-	3,408	3,468
Business-type activities:						
Water Utility	-	-	24,118	23,431	24,118	23,431
Wastewater Utility	-	-	16,270	15,125	16,270	15,125
Stormwater and Flood Management	-	-	10,157	7,916	10,157	7,916
Parking Facilities and Services	-	-	7,455	7,192	7,455	7,192
Property and Facility Acquisition	-	-	813	870	813	870
Total expenses	268,171	258,457	58,813	54,534	326,984	312,991
Excess before transfers	19,628	17,384	19,284	23,109	38,912	40,493
Transfers	(1,299)	(1,380)	1,299	1,380	-	-
Increase in net position	18,329	16,004	20,583	24,489	38,912	40,493
Net position, beginning of year	684,952	674,274	465,330	440,841	1,150,282	1,115,115
Restatement, see Note A-15	(12,461)	(5,326)	(2,053)	-	(14,514)	(5,326)
Net position, beginning of year	672,491	669,055	463,277	440,841	1,135,768	1,109,896
Net position, end of year	\$ 690,820	\$ 684,952	\$ 483,860	\$ 465,330	\$ 1,174,680	\$ 1,150,282

*Charts 1 and 2* illustrate the city's governmental expenses and revenues by function and its revenues by source. As can be seen in *Chart 1*, Public Safety is the largest function based on expenses (23%), followed by Public Works (17%) and Culture and Recreation (15%). General revenues such as sales and use taxes, property and other taxes are not shown in *Chart 1* by program but are used to support program activities citywide and included in *Chart 2*. For governmental activities, overall, without regard to program, sales and use taxes are the largest single source (50%), followed by charges for services (16%) and property tax (15%).



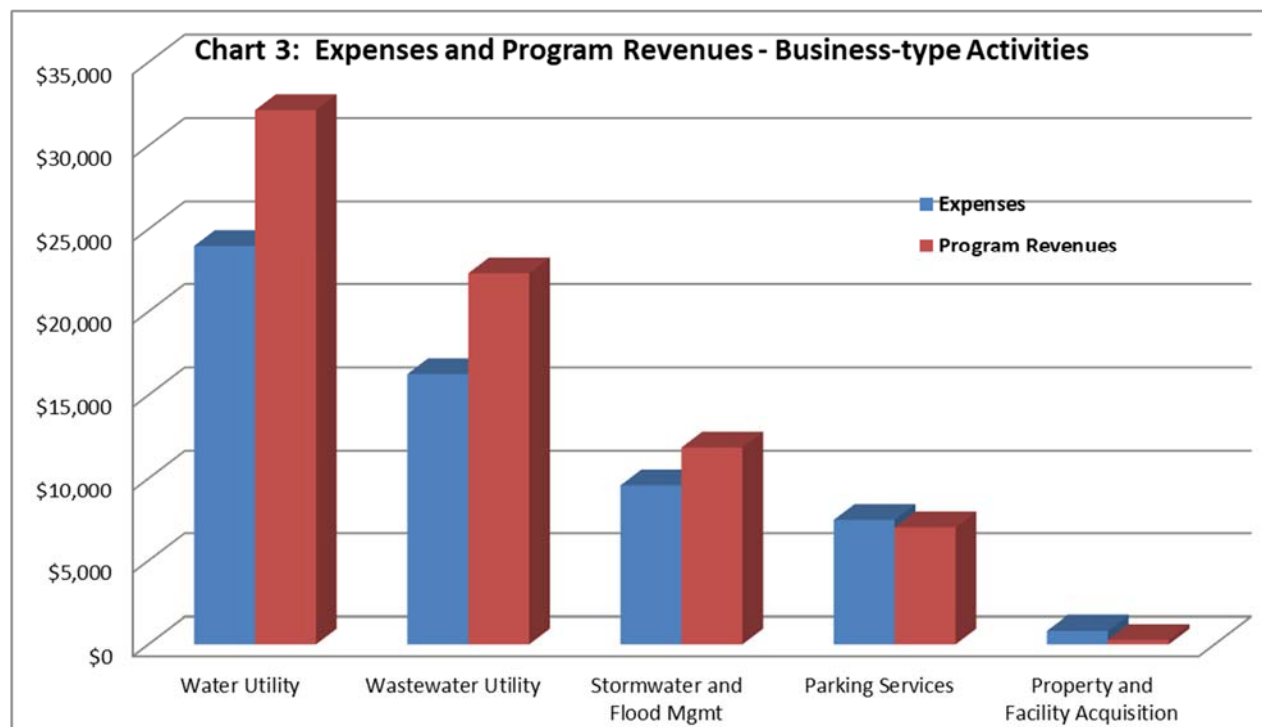
## Business-type Activities

Net position in business-type activities increased \$18.5 million in 2018. This increase was \$6 million less than the \$24.5 million increase in net position in 2017.

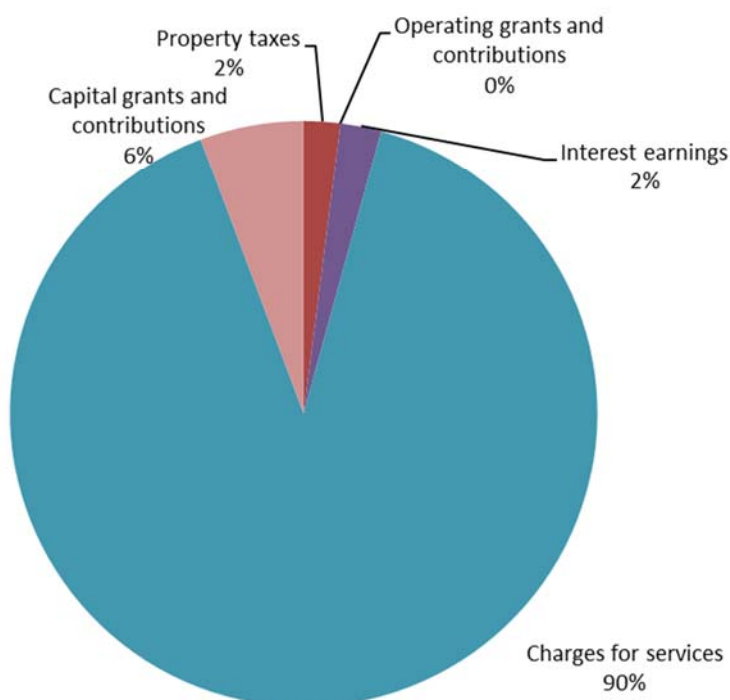
Total business-type revenues decreased \$454 thousand, or .6%, compared to 2017. Operating and capital grants and contributions decreased by \$4.8 million in 2018 mainly due to completion of construction and maintenance projects during 2017 not carried into 2018.

Expenses of business-type activities increased by \$4.3 million, or 7.8% compared to 2017, mainly because of modest operating increases in the water, wastewater and storm water utilities.

As can be seen from *Charts 3 and 4*, the city's water utility and wastewater utility activities account for the majority of its business-type activities, representing 69% of total business-type activity expenses. Charges for services provide the largest share of revenues (90%), followed by capital grants and contributions (6%).



**Chart 4: 2018 Revenue by Source - Business-type Activities**



### **Financial Analysis of the City's Funds**

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

#### **Governmental Funds**

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

As of December 31, 2018, the city's governmental funds reported combined ending fund balances of \$182.5 million, an increase of \$7.5 million, or 4%, from the prior year. The fund balance of the General Fund increased \$8.2 million to \$60.6 million at December 31, 2018. General Fund revenues grew by \$15.6 million as compared to 2017. Increased consumer, business and construction spending led to a \$6.5 million rise in sales and use taxes. Construction development led to a \$5.6 million increase in general property taxes. General Fund expenditures increased by \$5.3 million due to expansion of services and the purchase of Hogan-Pancost land. General

government increased \$3.7 million primarily due to the land acquisition. Public Safety increased \$2.3 million mainly due to increased personnel costs and the purchase of materials and equipment.

The Open Space Fund's fund balance decreased \$14.4 million in 2018. Revenues rose by \$3.7 million due to an increase in tax revenue. Expenditures increased by \$14.7 million largely due to property acquisitions and building improvements.

The fund balance of the Transportation Fund grew by \$4.0 million in 2018. Revenues decreased by \$9.2 million while expenditures decreased by \$7.0 million. Transportation receives funding from CDOT for infrastructure projects as a reimbursement when projects are completed. The decrease in expenditures is due to the completion of various capital projects during 2017 not carried over into 2018. Many new projects were in the early design stage during 2018.

Other governmental fund balances increased by \$9.7 million. Increases in Sales and Use tax and fees from licenses and permits as well as decreases in expenses associated with Housing and Human Services was primarily attributable to the increase. Expenses associated with Housing and Human Services can fluctuate year to year based on the funding agreements for affordable housing.

Approximately \$91.6 million or 50% of the combined ending fund balance in the governmental funds constitutes unrestricted fund balance available for spending at the city's discretion within the purposes specified for each of the funds. The remainder of fund balance is either non-spendable or restricted to indicate that it is not available for new spending because it has already been committed for specific purposes. This non-spendable or restricted fund balance is comprised of: (1) fund balance not in spendable form such as prepaid expenses, inventory for consumption, and permanent endowments - \$0.1 million; (2) limitations imposed on use of funds by external laws and regulations - \$19.6 million; (3) restrictions for capital projects - \$37.2 million; (4) restrictions for future development - \$30.8 million; (5) restricted for expenditure on lottery authorized parks and recreation projects - \$2.7 million and (6) restrictions placed on the funds by donors - \$.5 million.

The General Fund is the primary operating fund of the city. At the end of 2018, the unrestricted fund balance of the General Fund was \$55.4 million, while total fund balance was \$60.6 million. Unrestricted fund balance includes fund balance committed by city council, assigned by city management, and unassigned fund balance as disclosed in the Governmental Funds Balance Sheet. As a measure of the General Fund's liquidity, it is useful to compare unassigned fund balance to total fund expenditures and transfers out. In 2018, unassigned fund balance of \$48.3 million represents 34% of total general fund expenditures and transfers out of \$140.6 million. General Fund unassigned fund balance as a percentage of total expenditures and transfers out was 29% in 2017.

The Open Space Fund and the Transportation Fund are special revenue funds, with 100% of their fund balance either restricted or assigned. With the exception of negative fund balances which must be reported as unassigned, special revenue funds do not have unassigned fund balances since the act of accounting for the revenues within a special revenue fund assigns them to that fund's purpose. The Open Space Fund revenues are derived from sales taxes approved by the voters and other restricted revenue sources. 100% of the fund balance for Open Space Fund is restricted for acquisition and maintenance of the city's open space. The total fund balance of the Open Space and Mountain Parks Fund was \$24.6 million at December 31, 2018, a decrease of \$14.4 million



from 2017. The Transportation Fund's revenue sources are generally restricted except for investment income. As of December 31, 2018, the Transportation Fund's restricted fund balance was \$21.3 million and was assigned for capital projects. The total Transportation fund balance was \$21.3 million at December 31, 2018, a \$4.0 million increase from 2017.

In the 2018 budget year, the City Council maintained a minimum target for unassigned General Fund balance of 18% of expenditures and transfers out, excluding expenditures funded by grants. This minimum undesignated fund balance is available for emergency purposes, stabilization of funding of programs during periods of temporary revenue declines or temporary funding of programs to allow for controlled reductions in expenditures in periods of extended or permanent revenue reductions. The target amount of 18% was exceeded in 2018.

### Proprietary Funds

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

As of December 31, 2018, the unrestricted net position of the Water Utility Fund was \$23.5 million, the Wastewater Utility Fund was \$15.7 million, the Storm Water and Flood Management Fund was \$24.8 million, the Downtown Commercial District Fund was \$7.8 million and the non-major enterprise funds was \$0.8 million. The total increase in net position for the proprietary funds was \$18.3 million. Factors concerning the changes in these funds have already been addressed in the discussion of the city's business-type activities.

### General Fund Budgetary Highlights

The city's final budget differs from the original budget in that it contains carry-forward appropriations for various programs and projects and supplemental appropriations approved during the fiscal year. The final budget for General Fund appropriations including transfers out for 2018 was \$22.7 million greater than the original budget. The primary reasons for this difference are related to the following increases:

- \$3.7 million for encumbrance carryovers
- \$1.7 million project carryover for building renovations, technology related capital carryover and various other capital projects
- \$0.3 million for grants including carryover and new
- \$5.1 million for operating carryover
- \$1.6 million for Innovation & Technology initiatives
- \$.7 million for Library projects and initiatives
- \$1.75 million in Human Services programs

On a basis consistent with the adopted budget, actual revenues and transfers in were \$2.9 million, or 2.0%, more than the final budget. Actual expenditures and transfers out were \$18.6 million, or 12%, less than the final budget. The net effect of these differences was a favorable variance in actual revenues and expenditures to the fiscal year-end budgeted fund balance of \$21.6 million. The primary factors contributing to this favorable variance include the following:

- \$1.1 million more in accommodation taxes
- \$3.2 million more in sales and use taxes
- \$8.5 million less in expenditures related to General Government
- \$4.8 million less in expenditures related to Administrative Services
- \$2.4 million less in expenditures related to Housing and Human Services

## **Capital Assets and Debt Administration**

### **Capital Assets**

As can be seen from *Table 3*, the city's investment in capital assets for its governmental and business-type activities as of December 31, 2018 amounts to \$1,253.4 million (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, park facilities, transportation infrastructure, utility plant in service and undergrounds, water rights, software, underground drainage facilities, machinery, equipment and vehicles. The net increase in the city's investment in capital assets was \$85.9 million (7%) from 2017. Net capital assets of governmental activities increased \$34.0 million (5%) and those of business-type activities increased \$51.9 million (11%).

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

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total Primary Government</u>	
	2018	2017	2018	2017	2018	2017
Land and easements	\$ 373,604	\$ 345,281	\$ 43,498	\$ 43,498	\$ 417,102	\$ 388,779
Intangibles	-	-	1,850	1,950	1,850	1,950
Buildings	79,440	67,454	23,373	22,144	102,813	89,598
Improvements other than buildings	65,098	53,284	2,341	2,631	67,439	55,915
Infrastructure	145,861	145,027	-	-	145,861	145,027
Utility plant in service and undergrounds	-	-	361,142	327,149	361,142	327,149
Machinery, equipment and vehicles	27,106	26,330	3,356	3,271	30,462	29,601
Software and licenses	7,792	6,571	-	-	7,792	6,571
Construction in progress	21,247	42,220	97,705	80,714	118,952	122,934
Total	<u>\$ 720,148</u>	<u>\$ 686,167</u>	<u>\$ 533,265</u>	<u>\$ 481,357</u>	<u>\$ 1,253,413</u>	<u>\$ 1,167,524</u>

Some of the major capital asset activities during 2018 included the following:

#### Governmental activities:

- New vehicle purchases - \$4.1 million
- Hogan-Pancost 22.2-acre land acquisition funded by 5 year debt service payments
- Completion of the renovation of the Brenton Building at Alpine-Balsam site - \$7.0 million
- Renovation of OSMP Hub and interim office move of staff completed - \$2.0 million
- Construction in progress for the design and planning of Scott Carpenter pool and bathhouse facilities
- Construction in progress related to Boulder Reservoir Visitor Service Center

- Construction in progress for Boulder Creek-Arapahoe Underpass - \$4.2 million
- Radio communication system project upgrade - \$3.0 million
- Boulder Valley Farm land and water rights acquisition - \$8.9 million
- Recognition of \$23.0 million in depreciation expense

Business-type activities:

- Construction in progress for Carter Lake Pipeline supply to the Boulder Reservoir - \$32 million
- Construction in progress for Betasso Water Treatment Facility - \$6.0 million
- Completion of flood mitigation at Wonderland Creek and Fourmile Canyon Creek - \$25.9 million
- Installation of Electric Vehicle Charging stations at 5 major parking garages
- Completion of elevator refurbishment at 15<sup>th</sup> & Pearl
- Recognition of \$11.0 million in depreciation expense

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

### Debt Administration

*Table 4* summarizes the city's bonded debt as of the end of 2018 and 2017. At December 31, 2018, the city had total bonded debt (including certificates of participation) of \$231.2 million. Of this amount, \$18 million consisted of general obligation debt backed by the full faith and credit of the city. Another \$206.9 million represents bonds secured solely by specified revenue sources (revenue bonds, certificates of participation and capital improvement bonds). The remaining \$6.3 million relates to pension obligation bonds. The pension obligation bonds are not backed by either specified revenue sources or taxes. The decreases in the bonds this year are directly related to payments that the city makes on a semi-annual basis.

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

	Governmental Activities		Business-type Activities		Total Primary Government	
	2018	2017	2018	2017	2018	2017
General obligation bonds	\$ 14,087	\$ 18,399	\$ 3,968	\$ 5,732	\$ 18,055	\$ 24,131
Revenue bonds	-	-	133,646	105,672	133,646	105,672
Pension obligation bonds	6,271	6,675	-	-	6,271	6,675
Capital improvement bonds	36,048	38,387	-	-	36,048	38,387
Certificates of Participation	37,165	38,691	-	-	37,165	38,691
Total bonded debt	<u>\$ 93,571</u>	<u>\$ 102,152</u>	<u>\$ 137,614</u>	<u>\$ 111,404</u>	<u>\$ 231,185</u>	<u>\$ 213,556</u>

The city's general obligation credit rating is Aaa by Moody's Investors Services, Inc. and AAA by Standard & Poor's Global Ratings. Under the City Charter, the city's general obligation debt issuances are subject to a legal limitation based on 3% of the total assessed value of real and personal property. The city's general obligation debt is issued as sales tax revenue bonds enhanced by a general obligation pledge of the full faith and credit of the city. The city does not currently

levy an ad valorem property tax for debt service even though authorized to do so. As a result, all bonded debt is considered to be self-supporting and the ratio of net bonded debt supported solely by property taxes to assessed valuation is zero.

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

### **Contacting the City's Financial Management**

This financial report is designed to provide the public, taxpayers, customers, investors and creditors with a general overview of the city's finances and to show the city's accountability for the funds and assets it receives. If you have questions about this report, or need additional financial information, contact the Controller of the City of Boulder Finance Department at 1136 Alpine, Boulder, CO 80304.

## BASIC FINANCIAL STATEMENTS

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## CITY OF BOULDER, COLORADO

## Statement of Net Position

December 31, 2018

(Amounts in 000's)

	Governmental <u>Activities</u>	Business-type <u>Activities</u>	<u>Total</u>
Assets:			
Equity in pooled cash and cash equivalents	\$ 13,668	\$ 4,985	\$ 18,653
Investments	223,028	96,065	319,093
General property tax receivable	43,792	1,608	45,400
Sales tax receivable	16,582	-	16,582
Other receivables (See Note G)	11,063	9,343	20,406
Restricted investments	1,455	10,591	12,046
Inventory of materials and supplies	56	260	316
Other assets	592	10	602
Capital assets (net of accumulated depreciation):			
Land and easements	373,604	43,498	417,102
Intangibles	-	1,850	1,850
Buildings	79,440	23,373	102,813
Improvements other than buildings	65,098	2,341	67,439
Infrastructure	145,861	1,756	147,617
Utility plant in service and undergrounds	-	359,386	359,386
Machinery, equipment and vehicles	27,106	3,356	30,462
Software and licenses	7,792	-	7,792
Construction in progress	21,247	97,705	118,952
Total assets	<u>1,030,384</u>	<u>656,127</u>	<u>1,686,511</u>
Deferred outflows of resources	<u>23,291</u>	<u>5,685</u>	<u>28,976</u>
Liabilities:			
Accounts and accrued liabilities:			
Vouchers and accounts payable	10,784	2,586	13,370
Contracts and retainage payable	1,048	3,420	4,468
Accrued liabilities	6,155	4,135	10,290
Internal balances	5,437	(5,437)	-
Other liabilities	2,659	924	3,583
Unearned revenue	513	-	513
Noncurrent liabilities:			
Due within one year	10,735	11,001	21,736
Due in more than one year	116,584	128,382	244,966
Net pension liability	124,536	24,228	148,764
Net OPEB liability	17,059	2,736	19,795
Total liabilities	<u>295,510</u>	<u>171,975</u>	<u>467,485</u>
Deferred inflows of resources	<u>67,345</u>	<u>5,977</u>	<u>73,322</u>
Net position:			
Net investment in capital assets	612,784	405,547	1,018,331
Restricted for:			
Legally restricted	19,568	202	19,770
Capital projects	37,205	100	37,305
Development	30,749	-	30,749
Lottery funds	2,697	-	2,697
Donor restrictions	545	-	545
Unrestricted	(12,728)	78,011	65,283
Total net position	<u>\$ 690,820</u>	<u>\$ 483,860</u>	<u>\$ 1,174,680</u>

The accompanying notes are an integral part of this statement.

## CITY OF BOULDER, COLORADO

## Statement of Activities

Year ended December 31, 2018

(Amounts in 000's)

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
General Government	\$ 32,376	\$ 10,006	\$ 861	\$ -
Administrative Services	11,320	1,757	47	-
Public Safety	60,970	597	362	-
Public Works	44,305	2,801	5,957	1,402
Planning & Development Services	18,339	10,499	4	-
Culture and Recreation	41,175	9,276	1,674	-
Open Space and Mountain Parks	26,200	1,886	260	92
Housing and Human Services	30,078	10,055	3,480	-
Interest on long-term debt	3,408	-	-	-
Total governmental activities	<u>268,171</u>	<u>46,877</u>	<u>12,645</u>	<u>1,494</u>
Business-type activities:				
Water utility	24,118	29,714	-	2,543
Wastewater utility	16,270	21,402	-	907
Stormwater and flood management	10,157	11,447	-	977
Parking facilities and services	7,455	7,012	-	-
Property and facility acquisition	813	271	-	-
Total business-type activities	<u>58,813</u>	<u>69,846</u>	<u>-</u>	<u>4,427</u>
Total government	<u>\$ 326,984</u>	<u>\$ 116,723</u>	<u>\$ 12,645</u>	<u>\$ 5,921</u>
General revenues:				
Taxes:				
Sales, use and other taxes				
General property taxes				
Accommodations taxes				
Franchise & Occupation taxes				
Specific Ownership & Tobacco taxes				
Excise taxes				
Interest and investment earnings				
Miscellaneous				
Gain on Sale of Capital Assets				
Transfers				
Total general revenues,				
transfers				
Change in net position				
Net position, beginning of year, as restated				
Net position, end of year				



Net (Expense) Revenue and Changes in Net Position		
Governmental Activities	Business-type Activities	Total
\$ (21,509)	\$ -	\$ (21,509)
(9,516)	-	(9,516)
(60,011)	-	(60,011)
(34,145)	-	(34,145)
(7,836)	-	(7,836)
(30,225)	-	(30,225)
(23,962)	-	(23,962)
(16,543)	-	(16,543)
(3,408)	-	(3,408)
<u>(207,155)</u>	<u>-</u>	<u>(207,155)</u>
-	8,139	8,139
-	6,039	6,039
-	2,267	2,267
-	(443)	(443)
-	<u>(542)</u>	<u>(542)</u>
-	15,460	15,460
<u>(207,155)</u>	<u>15,460</u>	<u>(191,695)</u>
142,344	-	142,344
43,700	1,554	45,254
10,024	-	10,024
16,623	-	16,623
2,463	76	2,539
7,486	-	7,486
3,566	1,744	5,310
280	450	730
297	-	297
<u>(1,299)</u>	<u>1,299</u>	<u>-</u>
<u>225,484</u>	<u>5,123</u>	<u>230,607</u>
18,329	20,583	38,912
672,491	463,277	1,135,768
<u>\$ 690,820</u>	<u>\$ 483,860</u>	<u>\$ 1,174,680</u>

## CITY OF BOULDER, COLORADO

## Balance Sheet

Governmental Funds

December 31, 2018

(Amounts in 000's)

<u>Assets</u>	<u>General Fund</u>	<u>Open Space Fund</u>	<u>Trans- portation Fund</u>	<u>Boulder Municipal Property Authority</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Equity in pooled cash and cash equivalents	\$ 4,444	\$ 1,045	\$ 31	\$ 12	\$ 4,584	\$ 10,116
Investments	53,075	20,974	20,938	188	72,399	167,574
Receivables:						
General property taxes	39,157	-	-	-	4,635	43,792
Sales and use taxes	7,802	3,399	2,897	-	2,484	16,582
Accounts	1,639	198	1,047	-	515	3,399
Accrued interest	238	138	85	-	260	721
Intergovernmental	155	3,591	845	-	1,979	6,570
Other	1	-	-	-	-	1
Total receivables	48,992	7,326	4,874	-	9,873	71,065
Due from other funds	1,721	-	-	-	-	1,721
Inventory of materials and supplies	6	-	-	-	50	56
Restricted assets:						
Investments for special purposes	705	1	-	-	485	1,191
Investments for capital projects	-	-	-	234	30	264
Total restricted assets	705	1	-	234	515	1,455
Other assets	42	20	-	-	15	77
Total assets	\$ 108,985	\$ 29,366	\$ 25,843	\$ 434	\$ 87,436	\$ 252,064

The accompanying notes are an integral part of this statement.

<u>Liabilities, Deferred Inflows of Resources and Fund Balances</u>	<u>General Fund</u>	<u>Open Space Fund</u>	<u>Transportation Fund</u>	<u>Boulder Municipal Property Authority</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Liabilities:						
Accounts and accrued liabilities:						
Vouchers and accounts payable	\$ 3,923	\$ 902	\$ 1,688	\$ -	\$ 3,092	\$ 9,605
Contracts and retainage payable	5	54	692	-	278	1,029
Accrued salaries, wages and amounts withheld from employees	3,471	536	299	-	842	5,148
Due to other funds	-	-	-	-	1,721	1,721
Advances from other funds	806	-	-	-	-	806
Other liabilities	361	-	834	-	1,071	2,266
Unearned revenue	441	-	1	-	55	497
Total liabilities	<u>9,007</u>	<u>1,492</u>	<u>3,514</u>	<u>-</u>	<u>7,059</u>	<u>21,072</u>
Deferred inflows of resources	<u>39,363</u>	<u>3,242</u>	<u>1,048</u>	<u>-</u>	<u>4,889</u>	<u>48,542</u>
Fund balances:						
Nonspendable:						
Prepaid	42	20	-	-	15	77
Inventory	6	-	-	-	50	56
Restricted for:						
Legally restricted	4,560	-	-	434	14,574	19,568
Capital projects	539	-	21,281	-	15,385	37,205
Development	-	24,268	-	-	6,481	30,749
Lottery funds	-	-	-	-	2,697	2,697
Donor restrictions	93	22	-	-	430	545
Committed to:						
Affordable housing	-	-	-	-	7,820	7,820
Transportation projects	-	-	-	-	3,398	3,398
Assigned to:						
Special purposes	4,907	322	-	-	24,638	29,867
Contractual obligations	2,142	-	-	-	-	2,142
Unassigned	48,326	-	-	-	-	48,326
Total fund balances	<u>60,615</u>	<u>24,632</u>	<u>21,281</u>	<u>434</u>	<u>75,488</u>	<u>182,450</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 108,985</u>	<u>\$ 29,366</u>	<u>\$ 25,843</u>	<u>\$ 434</u>	<u>\$ 87,436</u>	<u>\$ 252,064</u>

CITY OF BOULDER, COLORADO

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

December 31, 2018

(Amounts in 000's)

Total governmental fund balances	\$	182,450
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Amounts reported for governmental activities in the statement of net position  
are different because:

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

Capital assets - governmental funds	1,052,992	
Accumulated depreciation - governmental funds	<u>(389,713)</u>	
Net book value of capital assets in governmental funds		663,279

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

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

PERA net pension liability	(115,968)	
Police net pension liability	(3,646)	
Fire net pension liability	(1,558)	
City net OPEB liability	(6,003)	
PERA net OPEB liability	(10,691)	
Deferred inflows related to pensions: PERA, Police and Fire	(22,980)	
Deferred inflows related to OPEB: City and PERA	(179)	
Deferred outflows related to pensions: PERA, Police and Fire	20,978	
Deferred outflows related to OPEB: City and PERA	<u>1,674</u>	
Net deferred inflows, outflows, pension and OPEB liabilities		(138,373)

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

95,895

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

(117,398)

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

Intergovernmental revenues	<u>4,967</u>
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Net position of governmental activities	\$	<u><u>690,820</u></u>
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The accompanying notes are an integral part of this statement.

## CITY OF BOULDER, COLORADO

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

Governmental Funds

Year ended December 31, 2018

(Amounts in 000's)

	General <u>Fund</u>	Open Space <u>Fund</u>	Trans- portation <u>Fund</u>	Boulder Municipal Property Authority	Other Governmental <u>Funds</u>	Total Governmental <u>Funds</u>
Revenues:						
Taxes:						
Sales, use and other taxes	\$ 64,573	\$ 32,831	\$ 27,760	\$ -	\$ 21,236	\$ 146,400
General property taxes	38,789	-	-	-	4,911	43,700
Accommodation taxes	10,024	-	-	-	-	10,024
Franchise taxes	14,805	-	-	-	1,774	16,579
Specific ownership & tobacco taxes	2,455	-	-	-	8	2,463
Excise taxes	988	-	-	-	6,498	7,486
Charges for services	4,869	241	-	-	18,366	23,476
Sale of goods	436	-	17	-	186	639
Licenses, permits and fines	6,694	116	-	-	8,853	15,663
Intergovernmental	1,941	61	6,051	-	4,386	12,439
Leases, rents and royalties	185	310	54	3,590	2,473	6,612
Interest and investment earnings	925	603	243	4	934	2,709
Other	1,357	1,286	406	-	1,357	4,406
Total revenues	<u>148,041</u>	<u>35,448</u>	<u>34,531</u>	<u>3,594</u>	<u>70,982</u>	<u>292,596</u>
Expenditures:						
Current:						
General Government	24,745	-	-	6,979	237	31,961
Administrative Services	7,678	-	-	-	38	7,716
Public Safety	58,619	121	-	-	2	58,742
Public Works	9,081	-	30,090	-	6,031	45,202
Planning & Development Services	4,033	-	-	-	13,562	17,595
Culture and Recreation	13,098	-	-	-	20,900	33,998
Open Space and Mountain Parks	82	45,519	-	-	-	45,601
Housing and Human Services	12,903	-	-	-	16,525	29,428
Capital outlay	-	-	-	-	10,298	10,298
Debt service payments:						
Principal	2,850	4,020	-	2,135	-	9,005
Interest	1,950	451	-	1,455	-	3,856
Base rentals to Boulder Municipal Property Authority	-	768	-	-	-	768
Total expenditures	<u>135,039</u>	<u>50,879</u>	<u>30,090</u>	<u>10,569</u>	<u>67,593</u>	<u>294,170</u>
Excess (deficiency) of revenues over (under) expenditures	<u>13,002</u>	<u>(15,431)</u>	<u>4,441</u>	<u>(6,975)</u>	<u>3,389</u>	<u>(1,574)</u>
Other financing sources (uses):						
Financing of Capital Lease	2,750	-	-	6,975	-	9,725
Transfers in	749	1,080	41	-	6,336	8,206
Transfers out	<u>(8,342)</u>	<u>-</u>	<u>(478)</u>	<u>-</u>	<u>(60)</u>	<u>(8,880)</u>
Total other financing sources (uses)	<u>(4,843)</u>	<u>1,080</u>	<u>(437)</u>	<u>6,975</u>	<u>6,276</u>	<u>9,051</u>
Net change in fund balances	8,159	(14,351)	4,004	-	9,665	7,477
Fund balances, beginning of year	<u>52,456</u>	<u>38,983</u>	<u>17,277</u>	<u>434</u>	<u>65,823</u>	<u>174,973</u>
Fund balances, end of year	<u>\$ 60,615</u>	<u>\$ 24,632</u>	<u>\$ 21,281</u>	<u>\$ 434</u>	<u>\$ 75,488</u>	<u>\$ 182,450</u>

The accompanying notes are an integral part of this statement.

CITY OF BOULDER, COLORADO

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

Year ended December 31, 2018

(Amounts in 000's)

Net change in fund balances - total governmental funds	\$	7,477
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Amounts reported for governmental activities in the statement of activities  
are different because:

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

Governmental Activities capital asset additions	57,605	
Governmental Activities capital asset deletions	(2,708)	
Internal Service Funds capital asset additions	(5,786)	
Internal Service Funds capital asset deletions	2,708	
Governmental Activities capital asset depreciation expense	(23,084)	
Internal Service Funds capital asset depreciation expense	<u>6,897</u>	35,632

Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. This amount is the net effect of these differences in the treatment of long-term debt, net pension liabilities and pension related items.	(11,906)
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Governmental funds report the issuance of a capital lease as an other financing source, however it is presented as a long-term liability on the statement of net position.	(9,725)
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Some revenues reported in the statement of activities are not available as current financial resources and, therefore, are not reported as revenues in governmental funds. Negative amounts indicate a decrease in accruals between fiscal years. Examples are revenues from special assessments, property taxes and notes receivable.	
Intergovernmental revenue	(3,779)

Internal service funds are used by management to charge the costs of insurance, capital asset replacement and other activities to individual funds. A portion of the net revenue of the internal service funds is reported with governmental activities.	
Allocation of net profit	630

Change in net position of governmental activities	\$	<u><u>18,329</u></u>
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The accompanying notes are an integral part of this statement.

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## CITY OF BOULDER, COLORADO

Statement of Revenues, Expenditures, and Changes  
in Fund Balances - Budget and Actual  
(Budgetary Basis)General FundYear ended December 31, 2018  
(Amounts in 000's)

	<u>Budgeted amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>amounts</u>	<u>final budget -</u>
				<u>Positive</u>
				<u>(Negative)</u>
Revenues:				
Taxes:				
Sales and use taxes	\$ 59,577	\$ 59,577	\$ 62,808	\$ 3,231
General property taxes	39,548	39,548	38,789	(759)
Accommodations taxes	8,877	8,877	10,024	1,147
Franchise & occupation taxes	9,022	15,099	14,763	(336)
Specific ownership & tobacco taxes	2,356	2,356	2,455	99
Excise taxes	1,450	1,450	988	(462)
Charges for services	5,042	5,072	4,871	(201)
Sale of goods	70	80	436	356
Licenses, permits and fines	6,494	6,494	6,694	200
Intergovernmental	1,992	2,662	1,931	(731)
Leases, rents and royalties	633	752	185	(567)
Interest and investment earnings	402	402	891	489
Other	611	884	1,362	478
Total revenues	<u>136,074</u>	<u>143,253</u>	<u>146,197</u>	<u>2,944</u>
Expenditures:				
Current:				
General Government	17,227	26,338	17,839	8,499
Administrative Services	17,229	19,275	14,510	4,765
Public Safety	56,898	58,527	57,996	531
Public Works	6,801	9,111	9,130	(19)
Planning & Development Services	2,868	4,416	4,352	64
Culture and Recreation	13,083	13,890	12,964	926
Open Space and Mountain Parks	27	27	26	1
Housing and Human Services	11,893	15,449	13,016	2,433
Debt service payments:				
Principal	2,610	3,332	2,850	482
Interest	1,832	1,832	1,913	(81)
Total expenditures	<u>130,468</u>	<u>152,197</u>	<u>134,596</u>	<u>17,601</u>
Excess (deficiency) of revenues over (under) expenditures	<u>5,606</u>	<u>(8,944)</u>	<u>11,601</u>	<u>20,545</u>

(continued)

The accompanying notes are an integral part of this statement



	Budgeted amounts		Actual	Variance with
	<u>Original</u>	<u>Final</u>	<u>amounts</u>	final budget - Positive (Negative)
Other financing sources (uses):				
Capital Lease Financing	-	-	-	-
Transfers in	28	750	750	-
Transfers out	<u>(8,647)</u>	<u>(9,625)</u>	<u>(8,580)</u>	<u>1,045</u>
Total other financing sources (uses)	<u>(8,619)</u>	<u>(8,875)</u>	<u>(7,830)</u>	<u>1,045</u>
Net change in fund balance	\$ <u><u>(3,013)</u></u>	\$ <u><u>(17,819)</u></u>	3,771	\$ <u><u>21,590</u></u>
Encumbrances, end of year			2,683	
Fund balance, beginning of year, basis of budgeting			<u>58,817</u>	
Fund balance, end of year, basis of budgeting			65,271	
Basis of budgeting to GAAP basis reconciliation:				
Fair market value adjustment to investments			(195)	
Accrued salaries, wages and amounts withheld from employees			(3,626)	
Purchase of land - Financed			2,750	
Capital Lease Financing			(2,750)	
Due from other funds			(29)	
Advances from other funds			<u>(806)</u>	
Fund balance, end of year, GAAP basis			\$ <u><u>60,615</u></u>	

CITY OF BOULDER, COLORADO

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

Open Space Fund

Year ended December 31, 2018

(Amounts in 000's)

	Budgeted amounts		Actual	Variance with
	Original	Final	amounts	final budget - Positive (Negative)
Revenues:				
Taxes:				
Sales and use taxes	\$ 29,886	\$ 29,886	\$ 31,907	\$ 2,021
Charges for services	16	16	241	225
Licenses, permits and fines	149	149	116	(33)
Intergovernmental	3,031	3,128	73	(3,055)
Leases, rents and royalties	431	431	304	(127)
Interest and investment earnings	335	335	583	248
Other	595	1,875	1,277	(598)
Total revenues	<u>34,443</u>	<u>35,820</u>	<u>34,501</u>	<u>(1,319)</u>
Expenditures:				
Current:				
Public Safety	114	128	125	3
Open Space and Mountain Parks	29,645	58,086	49,113	8,973
Debt service payments:				
Principal	4,020	4,020	4,020	-
Interest	451	451	451	-
Base rentals to Boulder Municipal Property Authority	768	768	768	-
Total expenditures	<u>34,998</u>	<u>63,453</u>	<u>54,477</u>	<u>8,976</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(555)</u>	<u>(27,633)</u>	<u>(19,976)</u>	<u>7,657</u>
Other financing sources (uses):				
Transfers in	1,139	1,159	1,081	(78)
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>1,139</u>	<u>1,159</u>	<u>1,081</u>	<u>(78)</u>
Net change in fund balance	\$ <u>584</u>	\$ <u>(26,474)</u>	(18,895)	\$ <u>7,579</u>
Encumbrances, end of year			3,676	
Fund balance, beginning of year, basis of budgeting			<u>42,528</u>	
Fund balance, end of year, basis of budgeting			27,309	
Basis of budgeting to GAAP basis reconciliation:				
Fair market value adjustment to investments			(250)	
Accrued salaries, wages and amounts withheld from employees			(536)	
Unearned revenue			<u>(1,891)</u>	
Fund balance, end of year, GAAP basis			\$ <u>24,632</u>	

The accompanying notes are an integral part of this statement.

CITY OF BOULDER, COLORADO

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

Transportation Fund

Year ended December 31, 2018

(Amounts in 000's)

	<u>Budgeted amounts</u>		<u>Actual</u>	Variance with final budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>amounts</u>	
Revenues:				
Taxes:				
Sales and use taxes	\$ 25,471	\$ 25,471	\$ 26,972	\$ 1,501
Sale of goods	-	-	17	17
Intergovernmental	8,299	13,192	6,020	(7,172)
Leases, rents and royalties	160	160	54	(106)
Interest and investment earnings	43	43	268	225
Other	633	633	382	(251)
Total revenues	<u>34,606</u>	<u>39,499</u>	<u>33,713</u>	<u>(5,786)</u>
Expenditures:				
Current:				
Public Works	<u>33,781</u>	<u>50,481</u>	<u>34,193</u>	<u>16,288</u>
Total expenditures	<u>33,781</u>	<u>50,481</u>	<u>34,193</u>	<u>16,288</u>
Excess (deficiency) of revenues over (under) expenditures	<u>825</u>	<u>(10,982)</u>	<u>(480)</u>	<u>10,502</u>
Other financing sources (uses):				
Transfers in	41	41	41	-
Transfers out	<u>(478)</u>	<u>(478)</u>	<u>(478)</u>	<u>-</u>
Total other financing sources (uses)	<u>(437)</u>	<u>(437)</u>	<u>(437)</u>	<u>-</u>
Net change in fund balance	\$ <u>388</u>	\$ <u>(11,419)</u>	(917)	\$ <u>10,502</u>
Encumbrances, end of year			4,094	
Fund balance, beginning of year, basis of budgeting			<u>18,694</u>	
Fund balance, end of year, basis of budgeting			21,871	
Basis of budgeting to GAAP basis reconciliation:				
Fair market value adjustment to investments			(116)	
The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue for financial reporting purposes			(174)	
Accrued salaries, wages and amounts withheld from employees			<u>(300)</u>	
Fund balance, end of year, GAAP basis			\$ <u>21,281</u>	

The accompanying notes are an integral part of this statement.

## CITY OF BOULDER, COLORADO

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

Year ended December 31, 2018

(Amounts in 000's)

	Budgeted amounts		Actual	Variance with
	<u>Original</u>	<u>Final</u>	<u>amounts</u>	final budget - Positive (Negative)
Revenues:				
Leases, rents and royalties	\$ 3,590	\$ 3,590	\$ 3,590	\$ -
Interest and investment earnings	-	-	13	13
Total revenues	<u>3,590</u>	<u>3,590</u>	<u>3,603</u>	<u>13</u>
Expenditures:				
Current:				
General Government	-	4	4	-
Debt service payments:				
Principal	2,135	2,135	2,135	-
Interest	<u>1,455</u>	<u>1,455</u>	<u>1,455</u>	<u>-</u>
Total expenditures	<u>3,590</u>	<u>3,594</u>	<u>3,594</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	-	(4)	9	13
Other financing uses:				
Financing of Capital Lease	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	\$ <u>-</u>	\$ <u>(4)</u>	9	\$ <u>13</u>
Encumbrances, end of year			-	
Fund balance, beginning of year, basis of budgeting			<u>434</u>	
Fund balance, end of year, basis of budgeting			443	
Basis of budgeting to GAAP basis reconciliation:				
Financing of Capital Lease			(6,975)	
Purchase of Land - Financed			<u>6,975</u>	
Fair market value adjustment to investments			<u>(9)</u>	
Fund balance, end of year, GAAP basis			\$ <u>434</u>	

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## CITY OF BOULDER, COLORADO

## Statement of Net Position

Proprietary Funds

December 31, 2018

(Amounts in 000's)

	Water Utility <u>Fund</u>	Wastewater Utility <u>Fund</u>	Stormwater and Flood Management <u>Fund</u>
Assets:			
Current assets:			
Equity in pooled cash and cash equivalents	\$ 2,142	\$ 280	\$ 1,076
Investments	34,142	26,739	24,698
Receivables:			
General property taxes	-	-	-
Accounts	235	9	-
Charges for services	1,956	2,126	1,229
Accrued interest	206	64	52
Intergovernmental	168	143	2,649
Total receivables	2,565	2,342	3,930
Advances to other funds	74	-	-
Inventory of materials and supplies	255	4	1
Other assets - prepaid expenses	10	-	-
Total current assets	39,188	29,365	29,705
Noncurrent assets:			
Advances to other funds	317	-	-
Restricted assets:			
Investments for bond reserves	2,169	702	2,385
Investments for capital projects	2,532	1,095	1,387
Total restricted assets	4,701	1,797	3,772
Capital assets:			
Land and easements	21,318	2,009	17,394
Intangibles	-	-	-
Buildings	5,046	2,547	775
Improvements other than buildings	179	417	1,210
Infrastructure	783	-	967
Undergrounds - drainage facilities	305,119	155,601	108,591
Vehicles	1,975	1,451	874
Machinery and equipment	2,682	2,021	423
	337,102	164,046	130,234
Less accumulated depreciation	(126,525)	(67,616)	(25,998)
	210,577	96,430	104,236
Construction in progress	81,459	10,385	1,287
Total capital assets, net of accumulated depreciation	292,036	106,815	105,523
Total noncurrent assets	297,054	108,612	109,295
Total assets	336,242	137,977	139,000
Deferred outflows of resources	2,037	2,431	671
Total assets and deferred outflows of resources	\$ 338,279	\$ 140,408	\$ 139,671

The accompanying notes are an integral part of this statement.

