

CITY OF BOULDER, COLORADO

Comprehensive Annual Financial Report

For the fiscal year ended

December 31, 2017

Prepared by the Finance Department

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CITY OF BOULDER, COLORADO

Comprehensive Annual Financial Report

December 31, 2017

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

June 25, 2018

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, 2017.

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, 2017. 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 2017 Boulder Community Profile is 108,717.

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 0.08% from 2016. During 2017, Retail Sales Tax was up 0.18%, Business/Consumer Use Tax was up 11.51%, Construction Use Tax was down 17.49%, and Motor Vehicle Use Tax was up 12.83%. Accommodation Tax increased 1.63% over 2016 while Admissions Tax increased 6.67% over 2016. Admissions Tax collections are dependent on the number of taxable productions and events held in the City and the level of attendance at such events.

Sales and use tax revenues in 2016 made up approximately 44% of the General Fund, 93% of the Open Space and Mountain Parks Fund and 57% of the Transportation Fund total revenues.

The property tax base for 2017 was appraised at the 2016 actual value. The assessed valuation for property within the City of Boulder increased from \$3.147 billion in 2015 to \$3.667 billion in 2016, or 16.52%. Taxes levied against the 2016 assessed valuation will be collected in 2017. 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 19, 2018, Colorado’s economy is on solid footing with strong employment growth and expectations of an ongoing expansion. While Colorado’s economy will continue to expand however, it will do so at a slightly lower rate as in previous years. New business formation continues to grow, while Colorado oil production is at record levels. Although much of the state’s economic growth has occurred along the front range, stabilizing farmland values and increases in energy prices and production have recently supported rural areas as well. Looking forward, higher costs of living and tight labor market conditions are expected to constrain further growth through the forecast period.

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

The U.S. economic momentum continues to remain strong. The labor market is expected to continue to grow at an accelerated rate with slight improvements to the labor force participation rate. Manufacturing and international trade activity have picked up in recent months and are

expected to benefit from the federal tax changes. Nationwide, personal income growth increased 3.1 percent in 2017 while Colorado posted a 5.4 percent increase. The unemployment rate Nationwide was 4.4 percent in 2017 while Colorado was 1.6 percentage points lower at 2.8 percent.

The change in March 2018 year-to-date sales and use tax revenue, compared to March 2017 year-to-date is as follows:

TAX CATEGORY	% CHANGE IN REVENUE Increase/(Decrease)	% OF TOTAL
Sales Tax	.90%	79.50%
Business/Consumer Use Tax	24.17%	7.93%
Construction Use Tax	8.61%	8.07%
Motor Vehicle Use Tax	10.52%	3.70%
Recreational Marijuana Tax	50.10%	.80%
Total Sales & Use Tax	4.11%	100.00%

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

- Sales Tax – Actual retail sales tax revenue was up 0.90% through March 31, 2018 compared to March 31, 2017. Over the past eighteen months the City has experienced a flattening of sales tax while surrounding communities continue to increase. City staff has revised its revenue expectations and is investigating the source of this trend.
- Business/Consumer Use Tax – Revenues are up by 24.17% from March 31, 2018 compared to March 31, 2017. 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 8.61% from March 31, 2018 compared to March 31, 2017. This is another volatile tax category as it depends upon the number and timing of construction projects in any given period. Revenue in this category assumes “base” number of projects will continue indefinitely. Revenue from large projects above the base is considered one-time revenue used for one-time expenses.
- Motor Vehicle Use Tax is up by 10.52% year to date 2018. 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 50.10% from March 31, 2018 compared to March 31, 2017. This increase is due, in part, to audit revenue.

While staff investigates the flattening of retail sales tax within Boulder, the city has identified strategies to reduce expenditures in 2018, and to continue to evaluate systemic, long-term changes to achieve greater efficiency. 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 2016 and 2017, along with the 2018 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:

Forecast	2016 Actual	2017 Actual	2018 Projected
Base Sales/Use Tax - City of Boulder	3.35%	0.08%	(0.09%)
Denver-Aurora-Lakewood Consumer Price Index	2.80%	3.40%	2.90%
Statewide Retail Sales Trade Growth	4.30%	4.80%	4.60%
Statewide Personal Income Growth	4.10%	5.40%	5.10%

THE IMPORTANCE OF SOUND STRATEGIC PLANNING

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

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

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

During 2017, 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 2017.

The 2018 Capital Improvements Program (CIP) includes proposed funding of \$111.6 million for 107 projects. The entire six-year (2018-23) CIP includes proposed funding of \$469.4 million for 148 discrete projects. The city is spending the majority, over 89% of its 2018 capital funds on capital enhancement and maintenance of its existing assets, 7% on land and asset acquisition, 3% on new capital projects and 1% on capital planning. CIP funding varies year to year depending on the type and cost of projects recommended for funding in that year and the amount of external

funding received. Highlights of the six-year plan include \$122.0 million for Water Utility related projects, \$76.4 million for Storm Water and Flood Utility related projects, \$93.8 million for Wastewater Utility related projects, \$86.8 million for Transportation related projects and \$29.9 million for Open Space related projects.

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

On November 7, 2017, Boulder voter 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) under the Finance Department budget page.

OTHER FINANCIAL INFORMATION

Debt Ratings

During 2017, 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, 2016. This was the twenty-eighth consecutive year that the city has achieved this prestigious award and the thirty-fifth 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 2017 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, 2016. 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,

Ron Gilbert

Ron Gilbert
Assistant 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, 2016

Christopher P. Morrell

Executive Director/CEO

CITY OF BOULDER, COLORADO

Principal Elected and Administrative Officials

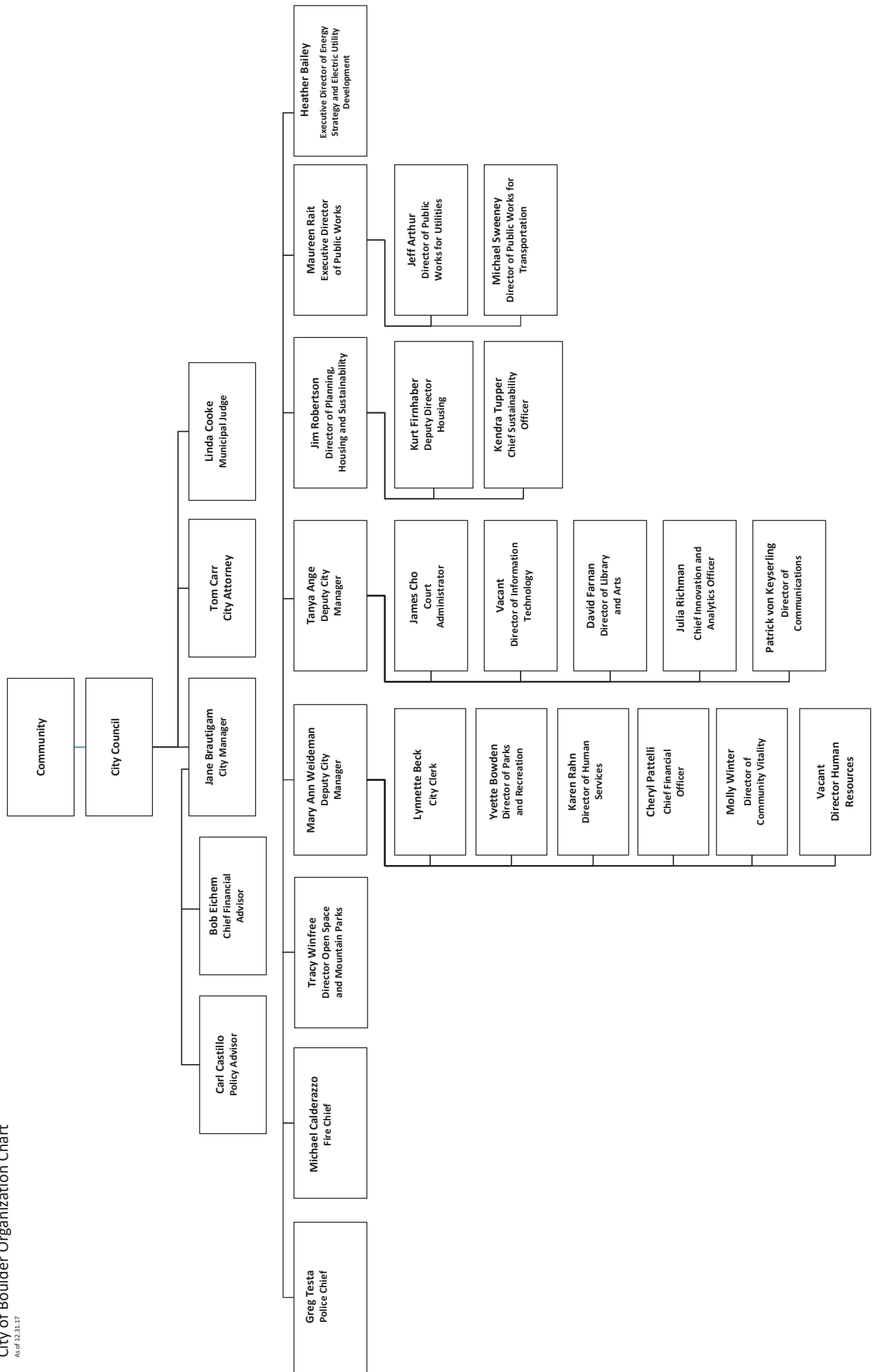
At December 31, 2017

Mayor and City Council

Mayor:	Suzanne Jones
Mayor Pro Tem	Aaron Brockett
Council Members:	Jill Adler Grano Cindy Carlisle Mirabai Kuk Nagle Lisa Morzel Mary Young Sam Weaver 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, 2017, 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, 2017, 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

Correction of an error

As discussed in Note A to the financial statements, the City of Boulder, Colorado restated its net position for governmental activities as of January 1, 2017 due to a correction of an error for Federal grant related receivables. A summary of the restatement is presented in Note A.