<u>Downtown Commercial District</u>	<u>Nonmajor Enterprise Funds</u>	<u>Total Enterprise Funds</u>	<u>Governmental Activities - Internal Service Funds</u>
\$ 1,180	\$ 307	\$ 4,985	\$ 3,552
9,472	1,014	96,065	55,454
1,301	307	1,608	-
70	-	314	71
-	-	5,311	-
35	4	361	240
-	-	2,960	61
<u>1,406</u>	<u>311</u>	<u>10,554</u>	<u>372</u>
2	-	76	134
-	-	260	-
-	-	10	515
<u>12,060</u>	<u>1,632</u>	<u>111,950</u>	<u>60,027</u>
4	-	321	281
321	-	5,577	-
-	-	5,014	-
<u>321</u>	<u>-</u>	<u>10,591</u>	<u>-</u>
2,333	444	43,498	117
-	2,000	2,000	-
40,764	-	49,132	91,530
6,009	58	7,873	9,110
6	-	1,756	468
-	-	569,311	-
41	68	4,409	38,251
<u>1,439</u>	<u>247</u>	<u>6,812</u>	<u>14,260</u>
50,592	2,817	684,791	153,736
<u>(28,591)</u>	<u>(501)</u>	<u>(249,231)</u>	<u>(97,696)</u>
22,001	2,316	435,560	56,040
<u>4,574</u>	<u>-</u>	<u>97,705</u>	<u>829</u>
<u>26,575</u>	<u>2,316</u>	<u>533,265</u>	<u>56,869</u>
<u>26,900</u>	<u>2,316</u>	<u>544,177</u>	<u>57,150</u>
<u>38,960</u>	<u>3,948</u>	<u>656,127</u>	<u>117,177</u>
<u>470</u>	<u>76</u>	<u>5,685</u>	<u>638</u>
\$ <u><u>39,430</u></u>	\$ <u><u>4,024</u></u>	\$ <u><u>661,812</u></u>	\$ <u><u>117,815</u></u>

(continued)

## CITY OF BOULDER, COLORADO

Statement of Net Position,  
continuedProprietary Funds

December 31, 2018

(Amounts in 000's)

	Water Utility <u>Fund</u>	Wastewater Utility <u>Fund</u>	Stormwater and Flood Management <u>Fund</u>
Liabilities:			
Current liabilities:			
Accounts and accrued liabilities:			
Vouchers and accounts payable	\$ 1,256	\$ 656	\$ 532
Contracts and retainage payable	1,993	291	1,136
Accrued salaries, wages and amounts withheld from employees	332	183	101
Accrued interest	667	172	51
Accrued environmental cleanup liability	-	-	-
Accrued claims liability	-	-	-
Advances from other funds	-	-	-
Other liabilities	531	26	348
Unearned revenue - Other	-	-	-
General obligation bonds payable	-	-	-
Revenue bonds payable	5,513	3,222	980
Capitalized lease obligations	-	-	-
Compensated absences payable	55	86	9
Promissory note	-	-	-
Total current liabilities	<u>10,347</u>	<u>4,636</u>	<u>3,157</u>
Noncurrent liabilities:			
Accounts and accrued liabilities:			
Accrued landfill cleanup liability	-	2,474	-
Accrued claims liability	-	-	-
Advances from other funds	-	-	-
General obligation bonds payable (net of premium)	-	-	-
Revenue bonds payable (net of premium)	68,447	36,375	19,109
Capitalized lease obligations	-	-	-
Compensated absences payable	501	162	105
Promissory note	-	-	-
Net pension liability	10,687	7,171	3,695
Retiree health care benefit	1,192	773	424
Total noncurrent liabilities	<u>80,827</u>	<u>46,955</u>	<u>23,333</u>
Total liabilities	<u>91,174</u>	<u>51,591</u>	<u>26,490</u>
Deferred inflows of resources	<u>1,976</u>	<u>1,212</u>	<u>718</u>
Net position:			
Net investment in capital assets	221,518	71,882	87,708
Restricted for:			
Legally restricted - emergency reserve	-	-	-
Capital projects	100	-	-
Unrestricted	<u>23,511</u>	<u>15,723</u>	<u>24,755</u>
Total net position	<u>\$ 245,129</u>	<u>\$ 87,605</u>	<u>\$ 112,463</u>

The accompanying notes are an integral part of this statement.



<u>Downtown Commercial District</u>	<u>Nonmajor Enterprise Funds</u>	<u>Total Enterprise Funds</u>	<u>Governmental Activities - Internal Service Funds</u>
\$ 122	\$ 20	\$ 2,586	\$ 1,179
-	-	3,420	19
68	13	697	67
32	42	964	-
-	-	-	71
-	-	-	1,230
-	2	2	-
11	2	918	-
-	-	-	16
-	-	-	-
720	-	720	-
-	-	9,715	-
-	-	-	739
27	-	177	32
-	389	389	-
<u>980</u>	<u>468</u>	<u>19,588</u>	<u>3,353</u>
-	-	2,474	-
-	-	-	2,531
-	4	4	-
3,248	-	3,248	-
-	-	123,931	-
-	-	-	6,188
29	4	801	70
-	402	402	-
2,266	409	24,228	3,363
303	44	2,736	366
<u>5,846</u>	<u>863</u>	<u>157,824</u>	<u>12,518</u>
<u>6,826</u>	<u>1,331</u>	<u>177,412</u>	<u>15,871</u>
<u>1,700</u>	<u>371</u>	<u>5,977</u>	<u>612</u>
22,915	1,524	405,547	49,902
195	7	202	-
-	-	100	-
7,794	791	72,574	51,430
<u>\$ 30,904</u>	<u>\$ 2,322</u>	478,423	<u>\$ 101,332</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds		<u>5,437</u>	
Net position of business-type activities		<u>\$ 483,860</u>	

## CITY OF BOULDER, COLORADO

## Statement of Revenues, Expenses and Changes in Fund Net Position

Proprietary Funds

Year ended December 31, 2018

(Amounts in 000's)

	Water Utility Fund	Wastewater Utility Fund	Stormwater and Flood Management Fund
Operating revenues:			
Charges for services	\$ 29,647	\$ 21,393	\$ 11,439
Sale of goods	4	-	-
Total operating revenues	<u>29,651</u>	<u>21,393</u>	<u>11,439</u>
Operating expenses:			
Personnel	9,757	5,701	3,301
Non-personnel	7,749	6,477	4,089
Depreciation	4,872	2,946	1,306
Total operating expenses	<u>22,378</u>	<u>15,124</u>	<u>8,696</u>
Operating income (loss)	<u>7,273</u>	<u>6,269</u>	<u>2,743</u>
Nonoperating revenues (expenses):			
Interest and investment earnings	778	313	525
Leases, rents and royalties	63	9	8
Intergovernmental expense	(123)	(14)	(568)
General property taxes	-	-	-
Specific ownership & tobacco taxes	-	-	-
Interest expense	(1,725)	(1,193)	(608)
Gain (loss) on disposition of capital assets	(43)	(25)	(403)
Other, net	206	149	32
Total nonoperating revenues (expenses)	<u>(844)</u>	<u>(761)</u>	<u>(1,014)</u>
Income before capital contributions and transfers	6,429	5,508	1,729
Capital contributions	2,543	907	977
Transfers in	-	-	-
Transfers out	<u>(324)</u>	<u>(322)</u>	<u>(194)</u>
Changes in net position	<u>8,648</u>	<u>6,093</u>	<u>2,512</u>
Total net position, beginning of year, as restated	<u>236,481</u>	<u>81,512</u>	<u>109,951</u>
Total net position, end of year	<u>\$ 245,129</u>	<u>\$ 87,605</u>	<u>\$ 112,463</u>

The accompanying notes are an integral part of this statement.

Downtown Commercial District	Nonmajor Enterprise Funds	Total Enterprise Funds	Governmental Activities - Internal Service Funds
\$ 6,912	\$ 271	\$ 69,662	\$ 20,987
-	-	4	368
<u>6,912</u>	<u>271</u>	<u>69,666</u>	<u>21,355</u>
1,927	340	21,026	3,386
3,620	350	22,285	10,947
<u>1,635</u>	<u>123</u>	<u>10,882</u>	<u>6,897</u>
<u>7,182</u>	<u>813</u>	<u>54,193</u>	<u>21,230</u>
(270)	(542)	15,473	125
112	16	1,744	857
100	-	180	140
-	-	(705)	(30)
1,272	282	1,554	-
62	14	76	-
(113)	-	(3,639)	(220)
-	-	(471)	297
63	-	450	281
<u>1,496</u>	<u>312</u>	<u>(811)</u>	<u>1,325</u>
1,226	(230)	14,662	1,450
-	-	4,427	-
1,714	425	2,139	97
<u>-</u>	<u>-</u>	<u>(840)</u>	<u>(722)</u>
<u>2,940</u>	<u>195</u>	20,388	<u>825</u>
<u>27,964</u>	<u>2,127</u>		<u>100,507</u>
\$ <u>30,904</u>	\$ <u>2,322</u>		\$ <u>101,332</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds		<u>195</u>	
Change in net position of business-type activities		\$ <u>20,583</u>	

## CITY OF BOULDER, COLORADO

## Statement of Cash Flows

Proprietary Funds

Year ended December 31, 2018

(Amounts in 000's)

	Water Utility <u>Fund</u>	Wastewater Utility <u>Fund</u>	Stormwater and Flood Management <u>Fund</u>
Cash flows from operating activities:			
Receipts from customers and users	\$ 29,432	\$ 21,520	\$ 11,941
Receipts from interfund services provided	-	-	-
Other receipts	4	149	-
Other payments	(42)	(2)	(48)
Payments to suppliers	(8,909)	(6,962)	(5,153)
Payments to employees	(7,920)	(4,348)	(2,662)
Sale of Goods	-	-	-
Net cash provided (used) by operating activities	<u>12,565</u>	<u>10,357</u>	<u>4,078</u>
Cash flows from noncapital financing activities:			
Payments from other funds			
on due from (due to) balances	-	-	-
Payments to other funds on advances	70	-	-
Leases, rents and royalties	63	9	8
Intergovernmental revenue	2	17	106
General property taxes	-	-	-
Specific ownership & tobacco taxes	-	-	-
Transfers in	-	-	-
Transfers out	(324)	(322)	(194)
Net cash provided (used) by noncapital financing activities	<u>(189)</u>	<u>(296)</u>	<u>(80)</u>
Cash flows from capital and related financing activities:			
Acquisition and construction of capital assets	(53,580)	(4,074)	(4,955)
Proceeds from sale or transfer of property and equipment	1	2	-
Promissory note payment	-	-	-
Proceeds on long-term bonds issued	33,984	3,361	-
Principal paid on notes payable, bonds payable and capitalized lease obligations	(4,481)	(3,208)	(1,360)
Interest paid on notes payable, bonds payable, and capitalized lease obligations	(1,088)	(1,451)	(611)
Other	206	-	-
Capital contributions	<u>2,543</u>	<u>907</u>	<u>977</u>
Net cash (used) for capital related financing activities	<u>(22,415)</u>	<u>(4,463)</u>	<u>(5,949)</u>

The accompanying notes are an integral part of this statement.

Downtown Commercial <u>District</u>	Nonmajor Enterprise <u>Funds</u>	Total Enterprise <u>Funds</u>	Governmental Activities Internal Service <u>Funds</u>
\$ 6,925	\$ 271	\$ 70,089	\$ 12,318
-	-	-	8,729
43	3	199	22
-	-	(92)	-
(3,552)	(344)	(24,920)	(9,783)
(1,525)	(282)	(16,737)	(2,747)
<u>-</u>	<u>-</u>	<u>-</u>	<u>368</u>
<u>1,891</u>	<u>(352)</u>	<u>28,539</u>	<u>8,907</u>
-	(3)	(3)	130
3	-	73	-
100	7	187	140
-	-	125	(31)
1,240	280	1,520	-
62	14	76	-
1,714	425	2,139	97
<u>-</u>	<u>-</u>	<u>(840)</u>	<u>(722)</u>
<u>3,119</u>	<u>723</u>	<u>3,277</u>	<u>(386)</u>
(623)	-	(63,232)	(5,782)
-	-	3	833
-	(376)	(376)	-
-	-	37,345	-
(1,809)	-	(10,858)	(742)
(137)	(41)	(3,328)	(220)
-	-	206	258
<u>-</u>	<u>-</u>	<u>4,427</u>	<u>-</u>
<u>(2,569)</u>	<u>(417)</u>	<u>(35,813)</u>	<u>(5,653)</u>

(continued)

CITY OF BOULDER, COLORADO

Statement of Cash Flows,  
continued

Proprietary Funds

Year ended December 31, 2018

(Amounts in 000's)

	Water Utility <u>Fund</u>	Wastewater Utility <u>Fund</u>	Stormwater and Flood Management <u>Fund</u>
Cash flows from investing activities:			
Purchase of investment securities	\$ (42,858)	\$ (9,520)	\$ (2,796)
Proceeds from sale and maturities of investment securities	53,284	3,516	4,657
Interest on investments	<u>1,023</u>	<u>482</u>	<u>725</u>
Net cash provided (used) in investing activities	<u>11,449</u>	<u>(5,522)</u>	<u>2,586</u>
Net increase (decrease) in cash and cash equivalents	1,410	76	635
Cash and cash equivalents, January 1	<u>732</u>	<u>204</u>	<u>441</u>
Cash and cash equivalents, December 31	\$ <u><u>2,142</u></u>	\$ <u><u>280</u></u>	\$ <u><u>1,076</u></u>

The accompanying notes are an integral part of this statement.

Downtown Commercial <u>District</u>	Nonmajor Enterprise <u>Funds</u>	Total Enterprise <u>Funds</u>	Governmental Activities Internal Service <u>Funds</u>
\$ (2,174)	\$ (447)	\$ (57,795)	\$ (11,484)
-	510	61,967	7,826
<u>195</u>	<u>16</u>	<u>2,441</u>	<u>1,169</u>
<u>(1,979)</u>	<u>79</u>	<u>6,613</u>	<u>(2,489)</u>
462	33	2,616	379
<u>718</u>	<u>274</u>	<u>2,369</u>	<u>3,173</u>
\$ <u><u>1,180</u></u>	\$ <u><u>307</u></u>	\$ <u><u>4,985</u></u>	\$ <u><u>3,552</u></u>

(continued)

CITY OF BOULDER, COLORADO

Statement of Cash Flows,  
continued

Proprietary Funds

Year ended December 31, 2018

(Amounts in 000's)

	Water Utility <u>Fund</u>	Wastewater Utility <u>Fund</u>	Stormwater and Flood Management <u>Fund</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$ <u>7,273</u>	\$ <u>6,269</u>	\$ <u>2,743</u>
Adjustments to reconcile net operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	4,872	2,946	1,306
Other nonoperating revenues (expenses)	-	149	-
Change in assets and liabilities:			
(Increase) decrease in assets:			
Accounts receivable	(140)	409	647
Charges for services receivable	(75)	(282)	(145)
Intergovernmental receivables	-	-	-
Inventory of materials and supplies	10	-	-
Other assets - prepaid expenses	1	13	-
Deferred Outflows - PERA Pension	1,449	889	529
Deferred Outflows - PERA OPEB	(123)	(78)	(45)
Increase (decrease) in liabilities:			
Vouchers and accounts payable	(1,665)	(272)	(1,161)
Accrued salaries, wages and amounts withheld from employees	38	(2)	1
Accrued claims liability	-	-	-
Other liabilities	(42)	(2)	(48)
Deferred Inflows - PERA Pension	1,907	1,170	693
Deferred Inflows - PERA/Retiree OPEB	15	9	6
Pension Liability	(1,578)	(968)	(574)
Contracts and retainage payable	494	(226)	97
Compensated absences	(4)	135	(20)
OPEB liability	133	198	49
Total adjustments	<u>5,292</u>	<u>4,088</u>	<u>1,335</u>
Net cash provided by operating activities	\$ <u><u>12,565</u></u>	\$ <u><u>10,357</u></u>	\$ <u><u>4,078</u></u>
Noncash investing, capital and financing activities:			
Assets acquired through:			
Capital contributions:			
Other	926	590	459
Increase (decrease) in fair value of investments	<u>(264)</u>	<u>(178)</u>	<u>(205)</u>
	\$ <u><u>662</u></u>	\$ <u><u>412</u></u>	\$ <u><u>254</u></u>

The accompanying notes are an integral part of this statement.



Downtown Commercial <u>District</u>	Nonmajor Enterprise <u>Funds</u>	Total Enterprise <u>Funds</u>	Governmental Activities Internal Service <u>Funds</u>
\$ <u>(270)</u>	\$ <u>(542)</u>	\$ <u>15,473</u>	\$ <u>125</u>
1,635	123	10,882	6,897
63	2	214	23
48	-	964	9
(35)	-	(537)	-
-	-	-	50
-	-	10	-
16	-	30	(66)
418	48	3,333	523
(28)	(4)	(278)	(38)
52	6	(3,040)	502
5	(2)	40	1
-	-	-	781
(20)	1	(111)	24
379	65	4,214	597
-	1	31	3
(325)	(52)	(3,497)	(493)
-	-	365	(82)
(78)	(3)	30	9
31	5	416	42
<u>2,161</u>	<u>190</u>	<u>13,066</u>	<u>8,782</u>
\$ <u><u>1,891</u></u>	\$ <u><u>(352)</u></u>	\$ <u><u>28,539</u></u>	\$ <u><u>8,907</u></u>
-	-	1,975	-
<u>(56)</u>	<u>(8)</u>	<u>(711)</u>	<u>(369)</u>
\$ <u><u>(56)</u></u>	\$ <u><u>(8)</u></u>	\$ <u><u>1,264</u></u>	\$ <u><u>(369)</u></u>

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## FIDUCIARY FUNDS

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

The City of Boulder has the following pension trust funds:

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

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

CITY OF BOULDER, COLORADO

Statement of Fiduciary Net Position

Pension Trust Funds

December 31, 2018

(Amounts in 000's)

Assets:

Equity in pooled cash and cash equivalents	\$	40
Investments:		
U.S. Treasuries		228
U.S. Agencies & Instrumentalities		283
Mutual Funds		15,352
Equity Securities		2,509
Money Market Funds		531
Real Estate Investment Trust		633
Corporate Bonds		170
Other		257
Receivables:		-
Accrued interest		8
Total assets		<u>20,011</u>

Liabilities:

Accounts and accrued liabilities:		
Accrued pensions payable		91
Total liabilities		<u>91</u>

Net position restricted for pensions	\$	<u><u>19,920</u></u>
--------------------------------------	----	----------------------

The accompanying notes are an integral part of this statement.

CITY OF BOULDER, COLORADO

Statement of Changes in Fiduciary Net Position

Pension Trust Funds

Year ended December 31, 2018

(Amounts in 000's)

Additions:

Pension contributions:

City of Boulder	\$	<u>599</u>
Total contributions		<u>599</u>

Investment earnings (loss)	(808)
Less investment expense	<u>(84)</u>
Net investment earnings	<u>(892)</u>

Total additions	<u>(293)</u>
-----------------	--------------

Deductions:

Benefits	2,381
Administrative	<u>12</u>
Total deductions	<u>2,393</u>

Net increase (decrease) in net position	(2,686)
---	---------

Net position restricted for

pensions:

Beginning of year	<u>22,606</u>
End of year	\$ <u><u>19,920</u></u>

The accompanying notes are an integral part of this statement.

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## NOTES TO THE FINANCIAL STATEMENTS

**City of Boulder, Colorado**

**NOTES TO THE FINANCIAL STATEMENTS**

**December 31, 2018**

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City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2018

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

1. Reporting Entity

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

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

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

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

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2018

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

1. Reporting Entity (Continued)

**Blended Component Units**

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

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

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

**Related Organizations**

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2018

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

1. Reporting Entity (Continued)

**Related Organizations (Continued)**

The following two organizations have been identified as related organizations.

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

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

2. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all the nonfiduciary activities of the City and its blended component units. For the most part, the effect of interfund activity has been removed from these statements. Interfund services provided and used are not eliminated in the process of consolidation. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment, including administrative department allocations of expenses based upon a formal cost allocation plan. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2018

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

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

The fiduciary funds recognize plan member contributions in the period in which the contributions are due. Employer contributions to each plan are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan.

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

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

The City reports the following major governmental funds:

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2018

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

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

The City reports the following major enterprise funds:

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

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

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

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

Additionally, the City reports the following fund types:

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2018

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

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

4. Budgets

Budgets are adopted on a budgetary basis as described in Note C. The City budgets revenues and expenditures/expenses for all funds except Fiduciary Funds. Pension Trust Fiduciary Funds each have an independent board, which review all expense, refund, disability and investment transactions. All annual appropriations lapse at year ended December 31, 2018.

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2018

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

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

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

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

**6. Investments**

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

- Bonds or other interest-bearing obligations of the United States of America or its agencies thereof and Local Government Investment Pools that invest therein.
- Repurchase agreements and reverse repurchase agreements.
- Obligations secured by first liens on real estate or by pledge of specific income or revenue and issued, insured, or guaranteed by an agency or instrumentality of the United States government or State of Colorado.
- Commercial paper (with a rating at the time of purchase in its highest rating categories by one or more nationally recognized rating organizations).
- Eligible bankers acceptances.
- Money market mutual funds (with a rating at the time of purchase of at least AAAm by Standard and Poor's or Aaa by Moody's).
- Corporate Bonds rated at least A by Standard & Poor's or A2 by Moody's. Authorized corporates shall be limited to corporations organized and operated within the United States with a net worth in excess of \$250,000,000.

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2018

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

6. Investments (Continued)

the purchase and sale of investments, except for those held in the Pension Trust funds, which are controlled by the Fire and Police Pension Boards as trustees.

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

7. Interfund Receivables/Payables

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “interfund receivables/payables” (i.e., short term interfund loans) or “advances to/from other funds” (i.e., long term interfund loans). Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.” Certain eliminations have been made as prescribed by GASB Statement No. 34 in regard to interfund activities, payables and receivables. All internal balances in the Statement of Net Position have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column. In the Statement of Activities, internal service fund transactions have been eliminated; however, those transactions between governmental and business-type activities have not been eliminated.

8. Inventories

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

9. Restricted Assets

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



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2018

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**10. Capital Assets**

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

Major outlays for capital assets and improvements are capitalized as projects are constructed.

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

The estimated useful lives are as follows:

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

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

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

**11. Compensated Absences**

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2018

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

12. Deferred Outflows/Inflows of Resources

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

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

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

The City also records in the category of deferred outflows and deferred inflows certain items related to its PERA defined benefit pension plan, its “Old Hire” Police Defined Benefit Plan and “Old Hire” Fire Defined Benefit Plan and its PERA Health Care Trust Fund and City of Boulder Retiree Health Care Benefit Plan. See Note Z, U and W for additional information.

13. Long-Term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are amortized over the life of the bonds using the effective interest rate method.

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2018

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**13. Long-Term Obligations (Continued)**

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

The City reports a net OPEB liability for its proportionate share of PERA's Health Care Trust Fund and a net OPEB liability for City of Boulder Retiree Health Care Benefit Plan. See Note W for additional information.

**14. Fund Balances and Net Position**

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

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

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2018

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

14. Fund Balances and Net Position (Continued)

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

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

Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net investment in capital assets excludes unspent bond proceeds. Unspent bond proceeds as of December 31, 2018 totaled \$8,318,094 consisting of \$2,440,000 for the Water Utility Fund, \$4,189,234 for the Wastewater Utility Fund, \$1,422,966 for the Stormwater and Flood Management Fund, \$30,442 for Capital Bond Proceeds and \$235,452 from Certificates of Participation.

15. Restatement of Net Position

For the year ended December 31, 2018, the City adopted the provisions of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* (GASB no. 75), which is effective for financial statements beginning after June 15, 2017. GASB No. 75 revises and establishes new financial reporting requirements for most governments that provide postemployment benefits other than pensions (OPEB). GASB No. 75 requires cost-sharing employers participating in the Health Care Trust Fund (HCTF) administered by the Public Employees' Retirement Association of Colorado (PERA) to record their proportionate share, as defined in GASB No. 75, of the HCTF's net OPEB liability. The City also has an OPEB liability for the City of Boulder Retiree Health Care Benefit Plan. The implementation of GASB No. 75 eliminated the net OPEB obligation recorded in prior years per GASB No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions*. The eliminated balances were \$2,706,000 for Governmental Activities and \$381,000 for business type activities.

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2018

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

15. Restatement of Net Position (Continued)

For the City, the effect of implementing this standard was to change how it accounts and reports the net OPEB liability. Implementation of the standard resulted in a restatement of the prior period net position as shown below.

<u>Government-Wide Statements</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>		
Beginning Net Position, as previously reported at January 1, 2018	\$ 684,952	\$ 465,330		
Cumulative Effect of Application of GASB No. 75, Net OPEB Liability	<u>(12,461)</u>	<u>(2,053)</u>		
Net Position, January 1, 2018, as restated	<u>\$ 672,491</u>	<u>\$ 463,277</u>		
<u>Enterprise Fund Statements</u>	<u>Water Utility Fund</u>	<u>Wastewater Utility Fund</u>	<u>Stormwater and Flood Management Fund</u>	<u>Downtown Commercial District</u>
Beginning net position, as previously reported at January 1, 2018	\$ 237,393	\$ 82,087	\$ 110,283	\$ 28,166
Cumulative Effect of Application of GASB No. 75, Net OPEB Liability	<u>(912)</u>	<u>(575)</u>	<u>(332)</u>	<u>(202)</u>
Net Position, January 1, 2018, as restated	<u>\$ 236,481</u>	<u>\$ 81,512</u>	<u>\$ 109,951</u>	<u>\$ 27,964</u>
<u>Enterprise Fund Statements (continued)</u>	<u>University Hill Commercial District</u>	<u>Boulder Junction Access GID- Parking</u>	<u>Total Enterprise Funds</u>	
Beginning net position, as previously reported at January 1, 2018	\$ 1,035	\$ 1,124	\$ 460,088	
Cumulative Effect of Application of GASB No. 75, Net OPEB Liability	<u>(32)</u>	<u>-</u>	<u>(2,053)</u>	
Net Position, January 1, 2018, as restated	<u>\$ 1,003</u>	<u>\$ 1,124</u>	<u>\$ 458,035</u>	

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2018

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

15. Restatement of Net Position (Continued)

<u>Internal Service Fund Statements</u>	<u>Telecom- munications Fund</u>	<u>Property and Casualty Insurance Fund</u>	<u>Workers' Compensation Insurance Fund</u>
Beginning net position, as previously reported at January 1, 2018	\$ 2,450	\$ 4,758	\$ (163)
Cumulative Effect of Application of GASB No. 75, Net OPEB Liability	<u>(15)</u>	<u>(29)</u>	<u>(26)</u>
Net Position, January 1, 2018, as restated	<u><u>\$ 2,435</u></u>	<u><u>\$ 4,729</u></u>	<u><u>\$ (189)</u></u>
<u>Internal Service Fund Statements (continued)</u>	<u>Compensated Absences Fund</u>	<u>Fleet Fund</u>	<u>Computer Replacement Fund</u>
Beginning net position, as previously reported at January 1, 2018	\$ 2,017	\$ 38,010	\$ 8,777
Cumulative Effect of Application of GASB No. 75, Net OPEB Liability	<u>(57)</u>	<u>(124)</u>	<u>(2)</u>
Net Position, January 1, 2018, as restated	<u><u>\$ 1,960</u></u>	<u><u>\$ 37,886</u></u>	<u><u>\$ 8,775</u></u>
<u>Internal Service Fund Statements (continued)</u>	<u>Equipment Replacement Fund</u>	<u>Facility Renovation &amp; Replacement Fund</u>	<u>Total Internal Service Funds</u>
Beginning net position, as previously reported at January 1, 2018	\$ 7,818	\$ 37,124	\$ 100,791
Cumulative Effect of Application of GASB No. 75, Net OPEB Liability	<u>(4)</u>	<u>(27)</u>	<u>(284)</u>
Net Position, January 1, 2018, as restated	<u><u>\$ 7,814</u></u>	<u><u>\$ 37,097</u></u>	<u><u>\$ 100,507</u></u>

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2018

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

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

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

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

	Governmental Fund Capital Assets	Internal Service Fund Capital Assets	Total Capital Assets - Governmental Activities
Land and easements	\$ 373,487	\$ 117	\$ 373,604
Buildings	67,662	91,530	159,192
Improvements other than buildings	102,490	9,110	111,600
Infrastructure	469,798	468	470,266
Machinery, equipment and vehicles	7,252	52,511	59,763
Software and Licenses	11,885	-	11,885
Construction-in-progress	20,418	829	21,247
Total capital assets	1,052,992	154,565	1,207,557
Less accumulated depreciation	(389,713)	(97,696)	(487,409)
Capital assets, net	<u>\$ 663,279</u>	<u>\$ 56,869</u>	<u>\$ 720,148</u>

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2018

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

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

Another reconciling item explains that “long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.” The details of this difference are as follows (amounts in 000’s):

General obligation bonds	\$ 14,087
Taxable obligation bonds	6,271
Certificates of participation - COPs	37,165
Capital improvement bonds	36,048
Lease Purchase revenue notes	9,804
Notes payable	2,510
Compensated absences, excluding internal service funds	10,644
Interest payable, excluding internal service funds	869
Governmental fund long-term liabilities	<u>\$ 117,398</u>

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

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



City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2018

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

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

The details of the \$11,906 decrease from changes in the treatment of long-term debt and related items are as follows (amounts in 000's):

Debt issued or incurred:	
Net increase in compensated absences	\$ (21)
Increase in net OPEB liability:	
PERA	(226)
City of Boulder	(130)
Increase in net pension liability:	
PERA	(20,922)
"Old Hire" Police Defined Benefit Plan	71
"Old Hire" Fire Defined Benefit Plan	(122)
Total debt issued or incurred	(21,350)
Principal repayments or reductions:	
Repayments	9,005
Amortization of debt premium	466
Total principal repayments or reductions	9,471
Other long term liabilities	
Change in accrued interest payable	(18)
Amortization of deferred loss on refunding	(9)
Total other related items	(27)
Net adjustment to increase net changes in fund balances –	
total governmental funds to arrive at changes in net position	
of governmental activities – debt and related items	<u><u>\$ (11,906)</u></u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2018

**NOTE C – LEGAL COMPLIANCE – BUDGETS**

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

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

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

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

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

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

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

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

**NOTE D – LEGAL COMPLIANCE – TABOR**

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

TABOR generally requires that the voters of the City approve any new tax, increase of an existing tax, property tax mill levy increase, assessed valuation ratio increase, tax extension or tax policy change of the City that results in an increase in taxes. TABOR also limits increases in the City's property tax revenue over the prior year to the rate of inflation plus the net percentage change in the actual value of all real property in the City from construction of improvements and additions to taxable real property, unless otherwise approved by the voters.

In addition to revenue limits, TABOR also limits increases in the City's spending over the prior year to the rate of inflation plus the net percentage change in the actual value for all real property in the City from construction of improvements and additions to taxable real property, unless otherwise approved by the voters. The initial base years for this limit on spending increases by the City are the 1992 fiscal year of the City and 1991 property taxes collected in 1992. Any revenues collected in excess of these limits on spending and property tax revenue are required to be refunded during the next fiscal year.

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

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2018

**NOTE D – LEGAL COMPLIANCE – TABOR (CONTINUED)**

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

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

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

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

TABOR is very complex and open to interpretation. However, at December 31, 2018, the City believes it was in compliance with TABOR (see Note K).

**NOTE E – DEPOSITS AND INVESTMENTS**

At December 31, 2018, the City had the following in cash and investments (in 000's):

Cash and deposits	\$ 18,693
Investments	<u>351,102</u>
Total	<u><u>\$ 369,795</u></u>

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2018

**NOTE E – DEPOSITS AND INVESTMENTS (CONTINUED)**

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

<i>Citywide Investments</i>	
Equity in pooled cash and cash equivalents	\$ 18,653
Investments	319,093
Restricted investments	12,046
	<u>349,792</u>
<i>Fiduciary Fund Investments</i>	
Equity in pooled cash and cash equivalents	40
Investments	19,963
	<u>20,003</u>
Total	<u>\$ 369,795</u>

**Deposits**

*Custodial Credit Risk – Deposits.* For deposits, this is the risk that in the event of a bank failure, the City's deposits may not be returned. Title 2, Chapter 10 of the Boulder Revised Code (1981) requires that depositories belong to the FDIC and qualify as a depository of public funds in the state under the Colorado Public Deposit Protection Act (PDPA) as defined in 24-75-603, C.R.S. As of December 31, 2018, all financial institutions holding deposits for the City of Boulder have been identified as eligible public depositories under PDPA by the State of Colorado Division of Banking. PDPA requires that any amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits.

At December 31, 2018, the City had cash on hand of \$550. In addition, at December 31, 2018, the carrying amount of the City's deposits at JPMorgan Chase was \$11,579,884 while the bank statement balance was \$14,593,436. On November 9, 2010, the FDIC issued a final rule to implement Section 343 of the Dodd-Frank Wall Street Reform and Consumer Protection Act that provided temporary unlimited deposit insurance coverage for noninterest-bearing transaction accounts at all FDIC insured depository institutions. The insurance coverage went into effect on December 31, 2010, and expired on December 31, 2012, leaving \$250,000 of the City's operating accounts under FDIC coverage and \$14,343,436 properly collateralized under the Public Deposit Protection Act.

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2018

**NOTE E – DEPOSITS AND INVESTMENTS (CONTINUED)**

**Investments – Citywide (excludes Fiduciary Funds)**

As of December 31, 2018, the City had the following investments:

Investment Type	Fair Value (000's)
U.S. Corporate	\$ 46,323
U.S. Treasuries	94,438
U.S. Instrumentalities	181,136
Time Deposits	9,242
Total	<u>\$ 331,139</u>

*Credit Risk – Investments.* Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Title 2, Chapter 10 of the Boulder Revised Code (1981) limits the City's investment activity to specific types of investments as disclosed in Note A6. Rating requirements for Federal Instrumentality securities are not addressed within the code but it does limit investments in commercial paper to issues with a credit rating of at least A-1 by Standard and Poor's or P-1 by Moody's. Credit rating requirements for eligible banker's acceptances are not addressed. Local government investment pools and money market mutual funds must have a rating at the time of purchase of at least AAAm by Standard and Poor's or Aaa by Moody's. Corporate bonds must have a credit rating of at least A by Standard & Poor's or A2 by Moody's.

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2018

**NOTE E – DEPOSITS AND INVESTMENTS (CONTINUED)**

**Investments – Citywide (excludes Fiduciary Funds) (Continued)**

As of December 31, 2018, the City held investments with the following credit ratings:

Issuer	Fair Value (000's)	Ratings	
		Standard & Poors	Moody's
U.S. Treasuries	\$ 94,438	AA+	Aaa
U.S. Instrumentalities:			
FHLB	62,785	AA+	Aaa
FNMA	51,730	AA+	Aaa
FFCB	28,812	AA+	Aaa
FHLMC	37,809	AA+	Aaa
U.S. Corporate:			
Apple Inc Note	1,502	AA+	Aa1
Apple Inc Note	1,554	AA+	Aa1
Bank of New York Mellon Note	2,928	A	A1
Charles Schwab Corp Note	2,044	A	A2
Chubb INA Holdings Inc Note	2,464	A	A3
Cisco Systems Note	2,917	AA-	A1
Coca Cola Company Note	1,966	A+	A1
Eli Lilly & Company Note	499	AA-	A2
IBM Credit Corp Note	2,430	A	A1
Intel Corp Note	2,490	A+	A1
Microsoft Note	2,914	AAA	Aaa
Northern Trust Note	2,832	A+	A2
Oracle Corp Note	2,911	AA-	A1
Pepsico Inc. Note	2,450	A+	A1
Praxair Note	2,453	A	A2
State Street Bank Note	2,975	A	A1
UPS Note	2,520	A+	A1
Visa Inc Note	2,473	AA-	A1
Wal-Mart Stores Note	3,021	AA	Aa2
Walt Disney Company Note	980	A+	A2
Total	<u>\$ 321,897</u>		

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2018

**NOTE E – DEPOSITS AND INVESTMENTS (CONTINUED)**

**Investments – Citywide (excludes Fiduciary Funds) (Continued)**

*Interest Rate Risk – Investments.* For investments, this is the risk that changes in interest rates will adversely affect fair market values. In accordance with Title 2, Chapter 10 of the Boulder Revised Code (1981) the weighted average maturity of the City’s portfolio shall at no time exceed five years. As of December 31, 2018, the weighted average maturity of the City’s pooled investment portfolio was 1.50 years as detailed in the following chart:

Investment Type	Fair Value (000's)	Weighted Average Maturity (years)
U.S. Treasuries	\$ 94,438	1.51
FHLB	62,785	1.47
FNMA	51,730	1.61
FFCB	28,812	1.30
FHLMC	37,809	0.88
Time Deposits	9,242	0.60
U.S. Corporate	46,323	2.23
Total fair value	<u>\$ 331,139</u>	
Portfolio weighted average maturity		<u>1.50</u>

*Custodial Credit Risk – Investments.* This is the risk that, in the event of the counterparty’s failure, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. In accordance with the Boulder Revised Code, the City utilizes a third-party safekeeping arrangement with JP Morgan Chase, N.A. to minimize custodial credit risk.

*Concentration of Credit Risk – Investments.* Concentration of credit risk is the risk of loss attributed to the concentration of the City’s investment in a single issuer. The Boulder Revised Code does not specifically address concentration of credit risk. 5% or more of the City’s investments were held by the following issuers as of December 31, 2018:

Issuer	Fair Market Value (in 000's)	Percentage of Total Portfolio
Federal Home Loan Bank	\$ 62,785	19%
Federal Farm Credit Bureau	28,812	9%
Federal National Mortgage Association	51,730	16%
Federal Home Loan Mortgage Corporation	37,809	11%

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2018

**NOTE E – DEPOSITS AND INVESTMENTS (CONTINUED)**

**Investments – Fiduciary Funds**

As of December 31, 2018, the Police and Fire Pension Funds had the following investments:

Investment Type	Fair Value (in 000's)	Maturities in Years				
		<1	1-2	3-5	5-10	>10
Local Government						
Investment Pools	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
U.S. Treasuries	228	-	-	106	-	122
U.S. Instrumentalities and Agencies	283	-	-	149	134	-
Time Deposits	-	-	-	-	-	-
Corporate Bonds	170	-	25	97	48	-
<b>Subtotal</b>	<u>681</u>	<u>\$ -</u>	<u>\$ 25</u>	<u>\$ 352</u>	<u>\$ 182</u>	<u>\$ 122</u>
Money Market Funds	531					
Mutual Funds	15,352					
Equities	2,509					
Real Estate Investment Trust	633					
Other	257					
<b>Total</b>	<u>\$ 19,963</u>					

*Credit Risk – Pension Investments.* This is the risk that an issuer or other counterparty to an investment will not fulfill its obligation. The “Old Hire” Police Pension Fund investment policy was revised in January of 2018 and adopted in January 2018. The “Old Hire” Fire Pension Fund investment policy was revised in January 2018, and formally adopted in April of 2018. The “Old Hire” Police Pension Fund has a risk tolerance of no more than a 17.5% annual loss, with a statistical confidence level of 95%. The “Old Hire” Fire Pension Fund has a risk tolerance of no more than a 18.5% annual loss, with a statistical confidence level of 95%.



City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2018

**NOTE E – DEPOSITS AND INVESTMENTS (CONTINUED)**

**Investments – Fiduciary Funds (Continued)**

At December 31, 2018 the pension funds held investments with credit ratings as follows:

Issuer	Fair Value (000's)	Ratings	
		Standard & Poors	Moody's
U.S. Instrumentalities and Agencies	\$ 283	AA+	Aaa
Corporate Bonds:			
Oracle Corporation	25	AA-	A1
United Parcel	25	A+	A1
Emerson Electric	24	A	A2
Comcast Corporation	24	A-	A3
Johnson Johnson	24	AAA	Aaa
Apple Inc	24	AA+	Aa1
Hubbell Inc	24	BBB+	Baa1

*Concentration of Credit Risk – Pension Investments.* Concentration of credit risk is the risk of loss attributed to the concentration of the City's investment in a single issuer. The "Old Hire" Police Pension Fund investment policy states that equity holdings in any one company should not exceed more than 15% of the fair value of the Fund's assets and that not more than 25% should be invested in any one industry. Fixed Income Portfolio Securities, other than U.S. government or agency securities, cannot exceed 10% by any one issuer. At December 31, 2018, no single issuer held more than 10% of either pension fund's portfolio.

In the revised investment policy, which was effective January of 2018, the "Old Hire" Police Pension Fund, Long-Term Account, has a specified risk tolerance not to exceed a 17.5% loss in any year. To maintain a 95% confidence level that this performance level is met, the board selected the following asset classes and allocations for each class:

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2018

**NOTE E – DEPOSITS AND INVESTMENTS (CONTINUED)**

**Investments – Fiduciary Funds (Continued)**

Asset Allocation	Lower Limit	Strategic Allocation	Upper Limit
Domestic Large Cap Equity	18%	21%	24%
Domestic Small Cap Equity	5%	8%	11%
International Equity	14%	17%	20%
Emerging Markets	3%	6%	9%
Domestic Fixed Income	21%	24%	27%
Direct Real Estate	2%	5%	8%
Master Limited Partnerships	2%	5%	8%
Liquid Low Correlated Hedge	4%	7%	10%
Floating Rate Corporate Loans	4%	7%	10%

In the revised investment policy, which was adopted in April of 2018, the “Old Hire” Fire Pension Fund, Long-Term Account, has a specified risk tolerance not to exceed a 18.5% loss in any year. To maintain a 95% confidence level that this performance level is met, the board selected the following asset classes and allocations for each class:

Asset Allocation	Lower Limit	Strategic Allocation	Upper Limit
Domestic Large Cap Core	19%	22%	25%
Domestic Small/Mid Cap	6%	9%	12%
International Equity	16%	19%	22%
Emerging Markets	3%	6%	9%
Domestic Fixed Income	22%	25%	28%
Floating Rate Corporate Loans	4%	7%	10%
Liquid Low Correlated Hedge	4%	7%	10%
Master Limited Partnerships	2%	5%	8%

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2018

**NOTE E – DEPOSITS AND INVESTMENTS (CONTINUED)**

**Investments – Fiduciary Funds (Continued)**

At December 31, 2018 the asset class allocations were within the maximum limits.

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

"Old Hire" Police Pension Fund		
Issuer	Fair Market Value (in 000's)	Percentage of Total Portfolio
Eaton Vance Floating Mutual Fund	\$ 784	7%
Fidelity Total Bond Fund	1,592	14%
Artisan International Fund	905	8%
Brandes International Equity Fund	926	8%
Principal US Property Separate Account real estate	633	6%
Oppenheimer Steelpath Fund	527	5%
T Rowe Price Small Cap Fund	859	8%
Wells Fargo Emerging Markets Fund	630	6%

"Old Hire" Fire Pension Fund		
Issuer	Fair Market Value (in 000's)	Percentage of Total Portfolio
Eaton Vance Floating Mutual Fund	\$ 630	7%
Fidelity Total Bond Fund	1,125	13%
Metropolitan West Mutual Fund	1,131	13%
Artisan International Fund	771	9%
Brandes International Equity Fund	763	9%
Dodge & Cox Stock Fund	523	6%
Harbor Cap Appreciation Fund	526	6%
Vanguard 500 Index Fund	596	7%
Wells Fargo Emerging Market Equity Fund	481	6%

*Custodial Credit Risk – Pension Investments.* This is the risk that, in the event of a counterparty’s failure, the City will not be able to recover the value of its investments. The “Old Hire” Police Pension Fund investment policy states that a custodian bank will maintain possession of securities owned by the

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2018

**NOTE E – DEPOSITS AND INVESTMENTS (CONTINUED)**

**Investments – Fiduciary Funds (Continued)**

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

*Interest Rate Risk – Pension Investments.* This is the risk that changes in interest rates will adversely affect the portfolio’s fair market value. The “Old Hire” Police Pension Fund investment policy specifies a targeted rate of return of 5% to 6% over CPI, for its long-term account. The “Old Hire” Fire Pension Fund investment policy specifies a targeted rate of return of 2.75% to 3.75% for its long-term account.

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

**Fair Value of Investments**

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

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2018

**NOTE E – DEPOSITS AND INVESTMENTS (CONTINUED)**

**Fair Value of Investments (Continued)**

**City Investments Measured at Fair Value at 12/31/2018:**

		Fair Value Measurement Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
	12/31/2018			
<b>Investments by fair value level</b>				
Debt securities				
U.S. Treasury securities	\$ 94,438	\$ -	\$ 94,438	\$ -
U.S. Instrumentalities and agencies	181,136	-	181,136	-
U.S. Corporate	46,323	-	46,323	-
Total debt securities	<u>321,897</u>	<u>-</u>	<u>321,897</u>	<u>-</u>
Total investments measured at fair value level	<u>321,897</u>	<u>\$ -</u>	<u>\$ 321,897</u>	<u>\$ -</u>
<b>Investments measured at the net asset value (NAV)</b>				
Local government investment pool - Colotrust	-			
Time deposits	<u>9,242</u>			
Total investments measured at the NAV	<u>9,242</u>			
<b>Investments measured at amortized cost:</b>				
Local government investment pool - CSAFE	-			
Total investments measured at amortized cost	<u>-</u>			
<b>Total investments</b>	<u><u>\$ 331,139</u></u>			

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2018

**NOTE E – DEPOSITS AND INVESTMENTS (CONTINUED)**

**Fair Value of Investments (Continued)**

**Fiduciary Investments Measured at Fair Value at 12/31/18:**

		Fair Value Measurement Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
	12/31/2018			
<b>Investments by fair value level</b>				
Debt securities				
U.S. Treasury securities	\$ 228	\$ -	\$ 228	\$ -
U.S. Instrumentalities and agencies	283	-	283	-
Corporate bonds	5,432	-	5,432	-
Other	257	-	257	-
Total debt securities	6,200	-	6,200	-
Equity securities	12,599	12,599		
Real estate investment trust	633			633
Total investments measured at fair value level	19,432	\$ 12,599	\$ 6,200	\$ 633
<b>Investments measured at the net asset value (NAV)</b>				
Money market funds	531			
Total investments measured at the NAV	531			
<b>Total investments</b>	<b>\$ 19,963</b>			

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2018

**NOTE F – PROPERTY TAXES RECEIVABLE**

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

Property taxes levied in 2018 for collection in 2019 of \$39,157,000 in the General Fund, \$1,374,000 in the Special Revenue Funds, \$3,261,000 in the Capital Projects Funds and \$1,608,000 in the Enterprise Funds, are included in receivables and deferred inflows at December 31, 2018. These taxes are classified as deferred inflows since they are not normally available to the City until mid-2019 and are budgeted for in 2019.

**NOTE G – OTHER RECEIVABLES**

The City of Boulder recognizes various receivables when earned. Revenues are recognized as appropriate based on the measurement focus and basis of accounting as discussed in Note A. An allowance for doubtful accounts is recognized as appropriate based upon management's estimate of the collectability of the various receivables. No allowance is provided for utility service charges since delinquent amounts are certified as a lien against the property billed and are expected to be fully collectible. As of December 31, 2018, no allowance for doubtful accounts was recognized.

The December 31, 2018, balance in "other receivables" contains the following detail (amounts in 000's):

Type of Note Receivable	Governmental Activities	Business-type Activities	Total
Accounts	\$ 3,470	\$ 314	\$ 3,784
Charges for services	-	5,311	5,311
Accrued interest	961	361	1,322
Intergovernmental	6,631	2,960	9,591
Other	1	397	398
	<u>\$ 11,063</u>	<u>\$ 9,343</u>	<u>\$ 20,406</u>

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2018

**NOTE H – CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2018, was as follows (amounts in 000's):

**Governmental Activities:**

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Capital assets not being depreciated:					
Land and easements	\$ 345,281	\$ 28,057	\$ -	\$ 266	\$ 373,604
Construction in progress	42,220	12,043	-	(33,016)	21,247
Total capital assets, not being depreciated	387,501	40,100	-	(32,750)	394,851
Capital assets being depreciated:					
Buildings	142,643	5,798	-	10,751	159,192
Improvements other than buildings	95,241	2,205	-	14,154	111,600
Infrastructure	461,232	1,269	-	7,765	470,266
Machinery and equipment	56,531	5,940	(2,708)	-	59,763
Software and Licenses	9,512	2,293	-	80	11,885
Total capital assets, being depreciated	765,159	17,505	(2,708)	32,750	812,706
Less accumulated depreciation for:					
Buildings	75,189	4,563	-	-	79,752
Improvements other than buildings	41,957	4,545	-	-	46,502
Infrastructure	316,205	8,200	-	-	324,405
Machinery and equipment	30,201	4,624	(2,168)	-	32,657
Software and Licenses	2,941	1,152	-	-	4,093
Total accumulated depreciation	466,493	23,084	(2,168)	-	487,409
Total capital assets, being depreciated, net	298,666	(5,579)	(540)	32,750	325,297
Governmental activities capital assets, net	\$ 686,167	\$ 34,521	\$ (540)	\$ -	\$ 720,148



City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2018

**NOTE H – CAPITAL ASSETS (CONTINUED)**

Business-type Activities:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Capital assets not being depreciated:					
Land and easements	\$ 43,498	\$ -	\$ -	\$ -	\$ 43,498
Construction in progress	80,714	52,719	-	(35,728)	97,705
Total capital assets, not being depreciated	124,212	52,719	-	(35,728)	141,203
Capital assets being depreciated:					
Buildings	46,409	3,026	(390)	87	49,132
Improvements other than buildings	7,775	98	-	-	7,873
Intangibles	2,000	-	-	-	2,000
Utility plant in service and undergrounds	528,825	6,961	-	35,281	571,067
Machinery and equipment	10,969	457	(565)	360	11,221
Total capital assets, being depreciated	595,978	10,542	(955)	35,728	641,293
Less accumulated depreciation for:					
Buildings	24,265	1,503	(9)	-	25,759
Improvements other than buildings	5,144	388	-	-	5,532
Intangibles	50	100	-	-	150
Utility plant in service and undergrounds	201,676	8,249	-	-	209,925
Machinery and equipment	7,698	642	(475)	-	7,865
Total accumulated depreciation	238,833	10,882	(484)	-	249,231
Total capital assets, being depreciated, net	357,145	(340)	(471)	35,728	392,062
Business-type activities capital assets, net	\$ 481,357	\$ 52,379	\$ (471)	\$ -	\$ 533,265

During 2018, the City had intangible assets of \$17.1 million that are included in land and easements in governmental activities and business-type activities.

# City of Boulder, Colorado

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2018

### NOTE H – CAPITAL ASSETS (CONTINUED)

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

#### Governmental Activities:

General Government	\$	32
Administrative Services		1,045
Public Safety		460
Public Works		16,077
Culture and Recreation		4,131
Open Space and Mountain Parks		726
Housing & Human Services		1
Planning & Development Services		612
Total depreciation expense – Governmental Activities	\$	<u>23,084</u>

#### Business-type Activities:

Water Utility	\$	4,872
Wastewater Utility		2,946
Stormwater and Flood Management		1,306
Parking Facilities and Services		1,758
Total depreciation expense – Business-type Activities	\$	<u>10,882</u>

### NOTE I – RISK MANAGEMENT

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

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

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2018

**NOTE I – RISK MANAGEMENT (CONTINUED)**

The current actuarial study was performed in February of 2019 and addressed claims as of December 31, 2018.

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

Changes in the estimated claims payable for the Property and Casualty Insurance Fund during the years ended December 31, 2017 and 2018, were as follows (amounts in 000's):

	2017	2018
Estimated claims payable January 1	\$ 700	\$ 766
Current year claims and changes in estimates	298	907
Claim payments	(232)	(502)
Estimated claims payable December 31	<u>\$ 766</u>	<u>\$ 1,171</u>
Claims payable due within one year	<u>\$ 209</u>	<u>\$ 234</u>

**Workers' Compensation Insurance** – Through December 31, 1992, the City purchased Workers' Compensation Insurance through the Colorado Compensation Insurance Authority. The City received authorization to become self-insured effective January 1, 1993. In 1993, an Internal Service Fund was established to account for these insurance activities. The City hired a third-party administrator to handle claims and estimate reserves. Under the current structure, the City pays the first \$450,000 of each workers' compensation claim. The estimated reserves at December 31, 2018, have been established through the completion of an actuarial study and recorded as a liability in the Workers' Compensation Insurance Fund. Benefits are mandated by State Statute. Settled claims have not exceeded commercial insurance coverage in any of the past three fiscal years.

The City Council has established a reserve policy for the Workers' Compensation Insurance Fund with a goal of fully funding an actuarially calculated liability as of the end of the prior year at the 80% confidence level. An actuarial study will be completed every two years in order to determine the appropriate reserve levels. The latest actuarial study was performed in February of 2019 and addressed claims as of December 31, 2018.

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2018

**NOTE I – RISK MANAGEMENT (CONTINUED)**

Changes in the estimated claims payable for the Workers' Compensation Insurance Fund during the years ended December 31, 2017 and 2018, were as follows (amounts in 000's):

	2017	2018
Estimated claims payable January 1	\$ 2,314	\$ 2,213
Current year claims and changes in estimates	1,536	1,420
Claim payments	(1,637)	(1,043)
Estimated claims payable December 31	<u>\$ 2,213</u>	<u>\$ 2,590</u>
Claims payable due within one year	<u>\$ 992</u>	<u>\$ 997</u>

**NOTE J – ACCRUED LIABILITIES**

The December 31, 2018, balance in "accrued liabilities" contains the following detail (amounts in 000's):

Type of Accrued Liability	Governmental Activities	Business-type Activities	Total
Accrued salaries, wages and amounts withheld from employees	\$ 5,215	\$ 697	\$ 5,912
Accrued interest	869	964	1,833
Accrued liability – landfill cleanup	-	2,474	2,474
Accrued liability – cleanup costs	71	-	71
	<u>\$ 6,155</u>	<u>\$ 4,135</u>	<u>\$ 10,290</u>

**NOTE K – PROPERTY TAX OVERCOLLECTION LIABILITY**

The 2017 mill levy for the City of Boulder for taxes collected in 2018 did not result in an excess of the TABOR (see Note D) allowable property tax revenues. The 2018 mill levy for taxes collected in 2019 did not have to be voluntarily reduced to compensate for this overcollection.

**NOTE L – ACCRUED LIABILITY – LANDFILL CLEANUP**

Until the late 1980s the City operated the Marshall Landfill. Around the time of the landfill's closure, the City was threatened by a lawsuit by the Department of Justice (DOJ) and the US Environmental Protection Agency (EPA) concerning the cleanup of Marshall Landfill, which is a designated Superfund site. The City was designated a potentially responsible party (PRP) pursuant to the Comprehensive Environmental Response Compensation and Liability Act of 1980, as amended by the Superfund

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2018

**NOTE L – ACCRUED LIABILITY – LANDFILL CLEANUP (CONTINUED)**

Amendment and Reauthorization Act of 1986. The City and certain other PRPs negotiated a proposed consent decree with the DOJ and the EPA, and on May 17, 1988, City Council approved that decree.

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

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

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

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

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

The 2005 Marshall Landfill budget of \$240,000 was sufficient for all 2005 shutdown, mothballing, sampling and analysis, cap maintenance, and abandonment/encasement of obsolete monitoring wells.

Annual costs during the three years (2005-2007) of the three-year shutdown period did not exceed \$150,000.

The final shutdown and demolition plan were submitted to EPA and CDPHE in 2008 and the City is awaiting a final determination about the removal of the treatment facility. If the EPA and CDPHE agree

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2018

**NOTE L – ACCRUED LIABILITY – LANDFILL CLEANUP (CONTINUED)**

to demolition of the facility and long-term monitoring, the annual costs should be less than \$100,000. However, the actual annual costs will not be determined until EPA and CDPHE approve the final plan.

Funds to pay any future costs associated with this will be allocated through the collection of wastewater user charges. The December 31, 2018, balance in the “accrued landfill cleanup liability” is \$2,474,000.

**NOTE M – ACCRUED LIABILITY – 13<sup>th</sup> STREET VOLUNTARY CLEANUP**

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

On July 13, 2016, the City of Boulder submitted a Voluntary Cleanup Plan Second Interim Remediation Report to the Colorado Department of Public Health and Environment (CDPHE). This report summarized results of a pilot study and ongoing groundwater monitoring performed at the site. The report contains information that includes the possible cost of the remediation. The estimated liability per the report is \$659,000. This is based on a specific treatment plan for the site using Sodium Persulfate. The cost is dependent on the mass of oxidant required to address the extent of the treatment area. Costs could also change due to the urban setting, schedule conflicts and community requirements. In 2018, the City incurred \$48,964 in related costs and the 2018 liability amounted to \$71,209.

**NOTE N – FUTURE WATER RIGHTS**

Under a water allotment contract with the Municipal Subdistrict, Northern Colorado Water Conservancy District (Subdistrict), the City has available 37/480 of the water units available through the Windy Gap Project (a water diversion project on the Colorado River). In 1991, the City sold 43 of its original 80 units to the City of Broomfield for a total of \$23,724,500. Under the sales agreement, the City received its final annual payment in 1993. The Raw Water Master Plan recommended that Windy Gap Project supplies be sold due to the high incremental cost of maintaining this portion of the raw water supply. When voting to approve the sales agreement, the City Council also moved that the proceeds be used for the acquisition of replacement water supplies capable of meeting multiple objectives, including diversification of municipal water supply sources, drought protection and maintaining instream flows. Bonds issued by the Subdistrict in connection with construction of the project totaled \$119,280,000 after refunding in 1993. The bonds are not liabilities of the City since the City has an option annually to elect to either pay its share of the debt service and operating costs of the Subdistrict or to request the Subdistrict levy taxes directly through the County Assessor against property owners within the boundaries of the City to pay such costs and expenses. Under its contract, the City will never have ownership of the project, including the water rights. Water rights liability in the original amount of \$10,504,192 at 7% interest was recorded in 1992 in the Water Utility Fund to cover the principal portion of the debt service costs for the 43 units sold to the City of Broomfield. The December 31, 2018 balance was \$0.

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2018

**NOTE O – LONG-TERM DEBT**

The following balances and changes in long-term debt are for the year ended December 31, 2018 (amounts in 000's):

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable:					
General obligation bonds	\$ 18,399	\$ -	\$ (4,312)	\$ 14,087	\$ 2,665
Taxable pension obligation bonds	6,675	-	(404)	6,271	410
Total bonds payable	25,074	-	(4,716)	20,358	3,075
Certificates of participation	38,691	-	(1,526)	37,165	1,530
Capital improvement project bonds	38,387	-	(2,339)	36,048	2,000
Notes payable	-	2,750	(240)	2,510	501
Capital lease purchase agreements	7,610	-	(684)	6,926	739
Lease purchase revenue notes	3,478	6,975	(649)	9,804	815
Compensated absences	10,716	8,449	(8,418)	10,747	844
Estimated claims payable (Note I)	2,979	1,842	(1,060)	3,761	1,231
Governmental activities long-term debt	<u>\$ 126,935</u>	<u>\$ 20,016</u>	<u>\$ (19,632)</u>	<u>\$ 127,319</u>	<u>\$ 10,735</u>
Business-type activities:					
Bonds payable:					
General obligation bonds	\$ 5,732	\$ -	\$ (1,764)	\$ 3,968	\$ 720
Revenue bonds	105,672	38,260	(10,286)	133,646	9,715
Total bonds payable	111,404	38,260	(12,050)	137,614	10,435
Promissory notes	1,167	-	(376)	791	389
Compensated absences	1,109	712	(843)	978	177
Business-type activities long-term debt	<u>\$ 113,680</u>	<u>\$ 38,972</u>	<u>\$ (13,269)</u>	<u>\$ 139,383</u>	<u>\$ 11,001</u>

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2018

**NOTE O – LONG-TERM DEBT (CONTINUED)**

General Obligation Bonds

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

General obligation bonds outstanding at December 31, 2018, are as follows (amounts in 000's):

Purpose	Interest Rates Outstanding	Amount Outstanding	Original Amount
Governmental activities	2.00% - 5.50%	\$ 13,975	\$ 36,115
Business-type activities – refunding	2.00% - 3.00%	3,835	7,275
		<u>\$ 17,810</u>	<u>\$ 43,390</u>

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

Year Ending December 31	Governmental Activities		Business-type Activities		Debt Requirements to Maturity
	Principal	Interest	Principal	Interest	
2019	\$ 2,665	\$ 440	\$ 720	\$ 115	\$ 3,940
2020	735	341	740	94	1,910
2021	755	322	765	71	1,913
2022	770	303	790	48	1,911
2023	790	280	820	25	1,915
2024-2028	4,335	1,032	-	-	5,367
2029-2033	3,295	376	-	-	3,671
2034-2038	630	19	-	-	649
Total liability	<u>13,975</u>	<u>3,113</u>	<u>3,835</u>	<u>353</u>	<u>21,276</u>
Plus bond premium	<u>112</u>	<u>-</u>	<u>133</u>	<u>-</u>	<u>245</u>
Net liability	<u>\$ 14,087</u>	<u>\$ 3,113</u>	<u>\$ 3,968</u>	<u>\$ 353</u>	<u>\$ 21,521</u>



City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2018

**NOTE O – LONG-TERM DEBT (CONTINUED)**

Taxable Pension Obligation Bonds

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

Taxable pension obligation bonds outstanding at December 31, 2018, are as follows (amounts in 000's):

<u>Purpose</u>	<u>Interest Rates Outstanding</u>	<u>Amount Outstanding</u>	<u>Original Amount</u>
Governmental activities	2.00% - 5.00%	<u>\$ 6,215</u>	<u>\$ 9,070</u>

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

<u>Year Ending December 31</u>	<u>Governmental Activities</u>		<u>Debt Requirements to Maturity</u>
	<u>Principal</u>	<u>Interest</u>	
2019	\$ 410	\$ 278	\$ 688
2020	425	262	687
2021	440	245	685
2022	460	227	687
2023	480	208	688
2024-2028	2,725	712	3,437
2029-2033	1,275	96	1,371
Total liability	<u>6,215</u>	<u>2,028</u>	<u>8,243</u>
Plus bond premium	<u>56</u>	<u>-</u>	<u>56</u>
Total liability	<u>\$ 6,271</u>	<u>\$ 2,028</u>	<u>\$ 8,299</u>

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2018

**NOTE O – LONG-TERM DEBT (CONTINUED)**

Capital Improvement Bonds

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

Capital improvement bonds outstanding at December 31, 2018, are as follows (amounts in 000's):

Purpose	Interest Rates Outstanding	Amount Outstanding	Original Amount
Governmental activities	2.00% - 4.00%	\$ 33,270	\$ 49,000

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

Year Ending December 31	Governmental Activities		Debt Requirements to Maturity
	Principal	Interest	
2019	\$ 2,000	\$ 1,331	\$ 3,331
2020	2,080	1,251	3,331
2021	2,165	1,168	3,333
2022	2,250	1,081	3,331
2023	2,340	991	3,331
2024-2028	13,190	3,473	16,663
2029-2033	9,245	749	9,994
Total liability	33,270	10,044	43,314
Plus bond premium	2,778	-	2,778
Net liability	\$ 36,048	\$ 10,044	\$ 46,092

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2018

**NOTE O – LONG-TERM DEBT (CONTINUED)**

Revenue Bonds

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

Revenue bonds outstanding at December 31, 2018, are as follows (amounts in 000's):

Purpose	Interest Rates Outstanding	Amount Outstanding	Original Amount
Business-type activities	2.00% - 5.00%	\$ 104,050	\$ 115,305
Business-type activities – refunding	2.00% - 4.125%	25,220	68,595
		<u>\$ 129,270</u>	<u>\$ 183,900</u>

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

Year ending December 31	Business-type Activities		Debt Requirements to Maturity
	Principal	Interest	
2019	\$ 9,715	\$ 4,751	\$ 14,466
2020	9,215	3,862	13,077
2021	9,525	3,539	13,064
2022	7,770	3,204	10,974
2023	8,035	2,935	10,970
2024-2028	34,675	10,744	45,419
2029-2033	31,200	5,998	37,198
2034-2038	19,135	1,553	20,688
Total liability	<u>129,270</u>	<u>36,586</u>	<u>165,856</u>
Plus bond premium	4,376	-	4,376
Total liability	<u>\$ 133,646</u>	<u>\$ 36,586</u>	<u>\$ 170,232</u>

Lease Purchase Revenue Notes

The Boulder Municipal Property Authority (BMPA) has issued notes where BMPA pledges income, received from the City of Boulder and derived from base rentals of open space and parks and other property, to pay debt service. These notes are a debt of BMPA, not of the City of Boulder, but are included as a blended component unit of the City (Note A.1). Lease purchase revenue notes outstanding at December 31, 2018, are as follows (amounts in 000's):

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2018

**NOTE O – LONG-TERM DEBT (CONTINUED)**

Lease Purchase Revenue Notes (continued)

<u>Purpose</u>	<u>Interest Rates Outstanding</u>	<u>Amount Outstanding</u>	<u>Original Amount</u>
Government-type activity	3.25 - 5.00%	<u>\$ 9,804</u>	<u>\$ 12,695</u>

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

<u>Year Ending December 31</u>	<u>Government-type Activities</u>		<u>Debt Requirements to Maturity</u>
	<u>Principal</u>	<u>Interest</u>	
2019	\$ 815	\$ 338	\$ 1,153
2020	844	310	1,154
2021	804	281	1,085
2022	830	255	1,085
2023	858	226	1,084
2024-2028	1,571	883	2,454
2029-2033	1,866	588	2,454
2034-2038	2,216	238	2,454
Total Liability	<u>\$ 9,804</u>	<u>\$ 3,119</u>	<u>\$ 12,923</u>

Certificates of Participation

The Boulder Municipal Property Authority (BMPA) has issued Certificates of Participation where BMPA pledges income, received from the City of Boulder and derived from base rentals of leased properties by the City. These notes are a debt of BMPA, not of the City of Boulder, but are included as a blended component unit of the City (Note A.1). Certificates of Participation outstanding at December 31, 2018, are as follows (amounts in 000's):

<u>Purpose</u>	<u>Interest Rates Outstanding</u>	<u>Amount Outstanding</u>	<u>Original Amount</u>
Government-type activity	3.00 - 4.00%	<u>\$ 36,730</u>	<u>\$ 41,000</u>

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2018

**NOTE O – LONG-TERM DEBT (CONTINUED)**

Certificates of Participation (Continued)

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

Year Ending December 31	Government-type Activities		Debt Requirements to Maturity
	Principal	Interest	
2019	\$ 1,530	\$ 1,293	\$ 2,823
2020	1,575	1,247	2,822
2021	1,625	1,200	2,825
2022	1,670	1,151	2,821
2023	1,725	1,097	2,822
2024-2028	9,505	4,607	14,112
2029-2033	11,260	2,859	14,119
2034-2038	7,840	632	8,472
Total Liability	36,730	14,086	50,816
Plus bond premium	435	-	435
Total liability	<u>\$ 37,165</u>	<u>\$ 14,086</u>	<u>\$ 51,251</u>

Capital Lease Purchase Agreements

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

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

Capital lease purchase agreement obligations outstanding as of December 31, 2018 are as follows (amounts in 000's):

Purpose	Interest Rates Outstanding	Amount Outstanding	Original Amount
Governmental activities	2.65 - 4.93%	<u>\$ 6,926</u>	<u>\$ 10,750</u>

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2018

**NOTE O – LONG-TERM DEBT (CONTINUED)**

Capital Lease Purchase Agreements (Continued)

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

Year Ending December 31	Governmental Activities		Debt Requirements to Maturity
	Principal	Interest	
2019	\$ 739	\$ 225	\$ 964
2020	798	198	996
2021	860	169	1,029
2022	926	139	1,065
2023	996	106	1,102
2024-2028	2,607	135	2,742
Total liability	<u>\$ 6,926</u>	<u>\$ 972</u>	<u>\$ 7,898</u>

Promissory Notes

Boulder Junction Access GID – Parking entered into a Parking Purchase Agreement with 3001 Pearl, LLC, a Colorado limited liability company to purchase the GID Parking Unit of the Depot Square Condominiums. This agreement was one of several agreements related to parking aspects of the public/private project known as Depot Square. On March 6, 2017, the parties entered into a Third Amendment to the Parking Purchase Agreement which reduced the purchase price and provided for a replacement Promissory Note and Deed of Trust for the GID Parking Unit.

Promissory note obligations outstanding as of December 31, 2018 are as follows (amounts in 000's):

Purpose	Interest Rates Outstanding	Amount Outstanding	Original Amount
Business Activities	3.50%	<u>\$ 791</u>	<u>\$ 1,917</u>

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2018

**NOTE O – LONG-TERM DEBT (CONTINUED)**

Promissory Notes (Continued)

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

Year Ending December 31	Business Activities		Debt Requirements to Maturity
	Principal	Interest	
2019	\$ 389	28	417
2020	402	14	416
Total liability	<u>\$ 791</u>	<u>\$ 42</u>	<u>\$ 833</u>

Notes Payable

General Fund – On April 20, 2018 the City of Boulder closed on the purchase of the Hogan-Pancost Property. The Hogan-Pancost Property is a parcel of land located in the City of Boulder. The purchase price was \$5,000,000 and paid with \$2,250,000 cash at closing and financed with a five year, 6% Note Payable for \$2,750,000. The first principal and interest payment were made on July 20, 2018.

Notes Payable outstanding as of December 31, 2018 are as follows (amounts in 000's):

Purpose	Interest Rates Outstanding	Amount Outstanding	Original Amount
Governmental Activities	6.00%	<u>\$ 2,510</u>	<u>\$ 2,750</u>

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

Year Ending December 31	Business Activities		Debt Requirements to Maturity
	Principal	Interest	
2019	\$ 501	140	641
2020	532	109	641
2021	565	76	641
2022	599	41	640
2023	313	7	320
Total liability	<u>\$ 2,510</u>	<u>\$ 373</u>	<u>\$ 2,883</u>

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2018

**NOTE O – LONG-TERM DEBT (CONTINUED)**

Compensated Absences

The City has accrued, as a liability to current employees, the following amounts of accumulated unused vacation and sick pay, appreciation bonus and compensation time at December 31, 2018 (amounts in 000's):

	Governmental Activities	Business-type Activities
Accrued vacation	\$ 8,239	\$ 819
Accrued sick pay	1,023	5
Accrued appreciation bonus	1,169	154
Accrued compensation time	316	-
	<u>\$ 10,747</u>	<u>\$ 978</u>

The liability attributable to the governmental funds is recorded as a governmental activities noncurrent liability. It is estimated that \$844,000 of governmental activities' and \$177,000 of business-type activities' liabilities will be paid in 2019. Governmental liabilities relating to General, Library, Recreation Activity, Community Development and HOME Fund employees are liquidated out of the Compensated Absences Internal Service Fund. Liabilities relating to employees of all other governmental funds are liquidated out of the associated fund.

Arbitrage Liability

Kutak Rock Arbitrage Consulting LLC made calculations for the City to determine if any of the bond issues dated since January 1, 2007, had a liability for rebatable arbitrage at December 31, 2018. These calculations were made taking into consideration the investment instructions, the no arbitrage certificate and the relevant portions of the trust indenture for each of the bond issues. As of December 31, 2018, there is no arbitrage liability.

Refunded Bonds

The City has, at various times in prior years, entered into advance refunding transactions whereby a portion of the proceeds of the refunding bonds were placed in irrevocable escrow accounts and invested in direct, noncallable governmental obligations that, together with the interest earned thereon, will provide amounts sufficient for future payment of all interest and principal on the old bonds. The likelihood of the earnings and principal maturities of the governmental obligations not being sufficient to pay the defeased bond issue appears remote. Accordingly, the escrow accounts and outstanding defeased bonds are not included in the accompanying financial statements. At December 31, 2018, there is \$20,075,000 of principal outstanding on defeased bonds.



City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2018

**NOTE O – LONG-TERM DEBT (CONTINUED)**

Lease of Criminal Justice Center

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

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

Lease of Public Library Space at the Meadows on the Parkway

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

**NOTE P – INTERFUND RECEIVABLES/PAYABLES, AND TRANSACTIONS**

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

**Advances To / From Other Funds**

The composition of interfund advances receivable and payable balances as of December 31, 2018, is as follows (amounts in 000's):

Receivable Fund	Payable Fund	Amount
Water Utility Fund (proprietary fund)	General Fund	\$ 391
Fleet Fund (internal service fund)	General Fund	415
Downtown Commercial District (proprietary fund)	Boulder Junction Access GID - Parking (non-major proprietary)	6
		<u>\$ 812</u>

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2018

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

Governmental funds due to/from balances as of December 31, 2018, is as follows (amounts in 000's):

Receivable Fund	Payable Fund	Amount
General Fund	Home Fund	\$ 1,678
General Fund	CDBG Fund	43
		<u>\$ 1,721</u>

The General Fund owes the Water Utility Fund \$391,000 at December 31, 2018, for funding the purchase of land from the Water Utility Fund for development of a new fire training center in 2009. This advance will be repaid over 15 years with 60 equal quarterly payments including 5% interest beginning in 2009.

The General Fund owes the Fleet Fund \$415,000 for the Valmont Butte Remediation at December 31, 2018. The Valmont Butte Remediation advance will be repaid over 10 years with 40 equal quarterly payments beginning in 2012 with an interest rate of 0.75%.

The Boulder Junction Access GID - Parking owes the Downtown Commercial District \$6,000 at December 31, 2018. This advance will be repaid over 10 years with 10 equal annual payments beginning 2012. The interest rate is 2.50%.

The Home Fund owes the General Fund \$1,678,000 at December 31, 2018, for expenses expected to be reimbursed by grant proceeds. The Home Fund expects to reimburse the General Fund when it receives the grant proceeds in the first quarter of 2019.

The CDBG Fund owes the General Fund \$43,000 at December 31, 2018, for expenses expected to be reimbursed by grant proceeds. The CDBG Fund expects to reimburse the General Fund when it receives the grant proceeds in the first quarter of 2019.

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2018

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

**Interfund Transactions**

There are various types of interfund transactions which occur between funds. The principal purpose for the interfund transfers is to move unrestricted General Fund revenues to finance various programs that the City must account for in other funds in accordance with budgetary authorizations.

The following information describes the City's 2018 transfers (amounts in 000's).

TRANSFERS IN	TRANSFERS OUT							TOTAL
	General Fund	Transportation	Nonmajor Governmental	Water Utility	Wastewater Utility	Stormwater & Flood Management	Internal Service Funds	
General Fund	\$ -	\$ 27	\$ -	\$ -	\$ -	\$ -	\$ 722	\$ 749
Open Space	1,080	-	-	-	-	-	-	1,080
Transportation	-	-	-	16	16	9	-	41
Nonmajor Governmental	5,026	451	60	308	306	185	-	6,336
Downtown Commercial District	1,714	-	-	-	-	-	-	1,714
Nonmajor Business-type	425	-	-	-	-	-	-	425
Internal Service Funds	97	-	-	-	-	-	-	97
Total transfers	\$ 8,342	\$ 478	\$ 60	\$ 324	\$ 322	\$ 194	\$ 722	\$ 10,442

**NOTE Q – RELATED PARTY TRANSACTIONS**

Boulder Housing Partners is a separate related organization as explained in Note A1. During 2018, Boulder Housing Partners received grant funding of \$1,060,000 from the City. These grants were awarded to Boulder Housing Partners in a competitive application process. In addition to the grant funding above, Boulder Housing Partners received other operating assistance and support in 2018 totaling \$5,163.

During 2018, Boulder Housing Partners participated in the City's employee benefit plans including health care, dental, life, and vision insurance options, etc. for the benefit of its employees. Boulder Housing Partners reimbursed the City for the full cost of these benefits. There was no receivable from Boulder Housing Partners at December 31, 2018.

**NOTE R – REVOLVING LOAN PROGRAM**

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2018

**NOTE R – REVOLVING LOAN PROGRAM (CONTINUED)**

program. Beginning in 2011, the agreement with FP is subject to annual renewal. If the agreement for the revolving loan program is terminated, FP will assign and return all outstanding loans and program balances over to the City.

**NOTE S – RESTRICTED NET POSITION AND SIMILAR FUND BALANCE LIMITATIONS**

TABOR Emergency Reserves: At December 31, 2018, net position for Business-type Activities of \$195,428 and \$6,666 respectively, were restricted in the Downtown Commercial District and University Hill Commercial District for TABOR emergency reserves.

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

**NOTE T – COMMITMENTS AND CONTINGENCIES**

1. Litigation

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

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

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2018

**NOTE T – COMMITMENTS AND CONTINGENCIES (CONTINUED)**

2. Single Audit

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

3. Construction Commitments

At December 31, 2018, City funds were obligated under contractual commitments for various operational, construction or equipment acquisition projects as follows (000's):

Fund	Contractual Commitments
General	\$ 2,683
Open Space	3,676
Transportation	4,094
Total Major Funds	<u>10,453</u>
Total Non- Major Governmental Funds	<u>9,226</u>
Total Governmental Funds	<u>\$ 19,679</u>
Water Utility	\$ 2,431
Wastewater Utility	5,143
Stormwater & Flood Management	1,840
Downtown Commercial District	417
Total Major Enterprise Funds	<u>9,831</u>
Non-Major Enterprise Funds	<u>31</u>
Total Enterprise Funds	<u>\$ 9,862</u>
Total Internal Service Funds	<u>\$ 3,019</u>

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2018

**NOTE U – PENSION AND RETIREMENT PLANS**

The City's employees are covered under five separate retirement plans and two deferred compensation plans (Note V). For the year ended December 31, 2018, the total pension expense for all retirement plans was \$30,018,858. Regular contributions (not including disciplinary pay contributions) to the various plans, shown both in dollars and percent of covered payroll, are as follows (amounts in 000's):

Number of Active Full-time Employees	Plan	Employee Contributions		City Contributions	
		Dollars	Percentage	Dollars	Percentage
2,277	PERA	\$ 6,491	8.000%	\$ 10,364	12.680%
0	Old Hire Police	-	0.000%	377	
0	Old Hire Fire	-	0.000%	222	
	Police and Fire Money Purchase –				
189	Police employees	958	6.200%	2,133	13.800%
	Police and Fire Money Purchase –				
	Fire employees – International				
116	Association of Firefighters	855	8.000%	1,389	13.000%
10	ICMA 401(a)	59	8.000%	92	13.700%
3	ICMA 457	12	8.000%	3	13.700%
	Totals	<u>\$ 8,375</u>		<u>\$ 14,580</u>	

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

City Administered Pension Plans

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

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2018

**NOTE U – PENSION AND RETIREMENT PLANS (CONTINUED)**

Membership of each plan consisted of the following at January 1, 2018, the date of the latest actuarial valuation:

	"Old Hire" Police Defined Benefit Plan	"Old Hire" Fire Defined Benefit Plan
Retirees & Beneficiaries receiving benefits	39	36
Terminated plan members entitled but not yet receiving benefits	-	-
Active plan members	-	-
Total	<u>39</u>	<u>36</u>

The “Old Hire” Police Defined Benefit Plan and the “Old Hire” Fire Defined Benefit Plan financial statements as of December 31, 2018, are included in the City of Boulder Comprehensive Annual Financial Report under the heading of Fiduciary Fund Types; no separate financial statements are issued. This information by plan follows.

Plan net position as of December 31, 2018, is as follows (amounts in 000's):

	"Old Hire" Police Defined Benefit Plan	"Old Hire" Fire Defined Benefit Plan
<b>Assets:</b>		
Equity in pooled cash and cash equivalents	\$ 10	\$ 30
Investments		
U.S. Treasuries	228	-
U.S. Instrumentalities	283	-
Mutual Funds	7,067	8,285
Equity Securities	2,509	-
Money Market Funds	275	256
Real Estate Investment Trust	633	-
Corporate Bonds	170	-
Other	257	-
Accrued Interest	8	-
Total assets	<u>11,440</u>	<u>8,571</u>
<b>Liabilities:</b>		
Due to other funds	-	-
Accrued pensions payable	53	38
Total liabilities	<u>53</u>	<u>38</u>
Net position restricted for pensions	<u>\$ 11,387</u>	<u>\$ 8,533</u>

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2018

**NOTE U – PENSION AND RETIREMENT PLANS (CONTINUED)**

The changes in plan net position for December 31, 2018, were as follows (amounts in 000's):

	"Old Hire" Police Defined Benefit Plan	"Old Hire" Fire Defined Benefit Plan
Additions:		
Pension contributions:		
City of Boulder	\$ 377	\$ 222
Total contributions	377	222
Investment earnings (loss)	(391)	(417)
Less investment expense	(42)	(42)
Net investment income	(433)	(459)
Total additions	(56)	(237)
Deductions:		
Benefits	1,364	1,017
Administrative	8	4
Total deductions	1,372	1,021
Net (decrease) in net position	(1,428)	(1,258)
Net position restricted for pensions:		
Beginning of year	12,815	9,791
End of year	\$ 11,387	\$ 8,533

1. "Old Hire" Police Defined Benefit Plan

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

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

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



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2018

**NOTE U – PENSION AND RETIREMENT PLANS (CONTINUED)**

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

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

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

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

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

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

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

The pension benefit in subsequent years will include any benefit increases granted by the Board to retirees and widows. Upon retirement, the member begins to receive pension payments in the form of an annuity and the cumulative assets in the DROP account are paid to him in a lump-sum. As of December 31, 2018, there are no current police employees who have elected the DROP and all DROP balances have been disbursed.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2018

**NOTE U – PENSION AND RETIREMENT PLANS (CONTINUED)**

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

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

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

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

**Contributions and Funding Policy** – The Plan is a joint-contributory retirement plan operating on an actuarial reserve basis. Per the Plan Document, the contribution requirements of the plan members and the City are established and may be amended by the Boulder Police Officers Association collective bargaining agreement in effect for the payroll period concerned. Contributions of 2.0% of covered payroll are currently required from both the City and employees. The City must also contribute an additional annual payment necessary to make the plan actuarially sound as defined by Section 3.02 of the plan document with no maximum specified. In 2018, the City contributed \$377,000 to meet the actuarially calculated contribution requirement which exceeded the state mandated requirement. Administrative expenditures are recorded when incurred and are financed by the Plan.

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

An actuarial study was prepared at January 1, 2018. It is the “Old Hire” Police Defined Benefit Plan Board of Trustees’ policy to have an actuarial study prepared every two years or whenever a benefit change is being considered.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2018

**NOTE U – PENSION AND RETIREMENT PLANS (CONTINUED)**

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

The significant actuarial assumptions used in the valuation as of January 1, 2018, included the following:

- Actuarial Cost Method – entry age normal actuarial cost method.
- Amortization Method and Remaining Period – Level dollar, Open – Based on Expected Lifetime (not to exceed 20 years), Amortization period at 1/1/2018 – 14 years.
- Asset Valuation Method – Smoothing period of 3 years, Recognition method Non-Asymptotic.
- Investment Rate of Return– 6.5%
- Inflation Rate – 2.50%
- Salary Increases – Not applicable
- Retirement Age – Not applicable
- Minimum Death Benefit – A minimum death benefit of \$515 per pay period is used.
- First Class Firefighter Salary – The highest negotiated First Class Firefighter Salary is used to calculate death benefits. For 2018, this is \$3,114.99 per pay period.
- Actual marital status is used for retirees
- Form of Payment – All active participants are assumed to elect the normal form of payment.
- Mortality – RP-2014 Healthy Annuitant Mortality

The significant changes in actuarial assumptions and methods as of January 1, 2018 included the following:

- The actuarial value of assets was set equal to the market value of assets.

**Funded Status and Funding Progress** – As of January 1, 2018, the most recent actuarial valuation date, the plan was 75.74% funded. The total pension liability was \$15,033,367, the fiduciary net position was \$11,387,000, resulting in a net pension liability of \$3,646,367. The covered payroll (annual payroll of active employees covered by the plan) was \$0 and the ratio of the covered payroll was not applicable since all participants were retired as of January 1, 2014. In October 2010, City of Boulder Taxable Pension Obligation Bonds were issued and \$5,469,000 of additional funding was deposited into the plan to decrease the UAAL for the future.

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

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2018

**NOTE U – PENSION AND RETIREMENT PLANS (CONTINUED)**1. “Old Hire” Police Defined Benefit Plan (Continued)

**Pension Plan Investments** – The investment policies and fair value determination policies are disclosed above in Notes A and E. For the year ended December 31, 2018, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was a loss of 3.5%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested. The plan’s investment policies, including fair value determination, concentration of credit risk information, and asset allocation is included in Note E – Deposits and Investments.

**Long Term Expected Rate of Return** – The best-estimate range for the long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions are per the actuary’s investment consulting practice as of December 31, 2018.

Asset Class	Long-Term Expected Geometric Real Rate Of Return
Domestic Large Cap	3.6%
Domestic Small Cap	4.1%
International Equity	4.6%
Emerging Markets	5.3%
Domestic Fixed Income	2.0%
Direct Real Estate	3.8%
Master Limited Partnerships	2.9%
Liquid Low Correlated Hedge Funds	2.5%
Floating Rate Corporate Loans	2.8%

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

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2018

**NOTE U – PENSION AND RETIREMENT PLANS (CONTINUED)**

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

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

**Net Pension Liability** – The components of the net pension liability of the City at December 31, 2018 were as follows:

Total Pension Liability	\$ 15,033,367
Fiduciary Net Position	<u>11,387,000</u>
Net Pension Liability	<u><u>\$ 3,646,367</u></u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	75.74%

For the year ended December 31, 2018, the “Old Hire” Police Defined Benefit Plan recognized pension expense of \$306,472 within governmental activities. The City of Boulder reported deferred outflows of resources and deferred inflows of resources related to this plan from the following sources:

“Old Hire” Police Defined Benefit Plan:

	<u>Deferred Outflow of Resources</u>
Net difference between projected and actual earnings on pension plan investments	\$719,317
Total	\$719,317

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2018

**NOTE U – PENSION AND RETIREMENT PLANS (CONTINUED)**

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

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

<u>Year ended December 31:</u>	<u>Expense amount</u>
2019	\$ 317,678
2020	73,109
2021	81,912
2022	246,618
2023	-
Thereafter	-
Total	<u>\$ 719,317</u>

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

	<u>1% Decrease (5.5%)</u>	<u>Current Discount Rate (6.5%)</u>	<u>1% Increase (7.5%)</u>
Net Pension Liability	<u>\$ 4,937,330</u>	<u>\$ 3,646,367</u>	<u>\$ 2,526,625</u>

2. “Old Hire” Fire Defined Benefit Plan

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2018

**NOTE U – PENSION AND RETIREMENT PLANS (CONTINUED)**

2. “Old Hire” Fire Defined Benefit Plan (Continued)

*Former Members* – This group includes employees whose employment with the employer terminated prior to January 1, 2000. They are covered by the retirement benefits provided under Colorado Revised Statutes, Title 31, Article 30.5 as modified by Chapter 9, Title 2 of the Boulder Revised Code, 1981. However, the Trust Fund established by the Plan Document is obligated to pay all benefits to these employees.

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

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

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

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

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

The pension benefit in subsequent years will include any benefit increases granted by the Board to retirees and widows. Upon retirement, the member begins to receive pension payments in the form of an annuity and the cumulative assets in the DROP account are paid to him in a lump-sum. As of December 31, 2018, there are no current Fire employees who have elected the DROP and all DROP balances have been disbursed.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2018

**NOTE U – PENSION AND RETIREMENT PLANS (CONTINUED)**

2. “Old Hire” Fire Defined Benefit Plan (Continued)

**Death and Disability Benefits**

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

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

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

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

**Contributions and Funding Policy** – The Plan is a joint-contributory retirement plan operating on an actuarial reserve basis. Per the “Old Hire” Fire Defined Benefit Pension Plan, the contribution requirements of the plan members and the City are established and may be amended by the International Association of Fire Fighters, Local #900 collective bargaining agreement in effect for the payroll period concerned. The City must also contribute an additional annual payment necessary to make the plan actuarially sound as defined by Section 3.02 of the plan document with no maximum specified. In 2018 the City contributed \$222,000 to meet the actuarially calculated contribution requirement which exceeded the state-mandated requirement. In 2018, Administrative expenditures are recorded when incurred and are financed by the Plan.



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2018

**NOTE U – PENSION AND RETIREMENT PLANS (CONTINUED)**

2. “Old Hire” Fire Defined Benefit Plan (Continued)

**Actuarial Present Value of Accumulated Plan Benefits** - An actuarial study was prepared at January 1, 2018 and rolled forward to December 31, 2018. It is the Fire Pension Board policy to have an actuarial study prepared every two years or whenever a benefit change is being considered.

The significant actuarial assumptions used in the valuation as of January 1, 2018 included the following:

- Actuarial Cost Method – entry age normal actuarial cost method.
- Amortization Method and Remaining Period – Level dollar, Open – Based on Expected Lifetime (not to exceed 20 years), Amortization period at 1/1/2018 – 11 years.
- Asset Valuation Method – Market Value of Assets
- Investment Rate of Return– 6.5%
- Inflation Rate – 2.50%
- Salary Increases – Not applicable
- Retirement Age – Not applicable
- Minimum Death Benefit – A minimum death benefit of \$515 per pay period is used.
- First Class Firefighter Salary – The highest negotiated First Class Firefighter Salary is used to calculate death benefits. For 2018, this is \$3,114.99 per pay period.
- Actual marital status is used for retirees
- Form of Payment – All active participants are assumed to elect the normal form of payment.
- Mortality – RP-2014 Healthy Annuitant Mortality

The significant changes in actuarial assumptions and methods as of January 1, 2018 included the following:

- The actuarial value of assets was set equal to the market value of assets.