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 post-employment benefits information on pages 21-34 and 160-169 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 25, 2018, 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 result 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 the 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 25, 2018

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City of Boulder, Colorado

MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2017

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, 2017. 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 2017 by \$1,150.3 million (\$685.0 million in governmental activities net position and \$465.3 million in business-type activities net position). Of the governmental activities net position total, \$12.5 million, or 2%, is unrestricted and may be used to meet the city's ongoing obligations to the public and creditors. Similarly, \$77.1 million, or 17%, of business-type activities net position is unrestricted.
- Total net position of the city increased \$35.2 million, or 3%, compared to 2016. Net position of the city's governmental activities increased \$10.7 million, which represents an increase of 2% from 2016. Net position of the city's business-type activities increased \$24.5 million, or 6%, from 2016.
- Total revenues, excluding transfers, increased \$9.6 million, or 3%, to \$353.5 million compared to 2016. Governmental activities revenues increased \$11.4 million, or 4%, to \$275.8 million, while revenues of business-type activities decreased \$1.8 million, or 2%, to \$77.6 million compared to 2016.
- The total expenses of all the city's programs, excluding transfers, increased \$39.7 million, or 15%, to \$313.0 million compared to 2016. The expenses of governmental activities programs increased \$37.6 million, or 17%, to \$258.5 million, while the expenses of business-type activities increased \$2.0 million, or 4%, from 2016 to \$54.5 million.
- As of December 31, 2017, the city's governmental funds reported a combined ending fund balance of \$175.0 million. Approximately 46%, or \$80.1 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>	
	2017	2016*	2017	2016	2017	2016
Current and other assets	\$ 303,580	\$ 305,068	\$ 126,428	\$ 153,411	\$ 430,008	\$ 458,479
Capital assets	686,167	657,936	481,357	437,102	1,167,524	1,095,038
Total assets	989,747	963,004	607,785	590,513	1,597,532	1,553,517
Deferred outflows of resources	37,644	33,590	9,061	8,435	46,705	42,025
Noncurrent liabilities	271,521	257,442	8,028	148,066	279,549	405,508
Other liabilities	26,512	25,346	141,787	8,258	168,299	33,604
Total liabilities	298,033	282,788	149,815	156,324	447,848	439,112
Deferred inflows of resources	44,406	39,532	1,701	1,783	46,107	41,315
Net position:						
Invested in capital assets	577,789	545,505	387,932	375,949	965,721	921,454
Restricted	94,646	77,392	288	279	94,934	77,671
Unrestricted	12,517	51,377	77,110	64,613	89,627	115,990
Total net position	\$ 684,952	\$ 674,274	\$ 465,330	\$ 440,841	\$ 1,150,282	\$ 1,115,115

*2016 amounts were not restated for MD&A purposes due to information not being available for all components.
See Note A.15 for further details.

Table 1 presents an analysis of the city's net position as of December 31, 2017. The city's assets exceeded its liabilities by \$1,150.3 million at the close of the current fiscal year. By far the largest portion of the city's net position (84%) reflects its investment of \$965.7 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, \$94.9 million (8%), represents resources that are subject to restrictions as to how they may be used. The remaining balance of unrestricted net position, \$89.6 million (8%), may be used to meet the city's on-going obligations to the public and creditors.

At the end of the current fiscal year, the city reported positive balances in all three categories of net position, both for the government as a whole as well as for its separate governmental and business-type activities. Net investment in capital assets increased \$44.3 million, or 4%, compared to 2016. This increase is due to capital project costs related to land acquisitions in Open Space and Mountain Parks, capital projects in Transportation, capital projects in Affordable Housing and other large utility construction projects. Restricted net position increased \$17.3 million, or 22%, compared to 2016 mainly due to a reclassification of \$17.3 million in Transportation Fund net position from unassigned to restricted. The \$26.4 million, or 23%, decrease in unrestricted net position during 2017 was due in large part to an increase in pension related costs and the reclassification of \$17.3 million in the Transportation Fund net position from unrestricted to restricted.

It is important to note that approximately \$49.9 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 \$35.2 million during 2017. This increase is explained in the governmental and business-type activities discussion below.

Governmental Activities

Net position of governmental activities increased by \$10.7 million during 2017, accounting for 30% of the total increase in the city's net position. This increase was \$30.9 million less than the \$41.6 million increase in net position in 2016.

Revenues during 2017 increased by \$9.6 million compared to 2016. Due to changes in economic factors, sales, use and other taxes decreased \$356 thousand during 2017 while miscellaneous revenues increased \$2.7 million. Operating grant revenue increased \$4.0 million compared to 2016, primarily due to the purchase of Ponderosa Mobile Home Park which was funded in part, by a Community Development Block Grant (CDBG) awarded to the city. Capital grant revenue decreased by \$9.5 million compared to 2016, primarily due to a decrease in transportation project spending during 2017.

Expenses increased \$37.6 million in 2017 compared to 2016. General Government expenses increased \$12.7 million due to increased lease expense related to 2015 Certificate of Participation, energy strategy, capital and personnel expenses in 2017. In addition, \$7.3 million in capital expenditures were transferred out of General Government expenses in 2016 while minimal capital expenditures were transferred in 2017. Housing and Human Services expenses rose \$16.1 million related to increased development or improvement of permanently affordable housing units during 2017 as compared to 2016. Open Space and Mountain Parks expenses increased \$8.1 million primarily due to property acquisitions. Public Works expenses decreased \$3.5 million due to decreased CDOT funded construction projects in 2017 as compared to 2016.

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 (15%) and Culture and Recreation (14%). 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 (14%).

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

	Governmental Activities		Business-type		Total Primary Government	
	2017	2016	2017	2016	2017	2016
Program revenues:						
Charges for services	\$ 43,874	\$ 34,507	\$ 65,741	\$ 65,316	\$ 109,615	\$ 99,823
Operating grants and contributions	17,211	12,856	3,353	3,664	20,564	16,520
Capital grants and contributions	4,305	13,765	5,912	7,854	10,217	21,619
General revenue:						
Sales and use taxes	135,913	136,269	-	-	135,913	136,269
Property taxes	37,252	36,897	1,402	1,293	38,654	38,190
Other taxes	29,859	25,150	91	57	29,950	25,207
Interest and investment earnings	1,491	1,976	885	1,073	2,376	3,049
Miscellaneous revenue	5,526	2,825	158	145	5,684	2,970
Gain on sale of capital assets	410	219	101	-	511	219
Total Revenues	275,841	264,464	77,643	79,402	353,484	343,866
Program expenses (includes indirect expenses allocation):						
Governmental activities:						
General Government	32,773	20,073	-	-	32,773	20,073
Administrative Services	10,278	9,750	-	-	10,278	9,750
Public Safety	58,350	58,151	-	-	58,350	58,151
Public Works	39,571	43,112	-	-	39,571	43,112
Planning and Development Services	17,334	14,600	-	-	17,334	14,600
Culture and Recreation	37,359	36,216	-	-	37,359	36,216
Open Space and Mountain Parks	30,110	22,010	-	-	30,110	22,010
Housing and Human Services	29,214	13,085	-	-	29,214	13,085
Interest on long-term debt	3,468	3,815	-	-	3,468	3,815
Business-type activities:						
Water Utility	-	-	23,431	23,540	23,431	23,540
Wastewater Utility	-	-	15,125	14,309	15,125	14,309
Stormwater and Flood Management	-	-	7,916	7,468	7,916	7,468
Parking Facilities and Services	-	-	7,192	6,546	7,192	6,546
Property and Facility Acquisition	-	-	870	661	870	661
Total expenses	258,457	220,812	54,534	52,524	312,991	273,336
Excess before transfers	17,384	43,652	23,109	26,878	40,493	70,530
Transfers	(1,380)	(2,035)	1,380	2,035	-	-
Increase in net position	16,004	41,617	24,489	28,913	40,493	70,530
Net position, beginning of year	674,274	632,657	440,841	411,928	1,115,115	1,044,585
Restatement, see Note A-15	(5,326)	-	-	-	(5,326)	-
Net position, end of year	\$ 684,952	\$ 674,274	\$ 465,330	\$ 440,841	\$ 1,150,282	\$ 1,115,115

Chart 1: 2017 Expenses and Program Revenues - Governmental Activities

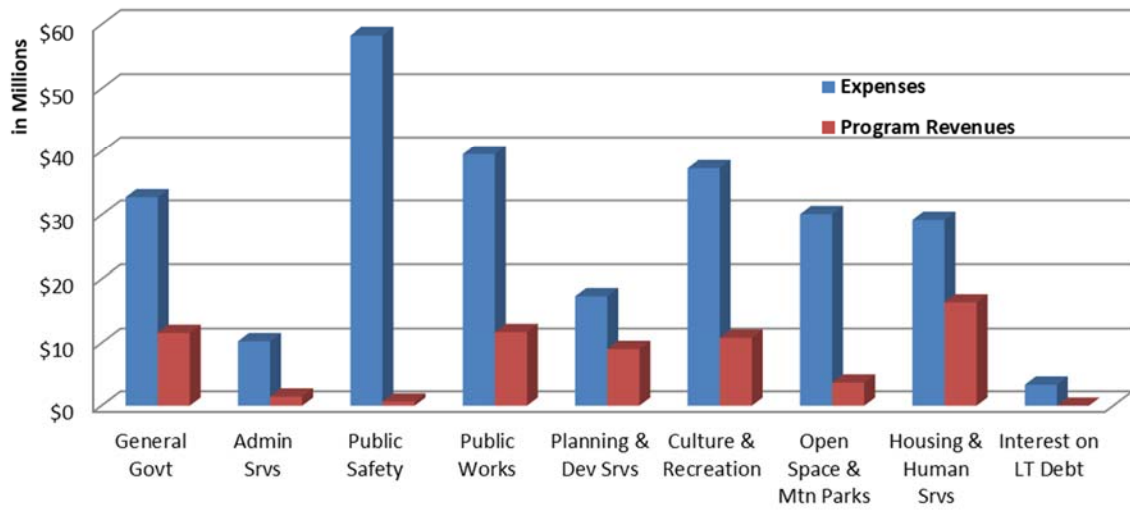
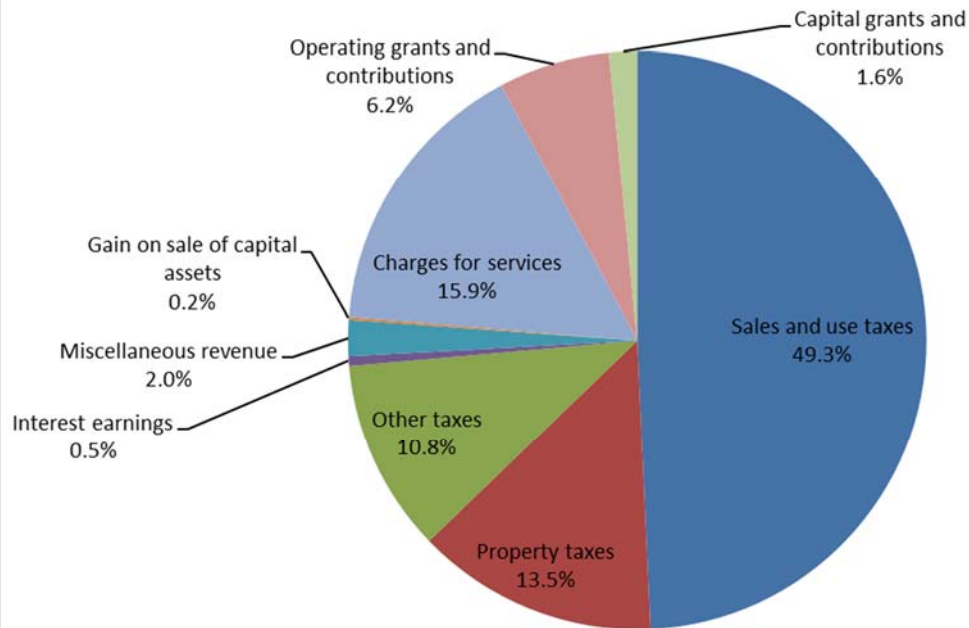


Chart 2: 2017 Revenues by Source - Governmental Activities



Business-type Activities

Net position in business-type activities increased \$24.5 million in 2017. This increase was \$4.4 million less than the \$28.9 million increase in net position in 2016.

Total business-type revenues decreased \$1.8 million, or 2%, compared to 2016. Operating and capital grants and contributions decreased by \$2.3 million in 2017 mainly due to completion of construction and maintenance projects during 2016 not carried into 2017.

Expenses of business-type activities increased by \$2.0 million, or 4% compared to 2016, 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 71% of total business-type activity expenses. Charges for services provide the largest share of revenues (85%), followed by capital grants and contributions (8%) and operating grants and contributions (4%).

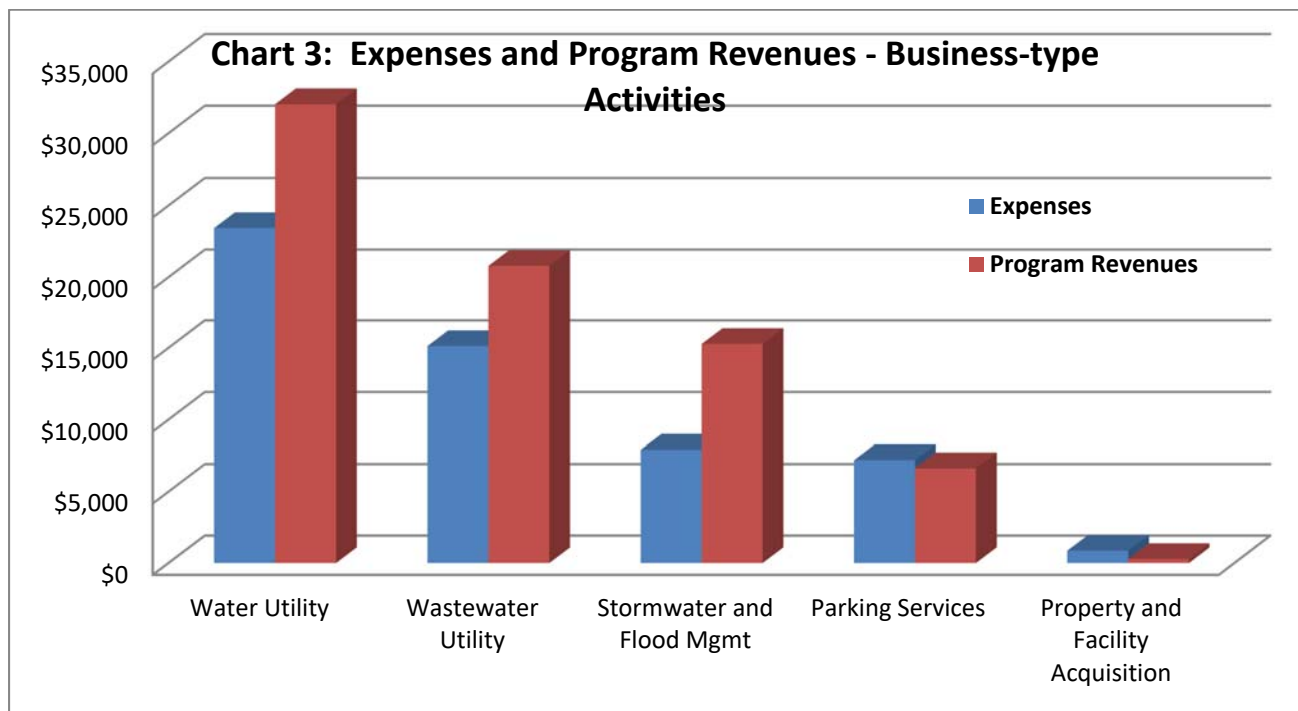
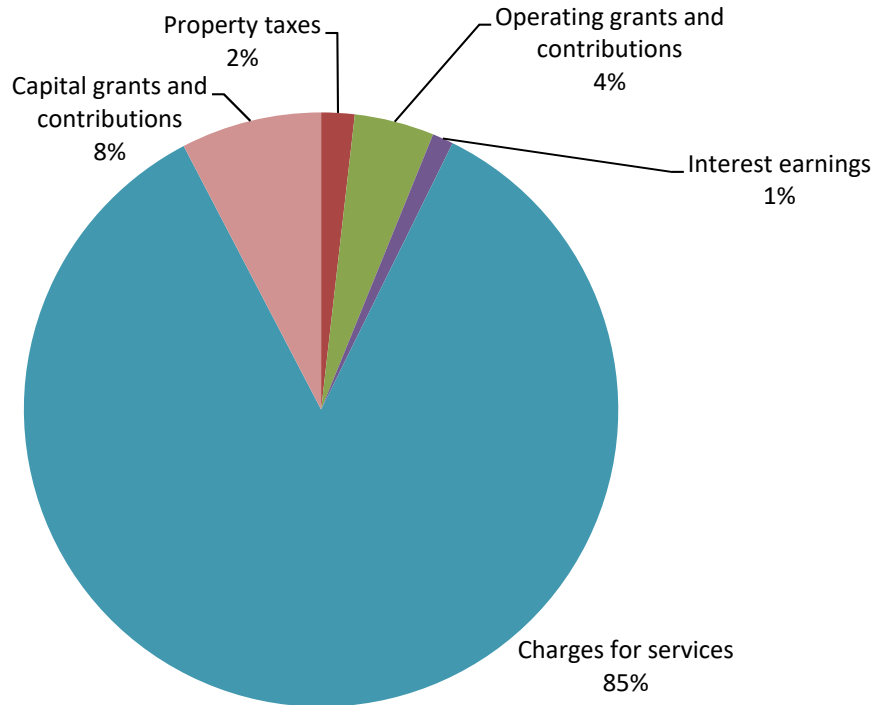


Chart 4: 2017 Revenue by Source - Business-type Activities



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, 2017, the city's governmental funds reported combined ending fund balances of \$175.0 million, a decrease of \$.9 million, or .6%, from the prior year. The fund balance of the General Fund decreased \$6.1 million to \$52.5 million at December 31, 2017. General Fund revenues grew by a modest \$1.2 million as compared to 2016. Decreased consumer, business and construction spending led to a \$2.2 million fall in sales and use taxes. Construction development

led to a \$355 thousand increase in general property taxes. General Fund expenditures increased by \$11.0 million due to expansion of services. General government increased \$3.9 million due to increased capital, energy strategy, administrative, and personnel expenses. Housing and Human Services increased \$19.8 million mainly due to the acquisition of affordable housing and various affordable housing projects. Open Space and Mountain Parks expenditures increased \$7.9 million due to property acquisitions.

The Open Space and Mountain Parks Fund's fund balance decreased \$3.2 million in 2017. Revenues fell by \$1.8 million due to a decrease in operating grant revenue. Expenditures increased by \$7.6 million due to property acquisition.

The fund balance of the Transportation Fund grew by \$6.1 million in 2017. Revenues increased by \$7.6 million while expenditures decreased by \$3.2 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 2016 not carried over into 2017.

Other governmental fund balances increased by \$2.9 million. Increases in charges for services and intergovernmental revenues was primarily attributable to the increase.

Approximately \$80.1 million or 46% 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 - \$0.3 million; (2) limitations imposed on use of funds by external laws and regulations - \$13.0 million; (3) restrictions for capital projects - \$32.1 million; (4) restrictions for future development - \$45.1 million; (5) restricted for expenditure on lottery authorized parks and recreation projects - \$3.3 million and (6) restrictions placed on the funds by donors - \$1.1 million.

The General Fund is the primary operating fund of the city. At the end of 2017, the unrestricted fund balance of the General Fund was \$46.9 million, while total fund balance was \$52.5 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 2017, unassigned fund balance of \$38.9 million represents 29% of total general fund expenditures and transfers out of \$138.6 million. General Fund unassigned fund balance as a percentage of total expenditures and transfers out was 37% in 2016.

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

for Open Space and Mountain Parks Fund is restricted for acquisition and maintenance of the city's open space. The total fund balance of the Open Space and Mountain Parks Fund was \$39.0 million at December 31, 2017, a decrease of \$3.2 million from 2016. The Transportation Fund's revenue sources are generally restricted except for investment income. As of December 31, 2017, the Transportation Fund's restricted fund balance was \$17.3 million and was assigned for capital projects. The total Transportation fund balance was \$17.3 million at December 31, 2017, a \$6.2 million increase from 2016.

In the 2017 budget year, the City Council maintained a minimum target for unassigned General Fund balance of 17% 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 17% was exceeded in 2017.

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, 2017, the unrestricted net position of the Water Utility Fund was \$26.3 million, the Wastewater Utility Fund was \$14.5 million, the Storm Water and Flood Management Fund was \$24.4 million, the Downtown Commercial District Fund was \$5.8 million and the non-major enterprise funds was \$0.9 million. The total increase in net position for the proprietary funds was \$24.5 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 2017 was \$26.3 million greater than the original budget. The primary reasons for this difference are related to the following increases:

- \$2.3 million for encumbrance carryovers
- \$4.0 million project carryover for building renovations, technology related capital carryover and various other capital projects
- \$0.8 million for grants including carryover and new
- \$3.4 million for operating carryover for Boulder Energy Future
- \$1.1 million for human services initiatives
- \$0.6 million in the economic vitality rebate program
- \$1.0 million in general governance programs
- \$1.0 million in overtime for public safety overtime reimbursements and enhanced civic area patrol

On a basis consistent with the adopted budget, actual revenues and transfers in were \$1.4 million, or 1.0%, more than the final budget. Actual expenditures and transfers out were \$15.7 million, or 10%, 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 \$17.1 million. The primary factors contributing to this favorable variance include the following:

- \$877 thousand more in accommodation taxes
- \$3.0 million more in other revenues
- \$1.5 million less in expenditures related to Planning and Development Services
- \$3.5 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, 2017 amounts to \$1,167.5 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 \$72.5 million (7%) from 2016. Net capital assets of governmental activities increased \$28.2 million (4%) and those of business-type activities decreased \$44.3 million (10%).