**Funded Status and Funding Progress** – As of January 1, 2018, the most recent actuarial valuation date, the plan was 84.56% funded. The total pension liability was \$10,090,918, the fiduciary net position was \$8,533,000, resulting in a net pension liability of \$1,557,918. The covered payroll (annual payroll of active employees covered by the plan) was \$0 and the ratio of the covered payroll was not applicable since all participants were retired as of January 1, 2014. In October 2010, City of Boulder Taxable Pension Obligation Bonds were issued and \$3,531,000 of additional funding was deposited into the plan to decrease the UAAL for the future.

**Historical Trend Information** – The schedules of funding progress, presented as required supplementary information (RSI) following the notes to the financial statements, present multi-year trend information

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2018

**NOTE U – PENSION AND RETIREMENT PLANS (CONTINUED)**2. “Old Hire” Fire Defined Benefit Plan (Continued)

about whether the actuarial values of plan assets are increasing or decreasing over time relative to the AALs for benefits.

**Pension Plan Investments** – The investment policies and fair value determination policies are disclosed above in Notes A and E. For the year ended December 31, 2018, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was a loss of 4.88%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested. The plan’s investment policies, including fair value determination, concentration of credit risk information, and asset allocation is included in Note E – Deposits and Investments.

**Long Term Expected Rate of Return** – The best-estimate range for the long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions are per the actuary’s investment consulting practice as of December 31, 2018.

Asset Class	Long-Term Expected Geometric Real Rate Of Return
Domestic Large Cap	3.6%
Small/Mid Cap	4.1%
International Equity	4.6%
Emerging Markets	5.3%
Domestic Fixed Income	2.0%
Floating Rate Corporate Loans	2.8%
Liquid Low Correlated Hedge Funds	2.5%
Master Limited Partnerships	2.9%

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

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2018

**NOTE U – PENSION AND RETIREMENT PLANS (CONTINUED)**

2. “Old Hire” Fire Defined Benefit Plan (Continued)

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

**Net Pension Liability** – The components of the net pension liability of the City at December 31, 2018 were as follows:

Total Pension Liability	\$ 10,090,918
Fiduciary Net Position	<u>8,533,000</u>
Net Pension Liability	<u>\$ 1,557,918</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	84.56%

For the year ended December 31, 2018, the “Old Hire” Fire Defined Benefit Plan recognized pension expense of \$344,384 within governmental activities. The City of Boulder reported deferred outflows of resources and deferred inflows of resources related to this plan from the following sources:

“Old Hire” Fire Defined Benefit Plan:

	<u>Deferred Outflow of Resources</u>
Net difference between projected and actual earnings on pension plan investments	\$745,104
Total	\$745,104

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2018

**NOTE U – PENSION AND RETIREMENT PLANS (CONTINUED)**

2. “Old Hire” Fire Defined Benefit Plan (Continued)

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

<u>Year ended December 31:</u>	<u>Expense amount</u>
2019	\$ 316,283
2020	121,529
2021	93,320
2022	213,972
2023	-
Thereafter	-
Total	<u><u>\$ 745,104</u></u>

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

	<u>1%</u> <u>Decrease</u> <u>(5.5%)</u>	<u>Current</u> <u>Discount Rate</u> <u>(6.5%)</u>	<u>1%</u> <u>Increase</u> <u>(7.5%)</u>
Net Pension Liability	<u><u>\$ 2,372,313</u></u>	<u><u>\$ 1,557,918</u></u>	<u><u>\$ 852,156</u></u>

3. Public Employees Retirement Association (PERA)

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

During the 2018 legislative session, the Colorado General Assembly passed significant pension reform through Senate Bill (SB) 18-200: Concerning *Modifications To the Public Employees’ Retirement*

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2018

**NOTE U – PENSION AND RETIREMENT PLANS (CONTINUED)**

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

*Association Hybrid Defined Benefit Plan Necessary to Eliminate with a High Probability the Unfunded Liability of the Plan Within the Next Thirty Years.* Government accounting standards require the net pension liability and related amounts of the LGDTF for financial reporting purposes be measured using the plan provisions in effect as of the LGDTF's measurement date of December 31, 2017. As such, the following disclosures do not include the changes to plan provisions required by SB 18-200 with the exception of the section titled *Changes between the measurement date of the net pension liability and December 31, 2018.*

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

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

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

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

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

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

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2018

**NOTE U – PENSION AND RETIREMENT PLANS (CONTINUED)**

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

As of December 31, 2017, benefit recipients who elect to receive a lifetime retirement benefit are generally eligible to receive post-retirement cost-of-living adjustments, referred to as annual increases in the C.R.S. Benefit recipients under the PERA benefit structure who began eligible employment before January 1, 2007 and all benefit recipients of the DPS benefit structure receive an annual increase of 2 percent, unless PERA has a negative investment year, in which case the annual increase for the next three years is the lesser of 2 percent or the average of the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) for the prior calendar year. Benefit recipients under the PERA benefit structure who began eligible employment after January 1, 2007 receive an annual increase of the lesser of 2 percent or the average CPI-W for the prior calendar year, not to exceed 10 percent of PERA's Annual Increase Reserve (AIR) for the LGDTF.

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

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

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

	2017 Rate	2018 Rate
Employer Contribution Rate <sup>1</sup>	10.00%	10.00%
Amount of Employer Contribution apportioned to the Health Care Trust Fund as specified in C.R.S. § 24-51-208(1)(f) <sup>1</sup>	(1.02)%	(1.02)%
Amount Apportioned to the LGDTF <sup>1</sup>	8.98%	8.98%
Amortization Equalization Disbursement (AED) as specified in C.R.S. § 24-51-411 <sup>1</sup>	2.20%	2.20%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. § 24-51-411 <sup>1</sup>	1.50%	1.50%
Total Employer Contribution Rate to the LGDTF <sup>1</sup>	12.68%	12.68%

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

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2018

**NOTE U – PENSION AND RETIREMENT PLANS (CONTINUED)**

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

Employer contributions are recognized by the LGDTF in the period in which the compensation becomes payable to the member and the City of Boulder is statutorily committed to pay the contributions to the LGDTF. Employer contributions recognized by the LGDTF from the City of Boulder were \$10,364,132, for the year ended December 31, 2018.

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

At December 31, 2018, the City of Boulder reported a liability of \$143,559,990 for its proportionate share of the net pension liability. Of this amount, \$119,332,527 represented Governmental-type activities and \$24,227,463 represented Business-type activities. The net pension liability was measured as of December 31, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2016. Standard update procedures were used to roll forward the total pension liability to December 31, 2017. The City of Boulder's proportion of the net pension liability was based on City of Boulder contributions to the LGDTF for the calendar year 2017 relative to the total contributions of participating employers to the LGDTF.

At December 31, 2017, the City of Boulder's proportion was 12.8934904132 percent, which was an increase of 0.5913157938 percent from its proportion measured as of December 31, 2016.

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2018

**NOTE U – PENSION AND RETIREMENT PLANS (CONTINUED)**

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

For the year ended December 31, 2018, the City of Boulder recognized pension expense of \$25,846,002. Of this amount, \$21,387,263 is related to governmental activities and \$4,458,739 is related to business-type activities. The City of Boulder reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Governmental Activities:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$7,431,640	\$ -
Changes of assumptions or other inputs	1,254,912	-
Net difference between projected and actual earnings on pension plan investments	-	23,566,024
Changes in proportion and differences between contributions recognized and proportionate share of contributions	2,794,950	19,908
Contributions subsequent to the measurement date	8,576,198	-
Total	\$20,057,700	\$23,585,932



City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2018

**NOTE U – PENSION AND RETIREMENT PLANS (CONTINUED)**

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

Business-type Activities:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$1,549,321	\$ -
Changes of assumptions or other inputs	261,620	-
Net difference between projected and actual earnings on pension plan investments	-	4,338,583
Changes in proportion and differences between contributions recognized and proportionate share of contributions	582,681	3,665
Contributions subsequent to the measurement date	1,787,934	-
Total	\$4,181,556	\$4,342,248

\$10,364,132 reported 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, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year ended 12/31:</b>	<b>Governmental Activities</b>	<b>Business-type Activities</b>
2019	\$8,145,050	\$1,311,227
2020	(2,596,158)	(417,941)
2021	(8,741,036)	(1,407,171)
2022	(8,912,286)	(1,434,741)
2023	-0-	-0-
Total	(\$12,104,430)	(\$1,948,626)

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2018

**NOTE U – PENSION AND RETIREMENT PLANS (CONTINUED)**

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

**Actuarial assumptions** – Based on the 2016 experience analysis and the October 28, 2016 actuarial assumptions workshop, revised economic and demographic assumptions were adopted by PERA’s Board on November 18, 2016 and effective as of December 31, 2016. These revised assumptions shown below were reflected in the roll-forward calculation of the total pension liability from December 31, 2015 to December 31, 2017:

Actuarial cost method	Entry Age
Price inflation	2.40 percent
Real wage growth	1.10 percent
Wage inflation	3.50 percent
Salary increases, including wage inflation	3.50 – 10.45 percent
Long-term investment Rate of Return, net of pension plan investment expenses, including price inflation	7.25 percent
Discount Rate	7.25 percent
Future post-retirement benefit increases:	
PERA Benefit Structure hired prior to 1/1/07; and DPS Benefit Structure (automatic)	2.00 percent
PERA Benefit Structure hired after 12/31/06 (ad hoc, substantively automatic)	Financed by the Annual Increase Reserve

Healthy mortality assumptions for active members reflect the RP-2914 White Collar Employee Mortality Table, a table specifically developed for actively working people. To allow for an appropriate margin of improved mortality prospectively, the mortality rates incorporate a 70 percent factor applied to male rates and a 55 percent factor applied to female rates.

Healthy, post-retirement mortality assumptions reflect the RP-2014 Healthy Annuitant Mortality Table, adjusted as follows:

**Males:** Mortality improvement projected to 2018 using the MP-2015 projection scale, a 73 percent factor applied to rates for ages less than 80, a 108 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.

**Females:** Mortality improvement projected to 2018 using the MP-2015 projection scale, a 78 percent factor applied to rates for ages less than 80, a 109 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.

For disables retirees, the mortality assumption was based on 90 percent of the RP-2014 Disabled Retiree Mortality Table.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2018

**NOTE U – PENSION AND RETIREMENT PLANS (CONTINUED)****3. Public Employees Retirement Association (PERA) (Continued)**

The LGDTF's long-term expected rate of return on plan assets is reviewed as part of regular experience studies prepared every four or five years for PERA. Recently, this assumption has been reviewed more frequently. The most recent analyses were outlined in presentations to PERA's Board on October 28, 2016.

Several factors were considered in evaluating the long-term rate of return assumption for the LGDTF, including long-term historical data, estimates inherent in current market data, and 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 by the investment consultant for each major asset class. These ranges were 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 then adding expected inflation.

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

<b>Asset Class</b>	<b>Target Allocation</b>	<b>30 Year Expected Geometric Real Rate of Return</b>
U.S. Equity – Large Cap	21.20%	4.30%
U.S. Equity – Small Cap	7.42%	4.80%
Non-U.S. Equity – Developed	18.55%	5.20%
Non-U.S. Equity – Emerging	5.83%	5.40%
Core Fixed Income	19.32%	1.20%
High Yield	1.38%	4.30%
Non-U.S. Fixed Income - Developed	1.84%	0.60%
Emerging Market Debt	0.46%	3.90%
Core Real Estate	8.50%	4.90%
Opportunity Fund	6.00%	3.80%
Private Equity	8.50%	6.60%
Cash	1.00%	0.20%
<b>Total</b>	<b>100.00%</b>	

In setting the long-term expected rate of return, projections employed to model future returns provide a range of expected long-term returns that, including expected inflation, ultimately support a long-term expected rate of return assumption of 7.25%.

*Discount rate.* The discount rate used to measure the total pension liability was 7.25 percent. The projection of cash flows used to determine the discount rate applied the actuarial cost method and

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2018

**NOTE U – PENSION AND RETIREMENT PLANS (CONTINUED)**

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

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

Based on the above actuarial cost method and assumptions, the LGDTF fiduciary net position was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25 percent 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, and therefore, the discount rate is 7.25 percent. There was no change in the discount rate from the prior measurement date.

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2018

**NOTE U – PENSION AND RETIREMENT PLANS (CONTINUED)**

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

*Sensitivity of the City of Boulder's proportionate share of the net pension liability to changes in the discount rate.* The following presents the proportionate share of the net pension liability calculated using the discount rate of 7.25 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net pension liability	\$228,644,520	\$143,559,990	\$72,629,805

Pension plan fiduciary net position: Detailed information about the LGDTF's fiduciary net position is available in PERA's comprehensive annual financial report which can be obtained at [www.copera.org/investments/pera-financial-reports](http://www.copera.org/investments/pera-financial-reports)

**Changes between the measurement date of the net position liability and December 31, 2018.**

During the 2018 legislative session, the Colorado General Assembly passed significant pension reform through SB 18-200: Concerning *Modifications To the Public Employees' Retirement Association Hybrid Defined Benefit Plan Necessary to Eliminate with a High Probability the Unfunded Liability of the Plan Within the Next 30 Years*. The bill was signed into law by Governor Hickenlooper on June 4, 2018. SB 18-200 makes changes to the plans administered by PERA with the goal of eliminating the unfunded actuarial accrued liability of the Division Trust Funds and thereby reach a 100 percent funded ratio for each division within the next 30 years.

A brief description of some of the major changes to plan revisions required by SB 18-200 are listed below. A full copy of the bill can be found online at [www.leg.colorado.gov](http://www.leg.colorado.gov).

- Increases employee contribution rates by a total of 2 percent (to be phased in over a period of 3 years starting on July 1, 2019)
- Modifies the retirement benefits, including temporarily suspending and reducing the annual increase for all current and future retirees, modifying the highest average salary for employees with less than five years of service credit on December 31, 2019 and raises the retirement age for new employees.
- Member contributions, employer contributions, and the annual increases will be adjusted based on certain statutory parameters beginning July 1, 2020, and then each year thereafter, to help keep PERA on path to full funding in 30 years.

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2018

**NOTE U – PENSION AND RETIREMENT PLANS (CONTINUED)**

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

- Expands eligibility to participate in the PERA DC Plan to new members hired on or after January 1, 2019, in the Local Government Division. Beginning January 1, 2021, and every year thereafter, employer contribution rates for the LGDTF will be adjusted to include a defined contribution supplement based on the employer contribution amount paid to defined contribution plan participant accounts that would have otherwise gone to the defined benefit trusts to pay down the unfunded liability plus any defined benefit investment earnings thereon.

At December 31, 2018, the City of Boulder reported a liability of \$143,559,990 for its proportionate share of the net pension liability which was measured using the plan provisions in effect as of the pension plan's year-end based on a discount rate of 7.25%. For comparative purposes, the following schedule presents an estimate of what the City of Boulder's proportionate share of the net pension liability and associated discount rate would have been had the provisions of SB 18-200, applicable to the LGDTF, become law on December 31, 2017. This pro forma information was prepared using the fiduciary net position of the LGDTF as of December 31, 2017. Future net pension liabilities reported could be materially different based on changes in investment markets, actuarial assumptions, plan experience and other factors.

Estimated Discount Rate Calculated Using Plan Provisions Required by SB-18-200 (pro forma)	Net Pension Liability	Proportionate Share of the Estimated Net Pension Liability Calculated Using Plan Provisions Required by SB 18-200 (pro forma)
7.25%	\$143,559,990	\$101,542,426

4. Police and Fire Money Purchase Pension Plan

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

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2018

**NOTE U – PENSION AND RETIREMENT PLANS (CONTINUED)**

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

The Boulder Police Benevolent Association negotiated an economic agreement with the City which is in effect through December 31, 2019. The City's contribution requirement for the year ended December 31, 2018, was 13.8 percent of covered payroll. The dollar amount of the City's contributions was \$2,133,000 in 2018. The employee contributions were 6.2 percent, or \$958,000, of covered payroll.

The International Association of Firefighters, Local #900, negotiated an economic agreement with the City, which was in effect through December 31, 2018. The City's contribution requirement for the year ended December 31, 2018, was 13 percent of covered payroll, or \$1,389,000. The employee contributions were 8 percent of covered payroll, or \$855,000.

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

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

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

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

**NOTE V – DEFERRED COMPENSATION PLANS**

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2018

**NOTE V – DEFERRED COMPENSATION PLANS (CONTINUED)**

In addition to ICMA-RC, City Council authorized the establishment of a deferred compensation program for City employees. T. Rowe Price, through a bid process, was selected as administrator of the program.

Deferred compensation is not available for withdrawal by employees until termination, retirement, death or unforeseeable emergency. The assets of this plan are held in a trust account and therefore are not reflected on the City of Boulder financial statements.

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

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

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

The City of Boulder participates in the Health Care Trust Fund (HCTF), a cost-sharing multiple-employer defined benefit OPEB fund administered by PERA. The net OPEB liability, deferred outflow of resources and deferred inflows of resources related to OPEB, OPEB expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the HCTF have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefits paid on behalf of health care participants are recognized when due and/or payable in accordance with the benefit terms. Investments are reported at fair value.

Plan description – Eligible employees of the City of Boulder are provided with OPEB through the HCTF – a cost-sharing multiple-employer defined benefit OPEB plan administered by PERA. The HCTF is established under Title 24, Article 51, Part 12 of the Colorado Revised Statutes (C.R.S.), as amended. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. Title 24, Article 51, Part 12 of the C.R.S., as amended, 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 the premium subsidies. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. PERA issues a publicly available comprehensive annual financial report that can be obtained at [www.copera.org/investments/pera-financial-reports](http://www.copera.org/investments/pera-financial-reports).

Benefits Provided – The HCTF provides a health care premium subsidy to eligible participating PERA benefit recipients and retirees who choose to enroll in one of the PERA health care plans, however, the subsidy is not available if only enrolled in the dental and/or vision plans(s). The health care premium subsidy is based upon the benefit structure under which the member retires and the member's years of service credit. For members who retire having service credit with employers in the Denver Public Schools (DPS) Division and one or more of the other four Divisions (State, School, Local Government and Judicial), the premium subsidy is allocated between the HCTF and the DPS Health Care Trust Fund (DPS HCTF). The basis for the amount of the premium subsidy funded by each trust fund is the percentage of



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2018

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

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

the member contribution account balance from each division as it relates to the member contribution account balance from which the retirement benefit is paid.

C.R.S. 24-51-1202 et seq. specifies for eligibility for enrollment in the health care plans offered by PERA and the amount of the premium subsidy. The law governing a benefit recipient's eligibility for the subsidy and the amount of the subsidy differs slightly depending under which benefit structure the benefits are calculated. All benefit recipients under the PERA benefit structure and all retirees under the DPS benefit structure are eligible for a premium subsidy, if enrolled in a health care plan under PERACare. Upon the death of a DPS benefit structure retiree, no further subsidy is paid.

Enrollment in the PERACare is voluntary and is available to benefit recipients and their eligible dependents, certain surviving spouses, and divorced spouses and guardians, among others. Eligible benefit recipients may enroll in the program upon retirement, upon the occurrence of certain life events, or on an annual basis during an open enrollment period.

PERA Benefit Structure – The maximum service-based premium is \$230 (actual dollars) per month for benefit recipients who are under 65 years of age and who are not entitled to Medicare; the maximum service-based subsidy is \$115 (actual dollars) for benefit recipients who are 65 years of age and entitled to Medicare. The basis for the maximum service-based subsidy, in each case, is for benefit recipients with retirement benefits based on 20 or more years of service credit. There is a 5 percent reduction in the subsidy for each year less than 20. The benefit recipient pays the remaining portion of the premium to the extent the subsidy does not cover the entire amount.

For benefit recipients who have not participated in Social Security and who are not otherwise eligible for premium-free Medicare Part A for hospital-related services. C.R.S. 24-51-1206(4) provides an additional subsidy. According to the statute, PERA cannot charge premiums to benefit recipients without Medicare Part A that are greater than premiums charged to benefit recipients with Part A for the same plan option, coverage level, and service credit. Currently, for each individual PERACare enrollee, the total premium for Medicare coverage is determined assuming plan participants have both Medicare Part A and Part B and the difference in premium cost is paid by the HCTF or the DPS HCTF on behalf of benefit recipients not covered by Medicare Part A.

Contributions – Pursuant to Title 24, Article 51, Section 208(1)(f) of the C.R.S, as amended, certain contributions are apportioned to the HCTF. PERA-affiliated employers of the State, School, Local Government, and judicial Divisions are required to contribute at a rate of 1.02 percent of PERA-includable salary into the HCTF.

Funding Policy – Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the City of Boulder is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from the City of Boulder were \$833,708 for the year ended December 31, 2018.

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2018

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

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

At December 31, 2018, the City of Boulder reported a liability of \$12,986,501 for its proportionate share of the net OPEB liability. The Governmental Fund portion of the net OPEB liability was \$10,973,441 at December 31, 2018 while the Proprietary Funds proportionate share was \$2,013,060. The net OPEB liability for the HCTF was measured as of December 31, 2017, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2016. Standard update procedures were used to roll-forward the total OPEB liability to December 31, 2017. The City of Boulder proportion of the net OPEB liability was based on City of Boulder contributions to the HCTF for the calendar year 2017 relative to the total contributions of participating employers to the HCTF.

At December 31, 2017, the City of Boulder's proportion was 0.9992691192%, which was an increase of 0.0575208403% from its proportion measured as of December 31, 2016.

For the year ended December 31, 2018, the City of Boulder recognized OPEB expense of \$308,942. At December 31, 2018, the City of Boulder reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Governmental Activities:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$51,895	\$ -
Changes of assumptions or other inputs	-	-
Net difference between projected and actual earnings on OPEB plan investments	-	183,582
Changes in proportion and differences between contributions recognized and proportionate share of contributions	526,696	-
Contributions subsequent to the measurement date	704,473	-
Total	\$1,283,064	\$183,582

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2018

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

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

Business-type Activities:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$9,520	\$ -
Changes of assumptions or other inputs	-	-
Net difference between projected and actual earnings on OPEB plan investments	-	33,679
Changes in proportion and differences between contributions recognized and proportionate share of contributions	96,622	-
Contributions subsequent to the measurement date	129,235	-
Total	\$235,377	\$33,679

\$833,708 reported as deferred outflows of resources related to OPEB, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the year ended December 31, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<b>Year ended 12/31:</b>	<b>Governmental Activities</b>	<b>Business-type Activities</b>
2019	\$67,776	\$12,434
2020	67,776	12,434
2021	67,776	12,435
2022	67,793	12,437
2023	113,676	20,854
Thereafter	10,212	1,869
Total	\$395,009	\$72,463

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2018

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

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

Actuarial assumptions – The total OPEB liability in the December 31, 2016 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

Actuarial cost method	Entry Age
Price inflation	2.40 percent
Real wage growth	1.10 percent
Wage inflation	3.50 percent
Salary increases, including wage inflation	3.50 percent in aggregate
Long-term investment Rate of Return, net of pension plan investment expenses, including price inflation	7.25 percent
Discount Rate	7.25 percent
Health care cost trend rates:	
PERA benefit structure:	
Service-based premium subsidy	0.00 percent
PERACare Medicare plans	5.00 percent
Medicare Part A premiums	3.00 percent for 2017, gradually rising to 4.25 percent in 2023

Calculations are based on the benefits provided under the terms of the substantive plan in effect at the time of each actuarial valuation and on the pattern of sharing of costs between employers of each fund to that point.

Health care cost trend rates reflect the change in per capita health costs over time due to factors such as medical inflation, utilization, plan design and technology improvements. For the PERA benefit structure, health care cost trend rates are needed to project the future costs associated with providing benefits to those PERACare enrollees not eligible for premium-free Medicare Part A.

Health care cost trend rates for the PERA benefit structures are based on published annual health care inflation surveys in conjunction with actual plan experience (if credible), building block models and heuristics developed by health plan actuaries and administrators, and projected trends for the Federal Hospital Insurance Trust Fund (Medicare Part A premiums) provided by the Centers for Medicare & Medicaid Services. Effective December 31, 2016, the health care cost trend rates for Medicare Part A premiums were revised to reflect the current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2018

**NOTE W – OTHER POSTEMPLOYMENT BENEFIT PLANS (OPEB)  
THAN PENSIONS (CONTINUED)**1. Public Employees Retirement Association (PERA) Health Care Trust Fund (Continued)

The PERA benefit structure health care cost trend rates that were used to measure the total OPEB liability are summarized in the table below:

<b>Year</b>	<b>PERACare Medicare Plans</b>	<b>Medicare Part A Premiums</b>
2017	5.00%	3.00%
2018	5.00%	3.25%
2019	5.00%	3.50%
2020	5.00%	3.75%
2021	5.00%	4.00%
2022	5.00%	4.00%
2023	5.00%	4.25%
2024 +	5.00%	4.25%

Mortality assumptions for the determination of the total pension liability for the HCTF as shown below are applied, as applicable, in the determination of the total OPEB liability for the HCTF.

Healthy mortality assumptions for active members were based on the RP-2014 White Collar Employee Mortality Table, a table specifically developed for actively working people. To allow for an appropriate margin of improved mortality prospectively, the mortality rates incorporate a 70 percent factor applied to male rates and a 55 percent factor applied to female rates.

Healthy post-retirement mortality assumptions for the State and Local Government Divisions were based on the RP-2014 Healthy Annuitant Mortality Table, adjusted as follows:

- **Males:** Mortality improvement projected to 2018 using the MP-2015 projection scale, a 73 percent factor applied to rates for ages less than 80, a 108 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.
- **Females:** Mortality improvement projected to 2020 using the MP-2015 projection scale, a 78 percent factor applied to rates for ages less than 80, a 109 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.

For disabled retirees, the mortality assumption was based on 90 percent of the RP-2014 Disabled Retiree Mortality Table.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2018

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

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

The following economic and demographic assumptions were specifically developed for, and used in, the measurement of the obligations for the HCTF:

- The assumed rates of PERACare participation were revised to reflect more closely actual experience.
- Initial per capita health care costs for those PERACare enrollees under the PERA benefit structure who are expected to attain age 65 and older ages and are not eligible for premium-free Medicare Part A benefits were updated to reflect the change in costs for the 2017 plan year.
- The percentages of PERACare enrollees who will attain age 65 and older ages and are assumed to not qualify for premium-free Medicare Part A coverage were revised to more closely reflect actual experience.
- The percentage of disabled PERACare enrollees who are assumed to not qualify for premium-free Medicare Part A coverage were revised to reflect more closely actual experience.
- Assumed election rates for the PERACare coverage options that would be available to future PERACare enrollees who will qualify for the “No Part A Subsidy” when they retire were revised to more closely reflect actual experience.
- Assumed election rates for the PERACare coverage options that would be available to those current PERACare enrollees who will qualify for the “No Part A Subsidy” but have not reached 65 were revised to more closely reflect actual experience.
- The health care cost trend rates for Medicare Part A premiums were revised to reflect the then-current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.
- The rates of PERACare coverage election for spouses of eligible inactive members and future retirees were revised to more closely reflect actual experience.
- The assumed age difference between future retirees and their participating spouses were revised to reflect more closely actual experience.

The actuarial assumptions used in the December 31, 2016 valuation were based on the results of the 2016 experience analysis for the periods January 1, 2012, through December 31, 2015, as well as, the October 28, 2016 actuarial assumptions workshop and were adopted by the PERA Board during the November 18, 2016 Board meeting. In addition, certain actuarial assumptions pertaining to per capita health care costs and their related trends are analyzed and reviewed by PERA’s actuary, as needed.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2018

**NOTE W – OTHER POSTEMPLOYMENT BENEFIT PLANS (OPEB)  
THAN PENSIONS (CONTINUED)****1. Public Employees Retirement Association (PERA) Health Care Trust Fund (Continued)**

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared every four or five years for PERA. Recently this assumption has been reviewed more frequently. The most recent analyses were outlined in presentations to PERA's Board on October 28, 2016.

Several factors were considered in evaluating the long-term rate of return assumption for the HCTF, including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future 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 adoption of the long-term expected rate of return by the PERA Board, the target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>30 Year Expected Geometric Real Rate of Return</b>
U.S. Equity – Large Cap	21.20%	4.30%
U.S. Equity – Small Cap	7.42%	4.80%
Non-U.S. Equity – Developed	18.55%	5.20%
Non-U.S. Equity – Emerging	5.83%	5.40%
Core Fixed Income	19.32%	1.20%
High Yield	1.38%	4.30%
Non-U.S. Fixed Income - Developed	1.84%	0.60%
Emerging Market Debt	0.46%	3.90%
Core Real Estate	8.50%	4.90%
Opportunity Fund	6.00%	3.80%
Private Equity	8.50%	6.60%
Cash	1.00%	0.20%
<b>Total</b>	<b>100.00%</b>	

In setting the long-term expected rate of return, projections employed to model future returns provide a range of expected long-term returns that, including expected inflation, ultimately support a long-term expected rate of return assumption of 7.25%.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2018

**NOTE W – OTHER POSTEMPLOYMENT BENEFIT PLANS (OPEB)  
THAN PENSIONS (CONTINUED)**1. Public Employees Retirement Association (PERA) Health Care Trust Fund (Continued)

Sensitivity of the City of Boulder's proportionate share of the net OPEB liability to changes in the Health Care Cost Trend Rates. – The following presents the net OPEB liability using the current health care cost trend rates applicable to the PERA benefit structure, as well as if it were calculated using health care cost trends rates that are one percentage point lower or one percentage point higher than the current rates:

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
PERACare	4.00%	5.00%	6.00%
Initial Medicare Part A trend rate	2.00%	3.00%	4.00%
Ultimate Medicare Part A trend rate	3.25%	4.25%	5.25%
Proportionate Share of the Net OPEB Liability	\$12,629,193	\$12,986,501	\$13,416,857

Discount Rate – The discount rate used to measure the total OPEB liability was 7.25%. 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:

- Updated health care cost trend rates for Medicare Part A premiums as of the December 31, 2017 measurement date.
- 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 3.50%.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date. For future plan members, employer contributions were reduced by the estimated amount of total service costs for future plan members.
- 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.
- Transfers of a portion of purchase service agreements intended to cover the costs associated with OPEB benefits 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 assumptions and methods, the projection test indicates the HCTF's fiduciary net position was projected to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25 percent on OPEB plan investments was applied to all periods of



## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2018

**NOTE W – OTHER POSTEMPLOYMENT BENEFIT PLANS (OPEB)  
THAN PENSIONS (CONTINUED)****1. Public Employees Retirement Association (PERA) Health Care Trust Fund (Continued)**

projected benefit payments to determine the total OPEB liability. The discount rate of determination does not use the municipal bond index rate, and therefore, the discount rate is 7.25 percent.

Sensitivity of the City of Boulder's proportionate share of the net OPEB liability to changes in the discount rate – The following presents the proportionate share of the net OPEB liability calculated using the discount rate of 7.25 percent, as well as what the proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net OPEB liability	\$14,600,911	\$12,986,501	\$11,608,559

OPEB plan fiduciary net position – Detailed information about the HCTF's fiduciary net position is available in PERA's comprehensive annual financial report which can be obtained at [www.copera.org/investments/pera-financial-reports](http://www.copera.org/investments/pera-financial-reports).

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

All full-time police officers and firefighters are covered by the Fire and Police Pension Association (FPPA), a multiple-employer cost-sharing plan for pre-retirement death and disability. To date contributions to the plan have been determined and budgeted by the State legislature. State law provided that these contributions would continue in diminishing amounts until 1994. The State requires employees hired on or after January 1, 1997, to contribute 2.6% of salary. The City pays the 2.7% for all affected police officers and firefighters. In 2018, the City paid \$495,861, equal to their required contributions for the year. As noted in Note AC, the City of Boulder implemented GASB Statement No. 75 for fiscal year 2018. This FPPA death and disability plan qualifies as a cost sharing multiple-employer defined benefit OPEB plan under this standard. As it pertains to the requirements in Statement No. 75, FPPA concluded that because all contributions to the plan are considered member contributions (and not employer), the employers' proportionate share of any net OPEB liability (asset) is \$0. As such, GASB Statement No. 75 had no impact on the City of Boulder for the year ended December 31, 2018 for this plan.

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

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2018

**NOTE W – OTHER POSTEMPLOYMENT BENEFIT PLANS (OPEB)  
THAN PENSIONS (CONTINUED)****3. City of Boulder Retiree Health Care Benefit Plan**

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

Member Data – The following table is a summary of the member data used in the January 1, 2017 actuarial valuation:

	<b>BMEA</b>	<b>Management</b>	<b>Fire</b>	<b>Police</b>	<b>Total</b>
<b>Participants</b>					
Active	420	700	101	168	1,389
Retiree & Beneficiary	7	20	1	3	31
Spouse	3	7	1	0	11
Total	430	727	103	171	1,431

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

Total OPEB Liability – The portion of actuarial present value of projected benefit payments that is attributable to past periods of member service using the Entry Age Normal cost method based on the requirements of GASB 74 and 75.

Net OPEB Liability – The City's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the Net OPEB Liability, an amount actuarially determined in accordance with the parameters of GASB Statement 75. The Net OPEB Liability represents the difference between the Total OPEB Liability and the Plan's Fiduciary Net Position of the Retiree Health Care Benefit Plan. In other words, it is the portion of the OPEB liability that is unfunded (unfunded liability). Previously this was referred to as the unfunded actuarial accrued liability or UAAL.

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2018

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

3. City of Boulder Retiree Health Care Benefit Plan

As of December 31, 2018, the City of Boulder's City Retiree Health Care Benefit Plan had a total OPEB liability of \$6,808,506. Of this amount, \$6,085,549 was related to governmental-type activities and \$722,957 was related to business-type activities.

The following table shows changes in the City's Total OPEB Liability for the measurement period ending on December 31, 2017:

Governmental-Type Activities:

<b>Increase / (Decrease) in Total OPEB Liability</b>	<b>2018</b>
Balance at Beginning of Year	\$5,533,836
Changes for the Year: Service Cost	365,846
Interest on total OPEB liability	218,898
Effect of plan changes	-
Effect of economic/demographic gains or losses	-
Effect of assumption changes or inputs	186,431
Benefit payments	(219,462)
Balance at end of year	\$6,085,549

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2018

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

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

Business-Type Activities:

<b>Increase / (Decrease) in Total OPEB Liability</b>	<b>2018</b>
Balance at Beginning of Year	\$657,414
Changes for the Year: Service Cost	43,462
Interest on total OPEB liability	26,005
Effect of plan changes	-
Effect of economic/demographic gains or losses	-
Effect of assumption changes or inputs	22,148
Benefit payments	(26,072)
Balance at end of year	\$722,957

Sensitivity Analysis – The following presents the Total OPEB Liability of the City, calculated using the discount rate of 3.44%, as well as what the City's Total OPEB Liability would be if were calculated using a discount rate that is 1 percentage point lower (2.44%) or 1 percentage point higher (4.44%) than the current rate:

	1% Decrease (2.44%)	Discount Rate (3.44%)	1% Increase (4.44%)
Total OPEB liability	\$7,464,345	\$6,808,506	\$6,215,153

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2018

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

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

The following presents the Total OPEB Liability of the City, calculated using the current healthcare cost trend rates as well as what the City's Total OPEB Liability would be if were calculated using trend rates that are 1 percentage point lower or 1 percentage point higher than the current trend rates:

	1% Decrease	Current Trend Rate	1% Increase
Total OPEB liability	\$5,979,144	\$6,808,506	\$7,797,529

In 2018, the City of Boulder's City Retiree Health Care Benefit Plan had a total OPEB expense of \$678,464 consisting of \$616,093 for Governmental activities and \$62,371 for Business-type activities. The following table shows the individual components of the expense amount for 2018:

	Governmental Activities	Business-type Activities
Service cost	\$371,681	\$37,627
Interest on total OPEB liability	222,389	22,514
Effect of Plan changes	-	-
Recognition of economic/demographic gains or losses	-	-
Recognition of assumption changes or inputs	22,023	2,230
Administration expense	-	-
OPEB expense	\$616,093	\$62,371

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2018

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

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

As of December 31, 2018, the City's Retiree Health Care Benefit Plan had \$472,949 in deferred outflows/(inflows) of resources as follows:

	<u>Deferred Outflows of Resources</u>	<u>Deferred (Inflows) of Resources</u>
Difference between expected and actual experience	\$ -	\$ -
Changes of assumptions or other inputs	184,326	-
Net difference between projected and actual earnings on OPEB plan investments	-	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	-	-
Contributions subsequent to the measurement date	288,623	-
Total	\$472,949	\$ -

Amounts currently reported as deferred outflows of resources related to OPEB benefits will be recognized in OPEB expense as follows:

<b>Year</b>	<b>PERACare Medicare Plans</b>
2019	\$24,253
2020	24,253
2021	24,253
2022	24,253
2023	24,253
Thereafter	63,061
Total	\$184,326

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2018

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

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

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

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

An actuarial study was prepared at January 1, 2017. It is the plan's policy to have an actuarial study prepared every two years.

The significant actuarial assumptions used in the valuation as of January 1, 2017, included the following:

- Actuarial Cost Method – Projected Unit Credit cost method.
- Amortization Method – Open, level percent of pay over 30 years
- Discount Rate – 3.75% per annum.
- Inflation – 2.5% per annum.
- Wage Growth – 3.0% per annum.
- Administrative Expense – Claims expenses are loaded into claim costs for all health benefits.
- Retirement – Age and service eligibility requirements for PERA (Management and BMEA employees) and City provided pensions (Fire and Police).
- Mortality –
  - Healthy Lives –Pre-retirement - 2014 Healthy Annuitant Mortality Tables adjusted to reflect Mortality Improvement Scale MP-2016.
  - Healthy Lives –Post-retirement - 2014 Healthy Annuitant Mortality Tables adjusted to reflect Mortality Improvement Scale MP-2016
  - Disabled Lives – RP-2014 Disabled Mortality Table.
- Election of Retirement Coverage – All current retired participants are assumed to continue health care coverage. 25% of future eligible retired participants are assumed to participate upon retirement.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2018

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

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

- Probability of Spouse Coverage – 50% of future retirees who elect coverage are assumed to elect spousal coverage upon retirement.
- Lapse Assumption – it is assumed that 100% of all current and future retirees will cease participation in the plan upon the attainment of age 65.
- Health Care Cost Trend – Using the Milliman Adjusted Getzen Model, the trend rate starts at 9.1% for 2017 and varies to a rate of 4.3% in 2077.
- Amortization Period – The unfunded actuarial accrued liability is amortized over 30 years using an open level percent of pay method.

The significant changes in actuarial assumptions and methods as of January 1, 2017 included the following:

- The healthy mortality assumption was updated from RP-2000 Healthy Non-Annuitant Mortality Table projected to 2030 using Scale BB for pre-retirement and RP-2000 Healthy Annuitant Mortality Table projected to 2022 using Scale BB for post-retirement to the RP-2014 Healthy Annuitant Mortality Tables adjusted to reflect Mortality Improvement Scale MP-2016 from the 2006 base year, and projected forward using MP-2016 on a generational basis.
- The disabled mortality assumption was updated from RP-2000 Combined Disabled Mortality Tab to the RP-2014 Disabled Annuitant Mortality Tables adjusted to reflect Mortality Improvement Scale MP-2016 from the 2006 base year and projected forward using MP-2016 on a generational basis.
- The lapse assumption was updated from 67% at age 65 to 100% at age 65 (with some exceptions) to better reflect anticipated plan experience.
- Updated claims and premiums to experience and plan changes.
- The trend assumption was updated using the Milliman Adjusted Getzen Trend Model.

**NOTE X – PLEDGED REVENUES**

**Water and Sewer Revenues Pledged**

The City has pledged future water and sewer customer revenues, net of specified operating expenses, to repay \$109,520,000 in outstanding water and sewer system revenue bonds. Proceeds from the bonds provided financing for the construction of capital assets or refunded other revenue bonds issued for that purpose. The bonds are payable solely from water and sewer net revenues and are payable through 2038. Annual principal and interest payments on the bonds are expected to require approximately 50% of net revenues (as defined by the bond ordinances). The total principal and interest remaining to be paid on the bonds at December 31, 2018 is \$140,417,715. Principal and interest paid for the current year and total customer net revenues were \$11,384,831 and \$24,390,000, respectively.



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2018

**NOTE X – PLEDGED REVENUES (CONTINUED)**

**Stormwater and Flood Management Revenues Pledged**

The City has pledged future stormwater and flood management fund revenues, net of specified operating expenses, to repay \$19,750,000 in outstanding stormwater and flood management revenue bonds. Proceeds from the bonds provided financing for the construction of capital assets or refunded other revenue bonds issued for that purpose. The bonds are payable solely from stormwater and flood management fund revenues and are payable through 2034. Annual principal and interest payments on the bonds are expected to require less than 42% of net revenues (as defined by the bond ordinances). The total principal and interest remaining to be paid on the bonds at December 31, 2018 is \$25,438,550. Principal and interest paid for the current year and total customer net revenues were \$1,970,688 and \$3,852,000, respectively.

**Open Space Sales Tax Revenues Pledged**

The City has pledged future sales and use tax revenues generated by the .88% sales and use tax levies of the Open Space Fund to repay \$10,265,000 in outstanding open space bonds. Proceeds from the bonds provided financing for the acquisition of open space land or refunded other bonds issued for that purpose. The \$10,265,000 of bonds are payable from the Open Space Fund sales tax revenues and are also backed with a pledge of the full faith and credit of the City. These bonds mature through 2034. In 2019, .48% of the total .88% sales tax levy will expire, which will materially decrease pledged revenues. Annual principal and interest payments on the bonds are expected to require less than 39% of pledged sales tax revenues. The total principal and interest remaining to be paid on the bonds at December 31, 2018 is \$12,442,569. Principal and interest paid for the current year and total pledged sales tax revenues were \$4,470,718 and \$32,831,000, respectively.

**Downtown Commercial District Revenues Pledged**

The City has pledged a portion of future sales tax revenues to repay \$3,835,000 in outstanding bonds issued by the City of Boulder Central Area General Improvement District (CAGID), now known as the Downtown Commercial District, to finance an underground parking garage located at 9<sup>th</sup> Street and Canyon Boulevard (TIF bonds). These TIF bonds are payable from the Parking Garage Net Revenues, incremental property tax revenues of the tax increment area and incremental sales and accommodations tax revenues.

The TIF bonds are backed with a pledge of the full faith and credit of CAGID. These bonds mature through 2023. Annual principal and interest payments on the outstanding bonds are expected to require less than 39% of pledged revenues. The total principal and interest remaining to be paid on the bonds at December 31, 2018 is \$4,187,650. Principal and interest paid for the current year and total pledged revenues were \$1,874,250 and \$4,689,000, respectively.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2018

**NOTE X – PLEDGED REVENUES (CONTINUED)**

**Boulder Municipal Property Authority Revenues Pledged**

The Boulder Municipal Property Authority (BMPA) pledged as security for certificates of participation and lease purchase notes (debt) the base rental revenues received from the City's various funds and operations. As of December 31, 2018, BMPA currently has \$46,534,000 in outstanding debt used primarily to provide funding for acquisition of property, land for Parks and Open Space purposes. The City appropriates each year, from various revenue sources, base rental expenses in amounts sufficient to cover the principal and interest requirements on BMPA's debt. In accordance with state statutes, the appropriation by the City is subject to annual renewal at discretion of the City Council. BMPA has pledged, as the sole security for the bonds, the annual base rental revenues received from the City. Total principal and interest remaining on the debt is \$63,737,991 with annual requirements ranging from \$3,976,924 in 2019 to \$490,769 in 2038. The base rental revenues received each year equal the debt service requirements on BMPA's debt, averaging \$3,804,987 over the last 15 years. For the current year, principal and interest incurred by BMPA and the total base rental revenues pledged were \$3,590,281 and \$3,590,281, respectively.

**Trash Tax Revenues**

On August 16, 1994, the City passed the 1994 Ordinance approving the 1994 Election Question which authorized the City to raise its trash tax to a rate not to exceed a maximum per month of \$3.50 for residential customers and a maximum of \$0.85 per cubic yard per month for commercial customers. At a special municipal election held on November 8, 1994, the voters of the City approved the 1994 Election Question authorizing the maximum trash tax rates and authorizing the City under TABOR to issue not to exceed \$6,000,000 of bonds payable from the City's trash tax revenues and additionally secured by the full faith and credit of the City, for the purpose acquisition of interests in land and constructing, operating and maintenance of municipal solid waste recycling and composting facilities. On December 15, 2009, \$6,000,000 in General Obligation Waste Reduction Bonds were issued. As of December 31, 2018, there are currently \$3,710,000 in outstanding Waste Reduction Bonds. Total principal and interest remaining as of December 31, 2018 is \$4,645,900. The bond ordinance requires quarterly transfers of trash haulers tax to cover the current year's debt service. For the current year, principal and interest paid and total pledged revenues were \$421,450 and \$421,450, respectively.