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

	Governmental Activities		Business-type Activities		Total Primary Government	
	2017	2016	2017	2016	2017	2016
Land and easements	\$ 345,281	\$ 337,479	\$ 43,498	\$ 43,347	\$ 388,779	\$ 380,826
Intangibles	-	-	1,950	-	1,950	-
Buildings	67,454	71,044	22,144	20,739	89,598	91,783
Improvements other than buildings	53,284	55,438	2,631	2,882	55,915	58,320
Infrastructure	145,027	124,202	-	-	145,027	124,202
Utility plant in service and undergrounds	-	-	327,149	315,278	327,149	315,278
Machinery, equipment and vehicles	26,330	22,996	3,271	3,878	29,601	26,874
Software and licenses	6,571	6,431	-	-	6,571	6,431
Construction in progress	42,220	40,346	80,714	50,978	122,934	91,324
Total	<u>\$ 686,167</u>	<u>\$ 657,936</u>	<u>\$ 481,357</u>	<u>\$ 437,102</u>	<u>\$ 1,167,524</u>	<u>\$ 1,095,038</u>

Some of the major capital asset activities during 2017 included the following:

Governmental activities:

- New vehicle purchases - \$5.7 million
- Purchase of the Ponderosa Mobile Home Park - \$4.2 million
- Completion of the Civic Area Project
- Construction in Progress for the renovation of the Brenton Building at the Alpine-Balsam site
- Completion of 29th/Valmont Safety Project - \$4.5 million

- Completion of Diagonal to 28th St to East of 30th St Reconstruction - \$11.0 million
- 25-acre land acquisition by OSMP – \$1.7 million
- New Wildland Fire Station has been completed - \$3.9 million
- Recreation Center indoor aquatic facilities renovations - \$2.3 million
- Recognition of \$21.0 million in depreciation expense

Business-type activities:

- Construction in progress for Carter Lake Pipeline supply to the Boulder Reservoir - \$1.8 million
- Construction in progress for Betasso Water Treatment Facility - \$19.4 million
- Completion of IBM Lift Station Improvements - \$2.6 million
- Construction in progress for flood mitigation at Wonderland Creek and Fourmile Canyon Creek - \$11.8 million
- Completion of major capital improvements on 5 parking garages - \$1.2 million
- Recognition of \$10.3 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 2017 and 2016. At December 31, 2017, the city had total bonded debt (including certificates of participation) of \$213.6 million. Of this amount, \$24.1 million consisted of general obligation debt backed by the full faith and credit of the city. Another \$182.8 million represents bonds secured solely by specified revenue sources (revenue bonds, certificates of participation and capital improvement bonds). The remaining \$6.7 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	
	2017	2016	2017	2016	2017	2016
General obligation bonds	\$ 18,399	\$ 22,555	\$ 5,732	\$ 7,453	\$ 24,131	\$ 30,008
Revenue bonds	-	-	105,672	116,226	105,672	116,226
Pension obligation bonds	6,675	7,063	-	-	6,675	7,063
Capital improvement bonds	38,387	41,330	-	-	38,387	41,330
Certificates of Participation	38,691	40,179	-	-	38,691	40,179
Total bonded debt	\$ 102,152	\$ 111,127	\$ 111,404	\$ 123,679	\$ 213,556	\$ 234,806

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, 2017

(Amounts in 000's)

	Governmental <u>Activities</u>	Business-type <u>Activities</u>	<u>Total</u>
Assets:			
Equity in pooled cash and cash equivalents	\$ 10,285	\$ 2,369	\$ 12,654
Investments	215,571	87,184	302,755
General property tax receivable	43,836	1,541	45,377
Sales tax receivable	16,711	-	16,711
Other receivables (See Note G)	15,001	10,668	25,669
Restricted investments	1,411	24,355	25,766
Inventory of materials and supplies	51	270	321
Other assets	714	41	755
Capital assets (net of accumulated depreciation):			
Land and easements	345,281	43,498	388,779
Intangibles	-	1,950	1,950
Buildings	67,454	22,144	89,598
Improvements other than buildings	53,284	2,631	55,915
Infrastructure	145,027		145,027
Utility plant in service and undergrounds	-	327,149	327,149
Machinery, equipment and vehicles	26,330	3,271	29,601
Software and licenses	6,571	-	6,571
Construction in progress	42,220	80,714	122,934
Total assets	<u>989,747</u>	<u>607,785</u>	<u>1,597,532</u>
Deferred outflows of resources	<u>37,644</u>	<u>9,061</u>	<u>46,705</u>
Liabilities:			
Accounts and accrued liabilities:			
Vouchers and accounts payable	10,708	5,625	16,333
Contracts and retainage payable	2,065	3,055	5,120
Accrued liabilities	5,781	3,552	9,333
Internal balances	5,242	(5,242)	-
Other liabilities	2,212	1,038	3,250
Unearned revenue	504	-	504
Noncurrent liabilities:			
Due within one year	11,405	12,213	23,618
Due in more than one year	118,236	101,849	220,085
Net pension liability	141,880	27,725	169,605
Total liabilities	<u>298,033</u>	<u>149,815</u>	<u>447,848</u>
Deferred inflows of resources:			
Property taxes	43,648	1,535	45,183
Deferred inflows related to pension	758	166	924
Total deferred inflows of resources	<u>44,406</u>	<u>1,701</u>	<u>46,107</u>
Net position:			
Net investment in capital assets	577,789	387,932	965,721
Restricted for:			
Legally restricted	13,037	188	13,225
Capital projects	32,071	100	32,171
Development	45,091	-	45,091
Lottery funds	3,281	-	3,281
Donor restrictions	1,166	-	1,166
Unrestricted	12,517	77,110	89,627
Total net position	<u>\$ 684,952</u>	<u>\$ 465,330</u>	<u>\$ 1,150,282</u>

The accompanying notes are an integral part of this statement.

CITY OF BOULDER, COLORADO

Statement of Activities

Year ended December 31, 2017

(Amounts in 000's)

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
General Government	\$ 32,773	\$ 9,891	\$ 1,687	\$ -
Administrative Services	10,278	1,436	-	-
Public Safety	58,350	218	432	-
Public Works	39,571	1,689	5,708	4,305
Planning & Development Services	17,334	9,037	16	-
Culture and Recreation	37,359	8,947	1,867	-
Open Space and Mountain Parks	30,110	1,322	2,467	-
Housing and Human Services	29,214	11,334	5,034	-
Interest on long-term debt	3,468	-	-	-
Total governmental activities	<u>258,457</u>	<u>43,874</u>	<u>17,211</u>	<u>4,305</u>
Business-type activities:				
Water utility	23,431	28,742	123	3,167
Wastewater utility	15,125	19,229	587	975
Stormwater and flood management	7,916	10,861	2,643	1,770
Parking facilities and services	7,192	6,629	-	-
Property and facility acquisition	870	280	-	-
Total business-type activities	<u>54,534</u>	<u>65,741</u>	<u>3,353</u>	<u>5,912</u>
Total government	<u>\$ 312,991</u>	<u>\$ 109,615</u>	<u>\$ 20,564</u>	<u>\$ 10,217</u>
General revenues:				
Taxes:				
Sales, use and other taxes				
General property taxes				
Accommodation taxes				
Franchise taxes				
Specific Ownership & Tobacco taxes				
Excise taxes				
Interest and investment earnings				
Miscellaneous				
Gain on Sale of Capital Assets				
Transfers				
Total general revenues,				
transfers				
Change in net position				
Net position, beginning of year, as restated				
Net position, end of year				

Net (Expense) Revenue and
Changes in Net Position

Governmental Activities	Business-type Activities	Total
\$ (21,195)	\$ -	\$ (21,195)
(8,842)	-	(8,842)
(57,700)	-	(57,700)
(27,869)	-	(27,869)
(8,281)	-	(8,281)
(26,545)	-	(26,545)
(26,321)	-	(26,321)
(12,846)	-	(12,846)
(3,468)	-	(3,468)
<u>(193,067)</u>	<u>-</u>	<u>(193,067)</u>
-	8,601	8,601
-	5,666	5,666
-	7,358	7,358
-	(563)	(563)
-	(590)	(590)
<u>-</u>	<u>20,472</u>	<u>20,472</u>
<u>(193,067)</u>	<u>20,472</u>	<u>(172,595)</u>
135,913	-	135,913
37,252	1,402	38,654
8,932	-	8,932
12,551	-	12,551
2,637	91	2,728
5,739	-	5,739
1,491	885	2,376
5,526	158	5,684
410	101	511
<u>(1,380)</u>	<u>1,380</u>	<u>-</u>
<u>209,071</u>	<u>4,017</u>	<u>213,088</u>
16,004	24,489	40,493
668,948	440,841	1,109,789
<u>\$ 684,952</u>	<u>\$ 465,330</u>	<u>\$ 1,150,282</u>

CITY OF BOULDER, COLORADO

Balance Sheet

Governmental Funds

December 31, 2017

(Amounts in 000's)

<u>Assets</u>	<u>General Fund</u>	<u>Open Space & Mountain Parks Fund</u>	<u>Trans- portation Fund</u>	<u>Boulder Municipal Property Authority</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Equity in pooled cash and cash equivalents	\$ 1,500	\$ 912	\$ 430	\$ 192	\$ 4,078	\$ 7,112
Investments	49,574	34,742	17,093	44	61,954	163,407
Receivables:						
General property taxes	39,206	-	-	-	4,630	43,836
Sales and use taxes	7,751	3,406	2,903	-	2,651	16,711
Accounts	3,009	1,554	2,220	-	1,164	7,947
Accrued interest	183	106	65	1	200	555
Intergovernmental	402	3,397	1,789	-	472	6,060
Other	33	-	-	-	-	33
Total receivables	50,584	8,463	6,977	1	9,117	75,142
Due from other funds	42	-	-	-	-	42
Inventory of materials and supplies	6	-	1	-	44	51
Restricted assets:						
Investments for special purposes	674	-	-	-	478	1,152
Investments for capital projects	-	-	-	230	30	260
Total restricted assets	674	-	-	230	508	1,412
Other assets	215	21	1	-	54	291
Total assets	\$ 102,595	\$ 44,138	\$ 24,502	\$ 467	\$ 75,755	\$ 247,457

The accompanying notes are an integral part of this statement.

<u>Liabilities, Deferred Inflows of Resources and Fund Balances</u>	<u>General Fund</u>	<u>Open Space & Mountain Parks Fund</u>	<u>Trans- portation Fund</u>	<u>Boulder Municipal Property Authority</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Liabilities:						
Accounts and accrued liabilities:						
Vouchers and accounts payable	\$ 3,624	\$ 555	\$ 3,931	\$ -	\$ 1,919	\$ 10,029
Contracts and retainage payable	117	200	866	33	748	1,964
Accrued salaries, wages and amounts withheld from employees	3,307	457	310	-	743	4,817
Due to other funds	-	-	-	-	38	38
Advances from other funds	1,007	-	-	-	-	1,007
Other liabilities	261	1	789	-	697	1,748
Unearned revenue	435	-	-	-	52	487
Total liabilities	<u>8,751</u>	<u>1,213</u>	<u>5,896</u>	<u>33</u>	<u>4,197</u>	<u>20,090</u>
Deferred inflows of resources:						
Property tax	39,019	-	-	-	4,629	43,648
Grants and other deferrals	2,369	3,942	1,329	-	1,106	8,746
Deferred inflows of resources	<u>41,388</u>	<u>3,942</u>	<u>1,329</u>	<u>-</u>	<u>5,735</u>	<u>52,394</u>
Fund balances:						
Nonspendable:						
Prepaid	215	21	1	-	54	291
Inventory	6	-	1	-	44	51
Restricted for:						
Legally restricted	2,733	-	-	434	9,870	13,037
Capital projects	2,483	-	17,275	-	12,293	32,051
Development	-	38,883	-	-	6,187	45,070
Lottery funds	-	-	-	-	3,281	3,281
Donor restrictions	90	24	-	-	1,013	1,127
Committed to:						
Affordable housing	-	-	-	-	7,530	7,530
Transportation projects	-	-	-	-	3,542	3,542
Assigned to:						
Special purposes	5,805	55	-	-	22,009	27,869
Contractual obligations	2,202	-	-	-	-	2,202
Unassigned	38,922	-	-	-	-	38,922
Total fund balances	<u>52,456</u>	<u>38,983</u>	<u>17,277</u>	<u>434</u>	<u>65,823</u>	<u>174,973</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 102,595</u>	<u>\$ 44,138</u>	<u>\$ 24,502</u>	<u>\$ 467</u>	<u>\$ 75,755</u>	<u>\$ 247,457</u>

CITY OF BOULDER, COLORADO

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

December 31, 2017

(Amounts in 000's)

Total governmental fund balances	\$	174,973
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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	1,001,172	
Accumulated depreciation - governmental funds	<u>(373,525)</u>	
Net book value of capital assets in governmental funds		627,647

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

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

PERA net pension liability	(134,541)	
Police net pension liability	(2,801)	
Fire net pension liability	(682)	
Deferred inflows related to pensions: PERA, Police and Fire	(748)	
Deferred outflows related to pensions: PERA	<u>36,571</u>	(102,201)

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.		95,549
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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.		(119,762)
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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>8,746</u>	<u>8,746</u>
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Net position of governmental activities	\$	<u><u>684,952</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, 2017

(Amounts in 000's)

	General <u>Fund</u>	Open Space & Mountain Parks <u>Fund</u>	Trans- portation <u>Fund</u>	Boulder Municipal Property <u>Authority</u>	Other Governmental <u>Funds</u>	Total Governmental <u>Funds</u>
Revenues:						
Taxes:						
Sales, use and other taxes	\$ 58,094	\$ 29,569	\$ 24,972	\$ -	\$ 19,222	\$ 131,857
General property taxes	33,218	-	-	-	4,034	37,252
Accommodation taxes	8,932	-	-	-	-	8,932
Franchise taxes	10,788	-	-	-	1,776	12,564
Specific ownership & tobacco taxes	2,630	-	-	-	7	2,637
Excise taxes	1,261	-	-	-	4,478	5,739
Charges for services	4,703	227	-	-	20,815	25,745
Sale of goods	214	-	12	-	175	401
Licenses, permits and fines	6,294	152	-	-	7,234	13,680
Intergovernmental	2,486	595	18,225	-	5,481	26,787
Leases, rents and royalties	215	372	75	3,827	1,925	6,414
Interest and investment earnings	376	252	83	7	399	1,117
Other	3,242	593	389	-	2,320	6,544
Total revenues	<u>132,453</u>	<u>31,760</u>	<u>43,756</u>	<u>3,834</u>	<u>67,866</u>	<u>279,669</u>
Expenditures:						
Current:						
General Government	21,057	-	-	671	107	21,835
Administrative Services	7,643	-	-	-	-	7,643
Public Safety	56,301	119	-	-	-	56,420
Public Works	9,584	-	37,113	-	6,356	53,053
Planning & Development Services	2,627	-	-	-	12,890	15,517
Culture and Recreation	12,856	-	-	-	22,351	35,207
Open Space and Mountain Parks	80	30,561	-	-	-	30,641
Housing and Human Services	14,414	-	-	-	18,040	32,454
Capital outlay	-	-	-	-	11,415	11,415
Debt service payments:						
Principal	3,175	3,865	-	2,293	-	9,333
Interest	1,974	597	-	1,535	-	4,106
Base rentals to Boulder Municipal Property Authority	-	1,002	-	-	-	1,002
Total expenditures	<u>129,711</u>	<u>36,144</u>	<u>37,113</u>	<u>4,499</u>	<u>71,159</u>	<u>278,626</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,742</u>	<u>(4,384)</u>	<u>6,643</u>	<u>(665)</u>	<u>(3,293)</u>	<u>1,043</u>
Other financing sources (uses):						
Sale of capital assets	-	7	-	-	-	7
Transfers in	28	1,209	40	-	6,430	7,707
Transfers out	(8,936)	-	(542)	-	(255)	(9,733)
Total other financing sources (uses)	(8,908)	1,216	(502)	-	6,175	(2,019)
Net change in fund balances	(6,166)	(3,168)	6,141	(665)	2,882	(976)
Fund balances, beginning of year	<u>58,622</u>	<u>42,151</u>	<u>11,136</u>	<u>1,099</u>	<u>62,941</u>	<u>175,949</u>
Fund balances, end 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>

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, 2017

(Amounts in 000's)

Net change in fund balances - total governmental funds \$ (976)

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	49,601	
Governmental Activities capital asset deletions	(2,606)	
Internal Service Funds capital asset additions	(7,688)	
Internal Service Funds capital asset deletions	2,606	
Governmental Activities capital asset depreciation expense	(21,035)	
Internal Service Funds capital asset depreciation expense	<u>6,665</u>	27,543

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. (8,722)

Some revenues reported in the statement of activities are not available as current financial resources and, therefore, are not reported as revenues in governmental funds. Negative amounts indicate a decrease in accruals between fiscal years.

Examples are revenues from special assessments, property taxes and notes receivable.

Intergovernmental revenue	<u>(2,253)</u>	(2,253)
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Internal service funds are used by management to charge the costs of insurance, capital asset replacement and other activities to individual funds. A portion of the net revenue of the internal service funds is reported with governmental activities.

Allocation of net profit		412
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Change in net position of governmental activities	\$ <u><u>16,004</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, 2017
(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, use and other taxes	\$ 61,465	\$ 61,465	\$ 59,859	\$ (1,606)
General property taxes	33,481	33,481	33,218	(263)
Accommodations taxes	8,055	8,055	8,932	877
Franchise taxes	10,652	10,652	10,831	179
Specific ownership & tobacco taxes	2,181	2,181	2,630	449
Excise taxes	1,167	1,309	1,261	(48)
Charges for services	5,464	5,633	4,703	(930)
Sale of goods	65	259	214	(45)
Licenses, permits and fines	6,102	6,233	6,292	59
Intergovernmental	1,254	3,012	2,524	(488)
Leases, rents and royalties	301	401	215	(186)
Interest and investment earnings	305	305	663	358
Other	-	202	3,238	3,036
Total revenues	<u>130,492</u>	<u>133,188</u>	<u>134,580</u>	<u>1,392</u>
Expenditures:				
Current:				
General Government	15,761	22,696	16,599	6,097
Administrative Services	14,877	17,875	14,258	3,617
Public Safety	54,212	56,785	56,113	672
Public Works	7,052	11,697	12,105	(408)
Planning & Development Services	3,007	4,076	2,610	1,466
Culture and Recreation	12,657	13,603	12,941	662
Open Space and Mountain Parks	31	31	28	3
Housing and Human Services	11,071	17,875	14,424	3,451
Debt service payments:				
Principal	3,175	3,175	3,175	-
Interest	1,930	1,930	1,930	-
Total expenditures	<u>123,773</u>	<u>149,743</u>	<u>134,183</u>	<u>15,560</u>
Excess (deficiency) of revenues				
over (under) expenditures	<u>6,719</u>	<u>(16,555)</u>	<u>397</u>	<u>16,952</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
				<u>(Negative)</u>
Other financing sources (uses):				
Transfers in	28	28	28	-
Transfers out	<u>(8,938)</u>	<u>(9,304)</u>	<u>(9,202)</u>	<u>102</u>
Total other financing sources (uses)	<u>(8,910)</u>	<u>(9,276)</u>	<u>(9,174)</u>	<u>102</u>
Net change in fund balance	\$ <u><u>(2,191)</u></u>	\$ <u><u>(25,831)</u></u>	(8,777)	\$ <u><u>17,054</u></u>
Encumbrances, end of year			4,631	
Fund balance, beginning of year, basis of budgeting			<u>62,963</u>	
Fund balance, end of year, basis of budgeting			58,817	
Basis of budgeting to GAAP basis reconciliation:				
Fair market value adjustment to investments			(224)	
Accrued salaries, wages and amounts				
withheld from employees			(3,286)	
Due from other funds			(1,843)	
Advances from other funds			<u>(1,008)</u>	
Fund balance, end of year, GAAP basis			\$ <u><u>52,456</u></u>	

CITY OF BOULDER, COLORADO

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

Open Space and Mountain Parks Fund

Year ended December 31, 2017

(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, use and other taxes	\$ 31,101	\$ 31,101	\$ 30,494	\$ (607)
Charges for services	16	16	227	211
Licenses, permits and fines	249	249	152	(97)
Intergovernmental	2,250	2,575	2,471	(104)
Leases, rents and royalties	431	431	378	(53)
Interest and investment earnings	304	304	440	136
Other	825	1,594	602	(992)
Total revenues	<u>35,176</u>	<u>36,270</u>	<u>34,764</u>	<u>(1,506)</u>
Expenditures:				
Current:				
Public Safety	127	127	119	8
Open Space and Mountain Parks	29,358	60,732	32,292	28,440
Debt service payments:				
Principal	3,865	3,865	3,865	-
Interest	597	597	597	-
Base rentals to Boulder Municipal Property				
Authority Debt Service Fund	-	1,002	1,002	-
Total expenditures	<u>33,947</u>	<u>66,323</u>	<u>37,875</u>	<u>28,448</u>
Excess (deficiency) of revenues				
over (under) expenditures	<u>1,229</u>	<u>(30,053)</u>	<u>(3,111)</u>	<u>26,942</u>
Other financing sources (uses):				
Sale of capital assets	-	-	7	7
Transfers in	1,210	1,230	1,210	(20)
Transfers out	(1,002)	-	-	-
Total other financing sources (uses)	<u>208</u>	<u>1,230</u>	<u>1,217</u>	<u>(13)</u>
Net change in fund balance	\$ <u>1,437</u>	\$ <u>(28,823)</u>	(1,894)	\$ <u>26,929</u>
Encumbrances, end of year			1,744	
Fund balance, beginning of year, basis of budgeting			<u>42,678</u>	
Fund balance, end of year, basis of budgeting			42,528	
Basis of budgeting to GAAP basis reconciliation:				
Fair market value adjustment to investments			(272)	
Accrued salaries, wages and amounts				
withheld from employees			(457)	
Unearned revenue			(2,816)	
Fund balance, end of year, GAAP basis			\$ <u>38,983</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, 2017

(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, use and other taxes	\$ 26,508	\$ 26,508	\$ 25,760	\$ (748)
Sale of goods	-	-	8	8
Intergovernmental	8,084	13,786	11,231	(2,555)
Leases, rents and royalties	160	160	75	(85)
Interest and investment earnings	52	52	141	89
Other	553	553	391	(162)
Total revenues	<u>35,357</u>	<u>41,059</u>	<u>37,606</u>	<u>(3,453)</u>
Expenditures:				
Current:				
Public Works	<u>35,560</u>	<u>49,435</u>	<u>43,063</u>	<u>6,372</u>
Total expenditures	<u>35,560</u>	<u>49,435</u>	<u>43,063</u>	<u>6,372</u>
Excess (deficiency) of revenues				
over (under) expenditures	<u>(203)</u>	<u>(8,376)</u>	<u>(5,457)</u>	<u>2,919</u>
Other financing sources (uses):				
Transfers in	41	41	40	(1)
Transfers out	<u>(543)</u>	<u>(543)</u>	<u>(542)</u>	<u>1</u>
Total other financing sources (uses)	<u>(502)</u>	<u>(502)</u>	<u>(502)</u>	<u>-</u>
Net change in fund balance	\$ <u>(705)</u>	\$ <u>(8,878)</u>	(5,959)	\$ <u>2,919</u>
Encumbrances, end of year			6,007	
Fund balance, beginning of year, basis of budgeting			<u>18,646</u>	
Fund balance, end of year, basis of budgeting			18,694	
Basis of budgeting to GAAP basis reconciliation:				
Fair market value adjustment to investments			(91)	
The fund balance at the beginning of the year is a budgetary resource				
but is not a current year revenue for financial reporting purposes			(1,016)	
Accrued salaries, wages and amounts				
withheld from employees			<u>(310)</u>	
Fund balance, end of year, GAAP basis			\$ <u>17,277</u>	

The accompanying notes are an integral part of this statement.