**General Fund Bonds (Capital Improvement Projects)**

The City has pledged any and all legally available funds and revenues of the General Fund of the City, up to the full amount of principal of, interest on and premium, if any, due in each year, for the punctual payment of the principal of, interest on and premium, if any, due in connection with the maturity of or redemption of the Series 2012 Bonds as the same respectively became due and payable. These bonds were issued March 22, 2012 in the amount of \$49,000,000 with a net premium of \$5,829,997. As of December 31, 2018, \$33,270,000 in bonds remain outstanding. The principal and interest remaining to be paid on the bonds at December 31, 2018 is \$43,314,000. Principal and interest paid for the current year and total General Fund pledged revenues were \$3,334,150 and \$3,334,150, respectively.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2018

**NOTE Y – SECURITY FOR CERTIFICATES OF PARTICIPATION**

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

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

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

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

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

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2018

**NOTE Z – DEFERRED INFLOWS AND OUTFLOWS OF RESOURCES**

Deferred inflows and outflows of resources are discussed in Note A 12. As of December 31, 2018, deferred inflows and outflows of resources consisted of the following (in 000's):

Government Wide	Governmental Activities	Business-type Activities	Total
Deferred Outflows - Related to PERA	\$ 20,058	\$ 4,181	\$ 24,239
Deferred Outflows - Old Hire Police Pension	719	-	719
Deferred Outflows - Old Hire Fire Pension	746	-	746
Deferred Outflows - Related to PERA OPEB	1,283	235	1,518
Deferred Outflows - Related to City OPEB	430	43	473
Deferred Outflows - Other	55	1,226	1,281
Total Deferred Outflows	<u>\$ 23,291</u>	<u>\$ 5,685</u>	<u>\$ 28,976</u>
	Governmental Activities	Business-type Activities	Total
Deferred Inflows - Related to PERA	\$ 23,586	\$ 4,343	\$ 27,929
Deferred Inflows - Property Taxes	43,575	1,600	45,175
Deferred Inflows - Related to PERA OPEB	184	34	218
Total Deferred Inflows	<u>\$ 67,345</u>	<u>\$ 5,977</u>	<u>\$ 73,322</u>
	General Fund	Open Space Fund	Trans- portation Fund
Deferred Inflows - Property Taxes	\$ 38,940	\$ -	\$ -
Deferred Inflows - Grants and Other	423	3,242	1,048
Total Deferred Inflows	<u>\$ 39,363</u>	<u>\$ 3,242</u>	<u>\$ 1,048</u>
	Other Governmental Funds	Total	
Deferred Inflows - Property Taxes	\$ 4,635	\$ 43,575	
Deferred Inflows - Grants and Other	254	4,967	
Total Deferred Inflows	<u>\$ 4,889</u>	<u>\$ 48,542</u>	

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2018

**NOTE Z – DEFERRED INFLOWS AND OUTFLOWS OF RESOURCES (CONTINUED)**

Proprietary Funds	Water Utility Fund	Wastewater Utility Fund	Stormwater and Flood Management Fund
Deferred Outflows - Related to PERA Pension	\$ 1,834	\$ 1,273	\$ 626
Deferred Outflows - Related to PERA OPEB	106	65	39
Deferred Outflows - Related to City OPEB	17	13	6
Deferred Outflows - Other	80	1,080	-
Total Deferred Outflows	<u>\$ 2,037</u>	<u>\$ 2,431</u>	<u>\$ 671</u>

Deferred Inflows - Property Taxes	\$ -	\$ -	\$ -
Deferred Inflows - Related to PERA	1,961	1,203	712
Deferred Inflows - Related to PERA OPEB	15	9	6
Total Deferred Inflows	<u>\$ 1,976</u>	<u>\$ 1,212</u>	<u>\$ 718</u>

Proprietary Funds	Downtown Commercial District	Nonmajor Enterprise Funds	Total Enterprise Funds	Total Internal Service Funds
Deferred Outflows - Related to PERA Pension	\$ 376	\$ 72	\$ 4,181	\$ 543
Deferred Outflows - Related to PERA OPEB	22	3	235	33
Deferred Outflows - Related to City OPEB	6	1	43	5
Deferred Outflows - Other	66	-	1,226	57
Total Deferred Outflows	<u>\$ 470</u>	<u>\$ 76</u>	<u>\$ 5,685</u>	<u>\$ 638</u>

Deferred Inflows - Property Taxes	\$ 1,295	\$ 305	\$ 1,600	\$ -
Deferred Inflows - Related to PERA	402	65	4,343	607
Deferred Inflows - Related to PERA OPEB	3	1	34	5
Total Deferred Inflows	<u>\$ 1,700</u>	<u>\$ 371</u>	<u>\$ 5,977</u>	<u>\$ 612</u>

**NOTE AA – TAX ABATEMENTS**

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2018

**NOTE AA – TAX ABATEMENTS (CONTINUED)**

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

For the fiscal year ended December 31, 2018, the City abated taxes and fees totaling \$55,073 under this program, including the following rebate payments that each exceeded 15 percent of the total amount abated:

- A \$34,575 rebate payment for a scientific instrument and manufacturing company that is developing an environmental safety program, supports local education, is expanding their facilities and increasing employment.
- A \$15,000 rebate payment for a non-profit organization that promotes sustainable business practices, use of public transit, fair employee compensation, and reductions in energy usage.

**NOTE AB – SUBSEQUENT EVENTS**

On January 20, 2019 the City issued City of Boulder, Colorado, Community Culture and Safety (CCS) Sales and Use Tax Revenue Notes (Capital Improvement Projects), Series 2019, in the aggregate principal amount of \$4,556,250 – Series A (tax-exempt) and \$3,543,750 – Series B (taxable). The purpose of the debt was to provide funds to acquire land to be used for the relocation of Fire Station #3. The debt proceeds were used to purchase property at 2751 and 2875 30<sup>th</sup> St. to relocate Fire Station #3, currently located at 1585 30<sup>th</sup> St. The acquisition cost of the land was \$9,000,000, with the difference financed by CCS funding.

**NOTE AC – CHANGE IN ACCOUNTING PRINCIPLES**

For the year ended December 31, 2018, the City adopted GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (OPEB)*. The Governmental Accounting Standards Board (GASB) released new accounting standards for OPEB and participating employers in 2015. This standard, GASB Statement No. 75, has substantially revised the accounting requirements previously mandated under GASB Statements No. 43 and 45. The most notable change is that the Annual Required Contribution (ARC) has been eliminated and the Net OPEB Liability will be an item on the City's financial statement rather than a footnote entry.

GASB 75 governs the specifics of accounting for public OPEB plan obligations for participating employers and was required to be implemented for employer fiscal years beginning after June 15, 2017. GASB 75 requires a liability for OPEB obligations, known as the Net OPEB Liability (Total Liability for unfunded plans), to be recognized on the balance sheets of participating employers. Changes in the Net OPEB Liability will be immediately recognized as OPEB Expense on the Statement of Activities or reported as deferred inflows/outflows of resources depending on the nature of the change.

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## REQUIRED SUPPLEMENTARY INFORMATION



## CITY OF BOULDER, COLORADO

Required Supplementary InformationSchedule of Changes in Net Pension Liability  
and Related Ratios

## Old Hire Police Pension Fund

Fiscal Year Ending December 31,

Last Ten Fiscal Years\*

	2018	2017	2016	2015	2014
Total Pension Liability					
Interest on total pension liability	\$ 971,375	\$ 998,989	\$ 1,042,311	\$ 1,068,529	\$ 1,097,208
Effect of economic/demographic (gains) or losses	(189,498)	(57,785)	1,820,754	9,185	7,180
Benefit payments	(1,364,000)	(1,368,000)	(1,411,000)	(1,443,000)	(1,529,000)
Net change in total pension liability	(582,123)	(426,796)	1,452,065	(365,286)	(424,612)
Total pension liability, beginning	15,615,490	16,042,286	14,590,221	14,955,507	15,380,119
Total pension liability, ending (a)	<u>\$ 15,033,367</u>	<u>\$ 15,615,490</u>	<u>\$ 16,042,286</u>	<u>\$ 14,590,221</u>	<u>\$ 14,955,507</u>
Fiduciary Net Position					
Employer contributions	\$ 377,000	\$ 314,000	\$ 314,000	\$ 304,000	\$ 305,000
Member contributions	-	-	-	-	1,000
Investment income net of investment expenses	(432,000)	1,588,000	937,000	(228,000)	635,000
Benefit payments	(1,364,000)	(1,368,000)	(1,411,000)	(1,443,000)	(1,529,000)
Administrative expenses	(8,000)	-	(10,000)	(13,000)	(14,000)
Net change in plan fiduciary net position	(1,427,000)	534,000	(170,000)	(1,380,000)	(602,000)
Fiduciary net position, beginning	12,814,000	12,280,000	12,450,000	13,830,000	14,432,000
Fiduciary net position, ending (b)	<u>\$ 11,387,000</u>	<u>\$ 12,814,000</u>	<u>\$ 12,280,000</u>	<u>\$ 12,450,000</u>	<u>\$ 13,830,000</u>
Net pension liability, ending (a) - (b)	<u>\$ 3,646,367</u>	<u>\$ 2,801,490</u>	<u>\$ 3,762,286</u>	<u>\$ 2,140,221</u>	<u>\$ 1,125,507</u>
Fiduciary net position as a % of total pension liability	75.74%	82.06%	76.55%	85.33%	92.47%
Covered payroll	N/A	N/A	N/A	N/A	N/A
Net pension liability as a % of covered payroll	N/A	N/A	N/A	N/A	N/A

## Note to Schedule:

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

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

CITY OF BOULDER, COLORADO

Required Supplementary Information

Schedule of Employer Contributions

Old Hire Police Pension Fund

Fiscal Year Ending December 31	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contribution as a % of Covered Payroll
2009	\$ 403,366	\$ 471,000	\$ (67,634)	\$ 184,130	255.80%
2010	661,414	5,985,000	(5,323,586)	124,228	4817.75%
2011	188,544	152,000	36,544	129,818	117.09%
2012	219,204	222,000	(2,796)	130,326	170.34%
2013	237,055	222,000	15,055	35,965	617.27%
2014	181,916	305,000	(123,084)	N/A	N/A
2015	181,916	304,000	(122,084)	N/A	N/A
2016	314,204	314,000	204	N/A	N/A
2017	314,204	314,000	204	N/A	N/A
2018	282,778	377,000	(94,222)	N/A	N/A

Note to Schedule:

Full actuarial valuations are performed biannually on even years. Covered payroll data shown for 2009 is based on the prior year's amount.

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

CITY OF BOULDER, COLORADO

Required Supplementary Information

Schedule of Investment Returns

Old Hire Police Pension Fund

Last Ten Fiscal Years\*

<u>Fiscal Year Ending December 31,</u>	<u>Net Annual Money-Weighted Rate of Return</u>
2014	4.59%
2015	-1.72%
2016	7.86%
2017	13.52%
2018	-3.50%

Note to Schedule:

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

## CITY OF BOULDER, COLORADO

Required Supplementary InformationSchedule of Changes in Net Pension Liability  
and Related Ratios

## Old Hire Fire Pension Fund

Fiscal Year Ending December 31,

Last Ten Fiscal Years\*

	2018	2017	2016	2015	2014
Total Pension Liability					
Interest on total pension liability	\$ 648,210	\$ 673,854	\$ 761,693	\$ 789,618	\$ 831,605
Effect of economic/demographic (gains) or losses	(13,251)	(37,670)	510,898	(69,656)	(48,180)
Benefit payments	<u>(1,017,000)</u>	<u>(1,044,000)</u>	<u>(1,076,000)</u>	<u>(1,108,000)</u>	<u>(1,542,000)</u>
Net change in total pension liability	(382,041)	(407,816)	196,591	(388,038)	(758,575)
Total pension liability, beginning	10,472,959	10,880,775	10,684,184	11,072,222	11,831,797
Total pension liability, ending (a)	<u>\$ 10,090,918</u>	<u>\$ 10,472,959</u>	<u>\$ 10,880,775</u>	<u>\$ 10,684,184</u>	<u>\$ 11,073,222</u>
Fiduciary Net Position					
Employer contributions	\$ 222,000	\$ 173,000	\$ 173,000	\$ 64,000	\$ 64,000
Member contributions	-	-	-	-	1,000
Investment income net of investment expenses	(459,000)	1,191,000	562,000	(183,000)	334,000
Benefit payments	(1,017,000)	(1,044,000)	(1,076,000)	(1,108,000)	(1,542,000)
Administrative expenses	<u>(4,000)</u>	<u>-</u>	<u>(10,000)</u>	<u>(15,000)</u>	<u>(11,000)</u>
Net change in plan fiduciary net position	(1,258,000)	320,000	(351,000)	(1,242,000)	(1,154,000)
Fiduciary net position, beginning	9,791,000	9,471,000	9,822,000	11,064,000	12,218,000
Fiduciary net position, ending (b)	<u>\$ 8,533,000</u>	<u>\$ 9,791,000</u>	<u>\$ 9,471,000</u>	<u>\$ 9,822,000</u>	<u>\$ 11,064,000</u>
Net pension liability, ending (a) - (b)	<u>\$ 1,557,918</u>	<u>\$ 681,959</u>	<u>\$ 1,409,775</u>	<u>\$ 862,184</u>	<u>\$ 9,222</u>
Fiduciary net position as a % of total pension liability	84.56%	93.49%	87.04%	91.93%	99.92%
Covered payroll	N/A	N/A	N/A	N/A	N/A
Net pension liability as a % of covered payroll	N/A	N/A	N/A	N/A	N/A

## Note to Schedule:

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

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

CITY OF BOULDER, COLORADO

Required Supplementary Information

Schedule of Employer Contributions

Old Hire Fire Pension Fund

Fiscal Year Ending December 31	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contribution as a % of Covered Payroll
2009	\$ 197,099	\$ 315,000	\$ (117,901)	\$ 161,644	194.87%
2010	497,098	3,874,000	(3,376,902)	N/A	N/A
2011	60,510	104,000	(43,490)	N/A	N/A
2012	156,888	162,000	(5,112)	N/A	N/A
2013	97,999	159,000	(61,001)	N/A	N/A
2014	-	64,000	(64,000)	N/A	N/A
2015	-	64,000	(64,000)	N/A	N/A
2016	172,790	173,000	(210)	N/A	N/A
2017	172,790	173,000	(210)	N/A	N/A
2018	87,766	222,000	(134,234)	N/A	N/A

Note to Schedule:

Full actuarial valuations are performed biannually on even years. Covered payroll data shown for 2009 is based on the prior year's amount.

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

CITY OF BOULDER, COLORADO

Required Supplementary Information

Schedule of Investment Returns

Old Hire Fire Pension Fund

Last Ten Fiscal Years\*

<u>Fiscal Year Ending December 31,</u>	<u>Net Annual Money-Weighted Rate of Return</u>
2014	2.90%
2015	-1.74%
2016	6.01%
2017	13.18%
2018	-4.88%

Note to Schedule:

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

## CITY OF BOULDER, COLORADO

Required Supplementary Information

## Notes to Required Supplementary Information

## Actuarial Assumptions

	"Old Hire" Police Defined Benefit Plan (See Note U)	"Old Hire" Fire Defined Benefit Plan (See Note U)	City of Boulder Retiree Health Care Benefit Plan (See Note W)
Actuarial valuation date	1/1/2018	1/1/2018	1/1/2017
Actuarial cost method	Entry age normal	Entry age normal	Projected unit credit
Amortization method	Open - Based on Expected Lifetime	Open - Based on Expected Lifetime	Open level percent of pay
Remaining amortization period	14 years	11 years	30 years
Asset valuation method	3-year smoothing	market value of assets	NA - nonfunded plan
Investment rate of return	6.5%	6.5%	NA - nonfunded plan
Inflation rate	2.50%	2.50%	2.5%
Salary increases	Not applicable	Not applicable	3.0%
Administrative Expense	NA	NA	Claims expenses are loaded into claims costs for all health benefits.
Retirement age	NA - no actives	NA - no actives	Age and service eligibility requirements for PERA (Management and BMEA employees) and city provided pensions (Fire and Police)
Retiree mortality	RP-2014 Healthy Annuitant Mortality	RP-2014 Healthy Annuitant Mortality	Healthy lives use the RP-2014 Healthy Annuitant Mortality Tables. Disabled Lives use the RP-2014 Disabled Mortality Table.
Election of retirement coverage	NA	NA	25% of future eligible retired participants are assumed to participate upon retirement if they retire before age 65. After 65, they are assumed to decline coverage.
Probability of spouse coverage	NA	NA	50% of future retirees who elect coverage are assumed to elect spousal coverage upon retirement
Minimum death benefit	\$515 per payperiod	\$515 per payperiod	NA
First class firefighter salary	\$3,115 per payperiod	\$3,115 per payperiod	NA
Marriage rates	Actual for retirees	Actual for retirees	NA
Health care cost trend	NA	NA	Using the Getzen Model, the trend rate starts at 9.1% for 2017 and trends downward to a rate of 4.2% in 2097.
Form of payment	Normal payment method	Normal payment method	NA

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

First class firefighter salary	Increased from \$3,032 to \$3,115 per pay period	Increased from \$3,032 to \$3,115 per pay period	Updated to reflect highest negotiated rate.
Investment earnings assumption	NA	NA	Updated to better reflect anticipated plan experience
Retiree mortality tables	NA	NA	Updated tables to Healthy Annuitant and Disabled Annuitant tables to better reflect anticipated plan experience.

CITY OF BOULDER, COLORADO  
Required Supplementary Information  
Schedule of the City's Proportionate Share of the  
Colorado Public Employees' Retirement Association Net Pension Liability  
Fiscal Year Ending December 31,

	Last Ten Fiscal Years*				
	2018*	2017*	2016*	2015*	2014*
City's proportion (percentage) of the collective net pension liability	12.8934904132%	12.3021746194%	12.3421455967%	11.9715197388%	11.9276751932%
City's proportionate share of the collective net pension liability	\$ 143,559,990	\$ 166,121,308	\$ 135,958,731	\$ 107,299,000	\$ 98,155,000
Covered payroll	\$ 78,333,659	\$ 74,487,487	\$ 68,099,369	\$ 65,598,580	\$ 64,077,750
City's proportionate share of the net pension liability as a percentage of its covered payroll	183.27%	223.02%	199.65%	163.57%	153.18%
Plan fiduciary net position as a percentage of the total pension liability	79.37%	73.65%	76.90%	80.70%	77.70%

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



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

	Last Ten Fiscal Years*				
	2018	2017	2016	2015	2014
Statutorily required contributions	\$ 10,364,132	\$ 9,932,708	\$ 9,445,013	\$ 8,635,000	\$ 8,317,900
Contributions in relation to the statutorily required contributions	10,364,132	9,932,708	9,445,013	8,635,000	8,317,900
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 81,736,054	\$ 78,333,659	\$ 74,487,487	\$ 68,099,369	\$ 65,598,580
Contribution as a percentage of covered payroll	12.68%	12.68%	12.68%	12.68%	12.68%

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

CITY OF BOULDER, COLORADO  
Required Supplementary Information  
Schedule of the City's Proportionate Share of the  
Colorado Public Employees' Retirement Association Health Care Trust Fund Liability  
Fiscal Year Ending December 31,

	Last Ten Fiscal Years*	
	2018*	2017*
City's proportion (percentage) of the collective net Health Care Trust Fund liability	0.9992691192%	0.9417482789%
City's proportionate share of the collective net Health Care Trust Fund liability	\$ 12,986,501	\$ 12,210,087
Covered payroll	\$ 78,333,659	\$ 74,487,487
City's proportionate share of the net Health Care Trust Fund liability as a percentage of its covered payroll	16.58%	16.39%
Plan fiduciary net position as a percentage of the total Health Care Trust Fund liability	17.53%	16.72%

\* The amounts presented for each fiscal year were determined as of December 31 based on the measurement date of the Plan. Information earlier than 2017 was not available.

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

	2018	2017
Statutorily required contributions	\$ 833,708	\$ 799,003
Contributions in relation to the statutorily required contributions	833,708	799,003
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 81,736,054	\$ 78,333,659
Contribution as a percentage of covered payroll	1.02%	1.02%

\* The amounts presented for each fiscal year were determined as of December 31. Information earlier than 2017 was not available.

CITY OF BOULDER, COLORADO

Required Supplementary Information

Schedule of Changes in Total OPEB Liability  
and Related Ratios

OPEB Liability - City of Boulder Retiree Health Care Benefit Plan

Fiscal Year Ending December 31,

Last Ten Fiscal Years\*

	2018	2017
Total OPEB Liability - City		
Service cost	\$ 409,308	N/A
Interest on total OPEB liability	244,903	N/A
Effect of plan changes	-	
Effect of economic/demographic gains of losses	-	N/A
Effect of assumption changes or inputs	208,579	
Benefit payments	(245,534)	N/A
Net change in total OPEB Liability - City	617,256	N/A
Total OPEB liability - City, beginning	6,191,250	N/A
Total OPEB liability - City, ending	<u>\$ 6,808,506</u>	<u>\$ 6,191,250</u>
Covered payroll	N/A	N/A
Total OPEB liability as a % of covered payroll	N/A	N/A

\* Information before 2017 was not available.

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## GENERAL FUND DETAILS

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

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

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

## CITY OF BOULDER, COLORADO

## Combining Balance Sheet

General Fund

December 31, 2018

(Amounts in 000's)

Assets	Core General <u>Fund</u>	Community Hsg Asst Prgr <u>Fund</u>	Total General <u>Fund</u>
Equity in pooled cash and			
cash equivalents	\$ 4,443	\$ 1	\$ 4,444
Investments	52,089	986	53,075
Receivables:			
General property taxes	36,259	2,898	39,157
Sales and use taxes	7,802	-	7,802
Accounts	1,639	-	1,639
Accrued interest	217	21	238
Intergovernmental	155	-	155
Other	1	-	1
Total receivables	46,073	2,919	48,992
Due from other funds	1,721	-	1,721
Inventory of materials and supplies	6	-	6
Restricted assets:			
Investments for special purposes	705	-	705
Total restricted assets	705	-	705
Other assets	42	-	42
Total assets	105,079	3,906	108,985
Total assets	\$ 105,079	\$ 3,906	\$ 108,985



<u>Liabilities, Deferred Inflows of Resources and Fund</u> <u>Balance</u>	Core General <u>Fund</u>	Community Hsg Asst Prgm <u>Fund</u>	Total General <u>Fund</u>
Liabilities:			
Accounts and accrued liabilities:			
Vouchers and accounts payable	\$ 3,919	\$ 4	\$ 3,923
Contracts and retainage payable	5	-	5
Accrued salaries, wages and amounts withheld from employees	3,454	17	3,471
Advances from other funds	806	-	806
Other liabilities	361	-	361
Unearned revenue	441	-	441
Total liabilities	<u>8,986</u>	<u>21</u>	<u>9,007</u>
Deferred inflows of resources	<u>36,465</u>	<u>2,898</u>	<u>39,363</u>
Fund balances:			
Nonspendable:			
Prepaid	42	-	42
Inventory	6	-	6
Restricted:			
Legally restricted	4,560	-	4,560
Capital projects	539	-	539
Donor restrictions	93	-	93
Assigned:			
Special purposes	3,920	987	4,907
Contractual obligations	2,142	-	2,142
Unassigned	48,326	-	48,326
Total fund balances	<u>59,628</u>	<u>987</u>	<u>60,615</u>
Total liabilities, deferred inflows of resources and fund balances	\$ <u>105,079</u>	\$ <u>3,906</u>	\$ <u>108,985</u>

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CITY OF BOULDER, COLORADO

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

General Fund

Year ended December 31, 2018  
(Amounts in 000's)

	Core General <u>Fund</u>	Community Hsg Asst Prgm <u>Fund</u>	Total General <u>Fund</u>
Revenues:			
Taxes:			
Sales and use taxes	\$ 64,573	\$ -	\$ 64,573
General property taxes	35,903	2,886	38,789
Accommodations taxes	10,024	-	10,024
Franchise & occupation taxes	14,805	-	14,805
Specific ownership & tobacco taxes	2,455	-	2,455
Excise taxes	933	55	988
Charges for services	4,866	3	4,869
Sale of goods	108	328	436
Licenses, permits and fines	6,694	-	6,694
Intergovernmental	1,938	3	1,941
Leases, rents and royalties	185	-	185
Interest and investment earnings	867	58	925
Other	1,357	-	1,357
Total revenues	<u>144,708</u>	<u>3,333</u>	<u>148,041</u>
Expenditures:			
Current:			
General Government	24,745	-	24,745
Administrative Services	7,678	-	7,678
Public Safety	58,619	-	58,619
Public Works	9,081	-	9,081
Planning & Development Services	4,033	-	4,033
Culture and Recreation	13,098	-	13,098
Open Space and Mountain Parks	82	-	82
Housing and Human Services	8,380	4,523	12,903
Debt service payments:			
Principal	2,850	-	2,850
Interest	1,950	-	1,950
Total expenditures	<u>130,516</u>	<u>4,523</u>	<u>135,039</u>
Excess (deficiency) of revenues over (under) expenditures	<u>14,192</u>	<u>(1,190)</u>	<u>13,002</u>
Other financing sources (uses):			
Capital Lease Financing	2,750	-	2,750
Transfers in	749	-	749
Transfers out	(8,335)	(7)	(8,342)
Total other financing sources (uses)	<u>(4,836)</u>	<u>(7)</u>	<u>(4,843)</u>
Net change in fund balances	9,356	(1,197)	8,159
Fund balances, beginning of year	<u>50,272</u>	<u>2,184</u>	<u>52,456</u>
Fund balances, end of year	\$ <u><u>59,628</u></u>	\$ <u><u>987</u></u>	\$ <u><u>60,615</u></u>

## CITY OF BOULDER, COLORADO

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

Year ended December 31, 2018

(Amounts in 000's)

	Budgeted amounts		Actual	Variance with
	<u>Original</u>	<u>Final</u>	<u>amounts</u>	final budget - Positive (Negative)
Revenues:				
Taxes:				
Sales and use taxes	\$ 59,577	\$ 59,577	\$ 62,808	\$ 3,231
General property taxes	36,557	36,557	35,903	(654)
Accommodations taxes	8,877	8,877	10,024	1,147
Franchise & occupation taxes	9,022	15,099	14,763	(336)
Specific ownership & tobacco taxes	2,356	2,356	2,455	99
Excise taxes	1,300	1,300	933	(367)
Charges for services	5,038	5,068	4,866	(202)
Sale of goods	70	80	108	28
Licenses, permits and fines	6,494	6,494	6,694	200
Intergovernmental	1,992	2,652	1,928	(724)
Leases, rents and royalties	633	752	185	(567)
Interest and investment earnings	400	400	851	451
Other	611	884	1,362	478
Total revenues	<u>132,927</u>	<u>140,096</u>	<u>142,880</u>	<u>2,784</u>
Expenditures:				
Current:				
General Government	17,227	26,338	17,839	8,499
Administrative Services	17,229	19,275	14,510	4,765
Public Safety	56,898	58,527	57,996	531
Public Works	6,801	9,111	9,130	(19)
Planning & Development Services	2,868	4,416	4,352	64
Culture and Recreation	13,083	13,890	12,964	926
Open Space and Mountain Parks	27	27	26	1
Housing and Human Services	8,582	10,114	8,491	1,623
Debt service payments:				
Principal	2,610	3,332	2,850	482
Interest	1,832	1,832	1,913	(81)
Total expenditures	<u>127,157</u>	<u>146,862</u>	<u>130,071</u>	<u>16,791</u>
Excess (deficiency) of revenues over (under) expenditures	<u>5,770</u>	<u>(6,766)</u>	<u>12,809</u>	<u>19,575</u>

	Budgeted amounts		Actual	Variance with
	<u>Original</u>	<u>Final</u>	<u>amounts</u>	final budget - Positive (Negative)
Other financing sources (uses):				
Capital Lease Financing	-	-	-	-
Transfers in	28	750	750	-
Transfers out	<u>(8,640)</u>	<u>(9,618)</u>	<u>(8,573)</u>	<u>1,045</u>
Total other financing sources (uses)	<u>(8,612)</u>	<u>(8,868)</u>	<u>(7,823)</u>	<u>1,045</u>
Net change in fund balance	\$ <u><u>(2,842)</u></u>	\$ <u><u>(15,634)</u></u>	4,986	\$ <u><u>20,620</u></u>
Encumbrances, end of year			2,681	
Fund balance, beginning of year, basis of budgeting			<u>56,583</u>	
Fund balance, end of year, basis of budgeting			64,250	
Basis of budgeting to GAAP basis reconciliation:				
Fair market value adjustment to investments			(178)	
Accrued salaries, wages and amounts withheld from employees			(3,609)	
Purchase of land - Financed			2,750	
Capital Lease Financing			(2,750)	
Deferred inflows			(29)	
Advances from other funds			<u>(806)</u>	
Fund balance, end of year, GAAP basis			\$ <u><u>59,628</u></u>	

## CITY OF BOULDER, COLORADO

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

Year ended December 31, 2018

(Amounts in 000's)

	Budgeted amounts		Actual	Variance with
	<u>Original</u>	<u>Final</u>	<u>amounts</u>	final budget - Positive (Negative)
Revenues:				
Taxes:				
General property taxes	\$ 2,991	\$ 2,991	\$ 2,886	\$ (105)
Excise taxes	150	150	55	(95)
Charges for services	4	4	5	1
Sale of goods and capital assets	-	-	328	328
Licenses, permits and fines	-	-	-	-
Intergovernmental	-	10	3	(7)
Interest and investment earnings	2	2	40	38
Total revenues	<u>3,147</u>	<u>3,157</u>	<u>3,317</u>	<u>160</u>
Expenditures:				
Current:				
Housing and Human Services	<u>3,311</u>	<u>5,335</u>	<u>4,525</u>	<u>810</u>
Total expenditures	<u>3,311</u>	<u>5,335</u>	<u>4,525</u>	<u>810</u>
Excess (deficiency) of revenues over (under) expenditures	(164)	(2,178)	(1,208)	970
Other financing uses:				
Transfers out	<u>(7)</u>	<u>(7)</u>	<u>(7)</u>	<u>-</u>
Total other financing sources (uses)	<u>(7)</u>	<u>(7)</u>	<u>(7)</u>	<u>-</u>
Net change in fund balance	\$ <u><u>(171)</u></u>	\$ <u><u>(2,185)</u></u>	(1,215)	\$ <u><u>970</u></u>
Encumbrances, end of year			2	
Fund balance, beginning of year, basis of budgeting			<u>2,234</u>	
Fund balance, end of year, basis of budgeting			<u>1,021</u>	
Basis of budgeting to GAAP basis reconciliation:				
Fair market value adjustment to investments			(17)	
Accrued salaries, wages and amounts withheld from employees			<u>(17)</u>	
Fund balance, end of year, GAAP basis			\$ <u><u>987</u></u>	

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## NONMAJOR SPECIAL REVENUE FUNDS

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

Sugar-Sweetened Beverage Tax Fund – to account for earmarked taxes authorized by voters in 2016 to support health and general wellness programs and chronic disease prevention.

### NONMAJOR CAPITAL PROJECT FUNDS

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

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

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

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

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

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

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## CITY OF BOULDER, COLORADO

## Combining Balance Sheet

Nonmajor Governmental Funds

December 31, 2018

(Amounts in 000's)

<u>Assets and Deferred Outflows of Resources</u>	<u>Special Revenue</u>	<u>Capital Project</u>	<u>Total</u>
Equity in pooled cash and cash equivalents	\$ 2,092	\$ 2,492	\$ 4,584
Investments	55,577	16,822	72,399
Receivables:			
General property taxes	1,374	3,261	4,635
Sales and use taxes	1,325	1,159	2,484
Accounts	515	-	515
Accrued interest	221	39	260
Intergovernmental	1,839	140	1,979
Total receivables	5,274	4,599	9,873
Inventory of materials and supplies	50	-	50
Restricted assets:			
Investments for special purposes	485	-	485
Investments for capital projects	-	30	30
Total restricted assets	485	30	515
Other assets	15	-	15
 Total assets and deferred outflows of resources	 \$ 63,493	 \$ 23,943	 \$ 87,436
 <u>Liabilities, Deferred Inflows of Resources and Fund Balances</u>			
Liabilities:			
Accounts and accrued liabilities:			
Vouchers and accounts payable	\$ 1,586	\$ 1,506	\$ 3,092
Contracts and retainage payable	37	241	278
Accrued salaries, wages and amounts withheld from employees	800	42	842
Due to other funds	1,721	-	1,721
Other liabilities	1,071	-	1,071
Unearned revenue	55	-	55
Total liabilities	5,270	1,789	7,059
Deferred inflows of resources:			
Property tax	1,374	3,261	4,635
Grants and other deferrals	112	142	254
Total Deferred inflow of resources	1,486	3,403	4,889
Fund balances:			
Nonspendable:			
Prepaid/receivable	15	-	15
Inventory	50	-	50
Restricted:			
Legally restricted	14,574	-	14,574
Capital projects	-	15,385	15,385
Development fees	6,481	-	6,481
Lottery funds	2,697	-	2,697
Donor restrictions	430	-	430
Committed:			
Affordable housing	7,820	-	7,820
Transportation projects	3,398	-	3,398
Assigned:			
Special purposes	21,272	3,366	24,638
Total fund balances	56,737	18,751	75,488
Total liabilities, deferred inflows of resources and fund balances	\$ 63,493	\$ 23,943	\$ 87,436

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## CITY OF BOULDER, COLORADO

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

Nonmajor Governmental Funds

Year ended December 31, 2018

(Amounts in 000's)

	Special <u>Revenue</u>	Capital <u>Project</u>	<u>Total</u>
Revenues:			
Taxes:			
Sales and use taxes	\$ 9,254	\$ 11,982	\$ 21,236
General property taxes	1,663	3,248	4,911
Franchise & occupation taxes	1,774	-	1,774
Specific own & tobacco taxes	8	-	8
Excise taxes	5,177	1,321	6,498
Charges for services	18,366	-	18,366
Sale of goods	186	-	186
License, permits and fines	8,853	-	8,853
Intergovernmental	4,384	2	4,386
Leases, rents and royalties	2,473	-	2,473
Interest and investment earnings	744	190	934
Other	935	422	1,357
Total revenues	<u>53,817</u>	<u>17,165</u>	<u>70,982</u>
Expenditures:			
Current:			
General Government	237	-	237
Energy Strategy	38	-	38
Public Safety	2	-	2
Public Works	4,772	1,259	6,031
Planning & Development Services	13,562	-	13,562
Culture and Recreation	19,605	1,295	20,900
Housing and Human Services	16,525	-	16,525
Capital outlay	-	10,298	10,298
Total expenditures	<u>54,741</u>	<u>12,852</u>	<u>67,593</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(924)</u>	<u>4,313</u>	<u>3,389</u>
Other financing sources (uses):			
Transfers in	6,297	39	6,336
Transfers out	<u>(14)</u>	<u>(46)</u>	<u>(60)</u>
Total other financing sources (uses)	<u>6,283</u>	<u>(7)</u>	<u>6,276</u>
Net change in fund balances	5,359	4,306	9,665
Fund balances, beginning of year	<u>51,378</u>	<u>14,445</u>	<u>65,823</u>
Fund balances, beginning of year, as restated	<u>51,378</u>	<u>14,445</u>	<u>65,823</u>
Fund balances, end of year	<u>\$ 56,737</u>	<u>\$ 18,751</u>	<u>\$ 75,488</u>

## CITY OF BOULDER, COLORADO

## Combining Balance Sheet

Nonmajor Special Revenue Funds

December 31, 2018

(Amounts in 000's)

<u>Assets and Deferred Outflows of Resources</u>	<u>Capital Development Fund</u>	<u>Lottery Fund</u>	<u>Planning &amp; Development Services Fund</u>	<u>Affordable Housing Fund</u>	<u>.25 Cent Sales Tax Fund</u>	<u>Library Fund</u>	<u>Recreation Activity Fund</u>
Equity in pooled cash and cash equivalents	\$ 115	\$ 196	\$ 40	\$ 340	\$ 203	\$ 325	\$ 44
Investments	12,771	2,515	11,461	7,660	6,330	203	1,685
Receivables:							
General property taxes	-	-	-	-	-	1,206	-
Sales and use taxes	-	-	-	-	966	-	-
Accounts	-	-	51	1	-	-	38
Accrued interest	32	9	46	81	15	2	11
Intergovernmental	-	-	3	-	39	-	1
Total receivables	32	9	100	82	1,020	1,208	50
Inventory of materials and supplies	-	-	-	-	-	-	50
Restricted assets:							
Investments for special purposes	-	-	-	-	4	480	1
Total restricted assets	-	-	-	-	4	480	1
Other assets	-	-	15	-	-	-	-
Total assets	12,918	2,720	11,616	8,082	7,557	2,216	1,830
Total assets and deferred outflows of resources	\$ 12,918	\$ 2,720	\$ 11,616	\$ 8,082	\$ 7,557	\$ 2,216	\$ 1,830
<u>Liabilities, Deferred Inflows of Resources and Fund Balances</u>							
Liabilities:							
Accounts and accrued liabilities:							
Vouchers and accounts payable	\$ -	\$ 23	\$ 183	\$ 205	\$ 233	\$ 104	\$ 131
Contracts and retainage payable	3	-	1	-	14	-	-
Accrued salaries, wages and amounts withheld from employees	-	-	378	29	134	3	240
Due to other funds	-	-	-	-	-	-	-
Other liabilities	-	-	964	28	76	-	-
Unearned revenue	-	-	-	-	10	-	45
Total liabilities	3	23	1,526	262	467	107	416
Deferred inflows of resources:							
Property tax	-	-	-	-	-	1,206	-
Grants and other deferrals	-	-	46	-	41	-	1
Total deferred inflows of resources	-	-	46	-	41	1,206	1
Fund balances:							
Nonspendable:							
Prepaid/Receivable	-	-	15	-	-	-	-
Inventory	-	-	-	-	-	-	50
Restricted:							
Legally restricted	-	-	3	-	6,797	-	-
Development fees	6,481	-	-	-	-	-	-
Lottery funds	-	2,697	-	-	-	-	-
Donor restrictions	-	-	-	-	252	114	64
Committed:							
Affordable housing	-	-	-	7,820	-	-	-
Transportation projects	-	-	-	-	-	-	-
Assigned:							
Special purposes	6,434	-	10,026	-	-	789	1,299
Total fund balances	12,915	2,697	10,044	7,820	7,049	903	1,413
Total liabilities, deferred inflows from resources and fund balances	\$ 12,918	\$ 2,720	\$ 11,616	\$ 8,082	\$ 7,557	\$ 2,216	\$ 1,830

(continued)

Climate Action Plan Tax Fund	Airport Fund	Trans- portation Development Fund	Transit Pass General Improvement District	Boulder Junction Access GID - TDM	Sugar Tax Fund	Community Development Fund	HOME Fund	Total
\$ 378	\$ 52	\$ 170	\$ 26	\$ 154	\$ 49	\$ -	\$ -	\$ 2,092
1,233	1,909	5,873	(2)	132	3,800	2	5	55,577
-	-	-	11	157	-	-	-	1,374
-	-	-	-	-	359	-	-	1,325
149	137	-	-	139	-	-	-	515
7	2	16	-	-	-	-	-	221
2	-	-	-	-	-	111	1,683	1,839
158	139	16	11	296	359	111	1,683	5,274
-	-	-	-	-	-	-	-	50
-	-	-	-	-	-	-	-	485
-	-	-	-	-	-	-	-	485
-	-	-	-	-	-	-	-	15
1,769	2,100	6,059	35	582	4,208	113	1,688	63,493
<u>\$ 1,769</u>	<u>\$ 2,100</u>	<u>\$ 6,059</u>	<u>\$ 35</u>	<u>\$ 582</u>	<u>\$ 4,208</u>	<u>\$ 113</u>	<u>\$ 1,688</u>	<u>\$ 63,493</u>
\$ 156	\$ 96	\$ 366	\$ -	\$ -	\$ 21	\$ 62	\$ 6	\$ 1,586
-	-	19	-	-	-	-	-	37
2	1	1	-	-	-	8	4	800
-	-	-	-	-	-	43	1,678	1,721
-	3	-	-	-	-	-	-	1,071
-	-	-	-	-	-	-	-	55
158	100	386	-	-	21	113	1,688	5,270
-	-	-	11	157	-	-	-	1,374
2	22	-	-	-	-	-	-	112
2	22	-	11	157	-	-	-	1,486
-	-	-	-	-	-	-	-	15
-	-	-	-	-	-	-	-	50
1,609	1,978	-	-	-	4,187	-	-	14,574
-	-	-	-	-	-	-	-	6,481
-	-	-	-	-	-	-	-	2,697
-	-	-	-	-	-	-	-	430
-	-	-	-	-	-	-	-	7,820
-	-	3,398	-	-	-	-	-	3,398
-	-	2,275	24	425	-	-	-	21,272
1,609	1,978	5,673	24	425	4,187	-	-	56,737
<u>\$ 1,769</u>	<u>\$ 2,100</u>	<u>\$ 6,059</u>	<u>\$ 35</u>	<u>\$ 582</u>	<u>\$ 4,208</u>	<u>\$ 113</u>	<u>\$ 1,688</u>	<u>\$ 63,493</u>

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## CITY OF BOULDER, COLORADO

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

Nonmajor Special Revenue Funds

Year ended December 31, 2018

(Amounts in 000's)

	Capital Development <u>Fund</u>	Lottery <u>Fund</u>	Planning & Development Services <u>Fund</u>	Affordable Housing <u>Fund</u>
Revenues:				
Taxes:				
Sales, use and other taxes	\$ -	\$ -	\$ -	\$ -
General property taxes	-	-	-	-
Accommodations taxes	-	-	-	-
Franchise & occupation taxes	-	-	-	-
Specific ownership & tobacco taxes	-	-	-	-
Excise taxes	-	-	-	-
Charges for services	525	-	1,828	9,262
Sale of goods	-	-	-	-
Licenses, permits and fines	-	-	8,617	-
Intergovernmental	-	1,091	2	741
Leases, rents and royalties	-	-	-	471
Interest and investment earnings	169	52	168	129
Other	-	-	1	222
Total revenues	<u>694</u>	<u>1,143</u>	<u>10,616</u>	<u>10,825</u>
Expenditures:				
Current:				
General Government	-	-	-	-
Energy Strategy	-	-	-	-
Public Safety	-	-	-	-
Public Works	231	1,446	-	-
Planning & Development Services	-	-	13,562	-
Culture and Recreation	-	281	-	-
Open Space and Mountain Parks	-	-	-	-
Housing and Human Services	-	-	-	11,618
Total expenditures	<u>231</u>	<u>1,727</u>	<u>13,562</u>	<u>11,618</u>
Excess (deficiency) of revenues over (under) expenditures	<u>463</u>	<u>(584)</u>	<u>(2,946)</u>	<u>(793)</u>
Other financing sources (uses):				
Transfers in	-	-	3,563	1,083
Transfers out	<u>(7)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>(7)</u>	<u>-</u>	<u>3,563</u>	<u>1,083</u>
Net change in fund balances	456	(584)	617	290
Fund balances, beginning of year	<u>12,459</u>	<u>3,281</u>	<u>9,427</u>	<u>7,530</u>
Fund balances, end of year	<u>\$ 12,915</u>	<u>\$ 2,697</u>	<u>\$ 10,044</u>	<u>\$ 7,820</u>

## CITY OF BOULDER, COLORADO

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

Nonmajor Special Revenue Funds

Year ended December 31, 2018

(Amounts in 000's)

	<u>.25 Cent Sales Tax Fund</u>	<u>Library Fund</u>	<u>Recreation Activity Fund</u>	<u>Climate Action Plan Tax Fund</u>	<u>Airport Fund</u>	<u>Trans- portation Development Fund</u>
Revenues:						
Taxes:						
Sales and use taxes	\$ 9,254	\$ -	\$ -	\$ -	\$ -	\$ -
General property taxes	-	1,201	-	-	-	-
Accommodations taxes	-	-	-	-	-	-
Franchise & occupation taxes	-	-	-	1,774	-	-
Specific ownership & tobacco taxes	-	-	-	-	-	-
Excise taxes	-	-	-	-	-	309
Charges for services	1	-	6,725	-	17	8
Sale of goods	9	-	177	-	-	-
Licenses, permits and fines	28	-	208	-	-	-
Intergovernmental	4	-	1	-	-	-
Leases, rents and royalties	-	-	1,378	-	623	-
Interest and investment earnings	68	-	31	18	23	86
Other	139	297	276	-	-	-
Total revenues	<u>9,503</u>	<u>1,498</u>	<u>8,796</u>	<u>1,792</u>	<u>663</u>	<u>403</u>
Expenditures:						
Current:						
General Government	-	-	-	-	-	-
Energy Strategy	-	-	-	-	-	-
Public Safety	-	-	-	2	-	-
Public Works	459	-	-	1,669	501	455
Planning & Development Services	-	-	-	-	-	-
Culture and Recreation	7,091	1,331	10,902	-	-	-
Open Space and Mountain Parks	-	-	-	-	-	-
Housing and Human Services	-	-	-	-	-	-
Total expenditures	<u>7,550</u>	<u>1,331</u>	<u>10,902</u>	<u>1,671</u>	<u>501</u>	<u>455</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,953</u>	<u>167</u>	<u>(2,106)</u>	<u>121</u>	<u>162</u>	<u>(52)</u>
Other financing sources (uses):						
Transfers in	-	-	1,646	-	-	-
Transfers out	-	-	-	-	-	(7)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>1,646</u>	<u>-</u>	<u>-</u>	<u>(7)</u>
Net change in fund balances	1,953	167	(460)	121	162	(59)
Fund balances, beginning of year	<u>5,096</u>	<u>736</u>	<u>1,873</u>	<u>1,488</u>	<u>1,816</u>	<u>5,732</u>
Fund balances, end of year	<u>\$ 7,049</u>	<u>\$ 903</u>	<u>\$ 1,413</u>	<u>\$ 1,609</u>	<u>\$ 1,978</u>	<u>\$ 5,673</u>

Transit Pass General Improvement District	Boulder Junction Access GID- TDM	Sugar- Sweetened Beverage Tax Fund	Community Development Fund	HOME Fund	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,254
10	452	-	-	-	1,663
-	-	-	-	-	-
-	-	-	-	-	1,774
1	7	-	-	-	8
-	-	4,868	-	-	5,177
-	-	-	-	-	18,366
-	-	-	-	-	186
-	-	-	-	-	8,853
-	-	-	584	1,961	4,384
-	1	-	-	-	2,473
-	-	-	-	-	744
-	-	-	-	-	935
<u>11</u>	<u>460</u>	<u>4,868</u>	<u>584</u>	<u>1,961</u>	<u>53,817</u>
-	237	-	-	-	237
-	-	38	-	-	38
-	-	-	-	-	2
11	-	-	-	-	4,772
-	-	-	-	-	13,562
-	-	-	-	-	19,605
-	-	-	-	-	-
-	-	2,362	584	1,961	16,525
<u>11</u>	<u>237</u>	<u>2,400</u>	<u>584</u>	<u>1,961</u>	<u>54,741</u>
-	223	2,468	-	-	(924)
5	-	-	-	-	6,297
-	-	-	-	-	(14)
<u>5</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,283</u>
5	223	2,468	-	-	5,359
<u>19</u>	<u>202</u>	<u>1,719</u>	<u>-</u>	<u>-</u>	<u>51,378</u>
<u>\$ 24</u>	<u>\$ 425</u>	<u>\$ 4,187</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 56,737</u>

## CITY OF BOULDER, COLORADO

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

Year ended December 31, 2018

(Amounts in 000's)

	<u>Budgeted amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>amounts</u>	<u>final budget -</u>
				<u>Positive</u>
				<u>(Negative)</u>
Revenues:				
Taxes:				
Excise taxes	\$ 8	\$ 8	\$ -	\$ (8)
Charges for services	1,766	1,766	525	(1,241)
Interest and investment earnings	37	37	177	140
Other	-	-	-	-
Total revenues	<u>1,811</u>	<u>1,811</u>	<u>702</u>	<u>(1,109)</u>
Expenditures:				
Current:				
Public Works	<u>5,659</u>	<u>5,978</u>	<u>317</u>	<u>5,661</u>
Total expenditures	<u>5,659</u>	<u>5,978</u>	<u>317</u>	<u>5,661</u>
Excess (deficiency) of revenues				
over (under) expenditures	(3,848)	(4,167)	385	4,552
Other financing uses:				
Transfers in	811	811	-	(811)
Transfers out	<u>(7)</u>	<u>(7)</u>	<u>(7)</u>	<u>-</u>
Total other financing sources (uses)	<u>804</u>	<u>804</u>	<u>(7)</u>	<u>(811)</u>
Net change in fund balance	\$ <u><u>(3,044)</u></u>	\$ <u><u>(3,363)</u></u>	378	\$ <u><u>3,741</u></u>
Encumbrances, end of year			86	
Fund balance, beginning of year, basis of budgeting			<u>12,532</u>	
Fund balance, end of year, basis of budgeting			<u>12,996</u>	
Basis of budgeting to GAAP basis reconciliation:				
Fair market value adjustment to investments			<u>(81)</u>	
Fund balance, end of year, GAAP basis			\$ <u><u>12,915</u></u>	

## CITY OF BOULDER, COLORADO

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

Year ended December 31, 2018

(Amounts in 000's)

	Budgeted amounts		Actual	Variance with
	<u>Original</u>	<u>Final</u>	<u>amounts</u>	final budget - Positive (Negative)
Revenues:				
Intergovernmental	\$ 999	\$ 999	\$ 1,091	\$ 92
Interest and investment earnings	8	8	55	47
Other	-	-	-	-
Total revenues	<u>1,007</u>	<u>1,007</u>	<u>1,146</u>	<u>139</u>
Expenditures:				
Current:				
Public Works	151	1,331	-	1,331
Culture and Recreation	428	837	352	485
Open Space and Mountain Parks	428	2,028	1,492	536
Total expenditures	<u>1,007</u>	<u>4,196</u>	<u>1,844</u>	<u>2,352</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>(3,189)</u>	<u>(698)</u>	<u>2,491</u>
Net change in fund balance	\$ <u>-</u>	\$ <u>(3,189)</u>	(698)	\$ <u>2,491</u>
Encumbrances, end of year			114	
Fund balance, beginning of year, basis of budgeting			<u>3,305</u>	
Fund balance, end of year, basis of budgeting			2,721	
Basis of budgeting to GAAP basis reconciliation:				
Fair market value adjustment to investments			(24)	
Accrued salaries, wages and amounts withheld from employees			<u>-</u>	
Fund balance, end of year, GAAP basis			\$ <u>2,697</u>	

## CITY OF BOULDER, COLORADO

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

Year ended December 31, 2018

(Amounts in 000's)

	Budgeted amounts		Actual	Variance with
	<u>Original</u>	<u>Final</u>	<u>amounts</u>	final budget - Positive (Negative)
Revenues:				
Charges for services	\$ 1,805	\$ 1,805	\$ 1,855	\$ 50
Sale of goods	4	4	-	(4)
Licenses, permits and fines	6,594	6,594	8,624	2,030
Intergovernmental	-	1	2	1
Interest and investment earnings	77	77	164	87
Other	-	-	1	1
Total revenues	<u>8,480</u>	<u>8,481</u>	<u>10,646</u>	<u>2,165</u>
Expenditures:				
Current:				
Planning & Development Services	<u>13,064</u>	<u>14,878</u>	<u>14,103</u>	<u>775</u>
Total expenditures	<u>13,064</u>	<u>14,878</u>	<u>14,103</u>	<u>775</u>
Excess (deficiency) of revenues over (under) expenditures	(4,584)	(6,397)	(3,457)	2,940
Other financing sources (uses):				
Transfers in	<u>3,679</u>	<u>3,679</u>	<u>3,563</u>	<u>(116)</u>
Total other financing sources (uses)	<u>3,679</u>	<u>3,679</u>	<u>3,563</u>	<u>(116)</u>
Net change in fund balance	\$ <u>(905)</u>	\$ <u>(2,718)</u>	106	\$ <u>2,824</u>
Encumbrances, end of year			620	
Fund balance, beginning of year, basis of budgeting			<u>9,768</u>	
Fund balance, end of year, basis of budgeting			10,494	
Basis of budgeting to GAAP basis reconciliation:				
Fair market value adjustment to investments			(71)	
Unearned revenue			-	
Accrued salaries, wages and amounts withheld from employees			<u>(379)</u>	
Fund balance, end of year, GAAP basis			\$ <u>10,044</u>	

## CITY OF BOULDER, COLORADO

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

Year ended December 31, 2018

(Amounts in 000's)

	Budgeted amounts		Actual	Variance with
	<u>Original</u>	<u>Final</u>	<u>amounts</u>	final budget - Positive (Negative)
Revenues:				
Taxes:				
Charges for services	\$ 9,683	\$ 9,683	\$ 9,262	\$ (421)
Intergovernmental	-	740	741	1
Leases, rents and royalties	403	403	471	68
Interest and investment earnings	20	20	126	106
Other	-	-	222	222
Total revenues	<u>10,106</u>	<u>10,846</u>	<u>10,822</u>	<u>(24)</u>
Expenditures:				
Current:				
Housing and Human Services	<u>5,462</u>	<u>14,231</u>	<u>11,628</u>	<u>2,603</u>
Total expenditures	<u>5,462</u>	<u>14,231</u>	<u>11,628</u>	<u>2,603</u>
Excess (deficiency) of revenues over (under) expenditures	4,644	(3,385)	(806)	2,579
Other financing sources (uses):				
Transfers in	<u>240</u>	<u>1,102</u>	<u>1,083</u>	<u>(19)</u>
Total other financing sources (uses)	<u>240</u>	<u>1,102</u>	<u>1,083</u>	<u>(19)</u>
Net change in fund balance	\$ <u>4,884</u>	\$ <u>(2,283)</u>	277	\$ <u>2,560</u>
Encumbrances, end of year			11	
Fund balance, beginning of year, basis of budgeting			<u>7,616</u>	
Fund balance, end of year, basis of budgeting			<u>7,904</u>	
Basis of budgeting to GAAP basis reconciliation:				
Fair market value adjustment to investments			(55)	
Accrued salaries, wages and amounts withheld from employees			<u>(29)</u>	
Fund balance, end of year, GAAP basis			\$ <u>7,820</u>	

## CITY OF BOULDER, COLORADO

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
(Budgetary Basis).25 Cent Sales Tax Fund

Year ended December 31, 2018

(Amounts in 000's)

	Budgeted amounts		Actual	Variance with
	<u>Original</u>	<u>Final</u>	<u>amounts</u>	final budget - Positive (Negative)
Revenues:				
Taxes:				
Sales and use taxes	\$ 8,490	\$ 8,490	\$ 8,991	\$ 501
Charges for services	-	-	1	1
Sale of goods and capital assets	-	-	9	9
Licenses, permits and fines	-	-	28	28
Intergovernmental	-	53	4	(49)
Interest and investment earnings	20	20	73	53
Other	75	130	139	9
Total revenues	<u>8,585</u>	<u>8,693</u>	<u>9,245</u>	<u>552</u>
Expenditures:				
Current:				
Public Works	450	461	459	2
Culture and Recreation	<u>10,036</u>	<u>12,673</u>	<u>7,751</u>	<u>4,922</u>
Total expenditures	<u>10,486</u>	<u>13,134</u>	<u>8,210</u>	<u>4,924</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,901)</u>	<u>(4,441)</u>	<u>1,035</u>	<u>5,476</u>
Net change in fund balance	\$ <u>(1,901)</u>	\$ <u>(4,441)</u>	1,035	\$ <u>5,476</u>
Encumbrances, end of year			669	
Fund balance, beginning of year, basis of budgeting			<u>5,524</u>	
Fund balance, end of year, basis of budgeting			7,228	
Basis of budgeting to GAAP basis reconciliation:				
Unearned revenue			(10)	
Fair market value adjustment to investments			(35)	
Accrued salaries, wages and amounts withheld from employees			<u>(134)</u>	
Fund balance, end of year, GAAP basis			\$ <u>7,049</u>	



## CITY OF BOULDER, COLORADO

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

Year ended December 31, 2018

(Amounts in 000's)

	Budgeted amounts		Actual	Variance with
	<u>Original</u>	<u>Final</u>	<u>amounts</u>	final budget - Positive (Negative)
Revenues:				
Taxes:				
General property taxes	\$ 1,243	\$ 1,252	\$ 1,201	\$ (51)
Intergovernmental	-	27	-	(27)
Other	<u>342</u>	<u>516</u>	<u>297</u>	<u>(219)</u>
Total revenues	1,585	1,795	1,498	(297)
Expenditures:				
Current:				
Culture and Recreation	<u>1,414</u>	<u>1,637</u>	<u>1,369</u>	<u>268</u>
Total expenditures	<u>1,414</u>	<u>1,637</u>	<u>1,369</u>	<u>268</u>
Excess (deficiency) of revenues over (under) expenditures	171	158	129	(29)
Other financing sources:				
Transfers in	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	\$ <u>171</u>	\$ <u>158</u>	129	\$ <u>(29)</u>
Encumbrances, end of year			38	
Fund balance, beginning of year, basis of budgeting			<u>721</u>	
Fund balance, end of year, basis of budgeting			888	
Basis of budgeting to GAAP basis reconciliation:				
Fair market value adjustment to investments			18	
Accrued salaries, wages and amounts withheld from employees			<u>(3)</u>	
Fund balance, end of year, GAAP basis			\$ <u>903</u>	

## CITY OF BOULDER, COLORADO

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

Year ended December 31, 2018

(Amounts in 000's)

	Budgeted amounts		Actual	Variance with
	<u>Original</u>	<u>Final</u>	<u>amounts</u>	final budget - Positive (Negative)
Revenues:				
Charges for services	\$ 7,547	\$ 7,547	\$ 6,725	\$ (822)
Sale of goods	173	173	177	4
Licenses, permits and fines	180	180	208	28
Intergovernmental	-	17	1	(16)
Leases, rents and royalties	1,518	1,518	1,378	(140)
Interest and investment earnings	-	-	30	30
Other	29	248	276	28
Total revenues	9,447	9,683	8,795	(888)
Expenditures:				
Current:				
Culture and Recreation	11,259	11,594	10,881	713
Total expenditures	11,259	11,594	10,881	713
Excess (deficiency) of revenues over (under) expenditures	(1,812)	(1,911)	(2,086)	(175)
Other financing sources (uses):				
Transfers in	1,666	1,666	1,646	(20)
Total other financing sources (uses)	1,666	1,666	1,646	(20)
Net change in fund balance	\$ <u>(146)</u>	\$ <u>(245)</u>	(440)	\$ <u>(195)</u>
Encumbrances, end of year			6	
Fund balance, beginning of year, basis of budgeting			2,103	
Fund balance, end of year, basis of budgeting			1,669	
Basis of budgeting to GAAP basis reconciliation:				
Fair market value adjustment to investments			(16)	
Accrued salaries, wages and amounts withheld from employees			(240)	
Fund balance, end of year, GAAP basis			\$ <u>1,413</u>	

## CITY OF BOULDER, COLORADO

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

Year ended December 31, 2018

(Amounts in 000's)

	Budgeted amounts		Actual	Variance with
	<u>Original</u>	<u>Final</u>	<u>amounts</u>	final budget -
				Positive
				(Negative)
Revenues:				
Taxes:				
Franchise & occupation taxes	\$ 1,814	\$ 1,814	\$ 1,774	\$ (40)
Interest and investment earnings	2	2	18	16
Total revenues	<u>1,816</u>	<u>1,816</u>	<u>1,792</u>	<u>(24)</u>
Expenditures:				
Current:				
Energy Strategy			-	-
Planning & Development Services	<u>1,819</u>	<u>3,118</u>	<u>2,574</u>	<u>544</u>
Total expenditures	<u>1,819</u>	<u>3,118</u>	<u>2,574</u>	<u>544</u>
Excess (deficiency) of revenues				
over (under) expenditures	<u>(3)</u>	<u>(1,302)</u>	<u>(782)</u>	<u>520</u>
Net change in fund balance	\$ <u>(3)</u>	\$ <u>(1,302)</u>	(782)	\$ <u>520</u>
Encumbrances, end of year			893	
Fund balance, beginning of year, basis of budgeting			<u>1,509</u>	
Fund balance, end of year, basis of budgeting			<u>1,620</u>	
Basis of budgeting to GAAP basis reconciliation:				
Fair market value adjustment to investments			(9)	
Accrued salaries, wages and amounts				
withheld from employees			<u>(2)</u>	
Fund balance, end of year, GAAP basis			\$ <u>1,609</u>	

## CITY OF BOULDER, COLORADO

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

Year ended December 31, 2018

(Amounts in 000's)

	Budgeted amounts		Actual	Variance with
	<u>Original</u>	<u>Final</u>	<u>amounts</u>	final budget - Positive (Negative)
Revenues:				
Taxes:				
Charges for services	\$ 12	\$ 12	\$ 17	\$ 5
Sale of goods	-	-	-	-
Licenses, permits and fines	-	-	-	-
Intergovernmental	360	360	-	(360)
Leases, rents and royalties	594	594	629	35
Interest and investment earnings	29	29	23	(6)
Total revenues	<u>995</u>	<u>995</u>	<u>669</u>	<u>(326)</u>
Expenditures:				
Current:				
Public Works	<u>834</u>	<u>987</u>	<u>780</u>	<u>207</u>
Total expenditures	<u>834</u>	<u>987</u>	<u>780</u>	<u>207</u>
Excess (deficiency) of revenues over (under) expenditures	<u>161</u>	<u>8</u>	<u>(111)</u>	<u>(119)</u>
Net change in fund balance	\$ <u><u>161</u></u>	\$ <u><u>8</u></u>	(111)	\$ <u><u>(119)</u></u>
Encumbrances, end of year			273	
Fund balance, beginning of year, basis of budgeting			<u>1,825</u>	
Fund balance, end of year, basis of budgeting			<u>1,987</u>	
Basis of budgeting to GAAP basis reconciliation:				
Fair market value adjustment to investments			(11)	
Accrued salaries, wages and amounts withheld from employees			(1)	
Unearned revenue			<u>3</u>	
Fund balance, end of year, GAAP basis			\$ <u><u>1,978</u></u>	

## CITY OF BOULDER, COLORADO

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

Year ended December 31, 2018

(Amounts in 000's)

	Budgeted amounts		Actual	Variance with
	<u>Original</u>	<u>Final</u>	<u>amounts</u>	final budget - Positive (Negative)
Revenues:				
Taxes:				
Excise taxes	\$ 918	\$ 918	\$ 309	\$ (609)
Charges for services	122	122	8	(114)
Interest and investment earnings	31	31	93	62
Other	<u>100</u>	<u>100</u>	<u>-</u>	<u>(100)</u>
Total revenues	1,171	1,171	410	(761)
Expenditures:				
Current:				
Public Works	<u>2,485</u>	<u>5,356</u>	<u>481</u>	<u>4,875</u>
Total expenditures	<u>2,485</u>	<u>5,356</u>	<u>481</u>	<u>4,875</u>
Excess (deficiency) of revenues over (under) expenditures	(1,314)	(4,185)	(71)	4,114
Other financing uses:				
Transfers out	<u>(7)</u>	<u>(7)</u>	<u>(7)</u>	<u>-</u>
Total other financing sources (uses)	<u>(7)</u>	<u>(7)</u>	<u>(7)</u>	<u>-</u>
Net change in fund balance	\$ <u>(1,321)</u>	\$ <u>(4,192)</u>	(78)	\$ <u>4,114</u>
Encumbrances, end of year			26	
Fund balance, beginning of year, basis of budgeting			<u>5,764</u>	
Fund balance, end of year, basis of budgeting			5,712	
Basis of budgeting to GAAP basis reconciliation:				
Fair market value adjustment to investments			(38)	
Accrued salaries, wages and amounts withheld from employees			<u>(1)</u>	
Fund balance, end of year, GAAP basis			\$ <u>5,673</u>	

## CITY OF BOULDER, COLORADO

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
(Budgetary Basis)Transit Pass General Improvement District

Year ended December 31, 2018

(Amounts in 000's)

	<u>Budgeted amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>amounts</u>	<u>final budget -</u>
				<u>Positive</u>
				<u>(Negative)</u>
Revenues:				
Taxes:				
General property taxes	\$ 10	\$ 10	\$ 10	\$ -
Specific ownership & tobacco taxes	-	-	1	1
Total revenues	<u>10</u>	<u>10</u>	<u>11</u>	<u>1</u>
Expenditures:				
Current:				
Public Works	16	16	11	5
Total expenditures	<u>16</u>	<u>16</u>	<u>11</u>	<u>5</u>
Excess (deficiency) of revenues				
over (under) expenditures	(6)	(6)	-	6
Other financing sources -				
Transfers in	5	5	5	-
Total other financing sources (uses)	<u>5</u>	<u>5</u>	<u>5</u>	<u>-</u>
Net change in fund balance	\$ <u>(1)</u>	\$ <u>(1)</u>	5	\$ <u>6</u>
Fund balance, beginning of year, basis of budgeting			<u>19</u>	
Fund balance, end of year, GAAP basis			\$ <u>24</u>	

## CITY OF BOULDER, COLORADO

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
(Budgetary Basis)Boulder Junction Access GID - TDM

Year ended December 31, 2018

(Amounts in 000's)

	Budgeted amounts		Actual	Variance with
	<u>Original</u>	<u>Final</u>	<u>amounts</u>	final budget - Positive (Negative)
Revenues:				
Taxes:				
General property taxes	\$ 634	\$ 634	\$ 452	\$ (182)
Specific ownership & tobacco taxes	15	15	7	(8)
Interest and investment earnings	<u>3</u>	<u>3</u>	<u>1</u>	<u>(2)</u>
Total revenues	<u>652</u>	<u>652</u>	<u>460</u>	<u>(192)</u>
Expenditures:				
Current:				
General Government	<u>430</u>	<u>439</u>	<u>255</u>	<u>184</u>
Total expenditures	<u>430</u>	<u>439</u>	<u>255</u>	<u>184</u>
Excess (deficiency) of revenues over (under) expenditures	<u>222</u>	<u>213</u>	<u>205</u>	<u>(8)</u>
 Net change in fund balance	 \$ <u>222</u>	 \$ <u>213</u>	 205	 \$ <u>(8)</u>
Encumbrances, end of year			18	
Fund balance, beginning of year, basis of budgeting			<u>202</u>	
Fund balance, end of year, GAAP basis			\$ <u>425</u>	

CITY OF BOULDER, COLORADO

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

Sugar-Sweetened Beverage Distribution Tax Fund

Year ended December 31, 2018

(Amounts in 000's)

	Budgeted amounts		Actual	Variance with
	<u>Original</u>	<u>Final</u>	<u>amounts</u>	final budget - Positive <u>(Negative)</u>
Revenues:				
Taxes:				
Excise taxes	\$ 1,500	\$ 3,800	\$ 4,868	\$ 1,068
Total revenues	<u>1,500</u>	<u>3,800</u>	<u>4,868</u>	<u>1,068</u>
Expenditures:				
Current:				
Administrative Services	52	52	38	14
Housing and Human Services	<u>1,448</u>	<u>4,870</u>	<u>2,382</u>	<u>2,488</u>
Total expenditures	<u>1,500</u>	<u>4,922</u>	<u>2,420</u>	<u>2,502</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(1,122)</u>	<u>2,448</u>	<u>3,570</u>
Net change in fund balance	\$ <u>-</u>	\$ <u>(1,122)</u>	2,448	\$ <u>3,570</u>
Encumbrances, end of year			20	
Fund balance, beginning of year, basis of budgeting			<u>1,719</u>	
Fund balance, end of year, GAAP basis			\$ <u>4,187</u>	



## CITY OF BOULDER, COLORADO

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

Year ended December 31, 2018

(Amounts in 000's)

	<u>Budgeted amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>amounts</u>	<u>final budget -</u>
				<u>Positive</u>
				<u>(Negative)</u>
Revenues:				
Intergovernmental	\$ 656	\$ 1,412	\$ 741	\$ (671)
Total revenues	656	1,412	741	(671)
Expenditures:				
Current:				
Housing and Human Services	656	1,412	741	671
Total expenditures	656	1,412	741	671
Excess (deficiency) of revenues				
over (under) expenditures	-	-	-	-
Net change in fund balance	\$ -	\$ -	-	\$ -
Fund balance, beginning of year, basis of budgeting			-	
Fund balance, end of year, basis of budgeting			-	
Basis of budgeting to GAAP basis reconciliation				
Accrued salaries, wages and amounts withheld from employees			(8)	
Grant receivable			8	
Fund balance, end of year, GAAP basis			\$ -	

## CITY OF BOULDER, COLORADO

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

Year ended December 31, 2018

(Amounts in 000's)

	Budgeted amounts		Actual	Variance with
	<u>Original</u>	<u>Final</u>	<u>amounts</u>	final budget - Positive (Negative)
Revenues:				
Intergovernmental	\$ 809	\$ 3,662	\$ 1,957	\$ (1,705)
Total revenues	<u>809</u>	<u>3,662</u>	<u>1,957</u>	<u>(1,705)</u>
Expenditures:				
Current:				
Housing and Human Services	<u>809</u>	<u>3,665</u>	<u>1,957</u>	<u>1,708</u>
Total expenditures	<u>809</u>	<u>3,665</u>	<u>1,957</u>	<u>1,708</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(3)</u>	<u>-</u>	<u>3</u>
Net change in fund balance	\$ <u>-</u>	\$ <u>(3)</u>	-	\$ <u>3</u>
Encumbrances, end of year			-	
Fund balance, beginning of year, basis of budgeting			<u>-</u>	
Fund balance, end of year, basis of budgeting			-	
Accrued salaries, wages and amounts withheld from employees			(4)	
Grant receivable			<u>4</u>	
Fund balance, end of year, GAAP basis			\$ <u>-</u>	

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## CITY OF BOULDER, COLORADO

## Combining Balance Sheet

Nonmajor Capital Project Funds

December 31, 2018

(Amounts in 000's)

<u>Assets and Deferred Outflows of Resources</u>	Permanent Parks and Recreation Fund	Fire Training Center Construction Fund	Boulder Junction Improvement Fund	2011 Capital Improvement Fund	Capital Improvement CCS Fund	Total
Equity in pooled cash and cash equivalents	\$ 1,895	\$ -	\$ 537	\$ 58	\$ 2	\$ 2,492
Investments	3,382	4	3,685	568	9,183	16,822
Receivables:						
General property taxes	3,261	-	-	-	-	3,261
Sales and use taxes	-	-	-	-	1,159	1,159
Accounts	-	-	-	-	-	-
Accrued interest	7	-	14	18	-	39
Intergovernmental	140	-	-	-	-	140
Total receivables	3,408	-	14	18	1,159	4,599
Investments for capital projects	-	-	-	30	-	30
Total restricted assets	-	-	-	30	-	30
Other Assets	-	-	-	-	-	-
Total assets	8,685	4	4,236	674	10,344	23,943
Total assets and deferred outflows of resources	\$ 8,685	\$ 4	\$ 4,236	\$ 674	\$ 10,344	\$ 23,943
<u>Liabilities, Deferred Inflows of Resources and Fund Balance</u>						
Liabilities:						
Accounts and accrued liabilities:						
Vouchers and accounts payable	\$ 30	\$ -	\$ 836	\$ -	\$ 640	\$ 1,506
Contracts and retainage payable	-	-	36	-	205	241
Accrued salaries, wages and amounts withheld from employees	30	-	2	-	10	42
Total liabilities	60	-	874	-	855	1,789
Deferred inflows of resources:						
Property tax	3,261	-	-	-	-	3,261
Grants and other deferrals	142	-	-	-	-	142
Deferred inflows of resources	3,403	-	-	-	-	3,403
Fund balances:						
Nonspendable						
Prepaid/receivable	-	-	-	-	-	-
Restricted:						
Capital projects	5,222	-	-	674	9,489	15,385
Assigned:						
Special purposes	-	4	3,362	-	-	3,366
Total fund balances	5,222	4	3,362	674	9,489	18,751
Total liabilities, deferred inflows of resources and fund balances	\$ 8,685	\$ 4	\$ 4,236	\$ 674	\$ 10,344	\$ 23,943

## CITY OF BOULDER, COLORADO

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

Nonmajor Capital Project Funds

Year ended December 31, 2018

(Amounts in 000's)

	Permanent Parks and Recreation <u>Fund</u>	Fire Training Center Construction <u>Fund</u>	Boulder Junction Improvement <u>Fund</u>	2011 Capital Improvement <u>Fund</u>	Capital Improvement CCS Fund	<u>Total</u>
Revenues:						
Taxes:						
Sales and use taxes	\$ -	\$ -	\$ 790	\$ -	\$ 11,192	\$ 11,982
General property taxes	3,248	-	-	-	-	3,248
Excise taxes	24	-	1,297	-	-	1,321
Intergovernmental	2	-	-	-	-	2
Interest and investment earnings	40	-	19	34	97	190
Other	6	-	416	-	-	422
Total revenues	<u>3,320</u>	<u>-</u>	<u>2,522</u>	<u>34</u>	<u>11,289</u>	<u>17,165</u>
Expenditures:						
Current:						
Capital Outlay	-	-	-	1,183	9,115	10,298
Culture and Recreation	1,295	-	-	-	-	1,295
Public Works	-	-	1,259	-	-	1,259
Total expenditures	<u>1,295</u>	<u>-</u>	<u>1,259</u>	<u>1,183</u>	<u>9,115</u>	<u>12,852</u>
Excess (deficiency) of revenues over (under) expenditures	2,025	-	1,263	(1,149)	2,174	4,313
Other financing sources (uses)						
Transfers in	39	-	-	-	-	39
Transfers out	(7)	-	(39)	-	-	(46)
Total other financing sources (uses)	<u>32</u>	<u>-</u>	<u>(39)</u>	<u>-</u>	<u>-</u>	<u>(7)</u>
Net change in fund balances	<u>2,057</u>	<u>-</u>	<u>1,224</u>	<u>(1,149)</u>	<u>2,174</u>	<u>4,306</u>
Fund balances, beginning of year	<u>3,165</u>	<u>4</u>	<u>2,138</u>	<u>1,823</u>	<u>7,315</u>	<u>14,445</u>
Fund balances, end of year	<u>\$ 5,222</u>	<u>\$ 4</u>	<u>\$ 3,362</u>	<u>\$ 674</u>	<u>\$ 9,489</u>	<u>\$ 18,751</u>

## CITY OF BOULDER, COLORADO

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

Year ended December 31, 2018

(Amounts in 000's)

	Budgeted amounts		Actual	Variance with
	Original	Final	amounts	final budget - Positive (Negative)
Revenues:				
Taxes:				
General property taxes	\$ 3,340	\$ 3,340	\$ 3,248	\$ (92)
Excise taxes	-	-	24	24
Intergovernmental	-	-	2	2
Interest and investment earnings	15	15	49	34
Other	-	-	6	6
Total revenues	<u>3,355</u>	<u>3,355</u>	<u>3,329</u>	<u>(26)</u>
Expenditures:				
Culture and Recreation	<u>4,291</u>	<u>4,920</u>	<u>1,397</u>	<u>3,523</u>
Total expenditures	<u>4,291</u>	<u>4,920</u>	<u>1,397</u>	<u>3,523</u>
Excess (deficiency) of revenues over (under) expenditures	(936)	(1,565)	1,932	3,497
Other financing sources (uses)				
Transfers in	-	39	39	-
Transfers out	<u>(7)</u>	<u>(7)</u>	<u>(7)</u>	<u>-</u>
Total other financing sources (uses)	<u>(7)</u>	<u>32</u>	<u>32</u>	<u>-</u>
Net change in fund balance	\$ <u>(943)</u>	\$ <u>(1,533)</u>	1,964	\$ <u>3,497</u>
Encumbrances, end of year			102	
Fund balance, beginning of year, basis of budgeting			<u>3,210</u>	
Fund balance, end of year, basis of budgeting			<u>5,276</u>	
Basis of budgeting to GAAP basis reconciliation:				
Fair market value adjustment to investments			(24)	
Accrued salaries, wages and amounts withheld from employees			<u>(30)</u>	
Fund balance, end of year, GAAP basis			\$ <u>5,222</u>	

## CITY OF BOULDER, COLORADO

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

Year ended December 31, 2018

(Amounts in 000's)

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

## CITY OF BOULDER, COLORADO

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

Year ended December 31, 2018

(Amounts in 000's)

	Budgeted amounts		Actual	Variance with
	Original	Final	amounts	final budget - Positive (Negative)
Revenues:				
Taxes:				
Sales and use taxes	\$ 1,073	\$ 1,073	\$ 790	\$ (283)
Excise taxes	138	138	1,297	1,159
Charges for services	135	135	-	(135)
Interest and investment earnings	2	2	29	27
Other	-	416	416	-
Total revenues	<u>1,348</u>	<u>1,764</u>	<u>2,532</u>	<u>768</u>
Expenditures:				
Culture and Recreation	350	700	-	700
Public Works	-	1,655	1,713	(58)
Total expenditures	<u>350</u>	<u>2,355</u>	<u>1,713</u>	<u>642</u>
Excess (deficiency) of revenues over (under) expenditures	<u>998</u>	<u>(591)</u>	<u>819</u>	<u>1,410</u>
Other financing sources (uses)				
Transfers out	-	(39)	(39)	-
Total other financing sources (uses)	<u>-</u>	<u>(39)</u>	<u>(39)</u>	<u>-</u>
Net change in fund balance	\$ <u>998</u>	\$ <u>(630)</u>	780	\$ <u>1,410</u>
Encumbrances, end of year			455	
Fund balance, beginning of year, basis of budgeting			<u>2,145</u>	
Fund balance, end of year, basis of budgeting			3,380	
Basis of budgeting to GAAP basis reconciliation:				
Fair market value adjustment to investments			(16)	
Accrued salaries, wages and amounts withheld from employees			<u>(2)</u>	
Fund balance, end of year, GAAP basis			\$ <u>3,362</u>	



## CITY OF BOULDER, COLORADO

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
(Budgetary Basis)2011 Capital Improvement Fund

Year ended December 31, 2018

(Amounts in 000's)

	Budgeted amounts		Actual	Variance with
	Original	Final	amounts	final budget - Positive (Negative)
Revenues:				
Interest and investment earnings	\$ 8	\$ 8	\$ 32	\$ 24
Total revenues	8	8	32	24
Expenditures:				
Capital outlay	-	1,809	1,513	296
Total expenditures	-	1,809	1,513	296
Excess (deficiency) of revenues over (under) expenditures	8	(1,801)	(1,481)	320
Net change in fund balance	\$ 8	\$ (1,801)	(1,481)	\$ 320
Encumbrances, end of year			325	
Fund balance, beginning of year, basis of budgeting			1,840	
Fund balance, end of year, basis of budgeting			684	
Basis of budgeting to GAAP basis reconciliation:				
Fair market value adjustment to investments			(10)	
Accrued salaries, wages and amounts withheld from employees			-	
Fund balance, end of year, GAAP basis			\$ 674	

## CITY OF BOULDER, COLORADO

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

Year ended December 31, 2018

(Amounts in 000's)

	Budgeted amounts		Actual	Variance with
	<u>Original</u>	<u>Final</u>	<u>amounts</u>	final budget -
				Positive
				<u>(Negative)</u>
Revenues:				
Taxes:				
Sales and use taxes	\$ -	\$ 10,000	\$ 10,877	\$ 877
Interest and investment earnings	-	-	99	99
Total revenues	-	10,000	10,976	976
Expenditures:				
Capital outlay	-	17,234	14,679	2,555
Total expenditures	-	17,234	14,679	2,555
Excess (deficiency) of revenues				
over (under) expenditures	-	(7,234)	(3,703)	3,531
Net change in fund balance	\$ -	\$ (7,234)	(3,703)	\$ 3,531
Encumbrances, end of year			5,570	
Fund balance, beginning of year, basis of budgeting			7,681	
Fund balance, end of year, basis of budgeting			9,548	
Basis of budgeting to GAAP basis reconciliation:				
Fair market value adjustment to investments			(49)	
Accrued salaries, wages and amounts				
withheld from employees			(10)	
Fund balance, end of year, GAAP basis			\$ 9,489	

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## NONMAJOR ENTERPRISE FUNDS

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

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

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

## CITY OF BOULDER, COLORADO

## Combining Statement of Net Position

Nonmajor Enterprise Funds

December 31, 2018

(Amounts in 000's)

	University Hill Commercial District	Boulder Junction Access GID - Parking	Total Nonmajor Enterprise Funds
Assets:			
Current assets:			
Equity in pooled cash and cash equivalents	\$ 299	\$ 8	\$ 307
Investments	756	258	1,014
Receivables:			
General property taxes	33	274	307
Accrued interest	4	-	4
Total receivables	<u>37</u>	<u>274</u>	<u>311</u>
Total current assets	<u>1,092</u>	<u>540</u>	<u>1,632</u>
Noncurrent assets:			
Capital assets:			
Land and easements	444	-	444
Intangibles	-	2,000	2,000
Improvements other than buildings	58	-	58
Vehicles	68	-	68
Machinery and equipment	247	-	247
	<u>817</u>	<u>2,000</u>	<u>2,817</u>
Less accumulated depreciation	<u>(351)</u>	<u>(150)</u>	<u>(501)</u>
Total capital assets, net of accumulated depreciation	<u>466</u>	<u>1,850</u>	<u>2,316</u>
Total noncurrent assets	<u>466</u>	<u>1,850</u>	<u>2,316</u>
Total assets	<u>1,558</u>	<u>2,390</u>	<u>3,948</u>
Deferred outflows of resources	<u>76</u>	<u>-</u>	<u>76</u>
Total assets and deferred outflows of resources	<u>\$ 1,634</u>	<u>\$ 2,390</u>	<u>\$ 4,024</u>

## CITY OF BOULDER, COLORADO

Combining Statement of Net Position  
continuedNonmajor Enterprise Funds

December 31, 2018

(Amounts in 000's)

	University Hill Commercial District	Boulder Junction Access GID - Parking	Total Nonmajor Enterprise Funds
Liabilities:			
Current liabilities:			
Accounts and accrued liabilities:			
Vouchers and accounts payable	\$ 14	\$ 6	\$ 20
Accrued salaries, wages and amounts withheld from employees	13	-	13
Accrued interest	-	42	42
Advances from other funds	-	2	2
Other liabilities	2	-	2
Promissory Note (current portion)	-	389	389
Total current liabilities	<u>29</u>	<u>439</u>	<u>468</u>
Non-current liabilities:			
Advances from other funds	-	4	4
Compensated absences payable	4	-	4
Promissory Note	-	402	402
Net Pension Liability	409	-	409
Retiree health care benefit	44	-	44
Total non-current liabilities	<u>457</u>	<u>406</u>	<u>863</u>
Total liabilities	<u>486</u>	<u>845</u>	<u>1,331</u>
Deferred inflows of resources	<u>98</u>	<u>273</u>	<u>371</u>
Net position:			
Net investment in capital assets	465	1,059	1,524
Restricted for:			
Legally restricted	7	-	7
Unrestricted	<u>579</u>	<u>212</u>	<u>791</u>
Total net position	<u>\$ 1,051</u>	<u>\$ 1,271</u>	<u>\$ 2,322</u>

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## CITY OF BOULDER, COLORADO

## Combining Statement of Revenues, Expenses and Changes in Net Position

Nonmajor Enterprise Funds

Year ended December 31, 2018

(Amounts in 000's)

	University Hill Commercial <u>District</u>	Boulder Junction Access GID - <u>Parking</u>	Total Nonmajor Enterprise <u>Funds</u>
Operating revenues:			
Charges for services	\$ <u>177</u>	\$ <u>94</u>	\$ <u>271</u>
Total operating revenues	<u>177</u>	<u>94</u>	<u>271</u>
Operating expenses:			
Personnel	338	2	340
Non-personnel	238	112	350
Depreciation	<u>23</u>	<u>100</u>	<u>123</u>
Total operating expenses	<u>599</u>	<u>214</u>	<u>813</u>
Operating income (loss)	<u>(422)</u>	<u>(120)</u>	<u>(542)</u>
Nonoperating revenues (expenses):			
Interest and investment earnings	9	7	16
General property taxes	35	247	282
Specific ownership & tobacco taxes	<u>1</u>	<u>13</u>	<u>14</u>
Total nonoperating revenues (expenses)	<u>45</u>	<u>267</u>	<u>312</u>
Income (loss) before capital contributions and transfers	(377)	147	(230)
Transfers in	<u>425</u>	<u>-</u>	<u>425</u>
Changes in net position	48	147	195
Total net position, beginning of year, as restated	<u>1,003</u>	<u>1,124</u>	<u>2,127</u>
Total net position, end of year	\$ <u><u>1,051</u></u>	\$ <u><u>1,271</u></u>	\$ <u><u>2,322</u></u>

## CITY OF BOULDER, COLORADO

## Combining Statement of Cash Flows

Nonmajor Enterprise Funds

Year ended December 31, 2018

(Amounts in 000's)

	University Hill Commercial <u>District</u>	Boulder Junction Access GID - <u>Parking</u>	Total Nonmajor Enterprise <u>Funds</u>
Cash flows from operating activities:			
Receipts from customers and users	\$ 177	\$ 94	\$ 271
Other receipts	1	2	3
Payments to suppliers	(235)	(109)	(344)
Payments to employees	<u>(280)</u>	<u>(2)</u>	<u>(282)</u>
Net cash provided (used) by operating activities	<u>(337)</u>	<u>(15)</u>	<u>(352)</u>
Cash flows from noncapital financing activities:			
Payments to other funds on advances	-	(3)	(3)
Leases, rents and royalties	-	7	7
General property taxes	33	247	280
Specific ownership & tobacco taxes	1	13	14
Transfers in	<u>425</u>	<u>-</u>	<u>425</u>
Net cash provided (used) by noncapital financing activities	<u>459</u>	<u>264</u>	<u>723</u>
Cash flows from capital and related financing activities:			
Promissory note payments	-	(376)	(376)
Interest paid on notes payable, bonds payable, and capitalized lease obligations	<u>-</u>	<u>(41)</u>	<u>(41)</u>
Net cash provided (used) for capital related financing activities	<u>-</u>	<u>(417)</u>	<u>(417)</u>

CITY OF BOULDER, COLORADO

Combining Statement of Cash Flows,  
continued

Nonmajor Enterprise Funds

Year ended December 31, 2018

(Amounts in 000's)

	University Hill Commercial <u>District</u>	Boulder Junction <u>GID</u>	Total Nonmajor Enterprise <u>Funds</u>
Cash flows from investing activities:			
Purchase of investment securities	(410)	(37)	(447)
Proceeds from sale and maturities of investment securities	334	176	510
Interest on investments	<u>13</u>	<u>3</u>	<u>16</u>
Net cash provided (used) in investing activities	<u>(63)</u>	<u>142</u>	<u>79</u>
Net (decrease) in cash and cash equivalents	59	(26)	33
Cash and cash equivalents, January 1	<u>240</u>	<u>34</u>	<u>274</u>
Cash and cash equivalents, December 31	\$ <u><u>299</u></u>	\$ <u><u>8</u></u>	\$ <u><u>307</u></u>

The accompanying notes are an integral part of this statement.