CITY OF BOULDER, COLORADO

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

Year ended December 31, 2017

(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	\$ 2,826	\$ 3,828	\$ 3,827	\$ (1)
Interest and investment earnings	<u>-</u>	<u>-</u>	<u>7</u>	<u>7</u>
Total revenues	<u>2,826</u>	<u>3,828</u>	<u>3,834</u>	<u>6</u>
Expenditures:				
Current:				
General Government	-	668	671	(3)
Debt service payments:				
Principal	2,293	2,293	2,293	-
Interest	<u>1,535</u>	<u>1,535</u>	<u>1,535</u>	<u>-</u>
Total expenditures	<u>3,828</u>	<u>4,496</u>	<u>4,499</u>	<u>(3)</u>
Excess (deficiency) of revenues over (under) expenditures	(1,002)	(668)	(665)	3
Other financing uses:				
Transfers in	<u>1,002</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>1,002</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	\$ <u>-</u>	\$ <u>(668)</u>	(665)	\$ <u>3</u>
Encumbrances, end of year			-	
Fund balance, beginning of year, basis of budgeting			<u>1,099</u>	
Fund balance, end of year, basis of budgeting			<u>434</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, 2017

(Amounts in 000's)

	Water Utility Fund	Wastewater Utility Fund	Stormwater and Flood Management Fund
Assets:			
Current assets:			
Equity in pooled cash and cash equivalents	\$ 732	\$ 204	\$ 441
Investments	34,862	20,598	23,276
Receivables:			
General property taxes	-	-	-
Accounts	95	418	647
Charges for services	1,881	1,844	1,084
Accrued interest	187	55	47
Intergovernmental	293	174	3,323
Other	-	-	-
Total receivables	2,456	2,491	5,101
Advances to other funds	71	-	-
Inventory of materials and supplies	265	4	1
Other assets - prepaid expenses	10	13	-
Total current assets	38,396	23,310	28,819
Noncurrent assets:			
Advances to other funds	391	-	-
Restricted assets:			
Investments for bond reserves	2,108	682	2,338
Investments for capital projects	12,563	1,430	4,922
Total restricted assets	14,671	2,112	7,260
Capital assets:			
Land and easements	21,318	2,009	17,394
Intangibles	-	-	-
Buildings	2,243	2,491	1,166
Improvements other than buildings	179	417	1,121
Infrastructure	783	-	967
Undergrounds - drainage facilities	301,393	147,719	77,957
Vehicles	2,201	1,660	1,004
Machinery and equipment	2,512	1,447	350
	330,629	155,743	99,959
Less accumulated depreciation	(121,835)	(64,854)	(24,810)
	208,794	90,889	75,149
Construction in progress	34,578	14,825	27,096
Total capital assets, net of accumulated depreciation	243,372	105,714	102,245
Total noncurrent assets	258,434	107,826	109,505
Total assets	296,830	131,136	138,324
Deferred outflows of resources			
Deferred outflows	3,436	3,534	1,155
Total deferred outflow of resources	3,436	3,534	1,155
Total assets and deferred outflows of resources	\$ 300,266	\$ 134,670	\$ 139,479

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>
\$ 718	\$ 274	\$ 2,369	\$ 3,173
7,363	1,085	87,184	52,164
1,262	279	1,541	-
118	-	1,278	80
-	-	4,809	-
27	3	319	184
-	1	3,791	111
-	2	2	-
<u>1,407</u>	<u>285</u>	<u>11,740</u>	<u>375</u>
2	-	73	130
-	-	270	-
<u>16</u>	<u>-</u>	<u>39</u>	<u>449</u>
<u>9,506</u>	<u>1,644</u>	<u>101,675</u>	<u>56,291</u>
7	-	398	415
312	-	5,440	-
-	-	18,915	-
<u>312</u>	<u>-</u>	<u>24,355</u>	<u>-</u>
2,333	444	43,498	117
-	2,000	2,000	-
40,509	-	46,409	91,096
6,000	58	7,775	9,026
6	-	1,756	468
-	-	527,069	-
41	68	4,974	37,406
<u>1,439</u>	<u>247</u>	<u>5,995</u>	<u>12,995</u>
50,328	2,817	639,476	151,108
<u>(26,956)</u>	<u>(378)</u>	<u>(238,833)</u>	<u>(92,968)</u>
23,372	2,439	400,643	58,140
<u>4,215</u>	<u>-</u>	<u>80,714</u>	<u>380</u>
<u>27,587</u>	<u>2,439</u>	<u>481,357</u>	<u>58,520</u>
<u>27,906</u>	<u>2,439</u>	<u>506,110</u>	<u>58,935</u>
<u>37,412</u>	<u>4,083</u>	<u>607,785</u>	<u>115,226</u>
816	120	9,061	1,066
<u>816</u>	<u>120</u>	<u>9,061</u>	<u>1,066</u>
\$ <u>38,228</u>	\$ <u>4,203</u>	\$ <u>616,846</u>	\$ <u>116,292</u>

(continued)

CITY OF BOULDER, COLORADO

Statement of Net Position,
continuedProprietary Funds

December 31, 2017

(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	\$ 2,921	\$ 929	\$ 1,693
Contracts and retainage payable	1,499	517	1,039
Accrued salaries, wages and amounts withheld from employees	294	185	100
Accrued interest	103	125	54
Accrued environmental cleanup liability	-	-	-
Accrued claims liability	-	-	-
Advances from other funds	-	-	-
Other liabilities	573	28	396
Unearned revenue - Other	-	-	-
General obligation bonds payable	-	-	-
Revenue bonds payable	5,630	3,015	1,320
Capitalized lease obligations	-	-	-
Compensated absences payable	59	83	7
Promissory note	-	-	-
Total current liabilities	<u>11,079</u>	<u>4,882</u>	<u>4,609</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)	38,827	36,751	20,129
Capitalized lease obligations	-	-	-
Compensated absences payable	501	191	127
Promissory note	-	-	-
Net pension liability	12,265	8,139	4,269
Retiree health care benefit	147	113	43
Total noncurrent liabilities	<u>51,740</u>	<u>47,668</u>	<u>24,568</u>
Total liabilities	<u>62,819</u>	<u>52,550</u>	<u>29,177</u>
Deferred inflows of resources:			
Deferred inflows of resources	<u>54</u>	<u>33</u>	<u>19</u>
Net position:			
Net investment in capital assets	210,974	67,637	85,885
Restricted for:			
Legally restricted - emergency reserve	-	-	-
Capital projects	100	-	-
Unrestricted	<u>26,319</u>	<u>14,450</u>	<u>24,398</u>
Total net position	<u>\$ 237,393</u>	<u>\$ 82,087</u>	<u>\$ 110,283</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
\$ 69	\$ 13	\$ 5,625	\$ 679
-	-	3,055	101
63	15	657	66
56	83	421	-
-	-	-	47
-	-	-	1,201
-	2	2	-
31	1	1,029	-
-	-	-	17
1,705	-	1,705	-
-	-	9,965	-
-	-	-	684
18	-	167	42
-	376	376	-
<u>1,942</u>	<u>490</u>	<u>23,002</u>	<u>2,837</u>
-	-	2,474	-
-	-	-	1,777
-	7	7	-
4,028	-	4,028	-
-	-	95,707	-
-	-	-	6,927
117	7	943	51
-	791	791	-
2,591	461	27,725	3,856
70	7	380	41
<u>6,806</u>	<u>1,273</u>	<u>132,055</u>	<u>12,652</u>
<u>8,748</u>	<u>1,763</u>	<u>155,057</u>	<u>15,489</u>
<u>1,314</u>	<u>281</u>	<u>1,701</u>	<u>12</u>
22,164	1,272	387,932	50,911
182	6	188	-
-	-	100	-
<u>5,820</u>	<u>881</u>	<u>71,868</u>	<u>49,880</u>
<u>\$ 28,166</u>	<u>\$ 2,159</u>	<u>460,088</u>	<u>\$ 100,791</u>

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

5,242

Net position of
business-type activities

\$ 465,330

CITY OF BOULDER, COLORADO

Statement of Revenues, Expenses and Changes in Fund Net Position

Proprietary Funds

Year ended December 31, 2017

(Amounts in 000's)

	Water Utility Fund	Wastewater Utility Fund	Stormwater and Flood Management Fund
Operating revenues:			
Charges for services	\$ 28,640	\$ 19,212	\$ 10,839
Sale of goods	2	1	-
Total operating revenues	<u>28,642</u>	<u>19,213</u>	<u>10,839</u>
Operating expenses:			
Personnel	8,974	6,017	3,045
Non-personnel	8,804	5,510	3,288
Depreciation	4,712	2,855	1,112
Total operating expenses	<u>22,490</u>	<u>14,382</u>	<u>7,445</u>
Operating income (loss)	<u>6,152</u>	<u>4,831</u>	<u>3,394</u>
Nonoperating revenues (expenses):			
Interest and investment earnings	467	119	255
Leases, rents and royalties	100	16	22
Intergovernmental revenue	123	587	2,643
General property taxes	-	-	-
Specific ownership & tobacco taxes	-	-	-
Interest expense	(568)	(781)	(542)
Contribution expense - future water rights	(420)	-	-
Gain (loss) on disposition of capital assets	101	-	-
Other, net	20	5	4
Total nonoperating revenues (expenses)	<u>(177)</u>	<u>(54)</u>	<u>2,382</u>
Income before capital contributions and transfers	5,975	4,777	5,776
Capital contributions	3,167	975	1,770
Transfers in	-	-	-
Transfers out	<u>(364)</u>	<u>(322)</u>	<u>(209)</u>
Changes in net position	<u>8,778</u>	<u>5,430</u>	<u>7,337</u>
Total net position, beginning of year	<u>228,615</u>	<u>76,657</u>	<u>102,946</u>
Total net position, end of year	\$ <u>237,393</u>	\$ <u>82,087</u>	\$ <u>110,283</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>
\$ 6,437	\$ 280	\$ 65,408	\$ 19,695
-	-	3	304
<u>6,437</u>	<u>280</u>	<u>65,411</u>	<u>19,999</u>
1,997	382	20,415	2,965
3,342	416	21,360	11,940
<u>1,594</u>	<u>77</u>	<u>10,350</u>	<u>6,665</u>
<u>6,933</u>	<u>875</u>	<u>52,125</u>	<u>21,570</u>
(496)	(595)	13,286	(1,571)
37	7	885	374
192	-	330	130
-	-	3,353	18
1,214	188	1,402	-
79	12	91	-
(30)	-	(1,921)	(348)
-	-	(420)	-
(6)	(2)	93	403
<u>127</u>	<u>2</u>	<u>158</u>	<u>696</u>
<u>1,613</u>	<u>207</u>	<u>3,971</u>	<u>1,273</u>
1,117	(388)	17,257	(298)
-	-	5,912	4
1,650	625	2,275	646
<u>-</u>	<u>-</u>	<u>(895)</u>	<u>-</u>
<u>2,767</u>	<u>237</u>	<u>24,549</u>	<u>352</u>
<u>25,399</u>	<u>1,922</u>		<u>100,439</u>
\$ <u>28,166</u>	\$ <u>2,159</u>		\$ <u>100,791</u>

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

(60)

Change in net position of
business-type activities

\$ 24,489

CITY OF BOULDER, COLORADO

Statement of Cash Flows

Proprietary Funds

Year ended December 31, 2017

(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	\$ 28,786	\$ 18,600	\$ 10,109
Receipts from interfund services provided	-	-	-
Other receipts	22	5	40
Other payments	(41)	(77)	-
Payments to suppliers	(8,107)	(6,050)	(3,056)
Payments to employees	(7,432)	(4,990)	(2,485)
Payment for interfund services used	-	-	-
Net cash provided (used) by operating activities	<u>13,228</u>	<u>7,488</u>	<u>4,608</u>
Cash flows from noncapital financing activities:			
Payments from other funds			
on due from (due to) balances	-	-	-
Payments from other funds on advances	68	-	-
Payments to other funds on advances	-	-	-
Leases, rents and royalties	100	16	22
Intergovernmental revenue	18	990	2,397
Sales and use tax	-	-	-
General property taxes	-	-	-
Specific ownership & tobacco taxes	-	-	-
Transfers in	-	-	-
Transfers out	(364)	(322)	(209)
Net cash provided (used) by noncapital financing activities	<u>(178)</u>	<u>684</u>	<u>2,210</u>
Cash flows from capital and related financing activities:			
Acquisition and construction of capital assets	(31,076)	(6,343)	(14,535)
Proceeds from sale or transfer of property and equipment	520	1	-
Contractual payment - future water rights	(984)	-	-
Promissory note issued	-	-	-
Principal paid on notes payable, bonds payable and capitalized lease obligations	(5,499)	(3,297)	(1,287)
Interest paid on notes payable, bonds payable, and capitalized lease obligations	(584)	(791)	(589)
Other	-	-	-
Capital contributions	<u>3,167</u>	<u>975</u>	<u>1,770</u>
Net cash (used) for capital related financing activities	<u>(34,456)</u>	<u>(9,455)</u>	<u>(14,641)</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>
\$	6,327	\$ 280	\$ 64,102	\$ 11,917
	-	-	-	7,776
	76	2	145	688
	-	(8)	(126)	-
	(3,423)	(405)	(21,041)	(12,354)
	(1,653)	(328)	(16,888)	(2,493)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>304</u>
	<u>1,327</u>	<u>(459)</u>	<u>26,192</u>	<u>5,838</u>
	-	-	-	153
	-	-	68	-
	2	(2)	-	-
	192	-	330	130
	1	(1)	3,405	35
	(72)	-	(72)	-
	1,280	189	1,469	-
	79	12	91	-
	1,650	625	2,275	646
	<u>-</u>	<u>-</u>	<u>(895)</u>	<u>-</u>
	<u>3,132</u>	<u>823</u>	<u>6,671</u>	<u>964</u>
	(1,078)	(2,000)	(55,032)	(7,675)
	(1)	1	521	724
	-	-	(984)	-
	-	1,250	1,250	-
	(1,720)	-	(11,803)	(630)
	(26)	-	(1,990)	-
	-	-	-	12
	<u>-</u>	<u>-</u>	<u>5,912</u>	<u>(348)</u>
	<u>(2,825)</u>	<u>(749)</u>	<u>(62,126)</u>	<u>(7,917)</u>

(continued)

CITY OF BOULDER, COLORADO

Statement of Cash Flows,
continued

Proprietary Funds

Year ended December 31, 2017

(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	\$ (16,405)	\$ (16,591)	\$ (9,630)
Proceeds from sale and maturities of investment securities	37,143	17,356	17,417
Interest on investments	<u>609</u>	<u>183</u>	<u>423</u>
Net cash provided (used) in investing activities	<u>21,347</u>	<u>948</u>	<u>8,210</u>
Net increase (decrease) in cash and cash equivalents	(59)	(335)	387
Cash and cash equivalents, January 1	<u>791</u>	<u>539</u>	<u>54</u>
Cash and cash equivalents, December 31	\$ <u><u>732</u></u>	\$ <u><u>204</u></u>	\$ <u><u>441</u></u>

The accompanying notes are an integral part of this statement.

Downtown Commercial District	Nonmajor Enterprise Funds	Total Enterprise Funds	Governmental Activities Internal Service Funds
\$ (2,991)	\$ (655)	\$ (46,272)	\$ (7,622)
1,213	726	73,855	6,238
<u>66</u>	<u>12</u>	<u>1,293</u>	<u>603</u>
<u>(1,712)</u>	<u>83</u>	<u>28,876</u>	<u>(781)</u>
(78)	(302)	(387)	(1,896)
<u>796</u>	<u>576</u>	<u>2,756</u>	<u>5,069</u>
\$ <u><u>718</u></u>	\$ <u><u>274</u></u>	\$ <u><u>2,369</u></u>	\$ <u><u>3,173</u></u>

(continued)

CITY OF BOULDER, COLORADO

Statement of Cash Flows,
continuedProprietary Funds

Year ended December 31, 2017

(Amounts in 000's)

	Water Utility Fund	Wastewater Utility Fund	Stormwater and Flood Management Fund
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$ 6,152	\$ 4,831	\$ 3,394
Adjustments to reconcile net operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	4,712	2,855	1,112
Other nonoperating revenues (expenses)	20	5	4
Change in assets and liabilities:			
(Increase) decrease in assets:			
Accounts receivable	267	(388)	(647)
Charges for services receivable	(121)	(224)	(83)
Intergovernmental receivables	-	-	-
Due from other funds	-	-	-
Other receivables			
Inventory of materials and supplies	3	-	-
Other assets - prepaid expenses	(10)	(13)	-
Increase (decrease) in liabilities:			
Vouchers and accounts payable	(276)	(522)	(319)
Accrued salaries, wages and amounts withheld from employees	22	-	2
Accrued claims liability	-	-	-
Other liabilities	(41)	(77)	36
Pension Liability	1,515	1,020	540
Contracts and retainage payable	980	(5)	551
Compensated absences	(8)	(4)	12
Retiree health care benefit	13	10	6
Total adjustments	7,076	2,657	1,214
Net cash provided by operating activities	\$ 13,228	\$ 7,488	\$ 4,608
Noncash investing, capital and financing activities:			
Assets acquired through:			
Capital contributions:			
Other	228	165	217
Increase (decrease) in fair value of investments	(214)	(79)	(176)
	\$ 14	\$ 86	\$ 41

The accompanying notes are an integral part of this statement.

Downtown Commercial District	Nonmajor Enterprise Funds	Total Enterprise Funds	Governmental Activities Internal Service Funds
\$ <u>(496)</u>	\$ <u>(595)</u>	\$ <u>13,286</u>	\$ <u>(1,571)</u>
1,594	77	10,350	6,665
127	(6)	150	688
(110)	-	(878)	(5)
-	-	(428)	-
-	-	-	3
-	-	-	-
-	-	-	-
-	-	3	-
(16)	-	(39)	(29)
(65)	11	(1,171)	192
1	-	25	(1)
-	-	-	(36)
(51)	-	(133)	(612)
316	53	3,444	477
-	-	1,526	66
23	-	23	(4)
4	1	34	5
<u>1,823</u>	<u>136</u>	<u>12,906</u>	<u>7,409</u>
\$ <u><u>1,327</u></u>	\$ <u><u>(459)</u></u>	\$ <u><u>26,192</u></u>	\$ <u><u>5,838</u></u>
-	-	610	-
<u>(34)</u>	<u>(5)</u>	<u>(508)</u>	<u>(258)</u>
\$ <u><u>(34)</u></u>	\$ <u><u>(5)</u></u>	\$ <u><u>102</u></u>	\$ <u><u>(258)</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, 2017

(Amounts in 000's)

Assets:

Equity in pooled cash and cash equivalents	\$	223
Investments:		
U.S. Treasuries		233
U.S. Agencies & Instrumentalities		630
Mutual Funds		15,165
Equity Securities		4,528
Money Market Funds		651
Real Estate Investment Trust		711
Corporate Bonds		175
Other		376
Receivables:		
Accrued interest		11
Total assets		<u>22,703</u>

Liabilities:

Accounts and accrued liabilities:		
Accrued pensions payable		93
Due to other funds		4
Total liabilities		<u>97</u>

Net position restricted for pensions	\$	<u><u>22,606</u></u>
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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, 2017

(Amounts in 000's)

Additions:

Pension contributions:

City of Boulder	\$	<u>487</u>
Total contributions		<u>487</u>

Investment earnings (loss)	2,856
Less investment expense	<u>(76)</u>
Net investment earnings	<u>2,780</u>

Total additions	<u>3,267</u>
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Deductions:

Benefits	<u>2,412</u>
Total deductions	<u>2,412</u>

Net increase in net position	855
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Net position restricted for

pensions:

Beginning of year	<u>21,751</u>
End of year	<u>\$ 22,606</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, 2017

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City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2017

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

1. Reporting Entity

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

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

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

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

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2017

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, 2017

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1. Reporting Entity (Continued)

Related Organizations (Continued)

The following two organizations have been identified as related organizations.

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

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

2. Government-wide and Fund Financial Statements

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2017

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

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

The City reports the following major governmental funds:

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2017

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

The City reports the following major enterprise funds:

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

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

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

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

Additionally, the City reports the following fund types:

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2017

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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.

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

4. Budgets

Budgets are adopted on a budgetary basis as described in Note C. The City budgets revenues and expenditures/expenses for all funds except Fiduciary Funds and the Gifts and Contributions Fund. Pension Trust Fiduciary Funds each have an independent board, which review all expense, refund, disability and investment transactions. The Gifts and Contributions Fund does not have an adopted budget as control over expenditures is provided by the Library Foundation. All annual appropriations lapse at year ended December 31, 2017.

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2017

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4. Budgets (Continued)

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

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

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

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

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

6. Investments

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2017

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

6. Investments (Continued)

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

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

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

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."

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2017

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

7 Interfund Receivables/Payables (Continued)

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

8. Inventories

Inventories of a material amount are maintained in the General Fund for postage, the Transportation Fund for material supply, the Recreation Activity Fund for golf course clubhouse merchandise and the Water Utility Fund for materials supply. 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 & Mountain Parks and Enterprise Funds have been restricted for debt service bond reserves in compliance with bond ordinances.

10. Capital Assets

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets, net of any related interest income, is included as

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2017

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

10. Capital Assets (Continued)

part of the capitalized value of the assets constructed for business-type activities. Interest capitalized in 2017 totaled \$1,447,030.

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.

12. Deferred Outflows/Inflows of Resources

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2017

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

12. Deferred Outflows/Inflows of Resources (Continued)

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

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

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

13. Long-Term Obligations

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2017

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

14. Fund Balances and Net Position

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

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

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

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

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

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

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

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

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

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

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2017

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

14. Fund Balances and Net Position (Continued)

those assets. Net investment in capital assets, excludes unspent bond proceeds. Unspent bond proceeds as of December 31, 2017 totaled \$19,229,463 consisting of \$12,520,304 for the Water Utility Fund, \$1,436,600 for the Wastewater Utility Fund, \$5,011,606 for the Stormwater and Flood Management Fund, \$29,877 for Capital Bond Proceeds and \$231,076 from Certificates of Participation.