## CITY OF BOULDER, COLORADO

Combining Statement of Cash Flows,  
continuedNonmajor Enterprise Funds

Year ended December 31, 2018

(Amounts in 000's)

	University Hill Commercial <u>District</u>	Boulder Junction Access GID - <u>Parking</u>	Total Nonmajor Enterprise <u>Funds</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$ <u>(422)</u>	\$ <u>(120)</u>	\$ <u>(542)</u>
Adjustments to reconcile net operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	23	100	123
Other nonoperating revenues (expenses)	-	2	2
Change in assets and liabilities:			
(Increase) decrease in assets:			
Deferred Outflows - PERA Pension	48	-	48
Deferred Outflows - PERA OPEB	(4)	-	(4)
Increase (decrease) in liabilities:			
Vouchers and accounts payable	3	3	6
Accrued salaries, wages and amounts withheld from employees	(2)	-	(2)
Other liabilities	1	-	1
Pension Liability	(52)	-	(52)
Deferred Inflows - PERA Pension	65	-	65
Deferred Inflows - PERA OPEB	1	-	1
Compensated absences	(3)	-	(3)
OPEB liability	<u>5</u>	<u>-</u>	<u>5</u>
Total adjustments	<u>85</u>	<u>105</u>	<u>190</u>
Net cash provided (used) by operating activities	\$ <u><u>(337)</u></u>	\$ <u><u>(15)</u></u>	\$ <u><u>(352)</u></u>
Noncash investing, capital and financing activities:			
Increase (decrease) in fair value of investments	\$ <u>(5)</u>	\$ <u>(3)</u>	\$ <u>(8)</u>
	\$ <u><u>(5)</u></u>	\$ <u><u>(3)</u></u>	\$ <u><u>(8)</u></u>

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## INTERNAL SERVICE FUNDS

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

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

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

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

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

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

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

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

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

## CITY OF BOULDER, COLORADO

## Combining Statement of Net Position

Internal Service Funds

December 31, 2018

(Amounts in 000's)

	Telecom- munications <u>Fund</u>	Property and Casualty Insurance <u>Fund</u>	Workers' Compensation Insurance <u>Fund</u>	Compensated Absences <u>Fund</u>
Assets:				
Current assets:				
Equity in pooled cash and cash equivalents	\$ 713	\$ 137	\$ 813	\$ 681
Investments	1,573	5,536	2,280	1,988
Receivables, net:				
Accounts	-	-	-	-
Accrued interest	8	31	15	8
Intergovernmental	<u>1</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total receivables	9	31	15	8
Advances to other funds	-	-	-	-
Other assets - prepaid expenses	<u>-</u>	<u>449</u>	<u>48</u>	<u>-</u>
Total current assets	<u>2,295</u>	<u>6,153</u>	<u>3,156</u>	<u>2,677</u>
Noncurrent assets:				
Advances to other funds, less current	-	-	-	-
Capital assets:				
Land and easements	-	-	-	-
Buildings	207	-	-	-
Improvements other than buildings	-	-	-	-
Infrastructure	-	-	-	-
Vehicles	-	-	-	-
Machinery and equipment	<u>3,106</u>	<u>13</u>	<u>-</u>	<u>-</u>
	3,313	13	-	-
Less accumulated depreciation	<u>(2,867)</u>	<u>(13)</u>	<u>-</u>	<u>-</u>
	446	-	-	-
Construction in progress	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total capital assets, net of accumulated depreciation	<u>446</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total noncurrent assets	<u>446</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>2,741</u>	<u>6,153</u>	<u>3,156</u>	<u>2,677</u>
Deferred outflow of resources	<u>48</u>	<u>87</u>	<u>26</u>	<u>93</u>
Total assets and deferred outflows of resources	<u>\$ 2,789</u>	<u>\$ 6,240</u>	<u>\$ 3,182</u>	<u>\$ 2,770</u>



<u>Fleet Fund</u>	<u>Computer Replacement Fund</u>	<u>Equipment Replacement Fund</u>	<u>Facility Renovation and Replacement Fund</u>	<u>Total</u>
\$ 16	\$ 733	\$ 184	\$ 275	\$ 3,552
19,583	8,004	6,262	10,228	55,454
51	-	-	20	71
64	38	24	52	240
1	-	-	59	61
<u>116</u>	<u>38</u>	<u>24</u>	<u>131</u>	<u>372</u>
134	-	-	-	134
-	18	-	-	515
<u>19,849</u>	<u>8,793</u>	<u>6,470</u>	<u>10,634</u>	<u>60,027</u>
281	-	-	-	281
-	-	-	117	117
2,381	38	138	88,766	91,530
1,437	-	67	7,606	9,110
-	-	-	468	468
38,251	-	-	-	38,251
1,216	4,613	4,940	372	14,260
<u>43,285</u>	<u>4,651</u>	<u>5,145</u>	<u>97,329</u>	<u>153,736</u>
<u>(21,725)</u>	<u>(4,153)</u>	<u>(3,387)</u>	<u>(65,551)</u>	<u>(97,696)</u>
21,560	498	1,758	31,778	56,040
-	-	-	829	829
<u>21,560</u>	<u>498</u>	<u>1,758</u>	<u>32,607</u>	<u>56,869</u>
<u>21,841</u>	<u>498</u>	<u>1,758</u>	<u>32,607</u>	<u>57,150</u>
41,690	9,291	8,228	43,241	117,177
268	18	9	89	638
\$ <u><u>41,958</u></u>	\$ <u><u>9,309</u></u>	\$ <u><u>8,237</u></u>	\$ <u><u>43,330</u></u>	\$ <u><u>117,815</u></u>

## CITY OF BOULDER, COLORADO

Combining Statement of Net Position  
continuedInternal Service Funds

December 31, 2018

(Amounts in 000's)

	Telecom- munications <u>Fund</u>	Property and Casualty Insurance <u>Fund</u>	Workers' Compensation Insurance <u>Fund</u>	Compensated Absences <u>Fund</u>
Liabilities:				
Current liabilities:				
Accounts and accrued liabilities:				
Vouchers and accounts payable	\$ 21	\$ 39	\$ 67	\$ -
Contracts and retainage payable	-	-	-	-
Accrued salaries, wages and amounts withheld from employees	4	9	6	-
Accrued environmental cleanup liability	-	-	-	-
Accrued claims liability (current portion)	-	234	996	-
Unearned revenue	-	-	-	-
Compensated absences payable (current portion)	-	-	-	-
Capitalized lease obligations (current portion)	-	-	-	-
Total current liabilities	<u>25</u>	<u>282</u>	<u>1,069</u>	<u>-</u>
Non-current liabilities:				
Capitalized lease obligations	-	-	-	-
Compensated absences payable	-	12	6	-
Accrued claims liability	-	937	1,594	-
Net pension liability	237	560	147	690
OPEB liability	21	38	33	65
Total non-current liabilities	<u>258</u>	<u>1,547</u>	<u>1,780</u>	<u>755</u>
Total liabilities	<u>283</u>	<u>1,829</u>	<u>2,849</u>	<u>755</u>
Deferred inflows of resources	<u>35</u>	<u>60</u>	<u>55</u>	<u>141</u>
Net position:				
Net investment in capital assets	446	-	-	-
Unrestricted	<u>2,025</u>	<u>4,351</u>	<u>278</u>	<u>1,874</u>
Total net position	<u>\$ 2,471</u>	<u>\$ 4,351</u>	<u>\$ 278</u>	<u>\$ 1,874</u>

<u>Fleet Fund</u>	<u>Computer Replacement Fund</u>	<u>Equipment Replacement Fund</u>	<u>Facility Renovation and Replacement Fund</u>	<u>Total</u>
\$ 662	\$ 177	\$ 18	\$ 195	\$ 1,179
-	-	-	19	19
36	3	1	8	67
-	-	-	71	71
-	-	-	-	1,230
-	-	-	16	16
32	-	-	-	32
-	-	-	739	739
<u>730</u>	<u>180</u>	<u>19</u>	<u>1,048</u>	<u>3,353</u>
-	-	-	6,188	6,188
42	-	-	10	70
-	-	-	-	2,531
1,498	37	43	151	3,363
168	2	5	34	366
<u>1,708</u>	<u>39</u>	<u>48</u>	<u>6,383</u>	<u>12,518</u>
<u>2,438</u>	<u>219</u>	<u>67</u>	<u>7,431</u>	<u>15,871</u>
<u>254</u>	<u>1</u>	<u>9</u>	<u>57</u>	<u>612</u>
21,560	498	1,759	25,639	49,902
<u>17,706</u>	<u>8,591</u>	<u>6,402</u>	<u>10,203</u>	<u>51,430</u>
\$ <u><u>39,266</u></u>	\$ <u><u>9,089</u></u>	\$ <u><u>8,161</u></u>	\$ <u><u>35,842</u></u>	\$ <u><u>101,332</u></u>

## CITY OF BOULDER, COLORADO

## Combining Statement of Revenues, Expenses and Changes in Net Position

Internal Service Funds

Year ended December 31, 2018

(Amounts in 000's)

	Telecom- munications <u>Fund</u>	Property and Casualty Insurance <u>Fund</u>	Workers' Compensation Insurance <u>Fund</u>	Compensated Absences <u>Fund</u>
Operating revenues:				
Charges for services	\$ 710	\$ 1,993	\$ 2,321	\$ 848
Sales of goods	-	-	-	-
Total operating revenues	<u>710</u>	<u>1,993</u>	<u>2,321</u>	<u>848</u>
Operating expenses:				
Personnel	165	317	268	942
Non-personnel	348	2,400	1,627	19
Depreciation	186	-	-	-
Total operating expenses	<u>699</u>	<u>2,717</u>	<u>1,895</u>	<u>961</u>
Operating income (loss)	<u>11</u>	<u>(724)</u>	<u>426</u>	<u>(113)</u>
Nonoperating revenues (expenses):				
Interest and investment earnings	25	88	38	27
Leases, rents and royalties	-	-	-	-
Intergovernmental expense	-	-	-	-
Interest expense	-	-	-	-
Gain (loss) on sale of capital assets	-	-	-	-
Other (net)	<u>-</u>	<u>258</u>	<u>3</u>	<u>-</u>
Total nonoperating revenues (expenses)	<u>25</u>	<u>346</u>	<u>41</u>	<u>27</u>
Income (loss) before capital contributions, extraordinary items, and transfers	36	(378)	467	(86)
Transfers in	-	-	-	-
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Changes in net position	36	(378)	467	(86)
Total net position, beginning of year, as restated	<u>2,435</u>	<u>4,729</u>	<u>(189)</u>	<u>1,960</u>
Total net position, end of year	\$ <u><u>2,471</u></u>	\$ <u><u>4,351</u></u>	\$ <u><u>278</u></u>	\$ <u><u>1,874</u></u>

<u>Fleet Fund</u>	<u>Computer Replacement Fund</u>	<u>Equipment Replacement Fund</u>	<u>Facility Renovation and Replacement Fund</u>	<u>Total</u>
\$ 8,659	\$ 2,490	\$ 1,077	\$ 2,889	\$ 20,987
368	-	-	-	368
<u>9,027</u>	<u>2,490</u>	<u>1,077</u>	<u>2,889</u>	<u>21,355</u>
1,372	3	43	276	3,386
2,816	2,043	578	1,116	10,947
3,326	256	290	2,839	6,897
<u>7,514</u>	<u>2,302</u>	<u>911</u>	<u>4,231</u>	<u>21,230</u>
<u>1,513</u>	<u>188</u>	<u>166</u>	<u>(1,342)</u>	<u>125</u>
291	108	98	182	857
-	-	-	140	140
-	-	-	(30)	(30)
-	-	-	(220)	(220)
293	18	(14)	-	297
<u>5</u>	<u>-</u>	<u>-</u>	<u>15</u>	<u>281</u>
<u>589</u>	<u>126</u>	<u>84</u>	<u>87</u>	<u>1,325</u>
2,102	314	250	(1,255)	1,450
-	-	97	-	97
<u>(722)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(722)</u>
1,380	314	347	(1,255)	825
<u>37,886</u>	<u>8,775</u>	<u>7,814</u>	<u>37,097</u>	<u>100,507</u>
\$ <u><u>39,266</u></u>	\$ <u><u>9,089</u></u>	\$ <u><u>8,161</u></u>	\$ <u><u>35,842</u></u>	\$ <u><u>101,332</u></u>

## CITY OF BOULDER, COLORADO

## Combining Statement of Cash Flows

Internal Service Funds

Year ended December 31, 2018

(Amount in 000's)

	Telecom- munications Fund	Property and Casualty Insurance Fund	Workers' Compensation Insurance Fund	Compensated Absences Fund
Cash flows from operating activities:				
Receipts from customers and users	\$ 722	\$ -	\$ -	\$ -
Receipts from interfund services provided	-	1,993	2,321	848
Other receipts	(1)	-	3	-
Payments to suppliers	(337)	(1,998)	(1,264)	(19)
Payments to employees	(130)	(258)	(224)	(814)
Sale of goods	-	-	-	-
Net cash provided (used) by operating activities	254	(263)	836	15
Cash flows from noncapital financing activities:				
Payments from other funds				
on due from (due to) balances	-	-	-	-
Leases, rents and royalties	-	-	-	-
Intergovernmental revenue	-	-	-	-
Extraordinary Item - Valmont Butte Cleanup	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Net cash provided (used) by noncapital financing activities	-	-	-	-
Cash flows from capital and related financing activities:				
Acquisition and construction of capital assets	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
Principal paid on capitalized lease obligation	-	-	-	-
Interest paid on capitalized lease obligation	-	-	-	-
Other	-	258	-	-
Net cash provided (used) for capital and related financing activities	-	258	-	-
Cash flows from investing activities:				
Purchase of investment securities	(325)	(571)	(310)	(969)
Proceeds from sale and maturities of investment securities	402	525	206	1,010
Interest on investments	34	119	50	39
Net cash provided (used) in investing activities	111	73	(54)	80
Net increase (decrease) in cash and cash equivalents	365	68	782	95
Equity in pooled cash and cash equivalents, January 1	348	69	31	586
Equity in pooled cash and cash equivalents, December 31	\$ 713	\$ 137	\$ 813	\$ 681
Reconciliation of cash and cash equivalents to balance sheet amounts:				
Equity in pooled cash and cash equivalents	\$ 713	\$ 137	\$ 813	\$ 681

<u>Fleet Fund</u>	<u>Computer Replacement Fund</u>	<u>Equipment Replacement Fund</u>	<u>Facility Renovation and Replacement Fund</u>	<u>Total</u>
\$ 8,667	\$ -	\$ -	\$ 2,929	\$ 12,318
-	2,490	1,077	-	8,729
5	-	-	15	22
(2,310)	(1,907)	(574)	(1,374)	(9,783)
(1,132)	-	(35)	(154)	(2,747)
<u>368</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>368</u>
<u>5,598</u>	<u>583</u>	<u>468</u>	<u>1,416</u>	<u>8,907</u>
130	-	-	-	130
-	-	-	140	140
-	-	-	(31)	(31)
-	-	-	-	-
-	-	97	-	97
<u>(722)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(722)</u>
<u>(592)</u>	<u>-</u>	<u>97</u>	<u>109</u>	<u>(386)</u>
(3,590)	(283)	(953)	(956)	(5,782)
815	18	-	-	833
-	-	-	(742)	(742)
-	-	-	(220)	(220)
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>258</u>
<u>(2,775)</u>	<u>(265)</u>	<u>(953)</u>	<u>(1,918)</u>	<u>(5,653)</u>
(4,984)	(3,157)	(747)	(421)	(11,484)
2,138	2,272	573	700	7,826
<u>396</u>	<u>150</u>	<u>136</u>	<u>245</u>	<u>1,169</u>
<u>(2,450)</u>	<u>(735)</u>	<u>(38)</u>	<u>524</u>	<u>(2,489)</u>
(219)	(417)	(426)	131	379
<u>235</u>	<u>1,150</u>	<u>610</u>	<u>144</u>	<u>3,173</u>
\$ <u><u>16</u></u>	\$ <u><u>733</u></u>	\$ <u><u>184</u></u>	\$ <u><u>275</u></u>	\$ <u><u>3,552</u></u>
\$ <u><u>16</u></u>	\$ <u><u>733</u></u>	\$ <u><u>184</u></u>	\$ <u><u>275</u></u>	\$ <u><u>3,552</u></u>

(continued)

## CITY OF BOULDER, COLORADO

Combining Statement of Cash Flows,  
continuedInternal Service Funds

Year ended December 31, 2018

(Amount in 000's)

	Telecom- munications <u>Fund</u>	Property and Casualty Insurance <u>Fund</u>	Workers' Compensation Insurance <u>Fund</u>	Compensated Absences <u>Fund</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	\$ 11	\$ (724)	\$ 426	\$ (113)
Adjustments to reconcile net operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	186	-	-	-
Other nonoperating revenues (expenses)	-	-	3	-
Change in assets and liabilities:				
(Increase) decrease in assets:				
Accounts receivable	12	-	-	-
Intergovernmental receivables	(1)	-	-	-
Other assets - prepaid expenses	-	(29)	(48)	-
Deferred Outflows - PERA Pension	25	44	42	104
Deferred Outflows - PERA OPEB	(2)	(4)	(3)	(8)
Increase (decrease) in liabilities:				
Vouchers and accounts payable	11	25	31	-
Contracts and retainage payable	-	-	-	-
Accrued salaries, wages and amounts withheld from employees	3	-	(1)	(1)
Pension Liability	(28)	(49)	(46)	(112)
Other liabilities	-	-	-	-
Deferred Inflows - PERA Pension	34	59	55	136
Deferred Inflows - PERA/Retiree OPEB	-	-	-	1
Accrued claims liability	-	405	376	-
Compensated absences	-	5	(3)	-
OPEB liability	3	5	4	8
Total adjustments	243	461	410	128
Net cash provided (used) by operating activities	\$ 254	\$ (263)	\$ 836	\$ 15
Noncash investing, capital and financing activities:				
Increase (decrease) in fair value of investments	(11)	(38)	(16)	(14)
	\$ (11)	\$ (38)	\$ (16)	\$ (14)



<u>Fleet Fund</u>	<u>Computer Replacement Fund</u>	<u>Equipment Replacement Fund</u>	<u>Facility Renovation and Replacement Fund</u>	<u>Total</u>
\$ <u>1,513</u>	\$ <u>188</u>	\$ <u>166</u>	\$ <u>(1,342)</u>	\$ <u>125</u>
3,326	256	290	2,839	6,897
5	-	-	15	23
7	-	-	(10)	9
1	-	-	50	50
-	11	-	-	(66)
188	-	6	114	523
(17)	-	-	(4)	(38)
506	125	4	(200)	502
-	-	-	(82)	(82)
(3)	3	-	-	1
(205)	-	(7)	(46)	(493)
-	-	-	24	24
247	-	9	57	597
2	-	-	-	3
-	-	-	-	781
10	-	-	(3)	9
18	-	-	4	42
<u>4,085</u>	<u>395</u>	<u>302</u>	<u>2,758</u>	<u>8,782</u>
\$ <u><u>5,598</u></u>	\$ <u><u>583</u></u>	\$ <u><u>468</u></u>	\$ <u><u>1,416</u></u>	\$ <u><u>8,907</u></u>
<u>(120)</u>	<u>(52)</u>	<u>(43)</u>	<u>(75)</u>	<u>(369)</u>
\$ <u><u>(120)</u></u>	\$ <u><u>(52)</u></u>	\$ <u><u>(43)</u></u>	\$ <u><u>(75)</u></u>	\$ <u><u>(369)</u></u>

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## SUPPLEMENTARY SCHEDULES

## CITY OF BOULDER, COLORADO

## Supplementary Schedule

## Combined Schedule of Long-Term Debt Payable

December 31, 2018

(Amounts in 000's)

	Interest rates %	Dates		Authorized and issued	Outstanding	Current portion
		Issued	Maturity			
Governmental Activities:						
Supported by sales tax revenues and other financing sources:						
General Obligation Bonds:						
Open Space Acquisition	4.00 - 5.50	6/20/06	8/15/19	\$ 20,115	\$ 1,945	\$ 1,945
Premium on Bonds				-	3	-
Open Space Acquisition Bonds	2.00 - 3.00	10/9/14	8/15/34	10,000	8,320	440
Premium on Bonds				-	83	-
Waste Reduction Bonds	2.00 - 4.00	12/15/09	12/01/29	6,000	3,710	280
Premium on Waste Reduction Bonds				-	26	-
				<u>36,115</u>	<u>14,087</u>	<u>2,665</u>
General Fund Cap. Imp. Projects Bonds	2.00 - 4.00	3/22/12	10/01/31	49,000	33,270	2,000
Premium on Cap. Imp. Projects Bonds				-	2,778	-
				<u>49,000</u>	<u>36,048</u>	<u>2,000</u>
Supported by base rentals:						
Certificates Of Participation Series 2015	2.00 - 3.80	11/17/15	10/01/36	41,000	36,730	1,530
Premium on COPS				-	435	-
				<u>41,000</u>	<u>37,165</u>	<u>1,530</u>
Lease Purchase Revenue Notes:						
Boulder Municipal Property Authority:						
Open space acquisition:						
Luchetta Note 2005C	5.00	8/05/05	8/05/20	720	129	63
E.R.T.L. Note 2013A	3.25	10/31/13	10/31/23	5,000	2,700	506
Lippencott Property Note 2018A	3.50	11/01/18	11/01/38	6,975	6,975	247
				<u>12,695</u>	<u>9,804</u>	<u>816</u>
Taxable Pension Obligation Bonds	2.00 - 5.00	10/26/10	10/01/30	9,070	6,215	410
Premium on Pension Obligation Bonds				-	56	-
				<u>9,070</u>	<u>6,271</u>	<u>410</u>
Hogan Pancost Land Acquisition Note Payable:	6.00	4/20/18	4/20/23	<u>2,750</u>	<u>2,510</u>	<u>501</u>
				<u>2,750</u>	<u>2,510</u>	<u>501</u>
Capital Lease Purchase Agreements						
Banc of America Leasing & Capital, LLC	4.93	9/27/10	11/27/23	1,500	697	126
Suntrust Equipment Finance & Leasing Corp.	2.65	1/25/12	7/25/27	9,250	6,229	613
				<u>10,750</u>	<u>6,926</u>	<u>739</u>
Compensated Absences				-	10,747	812
Retiree Health Care Benefit (OPEB)				-	17,059	-
Estimated Claims Payable				-	3,761	1,231
				<u>-</u>	<u>31,567</u>	<u>2,043</u>
Total Governmental Activities and total supported by sales tax revenues and other financing sources				\$ <u>161,380</u>	\$ <u>144,378</u>	\$ <u>10,704</u>

## CITY OF BOULDER, COLORADO

Supplementary ScheduleCombined Schedule of Long-Term Debt Payable,  
(continued)

December 31, 2018

(Amounts in 000's)

	Interest rates	Dates		Authorized and issued	Outstanding	Current portion
		Issued	Maturity			
Business-type Activities:						
Supported by utility revenues:						
Revenue Bonds:						
Water and Sewer Revenue Refunding Bonds	2.00 - 4.00	2/22/11	12/01/21	\$ 18,335	\$ 5,800	\$ 1,855
Premium on Bonds				-	92	-
Water and Sewer Revenue Refunding Bonds	4.00 - 4.125	7/10/07	12/01/19	25,935	1,325	1,325
Water and Sewer Revenue Refunding Bonds	4.00 - 5.00	11/20/12	12/01/25	24,325	18,095	2,250
Premium on Bonds				-	2,277	-
Water and Sewer Revenue Bonds	2.00 - 3.00	10/12/10	12/01/30	9,980	6,635	470
Premium on Bonds				-	93	-
Storm Water & Flood Mgmt Revenue Bond	2.00 - 3.50	7/20/15	12/01/34	22,845	19,750	980
Premium on Bonds				-	339	-
Water and Sewer Revenue Bonds	2.00 - 3.25	10/1/15	12/01/35	10,075	8,870	420
Premium on Bonds				-	137	-
Water and Sewer Revenue Bonds	2.00 - 3.125	6/7/16	12/01/35	34,145	30,535	1,500
Premium on Bonds				-	922	-
Water and Sewer Revenue Bonds	3.00 - 3.375	6/18/18	12/01/38	38,260	38,260	915
Premium on Bonds				-	516	-
				<u>183,900</u>	<u>133,646</u>	<u>9,715</u>
Compensated Absences				-	918	149
Retiree Health Care Benefit (OPEB)				-	2,389	-
				<u>-</u>	<u>-</u>	<u>-</u>
Total supported by utility revenues				<u>183,900</u>	<u>136,953</u>	<u>9,715</u>
Supported by parking revenues:						
General Obligation General Improvement District Bonds:						
Downtown Commercial District:						
Parking Facilities	2.00 - 3.00	11/28/12	8/15/23	7,275	3,835	720
Premium on Bonds				-	133	-
				<u>7,275</u>	<u>3,968</u>	<u>720</u>
Promissory Notes:						
Boulder Junction Access General Improvement District	3.50	3/6/17	3/28/20	1,917	791	389
Compensated Absences				-	60	28
Retiree Health Care Benefit (OPEB)				-	347	-
				<u>-</u>	<u>-</u>	<u>-</u>
Total supported by parking revenues				<u>9,192</u>	<u>5,166</u>	<u>1,137</u>
Total Business-type Activities				\$ <u>193,092</u>	\$ <u>142,119</u>	\$ <u>10,852</u>

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## STATISTICAL TABLES

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

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

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CITY OF BOULDER, COLORADO

Statistical Section

Index

December 31, 2018

(Unaudited)

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

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These schedules contain trend information to help the reader understand how the City's financial performance and well being have changed over time.	
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**Sources:** Unless otherwise noted, the information in these schedules is derived from the comprehensive annual report for the relevant year.

## CITY OF BOULDER, COLORADO

Statistical Data

## Net Position By Component

Last Ten Fiscal Years  
(Unaudited)(Accrual Basis of Accounting)  
(Amounts in 000's)

	Fiscal Year				
	2009	2010	2011	2012	2013
Governmental activities:					
Net Investment in capital assets	\$ 379,461	\$ 395,174	\$ 418,691	\$ 458,372	\$ 480,321
Restricted	58,197	51,815	30,256	35,096	33,822
Unrestricted	51,266	69,024	86,439	102,519	113,701
<b>Total governmental activities net position</b>	<u>\$ 488,924</u>	<u>\$ 516,013</u>	<u>\$ 535,386</u>	<u>\$ 595,987</u>	<u>\$ 627,844</u>
Business-type activities:					
Net Investment in capital assets	\$ 313,583	\$ 310,791	\$ 325,861	\$ 325,883	\$ 331,096
Restricted	242	249	254	257	265
Unrestricted	59,917	65,547	67,166	61,583	67,747
<b>Total business-type activities net position</b>	<u>\$ 373,742</u>	<u>\$ 376,587</u>	<u>\$ 393,281</u>	<u>\$ 387,723</u>	<u>\$ 399,108</u>
Primary government:					
Net Investment in capital assets	\$ 693,044	\$ 705,965	\$ 744,552	\$ 727,155	\$ 811,417
Restricted	58,439	52,064	30,510	81,581	34,087
Unrestricted	111,183	134,571	153,605	174,974	181,448
<b>Total primary government net position</b>	<u>\$ 862,666</u>	<u>\$ 892,600</u>	<u>\$ 928,667</u>	<u>\$ 983,710</u>	<u>\$ 1,026,952</u>

(a) 2016 total was updated to reflect a change on the financial statements

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

Fiscal Year				
2014	2015	2016	2017	2018
\$ 494,209	\$ 521,402	\$ 545,505	\$ 577,789	\$ 612,784
61,410	65,690	77,392	94,646	90,764
112,637	45,565	46,051	12,517	(12,728)
<u>\$ 668,256</u>	<u>\$ 632,657</u>	<u>\$ 668,948</u>	(a) <u>\$ 684,952</u>	<u>\$ 690,820</u>
\$ 345,149	\$ 343,555	\$ 375,949	\$ 387,932	\$ 405,547
269	273	279	288	302
72,770	68,100	64,613	77,110	78,011
<u>\$ 418,188</u>	<u>\$ 411,928</u>	<u>\$ 440,841</u>	<u>\$ 465,330</u>	<u>\$ 483,860</u>
\$ 839,358	\$ 864,957	\$ 921,454	\$ 965,721	\$ 1,018,331
61,679	65,963	77,671	94,934	91,066
185,407	113,665	110,664	89,627	65,283
<u>\$ 1,086,444</u>	<u>\$ 1,044,585</u>	<u>\$ 1,109,789</u>	<u>\$ 1,150,282</u>	<u>\$ 1,174,680</u>

## CITY OF BOULDER, COLORADO

## Statistical Data

## Changes In Net Position

Last Ten Fiscal Years  
(Unaudited)(Accrual Basis of Accounting)  
(Amounts in 000's)

	Fiscal Year				
	2009	2010	2011	2012	2013
Expenses:					
Governmental activities:					
General Government	\$ 9,945	\$ 12,431	\$ 19,509	\$ 16,625	\$ 22,857
Administrative Services	2,139	1,678	1,892	2,627	4,387
Public Safety	45,506	45,819	47,391	49,693	50,468
Public Works	32,634	30,542	30,844	33,110	27,558
Planning & Development Services	8,619	8,248	5,665	5,555	6,087
Culture and Recreation	27,478	27,200	28,140	28,112	30,749
Open Space and Mountain Parks	13,043	13,548	14,863	13,040	16,023
Housing and Human Services	14,745	16,580	13,060	14,431	17,937
Interest on long-term debt	2,820	2,285	2,290	2,984	3,532
Total governmental activities expenses	<u>156,929</u>	<u>158,331</u>	<u>163,654</u>	<u>166,177</u>	<u>179,598</u>
Business-type activities:					
Water utility	21,051	20,921	21,223	21,925	22,599
Wastewater utility	13,458	12,885	13,948	13,776	13,916
Stormwater and flood management	4,011	4,454	4,790	4,523	4,461
Parking facilities and services	7,385	7,602	6,570	7,303	6,853
Property and facility acquisition	1,009	860	724	479	1,118
Total business-type activities expenses	<u>46,914</u>	<u>46,722</u>	<u>47,255</u>	<u>48,006</u>	<u>48,947</u>
Total primary government expenses	<u>203,843</u>	<u>205,053</u>	<u>210,909</u>	<u>214,183</u>	<u>228,545</u>
Program revenue:					
Governmental activities:					
Charges for services:					
General Government	2,819	3,512	2,941	7,593	7,546
Administrative Services	205	191	142	548	1,163
Public Safety	1,706	1,874	1,748	1,629	1,652
Public works	803	1,122	2,095	1,730	2,070
Planning & Development Services	4,587	5,421	5,862	7,473	7,710
Culture and Recreation	8,448	8,121	8,386	9,041	9,015
Open Space and Mountain Parks	384	425	479	506	423
Housing and Human Services	2,608	5,775	1,401	13,303	7,859
Operating grants and contributions:	6,607	7,338	6,154	6,911	5,824
Capital grants and contributions	11,950	8,381	7,679	9,260	7,630
Total governmental activities program revenue	<u>40,117</u>	<u>42,160</u>	<u>36,887</u>	<u>57,994</u>	<u>50,892</u>
Business-type activities:					
Charges for services:					
Water utility	20,201	21,633	22,940	24,592	23,269
Wastewater utility	12,748	12,688	12,955	13,013	14,267
Stormwater and flood management	5,084	5,080	4,896	5,167	5,537
Parking facilities and services	3,939	4,162	4,324	4,483	4,905
Property and facility acquisition	3,455	3,447	5,178	2,336	1,625
Operating grants and contributions:	136	169	151	181	138
Capital grants and contributions:	8,408	5,610	8,411	5,175	6,498
Total business-type activities program revenues	<u>53,971</u>	<u>52,789</u>	<u>58,855</u>	<u>54,947</u>	<u>56,239</u>
Total primary government program revenues	<u>94,088</u>	<u>94,949</u>	<u>95,742</u>	<u>112,941</u>	<u>107,131</u>
Net (expense) revenue:					
Governmental activities	(116,812)	(116,171)	(126,767)	(108,183)	(128,706)
Business-type activities	7,057	6,067	11,600	6,941	7,292
Total primary government net expense	<u>\$ (109,755)</u>	<u>\$ (110,104)</u>	<u>\$ (115,167)</u>	<u>\$ (101,242)</u>	<u>\$ (121,414)</u>

(a) 2016 total was updated to reflect a change on the financial statements

Fiscal Year				
2014	2015	2016	2017	2018
\$ 22,406	\$ 13,436	\$ 20,073	\$ 32,773	\$ 32,376
7,655	6,742	9,750	10,278	11,320
50,662	50,190	58,151	58,350	60,970
37,406	39,117	43,112	39,571	44,305
6,041	14,033	14,600	17,334	32,297
30,819	32,247	36,216	37,359	41,175
16,774	20,922	22,010	30,110	26,200
19,795	23,400	13,085	29,214	16,120
2,679	9,750	3,815	3,468	3,408
194,237	209,837	220,812	258,457	268,171
22,644	22,546	23,540	23,431	23,995
14,703	13,550	14,309	15,125	16,256
6,812	6,873	7,468	7,916	9,589
6,892	6,583	6,546	7,192	7,455
463	618	661	870	813
51,514	50,170	52,524	54,534	58,108
245,751	260,007	273,336	312,991	326,279
7,262	9,563	10,537	9,891	10,006
676	1,039	1,084	1,436	1,757
2,273	675	384	218	597
4,474	1,658	1,475	1,689	2,801
8,640	8,654	9,422	9,037	10,499
9,358	11,576	9,302	8,947	9,276
475	798	889	1,322	1,886
6,458	4,825	1,414	11,334	10,055
12,213	11,400	12,856	17,211	12,645
8,906	6,175	8,439 (a)	4,305	1,494
60,735	56,363	55,802	65,390	61,016
22,950	28,813	29,386	28,742	29,714
13,979	19,583	18,849	19,229	21,402
5,637	10,530	10,772	10,861	11,447
5,475	6,216	6,144	6,629	7,012
2,091	-	165	280	271
-	1,931	3,664	3,353	(705)
17,983	5,665	7,854	5,912	4,427
68,115	72,738	76,834	75,006	73,568
128,850	129,101	132,636	140,396	134,584
(133,502)	(153,474)	(165,010)	(193,067)	(207,155)
16,601	22,568	24,310	20,472	15,460
\$ (116,901)	\$ (130,906)	\$ (140,700)	\$ (172,595)	\$ (191,695)

## CITY OF BOULDER, COLORADO

## Statistical Data

## Changes In Net Position (Continued)

Last Ten Fiscal Years  
(Unaudited)

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

	Fiscal Year				
	2009	2010	2011	2012	2013
General revenues and other changes in net position:					
Governmental activities:					
Taxes:					
Sales and use taxes	\$ 85,457	\$ 87,802	\$ 92,627	\$ 97,397	\$ 104,136
Property taxes	23,526	26,022	27,462	29,474	29,434
Accommodations taxes	3,049	3,199	4,668	4,890	5,192
Franchise & Occupation Taxes	9,121	10,868	10,282	12,310	12,815
Specific Ownership & Tobacco taxes	1,587	1,587	1,578	1,789	1,839
Excise Taxes	1,847	837	1,927	1,290	1,338
Interest and investment earnings	2,088	2,060	1,895	1,052	755
Miscellaneous	5,286	5,633	6,418	1,645	1,678
Gain on Sale of Capital Assets	130	805	456	2,173	3,878
Transfers	(1,468)	5,982	(1,208)	16,764	(1,630)
Extraordinary Item	-	(1,535)	35	-	1,888
Total governmental activities	<u>130,623</u>	<u>143,260</u>	<u>146,140</u>	<u>168,784</u>	<u>161,323</u>
Business-type activities:					
Taxes:					
Sales and use tax increment	83	87	94	119	118
Property taxes	1,627	1,704	1,782	1,952	1,976
Accommodations taxes	604	635	715	781	844
Specific Ownership & Tobacco taxes	55	51	51	55	60
Interest and investment earnings	1,257	1,226	1,156	384	301
Miscellaneous	78	81	64	974	91
Gain on Sale of Capital Assets	80	-	-	-	-
Transfers	1,468	(5,982)	1,208	(16,764)	1,630
Extraordinary item	-	(1,024)	24	-	-
Total business-type activities	<u>5,252</u>	<u>(3,222)</u>	<u>5,094</u>	<u>(12,499)</u>	<u>5,020</u>
Total primary government	<u>135,875</u>	<u>140,038</u>	<u>151,234</u>	<u>156,285</u>	<u>166,343</u>
Changes in net position:					
Governmental activities	13,811	27,089	19,373	60,601	27,821
Business-type activities	12,309	2,845	16,694	(5,558)	21,621
Total primary government	<u>\$ 26,120</u>	<u>\$ 29,934</u>	<u>\$ 36,067</u>	<u>\$ 55,043</u>	<u>\$ 49,442</u>

(a) 2016 total was updated to reflect a change on the financial statements

Fiscal Year				
2014	2015	2016	2017	2018
\$ 116,316	\$ 131,323	\$ 136,269	\$ 135,913	\$ 142,344
30,353	30,846	36,897	37,252	43,700
6,443	7,019	7,927	8,932	10,024
12,226	12,777	12,693	12,551	16,623
1,954	2,109	2,277	2,637	2,463
3,235	4,453	2,253	5,739	7,486
906	1,097	1,976	1,491	3,566
1,437	1,008	2,825	5,526	280
99	2,313	219	410	297
(11)	(2,711)	(2,035)	(1,380)	(1,299)
956	-	-	-	-
173,914	190,234	201,301	209,071	225,484
-	-	-	-	-
2,013	1,178	1,293	1,402	1,554
-	-	-	-	-
66	69	57	91	76
324	486	1,073	885	1,744
65	45	145	158	450
-	562	-	101	-
11	2,711	2,035	1,380	1,299
-	-	-	-	-
2,479	5,051	4,603	4,017	5,123
176,393	195,285	205,904	213,088	230,607
173,914	36,760	36,291	16,004	18,329
2,479	27,619	28,913	24,489	20,583
<u>\$ 176,393</u>	<u>\$ 64,379</u>	<u>\$ 65,204</u>	<u>(a) \$ 40,493</u>	<u>\$ 38,912</u>

## CITY OF BOULDER, COLORADO

Statistical Data

## Fund Balances - Governmental Funds

Last Ten Fiscal Years  
(Unaudited)

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

	Fiscal Year				
	2009	2010	2011 (a)	2012	2013
General Fund:					
Reserved	\$ 3,934	\$ 4,179	\$ -	\$ -	\$ -
Unreserved	19,399	22,103	-	-	-
Nonspendable	-	-	297	276	1,646
Restricted	-	-	3,468	2,492	1,694
Committed	-	-	-	-	-
Assigned	-	-	7,711	10,016	10,886
Unassigned	-	-	20,209	25,471	28,216
Total General Fund	<u>\$ 23,333</u>	<u>\$ 26,282</u>	<u>\$ 31,685</u>	<u>\$ 38,255</u>	<u>\$ 42,442</u>
All Other Governmental Funds:					
Reserved	\$ 17,774	\$ 11,338	\$ -	\$ -	\$ -
Unreserved, reported in:					
Special revenue funds	38,605	45,123	-	-	-
Debt service funds	418	446	-	-	-
Capital projects funds	4,568	1,125	-	-	-
Nonspendable	-	-	63	47	50
Restricted	-	-	26,688	78,732	63,649
Committed	-	-	4,174	15,399	19,376
Assigned	-	-	21,949	21,964	23,754
Unassigned	-	-	-	-	-
Total all other government funds	<u>\$ 61,365</u>	<u>\$ 58,032</u>	<u>\$ 52,874</u>	<u>\$ 116,142</u>	<u>\$ 106,829</u>

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



Fiscal Year				
2014	2015	2016	2017	2018
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
260	115	122	221	48
1,481	2,315	2,394	5,306	5,192
-	-	-	-	-
10,202	9,450	8,619	8,007	7,049
39,129	42,674	47,487	38,922	48,326
<u>\$ 51,072</u>	<u>\$ 54,554</u>	<u>\$ 58,622</u>	<u>\$ 52,456</u>	<u>\$ 60,615</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
46	63	39	121	79
59,829	68,445	74,898	71,985	85,572
17,195	10,352	11,994	11,072	11,218
26,996	29,020	30,396	39,339	24,966
(20)	-	-	-	-
<u>\$ 104,046</u>	<u>\$ 107,880</u>	<u>\$ 117,327</u>	<u>\$ 122,517</u>	<u>\$ 121,835</u>

## CITY OF BOULDER, COLORADO

## Statistical Data

## Changes In Fund Balances - Governmental Funds

Last Ten Fiscal Years  
(Unaudited)(Modified Accrual Basis of Accounting)  
(Amounts in 000's)

	Fiscal Year				
	2009	2010	2011	2012	2013
Revenues:					
Taxes:					
Sales and use taxes	\$ 85,457	\$ 87,802	\$ 92,627	\$ 97,397	\$ 104,136
General property taxes	23,526	26,022	27,462	29,474	29,434
Accommodation taxes	3,049	3,199	4,668	4,890	5,192
Franchise taxes	9,121	10,858	10,295	12,310	12,815
Specific Ownership & Tobacco taxes	1,587	1,587	1,578	1,788	1,839
Excise taxes	1,847	837	1,927	1,290	1,338
Charges for services	13,982	17,239	14,015	27,030	22,670
Sale of goods	318	812	368	628	863
License, permits and fines	8,716	10,956	10,518	11,918	12,156
Intergovernmental	15,589	17,043	13,647	16,420	13,348
Leases, rents and royalties	2,148	2,240	2,346	2,433	2,365
Interest and investment earnings	1,392	1,445	1,416	879	563
Other	1,914	1,208	2,869	1,792	1,556
Total revenues	<u>168,646</u>	<u>181,248</u>	<u>183,736</u>	<u>208,249</u>	<u>208,275</u>
Expenditures:					
General Government	11,294	13,852	18,122	18,568	20,161
Administrative Services	8,749	8,597	8,504	9,149	10,024
Public Safety	43,273	53,972	45,123	47,825	48,202
Public Works	32,276	31,970	29,558	22,178	27,896
Planning & Development Services	7,460	7,118	7,551	4,370	4,659
Culture and Recreation	27,029	26,352	26,839	25,677	28,089
Open Space and Mountain Parks	10,396	11,199	15,978	12,055	22,521
Housing and Human Services	13,443	15,308	12,022	13,384	20,226
Capital outlay	12,417	9,785	4,077	29,111	19,218
Debt service payments:					
Principal	11,561	9,895	9,715	10,549	11,201
Interest	2,930	2,406	2,398	3,025	3,549
Base rentals to Boulder Municipal					
Property Authority	3,454	3,452	5,178	3,452	1,625
Cost of issuance - refunding bonds	-	28	104	28	-
Total expenditures	<u>184,282</u>	<u>193,934</u>	<u>185,169</u>	<u>193,934</u>	<u>217,371</u>
Excess of revenues (under)					
expenditures	<u>(15,636)</u>	<u>(12,686)</u>	<u>(1,433)</u>	<u>(12,686)</u>	<u>(9,096)</u>
Other financing sources (uses):					
Sale of capital assets	84	24	17	24	257
Notes / loans payable issued	5,441	-	-	-	-
Bonds issued (including refunding bonds)	30,685	9,203	-	9,203	-
Premium on bonds issued	1,016	-	-	-	-
Financing of capital lease	-	-	-	-	-
Transfers in	20,745	21,638	22,576	21,638	20,371
Transfers out	(18,410)	(18,563)	(19,415)	(18,563)	(18,653)
Payment to refunding bond escrow agent	(27,945)	-	-	-	-
Total other financing sources	<u>11,616</u>	<u>12,302</u>	<u>3,178</u>	<u>12,302</u>	<u>2,082</u>
(uses)					
Extraordinary Item					
Flood insurance recoveries	-	-	(1,500)	-	1,888
Net changes in fund balance	<u>\$ (4,020)</u>	<u>\$ (384)</u>	<u>\$ 245</u>	<u>\$ (384)</u>	<u>\$ (5,126)</u>
Debt service as a percentage of noncapital expenditures (a)	8.7%	7.8%	8.6%	9.2%	8.1%

(a) These percentages have been changed from prior year reports to more accurately reflect the Debt Service percentage of noncapital expenditures.

Fiscal Year				
2014	2015	2016	2017	2018
\$ 116,316	\$ 131,323	\$ 136,269	\$ 131,857	\$ 146,400
30,353	30,846	36,897	37,252	43,700
6,443	7,019	7,927	8,932	10,024
12,218	12,772	12,693	12,564	16,579
1,954	2,109	2,277	2,637	2,463
3,235	4,453	2,253	5,739	7,486
22,946	20,880	15,839	25,745	23,476
593	1,269	384	401	639
12,813	13,005	14,220	13,680	15,663
18,188	12,347	16,270	26,787	12,439
2,651	4,140	7,403	6,414	6,612
686	827	1,529	1,117	2,709
2,069	2,596	4,175	6,544	4,406
<u>230,465</u>	<u>243,586</u>	<u>258,136</u>	<u>279,669</u>	<u>292,596</u>
16,556	53,077	17,951	21,835	31,961
6,773	8,480	8,836	7,643	7,716
50,280	52,915	54,214	56,420	58,742
38,322	46,114	51,706	53,053	45,202
6,014	14,263	14,199	15,517	31,553
30,423	32,965	33,209	35,207	33,998
20,433	20,999	22,725	30,641	45,601
24,564	23,279	12,682	32,454	15,470
27,130	9,750	11,378	11,415	10,298
9,425	10,142	9,560	9,333	9,005
3,205	3,266	4,386	4,106	3,856
2,091	1,701	1,618	1,002	768
-	-	-	-	-
<u>235,216</u>	<u>276,951</u>	<u>242,464</u>	<u>278,626</u>	<u>294,170</u>
<u>(4,751)</u>	<u>(33,365)</u>	<u>15,672</u>	<u>1,043</u>	<u>(1,574)</u>
7	1,970	4	7	-
-	-	-	-	-
10,000	41,000	-	-	-
123	561	-	-	-
-	-	-	-	9,725
8,334	7,333	11,710	7,707	8,206
(8,822)	(10,296)	(13,871)	(9,733)	(8,880)
-	-	-	-	-
<u>9,642</u>	<u>40,568</u>	<u>(16,028)</u>	<u>(2,019)</u>	<u>9,051</u>
956	-	-	-	-
<u>\$ 5,847</u>	<u>\$ 7,203</u>	<u>\$ (356)</u>	<u>\$ (976)</u>	<u>\$ 7,477</u>
6.6%	6.5%	6.7%	5.9%	4.4%

## CITY OF BOULDER, COLORADO

Statistical Data

## Taxable Sales by Market Sector

Last Ten Fiscal Years  
(Unaudited)

(Amounts in 000's)

Market Sector	2009	2010	2011	2012	2013
Apparel Stores	\$ 77,259	\$ 79,232	\$ 100,696	\$ 110,467	\$ 111,042
Automotive Trade	145,333	157,930	174,631	187,675	205,342
Building Material-Retail	82,342	87,238	85,319	94,886	108,685
Computer Related Business Sector	168,124	146,311	167,503	188,876	208,352
Construction Sales Tax	11,263	14,922	16,147	12,006	12,642
Construction Use Tax	142,739	173,534	153,438	171,106	266,139
Constructions Firms Sales/Use Tax	-	-	-	-	-
Consumer Electronics	50,755	54,843	73,237	62,924	58,300
Eating Places	311,060	321,904	347,871	384,485	387,596
Food Stores	328,338	327,796	359,707	388,154	395,837
General Retail	515,305	567,786	586,189	606,359	611,228
Home Furnishings	75,883	76,487	81,304	81,243	79,745
Transportation/Utilities	215,137	220,981	215,462	208,713	226,972
All Other	390,880	351,272	359,612	359,324	381,961
Refunds	(8,349)	(5,396)	(4,781)	-	-
Total Sales and Use Tax	<u>\$ 2,506,069</u>	<u>\$ 2,574,840</u>	<u>\$ 2,716,335</u>	<u>\$ 2,856,218</u>	<u>\$ 3,053,841</u>
Direct city sales tax rate	3.41%	3.41%	3.41%	3.41%	3.41%
Food service sales tax	<u>0.15%</u>	<u>0.15%</u>	<u>0.15%</u>	<u>0.15%</u>	<u>0.15%</u>
Total direct city sales tax	<u>3.56%</u>	<u>3.56%</u>	<u>3.56%</u>	<u>3.56%</u>	<u>3.56%</u>

(a) 2017 revenues were revised and the most significant difference relates to a large business use tax payment that was received in March 2018 and accrued back to 2017.