15. Restatement of Net Position

During 2017, the City made the determination that certain Federal grant related receivables related to 2016 would not be collected as they were incorrectly classified as Federal and were to be City funded. This restated the beginning net position of governmental activities in the Government-Wide Statement of Activities by decreasing the amount as of January 1, 2017 , by \$5,326,000. The details of this adjustment is as follows (amounts in 000's):

<u>Government-Wide Statements</u>	<u>Governmental Activities</u>
Beginning Net Position, as previously reported, at January 1, 2017	\$ 674,274
Reduction of accounts receivable correction	<u>(5,326)</u>
Net Position, January 1, 2017, as restated	<u>\$ 668,948</u>

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):

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2017

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

	Governmental Fund Capital Assets	Internal Service Fund Capital Assets	Total Capital Assets - Governmental Activities
Land and easements	\$ 345,164	\$ 117	\$ 345,281
Buildings	51,547	91,096	142,643
Improvements other than buildings	86,215	9,026	95,241
Infrastructure	460,764	468	461,232
Machinery, equipment and vehicles	6,130	50,401	56,531
Software and Licenses	9,512	-	9,512
Construction-in-progress	41,840	380	42,220
Total capital assets	1,001,172	151,488	1,152,660
Less accumulated depreciation	(373,525)	(92,968)	(466,493)
Capital assets, net	<u>\$ 627,647</u>	<u>\$ 58,520</u>	<u>\$ 686,167</u>

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	\$ 18,399
Taxable obligation bonds	6,675
Certificates of participation - COPs	38,691
Capital improvement bonds	38,387
Lease Purchase revenue notes	3,478
Compensated absences, excluding internal service funds	10,623
Deferred Outflows of resources related to losses on refundings	(9)
Retiree health care benefits payable, excluding internal service funds	2,665
Interest payable, excluding internal service funds	853
Governmental fund long-term liabilities	<u>\$ 119,762</u>

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2017

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 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.”

The details of the \$8,722 decrease from changes in the treatment of long-term debt and related items are as follow (amounts in 000’s):

Debt issued or incurred:

Net increase in compensated absences	\$ (544)
Net increase in retiree health care benefits	(322)
Increase in net pension liability:	
PERA	(17,893)
"Old Hire" Police Defined Benefit Plan	66
"Old Hire" Fire Defined Benefit Plan	22
Total debt issued or incurred	<u>(18,671)</u>

Principal repayments or reductions:

Repayments	9,333
Amortization of debt premium	490
Total principal repayments or reductions	<u>9,823</u>

Other long term liabilities

Change in accrued interest payable	148
Amortization of deferred loss on refunding	(22)
Total other related items	<u>126</u>

Net adjustment to decrease net changes in fund balances –
total governmental funds to arrive at changes in net position
of governmental activities – debt and related items

\$ (8,722)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2017

NOTE C – LEGAL COMPLIANCE – BUDGETS

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

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

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

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

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

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

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

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

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

Non-compliance:

As of December 31, 2017, the City had one fund in budget non-compliance as follows:

Boulder Municipal Property Authority (BMPA) \$3,000

The BMPA Fund had a small negative budget non-compliance due to administrative fees associated with its Certificates of Participation. These small administrative costs will be incorporated in the 2018 annual budget.

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2017

NOTE D – LEGAL COMPLIANCE – TABOR (CONTINUED)

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

revenues collected in excess of these limits on spending and property tax revenue are required to be refunded during the next fiscal year.

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

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

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

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

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

TABOR is very complex and open to interpretation. However, at December 31, 2017, the City believes it was in compliance with TABOR (see Note K).

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2017

NOTE E – DEPOSITS AND INVESTMENTS

At December 31, 2017, the City had the following in cash and investments (in 000's):

Cash and deposits	\$ 12,877
Investments	<u>350,990</u>
Total	<u><u>\$ 363,867</u></u>

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

<i>Citywide Investments</i>	
Equity in pooled cash and cash equivalents	\$ 12,654
Investments	302,755
Restricted investments	25,766
	<u>341,175</u>
<i>Fiduciary Fund Investments</i>	
Equity in pooled cash and cash equivalents	223
Investments	22,469
	<u>22,692</u>
Total	<u><u>\$ 363,867</u></u>

Deposits

Custodial Credit Risk – Deposits. For deposits, this is the risk that in the event of a bank failure, the City's deposits may not be returned. Title 2, Chapter 10 of the Boulder Revised Code (1981) requires that depositories belong to the FDIC and qualify as a depository of public funds in the state under the Colorado Public Deposit Protection Act (PDPA) as defined in 24-75-603, C.R.S. As of December 31, 2017, 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, 2017, the City had cash on hand of \$12,877. In addition, at December 31, 2017, the carrying amount of the City's deposits at JPMorgan Chase was \$12,453,032 while the bank statement balance was \$10,747,117. 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

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2017

NOTE E – DEPOSITS AND INVESTMENTS (CONTINUED)

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 \$10,497,117 properly collateralized under the Public Deposit Protection Act.

Investments – Citywide (excludes Fiduciary Funds)

As of December 31, 2017, the City had the following investments:

Investment Type	Fair Value (000's)
U.S. Corporate	\$ 11,516
U.S. Treasuries	99,264
U.S. Instrumentalities	208,535
Time Deposits	9,206
Total	<u>\$ 328,521</u>

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

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2017

NOTE E – DEPOSITS AND INVESTMENTS (CONTINUED)

Investments – Citywide (excludes Fiduciary Funds) (Continued)

As of December 31, 2017, the City held investments with the following credit ratings:

Issuer	Fair Value (000's)	Ratings	
		Standard & Poors	Moody's
U.S. Treasuries	\$ 99,264	AA+	Aaa
U.S. Instrumentalities:			
FHLB	62,050	AA+	Aaa
FNMA	57,950	AA+	Aaa
FFCB	47,610	AA+	Aaa
FHLMC	40,925	AA+	Aaa
U.S. Corporate:			
Bank of New York Callable Note	500	A	A1
Cisco Systems Note	500	AA-	A1
Apple Inc Note	499	AA+	Aa1
Chubb Corporation Note	507	A	A3
Pepsico Inc. Note	2,471	A+	A1
State Street Bank Note	2,013	A+	A
Eli Lilly & Co Note	500	AA-	A2
Wal-Mart Stores Note	500	AA	Aa2
Apple Inc Note	1,565	AA+	Aa1
IBM Credit Corp Note	2,461	A+	A1
Total	<u>\$ 319,315</u>		

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, 2017, the weighted average maturity of the City's pooled investment portfolio was 1.62 years as detailed in the following chart:

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2017

NOTE E – DEPOSITS AND INVESTMENTS (CONTINUED)

Investments – Citywide (excludes Fiduciary Funds) (Continued)

Investment Type	Fair Value (000's)	Weighted Average Maturity (years)
U.S. Treasuries	\$ 99,264	2.03
FHLB	62,050	1.23
FNMA	57,950	2.28
FFCB	47,610	0.61
FHLMC	40,925	1.52
Time Deposits	9,206	1.60
U.S. Corporate	11,516	0.37
Total fair value	<u>\$ 328,521</u>	
Portfolio weighted average maturity		<u>1.62</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, 2017:

Federal Home Loan Bank	\$ 62,050	19%
Federal Farm Credit Bureau	47,610	14%
Federal National Mortgage Association	57,950	18%
Federal Home Loan Mortgage Corporation	40,925	12%

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2017

NOTE E – DEPOSITS AND INVESTMENTS (CONTINUED)

Investments – Fiduciary Funds

As of December 31, 2017, 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
U.S. Treasuries	\$ 233	\$ -	\$ -	\$ -	\$ 106	\$ 127
U.S. Instrumentalities and Agencies	630	-	-	350	280	-
Corporate Bonds	175		25	25	125	-
Subtotal	<u>\$ 1,038</u>	<u>\$ -</u>	<u>\$ 25</u>	<u>\$ 375</u>	<u>\$ 511</u>	<u>\$ 127</u>
Money Market Funds	651					
Mutual Funds	15,165					
Equities	4,528					
Real Estate Investment Trust	711					
Other	376					
Total	<u>\$ 22,469</u>					

Credit Risk – Pension Investments. This is the risk that an issuer or other counterparty to an investment will not fulfill its obligation. The “Old Hire” Police Pension Fund investment policy was revised on January 16, 2016 and adopted in January, 2016. The “Old Hire” Fire Pension Fund investment policy was revised in January 2016, and formally adopted in January 2016. The “Old Hire” Police Pension Fund has a risk tolerance of no more than a 16.6% annual loss, with a statistical confidence level of 95%. The “Old Hire” Fire Pension Fund has a risk tolerance of no more than a 17.7% annual loss, with a statistical confidence level of 95%.

At December 31, 2017 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	\$ 630	AA+	Aaa
Corporate Bonds:			
Oracle Corporation	25	AA-	A1
United Parcel	25	A+	A1
Emerson Electric	25	A	A2
Comcast Corporation	25	A-	A3
Johnson Johnson	25	A-	Aaa
Apple Inc	25	AA+	Aa1
Hubbell Inc	25	A	Baa1

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2017

NOTE E – DEPOSITS AND INVESTMENTS (CONTINUED)**Investments – Fiduciary Funds (Continued)**

Concentration of Credit Risk – Pension Investments. Concentration of credit risk is the risk of loss attributed to the concentration of the City’s investment in a single issuer. The “Old Hire” Police Pension Fund investment policy states that equity holdings in any one company should not exceed more than 15% of the fair value of the Fund’s assets and that not more than 25% should be invested in any one industry. Fixed Income Portfolio Securities, other than U.S. government or agency securities, cannot exceed 10% by any one issuer. At December 31, 2017, no single issuer held more than 10% of either pension fund’s portfolio.

In the revised investment policy, which was effective November 2014, the “Old Hire” Police Pension Fund, Long-Term Account, has a specified risk tolerance not to exceed a 16.6% 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 Balanced	43%	46%	49%
Domestic Large Cap Core	0%	2%	5%
Domestic Small Cap Core	1%	4%	7%
International Equity	9%	12%	15%
Emerging Markets	1%	4%	7%
Core Fixed Income	7%	10%	13%
Floating Rate Corporate Loans	6%	9%	12%
High Yield	0%	3%	6%
Real Estate	2%	5%	8%
Commodities	2%	5%	8%

In the revised investment policy, which was adopted on January 16, 2016, the “Old Hire” Fire Pension Fund, Long-Term Account, has a specified risk tolerance not to exceed a 17.7% 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, 2017

NOTE E – DEPOSITS AND INVESTMENTS (CONTINUED)

Investments – Fiduciary Funds (Continued)

Asset Allocation	Lower Limit	Strategic Allocation	Upper Limit
Domestic Large Cap Core	22%	25%	28%
Domestic Small/Mid Cap Core	7%	10%	13%
International Equity	11%	14%	17%
Emerging Markets	2%	5%	8%
Domestic Fixed Income	26%	29%	32%
Floating Rate Corporate Loans	6%	9%	12%
High Yield	0%	3%	6%
Commodities	2%	5%	8%

At December 31, 2017 the asset