Source: Annual Sales and Use Tax Revenue Reports prepared by the City of Boulder Sales Tax Division.

	2014	2015	2016	2017 (a)	2018
\$	118,703	\$ 122,977	\$ 123,958	\$ 116,513	\$ 118,308
	223,429	235,029	239,489	251,106	258,584
	111,381	114,560	121,991	121,201	121,719
	200,512	205,890	195,938	188,351	198,501
	11,576	-	-	-	-
	251,594	-	-	-	-
	-	276,746	304,301	279,081	352,701
	67,677	66,687	71,024	59,211	73,263
	410,251	437,428	451,436	461,091	477,032
	416,890	440,661	452,030	448,173	438,804
	628,223	658,659	737,753	675,023	709,676
	87,804	89,689	92,314	92,483	93,697
	243,605	229,281	220,926	216,678	214,292
	495,657	524,543	519,125	612,152	631,091
	-	-	-	-	-
	<u>\$ 3,267,302</u>	<u>\$ 3,402,150</u>	<u>\$ 3,530,285</u>	<u>\$ 3,521,063</u>	<u>\$ 3,687,668</u>
	3.56%	3.86%	3.86%	3.86%	3.86%
	0.15%	0.15%	0.15%	0.15%	0.15%
	<u>3.71%</u>	<u>4.01%</u>	<u>4.01%</u>	<u>4.01%</u>	<u>4.01%</u>

## CITY OF BOULDER, COLORADO

Statistical Data

## Direct and Overlapping Sales Tax Rates

Last Ten Fiscal Years  
(Unaudited)

## City Direct Rates

Tax	General Fund	General Fund	General Fund (Formerly Public Safety)	General Fund (formerly .15 Fund)	.15 Cent Sales Tax Fund	Open Space	Open Space	Open Space	Transportation	Transportation
Year Levied	Sales Tax No Expiration	Sales Tax No Expiration	Sales Tax Expires 12/31/24	Sales Tax No Expiration	Sales Tax Expires 12/31/12	Sales Tax No Expiration	Sales Tax No Expiration	Sales Tax Expires 12/31/39	Sales Tax No Expiration	Sales Tax Expires 12/31/19
2009	1.00%	0.38%	0.15%	-	0.15%	0.40%	0.33%	0.15%	0.60%	-
2010	1.00%	0.38%	0.15%	0.15%	-	0.40%	0.33%	0.15%	0.60%	-
2011	1.00%	0.38%	0.15%	0.15%	-	0.40%	0.33%	0.15%	0.60%	-
2012	1.00%	0.38%	0.15%	0.15%	-	0.40%	0.33%	0.15%	0.60%	-
2013	1.00%	0.38%	0.15%	0.15%	-	0.40%	0.33%	0.15%	0.60%	-
2014	1.00%	0.38%	0.15%	0.15%	-	0.40%	0.33%	0.15%	0.60%	0.15%
2015	1.00%	0.38%	0.15%	0.15%	-	0.40%	0.33%	0.15%	0.60%	0.15%
2016	1.00%	0.38%	0.15%	0.15%	-	0.40%	0.33%	0.15%	0.60%	0.15%
2017	1.00%	0.38%	0.15%	0.15%	-	0.40%	0.33%	0.15%	0.60%	0.15%
2018	1.00%	0.38%	0.15%	0.15%	-	0.40%	0.33%	0.15%	0.60%	0.15%

Source: City Sales Tax Division and the Colorado Department of Revenue

Notes: Food services establishments collections are deposited into the General Fund and a check written for the total to the Boulder Center for Conference Services and Cultural Affairs.

Overlapping rates are those of local, county, regional and state governments that apply to sales within the City.

					Overlapping Rates						
Parks Acquisition	Food Service	Fire Training	Capital Projects for								
& Recreation	Establishments	Center	Community, Safety, and Culture		Regional			Ball		Total	
Sales Tax Expires 12/31/35	Sales Tax No Expiration	Sales Tax 2007 only	Sales Tax Expires 2017	Total Direct	State of Colorado	Transportation District	Cultural District	Stadium District	Boulder County	Total Overlapping	Direct and Overlapping
0.25%	0.15%	-	-	3.56%	2.90%	1.00%	0.10%	0.10%	0.65%	4.75%	8.31%
0.25%	0.15%	-	-	3.56%	2.90%	1.00%	0.10%	0.10%	0.80%	4.90%	8.46%
0.25%	0.15%	-	-	3.56%	2.90%	1.00%	0.10%	0.10%	0.80%	4.90%	8.46%
0.25%	0.15%	-	-	3.56%	2.90%	1.00%	0.10%	-	0.80%	4.80%	8.36%
0.25%	0.15%	-	-	3.56%	2.90%	1.00%	0.10%	-	0.80%	4.80%	8.36%
0.25%	0.15%	-	-	3.71%	2.90%	1.00%	0.10%	-	0.80%	4.80%	8.51%
0.25%	0.15%	-	0.30%	4.01%	2.90%	1.00%	0.10%	-	0.985%	4.99%	9.00%
0.25%	0.15%	-	0.30%	4.01%	2.90%	1.00%	0.10%	-	0.985%	4.99%	9.00%
0.25%	0.15%	-	0.30%	4.01%	2.90%	1.00%	0.10%	-	0.985%	4.99%	9.00%
0.25%	0.15%	-	0.30%	4.01%	2.90%	1.00%	0.10%	-	0.985%	4.99%	9.00%

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CITY OF BOULDER, COLORADO

Statistical Data

Largest Sales Tax Remitters by Market Sector

Current Year and Nine Years Ago  
(Unaudited)

(Amounts in 000's)

Market Sector	2009			2018		
	Number Of Filers	Tax Liability	Percentage Of Total	Number Of Filers	Tax Liability	Percentage Of Total
Food Stores	4	\$ 6,144	7.19%	5	\$ 9,355	6.57%
Automotive Trade	1	1,823	2.13%	1	4,853	3.41%
Computer Related Business Sector	2	1,809	2.12%	0	-	0.00%
General Retail, Utilities, & Other	3	6,990	8.18%	4	10,159	7.14%
Total	10	\$ 16,766	19.62%	10	\$ 24,367	17.12%

Source: City of Boulder Sales Tax Division

Note: Individual sales tax payer information is confidential under Boulder Revised Code. Due to this, the names of the ten largest revenue payers are not available. Taxpayer information by industry for the ten largest payers is provided to present alternative information regarding the concentration of the city's sales tax revenue sources by industry.

CITY OF BOULDER, COLORADO

Statistical Data

Ratios of Net Outstanding Debt by Type

Last Ten Fiscal Years  
(Unaudited)

(Amounts in 000's)

Fiscal Year	Governmental Activities									Business-Type Activities	
	General Obligation Bonds	Taxable Pension Obligation Bonds	Revenue Bonds	Certificates Of Participation	Lease Purchase Revenue Notes	Capitalized Lease Obligations	Notes Payable	Loans Payable		General Obligation Bonds	Revenue Bonds
2009	\$ 58,410	\$ -	\$ 6,614	\$ -	\$ -	\$ -	\$ -	\$ 500		\$ 18,071	\$ 88,780
2010	49,683	9,201	5,350	-	-	7,957	-	500		16,753	91,429
2011	41,746	8,881	4,054	-	-	7,763	-	250		15,350	84,861
2012 (b)	87,577	8,531	2,739	-	-	10,391	-	250		14,046	82,204
2013	77,717	8,176	1,378	-	-	9,969	-	-		12,390	74,385
2014	79,610	7,812	-	-	-	9,420	-	-		10,778	66,341
2015	70,793	7,443	-	41,561	5,727	8,837	-	-		9,133	91,294
2016	22,555	7,063	41,330	40,179	4,326	8,242	-	-		7,453	116,226
2017	18,399	6,675	38,387	38,691	3,478	7,610	-	-		5,732	105,672
2018	14,087	6,271	36,048	37,165	9,804	6,926	2,510	-		3,968	133,646

(a) Population information is presented in the Demographic and Economic Statistics schedule.

(b) 2012 amounts restated due to the implementation of GASB 65 (Items previously reported as assets and liabilities)

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

Business-Type Activities				Total Primary Government	Market Value of Taxable Property	Percentage of Property Values	Per Capita (a)
Promissory Notes	Certificates Of Participation	Lease Purchase Revenue Notes					
\$ -	\$ 1,635	\$ 13,024		\$ 187,034	\$ 18,685,545	1.00%	\$ 1,798.40
-	1,120	10,809		192,802	19,851,162	0.97%	1,987.65
-	575	6,739		170,219	19,992,416	0.85%	1,736.93
-	-	5,313		211,051	19,602,390	1.08%	2,089.61
-	-	8,949		192,964	19,676,353	0.98%	1,891.80
-	-	7,178		181,139	20,278,600	0.89%	1,725.13
-	-	-		234,788	20,434,242	1.15%	2,236.08
-	-	-		247,374	24,935,355	0.99%	2,311.91
1,167	-	-		225,811	25,043,689	0.90%	2,090.84
791	-	-		251,216	31,186,621	0.81%	2,347.81

## CITY OF BOULDER, COLORADO

Statistical Data

## Ratios of General Bonded Debt Outstanding

Last Ten Fiscal Years  
(Unaudited)

(Amounts in 000's)

Fiscal Year	Governmental Activities General Obligation Bonds	Business-Type Activities General Obligation Bonds	Total	Taxable Sales	Percentage of Taxable Sales (a)	Per Capita (b)
2009	\$ 58,410	\$ 18,071	\$ 76,481	\$ 2,506,069	3.05%	\$ 735.39
2010	58,884	16,753	75,637	2,574,840	2.94%	779.76
2011	50,627	15,350	65,977	2,716,335	2.43%	673.23
2012 (c)	95,773	14,046	109,819	2,856,218	3.84%	1,087.32
2013	85,893	12,390	98,283	3,053,841	3.22%	963.56
2014	87,422	10,778	98,200	3,267,302	3.01%	935.24
2015	78,236	9,133	87,369	3,402,150	2.57%	832.09
2016	29,618	7,453	37,071	3,530,285	1.05%	346.46
2017	25,074	5,732	30,806	3,521,063	0.87%	285.24
2018	20,358	3,968	24,326	3,687,668	0.66%	227.35

(a) General bonded debt is repaid with sales tax revenues instead of property taxes. Taxable sales is used as a relevant basis for comparison.

(b) Personal income is not available at the City level; therefore, the Per Capita is used for this calculation as allowed.

(c) 2012 amounts restated due to the implementation of GASB 65 (Items previously reported as assets and liabilities)

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

CITY OF BOULDER, COLORADO

Statistical Data

Direct and Overlapping Debt

December 31, 2018  
(Unaudited)

(Amounts in 000's)

<u>Jurisdiction</u>	<u>Par value of net General Obligation debt outstanding (a)</u>	<u>Percentage applicable to City of Boulder (b)</u>	<u>Amount applicable to City of Boulder (c)</u>
Boulder Valley School District RE-2	\$ 685,175	62.59 %	\$ 428,837
Boulder Central Area General Improvement District	3,835	100.00	3,835
Northern Colorado Water Conservancy District (NCWCD)	3,512	18.54	651
Boulder County	-	46.50	-
Urban Drainage and Flood Control District	-	6.70	-
Total Overlapping Debt			433,324
City Direct Governmental Activity Debt			113,240
Total Direct and Overlapping Debt			<u>\$ 546,564</u>

(a) Source for net General Obligation debt outstanding: Boulder Valley School District, NCWCD, Boulder County, and Urban Drainage and Flood Control District

(b) Source for percentage applicable to City of Boulder: 2013 Abstract of Assessment and Summary of Levies (Boulder County Assessor's Office), NCWCD, UDFC and Boulder Valley School District RE-2.

(c) The City of Boulder's valuation is divided by each jurisdiction's valuation, with the exception of the Boulder Central Area General Improvement District, which is wholly within the City limits.

For 2018, each jurisdiction had the following valuations (in 000's):

The City of Boulder	\$ 3,659,653
Boulder Valley School District	5,847,210
NCWCD	19,735,132
Boulder County	7,870,458
Urban Drainage & Flood Control	54,601,666

# CITY OF BOULDER, COLORADO

## Statistical Data

### Legal Debt Margin Information

Last Ten Fiscal Years  
(Unaudited)

(Amounts in 000's)

#### Legal Debt Margin Calculation for Fiscal Year 2018

Assessed value	\$ 3,659,653
Debt limit - 3% of assessed value	<u>109,790</u>
Debt applicable to limit:	
Total bonded debt	24,326
Deductions allowed by law:	
Self-supporting General Obligation bonds	(24,326)
Total net debt applicable to limit	<u>-</u>
Legal debt margin	<u><u>\$ 109,790</u></u>

	2009	2010	2011	2012 (a)	2013
Debt limit	\$ 76,882	\$ 76,981	\$ 74,943	\$ 75,021	\$ 77,024
Total net debt applicable to limit	-	-	-	-	-
Legal debt margin	<u>\$ 76,882</u>	<u>\$ 76,981</u>	<u>\$ 74,943</u>	<u>\$ 75,021</u>	<u>\$ 77,024</u>
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%

(a) 2012 amounts adjusted due to the implementation of GASB 65  
(Items previously reported as assets and liabilities)

Note: The total indebtedness of the City, payable solely from the proceeds of ad valorem taxes, shall not exceed 3% of assessed value of taxable property in the municipality. Indebtedness payable in whole or in part from other revenue sources, or is subject to annual appropriations therefrom by the Boulder City Council, is not included in this limitation. (Charter of the City of Boulder, Sec. 97.)

2014	2015	2016	2017	2018
\$ 77,981	\$ 94,814	\$ 94,409	\$ 110,011	\$ 109,790
-	-	-	-	-
\$ 77,981	\$ 94,814	\$ 94,409	\$ 110,011	\$ 109,790
0.00%	0.00%	0.00%	0.00%	0.00%

CITY OF BOULDER, COLORADO

Statistical Data

Pledged Revenue Coverage

Last Ten Years  
(Unaudited)

(Amounts in 000's)

Pledged Water and Sewer Bonds

<u>Fiscal year</u>	<u>Gross revenue (a)</u>	<u>Direct operating expense (b)</u>	<u>Net revenue available for debt service</u>	<u>Maximum annual debt service requirement</u>	<u>Coverage (c)</u>
2009	\$39,151	\$21,633	\$17,518	\$10,029	1.75
2010	38,626	20,199	18,427	10,704	1.72
2011	41,412	23,026	18,386	10,615	1.73
2012	41,390	23,503	17,887	12,550	1.43
2013	42,526	24,347	18,179	12,379	1.47
2014	46,519	27,657	18,862	12,379	1.52
2015	51,959	28,220	23,739	11,741	2.02
2016	52,125	29,266	22,859	11,421	2.00
2017	52,141	29,899	22,242	11,430	1.95
2018	54,218	27,848	24,390	12,875	1.89

(a) Gross revenue as defined by applicable bond ordinances includes gross operating and nonoperating revenues, plant investment fees and special assessments in the Water Utility and Wastewater Utility Funds.

(b) Direct operating expense equals total operating expenses less depreciation and amortization expense.

(c) Prior to issuing additional parity bonds, the City must meet the following "facilities earnings test":

The annual gross revenue derived from the operation of the facilities for the fiscal year immediately preceding the date of the issuance of additional parity bonds must be sufficient to pay the annual operation and maintenance expenses of the facilities for that fiscal year, and, in addition, sufficient to pay an amount representing 125% of the combined maximum annual principal and interest requirements of the outstanding bonds, and any other bonds payable from and constituting a lien upon net income of the facilities, and the bonds proposed to be issued.



CITY OF BOULDER, COLORADO

Statistical Data

Pledged Revenue Coverage

Last Ten Years  
(Unaudited)

(Amounts in 000's)

Stormwater and Flood Management Bonds

<u>Fiscal year</u>	<u>Gross income (d)</u>	<u>Operating and Maintenance expense (e)</u>	<u>Net revenue available for debt service</u>	<u>Average annual debt service requirement</u>	<u>Coverage (f)</u>
2009	\$5,362	\$2,945	\$2,417	\$563	4.29
2010	6,590	3,261	3,329	386	8.62
2011	5,185	3,341	1,844	386	4.78
2012	5,386	3,161	2,225	386	5.76
2013	5,708	3,279	2,429	386	6.29
2014	5,642	3,737	1,905	385	4.95
2015	11,806	6,064	5,742	1,934	2.97
2016	13,991	6,146	7,845	1,934	4.06
2017	13,741	6,494	7,247	1,978	3.66
2018	11,428	7,576	3,852	1,590	2.42

(d) Gross income as defined by applicable bond ordinances means all income and revenues derived directly or indirectly by the City from the Fees, including interest earnings on moneys in any fund or account created by the bond ordinance and includes all revenues earned by the City therefrom.

(e) Operating and Maintenance Expenses means all reasonable and necessary current expenses of the City paid or accrued, of operating, maintaining and repairing the Flood Control System. It does not include depreciation, capital replacements, or operating, maintenance or repair reserves.

(f) Prior to issuing additional parity bonds, the City must meet the following "fee test":

The annual gross income for the fiscal year immediately preceding the date of the issuance of additional parity bonds shall have been sufficient to pay the annual operation and maintenance expenses of the Flood Control System for said fiscal year, and, in addition, sufficient to pay an amount representing 125% of the combined average annual principal and interest requirements of the Outstanding Series 1998 Bonds of the City payable from and constituting a lien upon net income from the Fees and the bonds proposed to be issued.

CITY OF BOULDER, COLORADO

Statistical Data

Demographic and Economic Statistics

Last Ten Fiscal Years  
(Unaudited)

(Amounts in 000's)

Fiscal Year Ended April 30	City of Boulder Population (a)	Boulder, Colorado Metropolitan Statistical Area			Unemployment Rate (c)
		Population (b)	Total Personal Income (b)	Per Capita Income (b)	
2009	104	303	\$14,334	\$48.891	5.3%
2010	97	296	14,768	50.031	6.5%
2011	98	300	15,536	51.893	5.9%
2012	101	305	16,639	54.502	5.6%
2013	102	310	17,042	54.968	4.7%
2014	105	314	18,370	58.627	3.2%
2015	105	319	19,233	60.220	2.8%
2016	107	322	20,528	63.707	2.2%
2017 (d)	108	323	21,940	68.027	3.0%
2018 (e)	107	*	*	*	3.3%

(a) Source: City of Boulder Department of Community Planning & Sustainability. Estimates are based on January 1.

(b) Source: U.S. Department of Commerce, Bureau of Economic Analysis, Table CA1-3

(c) Source: Boulder Economic Council

(d) 2017 Population and unemployment data was updated to reflect latest sources amount

(e) 2018 City of Boulder Population decreased due to the vacancy rate increase

\* 2018 Boulder, Colorado Metropolitan Statistic Area not available

CITY OF BOULDER, COLORADO

Statistical Data

Principal Employers

Current Year and Nine Years Ago  
(Unaudited)

Employer	2009			2018		
	Employees	Rank	Percentage of Total County Employment (a)	Employees	Rank	Percentage of Total County Employment (a1)
University of Colorado at Boulder	6,827	1	4.50%	6,463	1	3.50%
St. Vrain Valley School District	3,238	5	2.13%	4,661	2	2.52%
Boulder Valley School District	4,200	2	2.77%	4,200	3	2.27%
Boulder County	-	-	-	2,008	4	1.09%
Ball Corporation	3,100	6	2.04%	1,600	5	0.87%
IBM Corporation	3,400	3	2.24%	1,400	6	0.76%
City of Boulder	-	-	-	1,351	7	0.73%
Seagate Technology PLC	-	-	-	1,300	8	0.70%
National Center for Atmospheric Research (NCAR)	-	-	-	1,187	9	0.64%
National Oceanic & Atmospheric Administration (NOAA)	-	-	-	867	10	0.47%
Level 3 Communications Inc.	2,016	9	1.33%	-	-	-
Sun Microsystems Inc	3,300	4	2.18%	-	-	-
State of Colorado	2,881	7	-	-	-	-
Boulder Community Hospital	2,200	8	1.45%	(b)	-	-
Covidien	1,750	10	1.15%	-	-	-
	<u>32,912</u>		<u>19.79%</u>	<u>25,037</u>		<u>13.55%</u>

Source: The Boulder County Business Report Book of Lists and Colorado Department of Labor and Employment

(a) This list is the 10 largest employers in Boulder and Broomfield counties. Employment information specific to the City of Boulder is not available for the years presented

(a1) Starting in 2016, Broomfield county has been excluded

(b) In 2018, this information was not available in source material

## CITY OF BOULDER, COLORADO

Statistical Data

## Full-Time Equivalent City Employees By Functions/Programs

Last Ten Fiscal Years  
(Unaudited)

<u>Functions/Program</u>	<u>Full-Time Equivalent Employees</u>				
	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
General Government:					
City Council	1.00	-	-	-	-
Municipal Court	18.00	16.25	16.25	16.25	18.16
City Attorney	18.65	18.65	18.65	20.15	20.20
City Manager- Administration	16.50	14.30	11.80	12.68	12.00
City Manager- Community Vitality	42.25	42.25	42.25	42.25	42.25
City Manager- Communications	6.00	4.00	5.50	6.50	6.50
Administrative Services:					
Human Resources	16.63	14.88	14.88	15.38	15.63
Finance	28.37	26.37	33.50	34.00	34.00
Information Technology	35.25	33.50	34.50	34.50	34.00
Public Safety:					
Police	273.25	269.50	276.50	279.50	279.50
Fire	112.33	112.33	112.33	115.33	118.33
Planning & Development Services:	76.56	79.47	78.66	82.97	88.74
Development	-	-	-	-	-
Community Planning and Sustainability	-	-	-	-	-
Energy Strategy & Electric Utility	-	-	-	-	-
Environmental Affairs:	10.50	-	-	-	-
Public Works:					
Administration	-	-	-	-	2.74
Fleet	16.87	14.87	14.82	14.82	14.77
Transportation	68.69	67.10	59.28	59.52	59.78
Utilities	156.23	155.90	154.84	154.84	153.59
Facility / Asset Management	14.58	14.58	14.68	14.68	14.73
Culture and Recreation:					
Parks and Recreation	146.99	139.24	126.12	126.37	128.37
Library	79.95	76.95	75.45	75.13	74.14
Arts	1.50	1.50	1.50	2.00	3.25
Open Space / Mountain Parks:	91.00	90.50	85.60	89.60	91.60
Housing and Human Services:	57.42	56.10	53.39	46.73	48.34
Housing	-	-	-	-	-
Human Services	-	-	-	-	-
Total	<u>1,288.52</u>	<u>1,248.24</u>	<u>1,230.50</u>	<u>1,243.20</u>	<u>1,260.62</u>

Source: City of Boulder Summary of Standard FTE's per the annual budget document.

\* In 2018, Energy Strategy & Electric Utility FTE position was increased to 6 under the revised budget

Note: Number of FTE's budgeted and approved for each fiscal year

Full-Time Equivalent Employees				
2014	2015	2016	2017	2018
-	-	-	-	-
18.13	21.13	21.13	20.35	19.35
21.20	19.20	25.70	27.65	27.65
12.00	19.50	17.00	19.88	22.88
42.25	44.50	46.50	49.00	48.25
6.50	6.50	12.75	13.50	14.75
18.63	24.63	24.38	23.38	23.38
36.00	38.67	44.50	46.62	48.12
36.85	37.18	40.25	40.75	39.75
282.50	288.00	290.89	291.89	291.75
120.33	121.33	124.33	124.00	124.00
93.87	105.92	112.72	-	-
-	-	-	54.11	57.38
-	-	-	55.34	55.54
-	-	-	9.00	*
-	-	-	-	-
2.74	3.74	2.85	1.5	-
14.77	14.77	15.12	14.62	13.20
60.09	70.34	71.34	72.09	73.87
154.17	166.92	168.02	168.87	169.48
14.84	14.84	17.53	18.79	19.22
127.37	130.35	136.35	139.12	146.27
76.26	76.26	77.50	74.00	74.00
3.25	2.25	1.00	3.50	3.50
95.35	102.35	117.15	128.4	126.18
48.91	50.39	52.14	-	-
-	-	-	15.95	16.35
-	-	-	35.05	36.22
<u>1,286.01</u>	<u>1,358.77</u>	<u>1,419.15</u>	<u>1,447.36</u>	<u>1,451.09</u>

## CITY OF BOULDER, COLORADO

## Statistical Data

## Operating Indicators By Function/Program

Last Ten Fiscal Years  
(Unaudited)

Function/Program	2009	2010	2011	2012	2013
General Government:					
Municipal Court					
Traffic tickets processed	13,260	17,433	17,181	15,681	12,464
General summons processed	4,510	4,351	6,028	6,498	5,871
Animal summons processed	1,055	870	1,318	1,635	1,340
Arraignments	5,543	5,218	5,437	5,810	5,049
Court trials	98	87	69	63	84
Jury trials	8	8	20	12	16
Public Safety:					
Police					
Number of police officers	171	171	173	173	173
DUI arrests	781	767	674	706	592
Traffic summons	15,304	18,394	17,530	16,547	18,438
Total traffic accidents	3,405	3,222	3,328	3,183	3,598
Total calls for service	77,745	76,383	81,218	91,675	107,519
Fire					
Number of firefighters	96	96	96	96	96
Total annual responses	9,730	9,535	10,111	10,293	11,203
Percentage of responses within 6 minutes	72%	77%	76%	74%	78%
Planning & Development Services:					
Number of applications received	5,532	6,309	5,888	6,488	7,727
Number of zoning and environmental code enforcement cases	2,821	1,995	2,145	706	809
Public Works					
Transportation					
Daily vehicle miles of travel in Boulder Valley	2.46 million	2.49 million	2.34 million	2.34 million	2.40 million
Culture and Recreation:					
Parks and Recreation					
Recreation center attendance	428,682	422,200	628,639	725,000	736,138
Outdoor pool attendance	83,335	88,303	83,707	77,441	74,175
Athletics participation	237,292	236,950	250,372	175,543	181,752
Recreation class enrollment	26,671	22,201	21,794	23,092	23,417
Reservoir attendance	36,582	42,688	330,205	238,265	227,935
Rounds of golf	43,348	38,293	39,440	43,974	36,872
Library					
Circulation of books, videos, tapes	1,354,742	1,363,545	1,384,900	1,446,816	1,449,679
Remote use of library resources online	669,217	806,770	804,998	748,917	752,629
Adults participating in cultural and educational programs	37,319	33,175	33,298	31,063	23,999
Attendance at outreach program activities	5,796	4,525	4,185	5,312	4,429
Arts					
Participants in Boulder Arts Resource	677	678	718	737	NA
Housing Division:					
Number of permanently affordable housing units added on an annual basis	84	100	24	18	236

Source: City of Boulder departmental records.

(a) Prior years each page viewed online was counted. For 2016, the count only includes the online visit regardless of how many pages were viewed.

(b) In 2017, these numbers were corrected due to a reported error.

(c) In 2018, a new Planning and Development software application, ENERGOV, is used to gather data.

(d) In 2018, Parks and Recreation reporting tools started to include rental attendance at all recreation centers.

2014	2015	2016	2017	2018
10,998	8,273	9,361	5,926	6,949
4,466	4,886	4,239	3,781	3,576
1,074	2,016	840	852	966
4,341	4,459	5,090	5,087	6,035
61	54	27	18	26
23	12	2	2	8
176	179	181	181	181
583	568	486	352	270
12,530	13,106	11,439	6,462	7,026
3,449	3,593	3,691	3,491	3,624
108,279	105,315	111,349	121,570	117,666
96	96	96	100	99
9,910	10,669	11,818	11,977	11,776
47%	66%	69%	75%	59%
6,115	6,170	6,289	6,253	7,582
821	1,178	1,371	1,547	(c) 1,065
2.89 million	2.46 million	2.49 million	2.49 million	2.49 million
727,531	488,707	414,366	609,129	(d) 1,239,784
75,597	64,638	(b) 77,022	61,815	55,079
161,652	176,404	210,000	239,378	143,824
29,451	31,223	21,098	18,027	16,677
156,034	139,396	(b) 163,155	176,747	165,874
41,494	37,174	35,397	37,992	36,176
1,305,894	1,350,156	1,359,858	1,529,187	1,556,715
840,954	757,918	(a) 295,040	323,233	405,818
25,737	36,203	39,198	20,939	31,086
4,650	3,282	4,943	4,717	3,104
NA	NA	NA	NA	NA
141	205	246	94	120

CITY OF BOULDER, COLORADO

Statistical Data

Capital Asset Statistics By Function/Program

Last Ten Fiscal Years  
(Unaudited)

Function/Program	2009	2010	2011	2012	2013
Public Safety:					
Police					
Number of stations and annexes	4	3	4	4	5
Fire					
Number of stations	7	7	7	7	7
Public Works:					
Fleet Services					
Cars, Pickups, Vans, and Motorcycles	343	355	347	312	328
Fire Apparatus	22	15	14	14	14
Other Heavy Trucks and Equipment	594	585	607	677	720
Total Vehicles/Equipment in Fleet	959	955	968	1,003	1,062
Transportation					
Miles of streets	292	293	293	295	295
Number of street lights	4,638	4,678	4,689	4,742	4,766
Utilities - Water					
Number of water accounts	28,458	28,519	28,619	28,759	28,747
Average daily water production (000's)	15,400	17,300	17,000	17,600	15,737
Miles of water mains	458	461	463	463	462
Utilities - Sewer					
Miles of sanitary sewer mains	350	375	355	355	355
Miles of storm sewers	124	183	186	153	152
Culture and Recreation:					
Parks and Recreation					
Acres of urban parks	1,880	1,880	1,800	1,800	1,800
Library					
Number of libraries	4	4	4	4	4
Number of library items in collection	403,960	405,034	392,506	390,427	413,740
Open Space / Mountain Parks:					
Acres of mountain parks and open space	45,091	45,130	45,405	45,591	46,632

Source: City of Boulder departmental records.



2014	2015	2016	2017	2018
5	5	5	5	5
7	7	7	7	7
377	377	381	486	481
14	14	14	14	14
704	713	831	715	690
1,095	1,104	1,226	1,215	1,185
295	300	300	294	294
4,811	4,822	5,059	5,081	5,155
28,829	28,944	29,140	29,502	29,092
15,692	15,800	15,600	16,200	16,200
463	463	467	467	468
356	356	356	356	356
153	144	153	152	152
1,800	1,800	1,800	1,800	1,800
5	5	5	5	5
412,824	473,716	331,078	308,825	330,851
45,518	45,518	45,540	45,570	46,599

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**CITY OF BOULDER, COLORADO**  
**Schedule of Expenditures of Federal Awards**  
**Year Ended December 31, 2018**

<b>Federal Grantor, Program Title, Project/Grant Number, and Program Year</b>	<b>Federal CFDA Number</b>	<b>Pass thru Entity Identifying Number</b>	<b>Amount Provided to Subrecipient</b>	<b>Federal Expenditures 1/1/18-12/31/18</b>
Department of Housing and Urban Development:				
Direct Programs:				
Community Development Block Grants/Entitlement Grants	14.218	N/A	316,168	586,227
Home Investment Partnerships Program	14.239	N/A	1,874,084	1,957,294
Passed through State of Colorado:				
CDBG – Disaster Recovery	14.269	See Note 4	0	67,609
CDBG – Resiliency	14.269	N/A	0	47,160
Total Department of Housing and Urban Development			<u>2,190,252</u>	<u>2,658,290</u>
Department of Justice:				
Direct Programs:				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	N/A	0	6,418
Total Department of Justice			<u>0</u>	<u>6,418</u>
Department of Transportation:				
Passed through Colorado Department of Transportation:				
Highway Planning and Construction	20.205	None provided	0	955,138
State and Community Highway Safety	20.600	None provided	0	25,383
Total Department of Transportation			<u>0</u>	<u>980,521</u>
Department of Energy:				
Direct Programs:				
REDI Grant	81.122	N/A	0	179,616
Department of the Interior:				
Passed through History Colorado:				
Certified Local Government Grant	15.904	N/A	0	800
Department of Public Safety:				
Passed through Colorado Department of Public Safety:				
Disaster Grants - Public Assistance	97.036	See Note 4	0	170,969
Passed through Colorado Division of Homeland Security & Emergency Management	97.047	N/A	0	3,505
Total Department of Public Safety			<u>0</u>	<u>174,474</u>
Total Federal Expenditures			<u>\$2,190,252</u>	<u>\$ 4,000,119</u>

See Notes to Schedule of Expenditures of Federal Awards

CITY OF BOULDER, COLORADO  
Notes to Schedule of Expenditures of Federal Awards  
Year Ended December 31, 2018

**Note 1. Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the City of Boulder, Colorado for the year ended December 31, 2018. All federal financial assistance received directly from federal agencies, as well as federal financial assistance passed through other governmental agencies, is included in the schedule. The information in this schedule is presented in accordance with requirements of the Code of Federal Regulations, 2 CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the presentation of, the basic financial statements.

**Note 2. Significant Accounting Policies**

Revenue from federal awards is recognized when the City has done everything necessary to establish its right to revenue. For governmental funds, revenue from federal grants is recognized when it becomes both measurable and available. Expenditures of federal awards are recognized in the accounting period when the liability is incurred. The City has elected to not use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

**Note 3. Expenditures Incurred in Prior Years**

PW-00907, PW-01010 and PW01068 were closed out in FY 2018. During the closeout process reimbursable expenses were adjusted. The total difference from amounts previously reported for Disaster Grants-Public Assistance, CFDA #97.036, was \$4,034. This amount was deducted from current year expenses reported for this program.

**Note 4. Pass Through Entity Identifying Numbers**

The pass-thru award numbers for the Disaster Grants - Public Assistance program were PW-01073, PW-01171, PW-01155, PW-00840, PW-00141, PW00118. The pass-through award numbers for the CDBG - Disaster Recovery program was B-13-DS-08-001 : INF-00007, B-13-DS-08-001 : INF-00037, DR P17-01.



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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Boulder, Colorado, as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the City of Boulder, Colorado's basic financial statements, and have issued our report thereon dated June 24, 2019.

**Internal Control Over Financial Reporting**

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

### **Compliance and Other Matters**

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

### **Purpose of this Report**

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

A handwritten signature in black ink that reads "CliftonLarsonAllen LLP". The signature is written in a cursive, flowing style.

**CliftonLarsonAllen LLP**

Broomfield, Colorado  
June 24, 2019



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

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

**Report on Compliance for Each Major Federal Program**

We have audited the City of Boulder, Colorado's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City of Boulder, Colorado's major federal programs for the year ended December 31, 2018. The City of Boulder, Colorado's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

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

***Auditors' Responsibility***

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

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City of Boulder, Colorado's compliance.

***Opinion on Each Major Federal Program***

In our opinion, the City of Boulder, Colorado complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2018.

## **Report on Internal Control Over Compliance**

Management of the City of Boulder, Colorado is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City of Boulder, Colorado's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Boulder, Colorado's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



**CliftonLarsonAllen LLP**

Broomfield, Colorado  
June 24, 2019



**CITY OF BOULDER, COLORADO  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED DECEMBER 31, 2018**

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***Section I – Summary of Auditors' Results***

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***Financial Statements***

1. Type of auditors' report issued: Unmodified
  
2. Internal control over financial reporting:
  - Material weakness(es) identified? \_\_\_\_\_ yes \_\_\_\_\_ x \_\_\_\_\_ no
  - Significant deficiency(ies) identified? \_\_\_\_\_ yes \_\_\_\_\_ x \_\_\_\_\_ none reported
  
3. Noncompliance material to financial statements noted? \_\_\_\_\_ yes \_\_\_\_\_ x \_\_\_\_\_ no

***Federal Awards***

1. Internal control over major federal programs:
  - Material weakness(es) identified? \_\_\_\_\_ yes \_\_\_\_\_ x \_\_\_\_\_ no
  - Significant deficiency(ies) identified? \_\_\_\_\_ yes \_\_\_\_\_ x \_\_\_\_\_ none reported
  
2. Type of auditors' report issued on compliance for major federal programs: Unmodified
  
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? \_\_\_\_\_ yes \_\_\_\_\_ x \_\_\_\_\_ no

***Identification of Major Federal Programs***

**CFDA Number(s)**

14.239

**Name of Federal Program or Cluster**

Home Investment Partnerships Program

Dollar threshold used to distinguish between Type A and Type B programs:

\$ 750,000

Auditee qualified as low-risk auditee?

x yes \_\_\_\_\_ no

**CITY OF BOULDER, COLORADO  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED DECEMBER 31, 2018**

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***Section II – Financial Statement Findings***

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Our audit did not disclose any matters required to be reported in accordance with *Government Auditing Standards*.

**CITY OF BOULDER, COLORADO  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED DECEMBER 31, 2018**

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***Section III – Findings and Questioned Costs – Major Federal Programs***

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Our audit did not disclose any matters required to be reported in accordance with 2 CFR 200.516(a).

**CITY OF BOULDER, COLORADO  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
YEAR ENDED DECEMBER 31, 2018**

The City of Boulder, Colorado respectfully submits the following summary schedule of prior audit findings for the year ended December 31, 2018.

Audit period: December 31, 2018

The findings from the prior audit's schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the prior year.

**FINDINGS—FINANCIAL STATEMENT AUDIT**

**2017 – 001 Prior Period Adjustment**

**Condition:** The City should have controls in place to review joint project expenditures to ensure that amounts not eligible for reimbursement are excluded from receivable balances to prevent material misstatements in the financial statements.

**Status:** Corrective action was taken.

**2017 – 002 Federal Grants Receivable, Revenue, and Deferred Inflows of Resources**

**Condition:** The City should have controls in place to properly reconcile grant related balances throughout the duration of the year to prevent misstatements in the financial statements.

**Status:** Corrective action was taken.

If there are questions regarding this schedule, please call Anne Penney, Controller, at 303-441-1812.

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

<b>LOCAL HIGHWAY FINANCE REPORT</b>		City or County:
		City of Boulder
		YEAR ENDING : December 2018
This Information From The Records Of: City of Boulder		Prepared By: Graham Clark, Budget & Finance Analyst Phone: 303-441-3001

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

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

**II. RECEIPTS FOR ROAD AND STREET PURPOSES****III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES**

ITEM	AMOUNT	ITEM	AMOUNT
<b>A. Receipts from local sources:</b>		<b>A. Local highway disbursements:</b>	
1. Local highway-user taxes		1. Capital outlay (from page 2)	12,104,126
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	8,859,185
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	3,669,840
2. General fund appropriations	2,724,578	b. Snow and ice removal	1,660,920
3. Other local imposts (from page 2)	25,847,835	c. Other	1,328,573
4. Miscellaneous local receipts (from page 2)	1,686,948	d. Total (a. through c.)	6,659,333
5. Transfers from toll facilities	0	4. General administration & miscellaneous	2,286,764
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	2,112,162
a. Bonds - Original Issues	0	6. Total (1 through 5)	32,021,570
b. Bonds - Refunding Issues	0	<b>B. Debt service on local obligations:</b>	
c. Notes	0	1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	648,081
7. Total (1 through 6)	30,259,361	b. Redemption	1,180,322
<b>B. Private Contributions</b>	0	c. Total (a. + b.)	1,828,403
<b>C. Receipts from State government</b> (from page 2)	3,498,872	2. Notes:	
<b>D. Receipts from Federal Government</b> (from page 2)	1,325,211	a. Interest	0
<b>E. Total receipts (A.7 + B + C + D)</b>	35,083,444	b. Redemption	0
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	1,828,403
		<b>C. Payments to State for highways</b>	0
		<b>D. Payments to toll facilities</b>	0
		<b>E. Total disbursements (A.6 + B.3 + C + D)</b>	33,849,974

**IV. LOCAL HIGHWAY DEBT STATUS**

(Show all entries at par)

	Opening Debt	Amount Issued	Redemptions	Closing Debt
<b>A. Bonds (Total)</b>	16,428,876	0	1,180,322	15,248,553
1. Bonds (Refunding Portion)		0	0	
<b>B. Notes (Total)</b>				0

**V. LOCAL ROAD AND STREET FUND BALANCE**

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
Transportation Funds	26,602,115	31,178,544	29,945,073	27,835,585	
Capital Improvement Bond Fund (Street & Road)	907,402	0	0	907,402	0
General Fund (Street & Road)	0	3,904,900	3,904,900	0	0
<b>Totals</b>	<b>27,509,517</b>	<b>35,083,444</b>	<b>33,849,974</b>	<b>28,742,987</b>	<b>0</b>

**Notes and Comments:**

Transportation Funds include the Transportation, Transportation Development and Boulder Junction Improvement Funds. Balances for Transportation Funds reflected in Section V include balances not restricted for road and street purposes as transportation funding within the City of Boulder supports multi-modal transportation. In contrast, receipt and disbursement financial data only reflect road and street-related activity.

LOCAL HIGHWAY FINANCE REPORT		STATE: Colorado	
		YEAR ENDING (mm/yy): December 2018	

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL			
ITEM	AMOUNT	ITEM	AMOUNT
<b>A.3. Other local imposts:</b>		<b>A.4. Miscellaneous local receipts:</b>	
a. Property Taxes and Assessments	0	a. Interest on investments	389,588
b. Other local imposts:		b. Traffic Fines & Penalties	0
1. Sales Taxes	23,907,535	c. Parking Garage Fees	0
2. Infrastructure & Impact Fees	1,607,207	d. Parking Meter Fees	0
3. Liens	0	e. Sale of Surplus Property	0
4. Licenses	0	f. Charges for Services	0
5. Specific Ownership &/or Other	333,093	g. Other Misc. Receipts	1,297,360
6. Total (1. through 5.)	25,847,835	h. Other	0
c. Total (a. + b.)	25,847,835	i. Total (a. through h.)	1,686,948
(Carry forward to page 1)		(Carry forward to page 1)	

ITEM	AMOUNT	ITEM	AMOUNT
<b>C. Receipts from State Government</b>		<b>D. Receipts from Federal Government</b>	
1. Highway-user taxes	3,098,438	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	0
a. State bond proceeds		b. FEMA	0
b. Project Match		c. HUD	0
c. Motor Vehicle Registrations	220,660	d. Federal Transit Admin	0
d. Other - Hwy/Signal Maint Contract	173,856	e. U.S. Corps of Engineers	0
e. Other - CDOT	5,918	f. Other Federal (FHWA)	1,325,211
f. Total (a. through e.)	400,434	g. Total (a. through f.)	1,325,211
4. Total (1. + 2. + 3.f)	3,498,872	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)
<b>A.1. Capital outlay:</b>			
a. Right-Of-Way Costs	0	0	0
b. Engineering Costs	0	391,370	391,370
c. Construction:			
(1). New Facilities	181,903	0	181,903
(2). Capacity Improvements	0	57,200	57,200
(3). System Preservation	0	10,033,015	10,033,015
(4). System Enhancement & Operation	794	1,439,845	1,440,639
(5). Total Construction (1) + (2) + (3) + (4)	182,696	11,530,060	11,712,756
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	182,696	11,921,430	12,104,126
		(Carry forward to page 1)	

Notes and Comments: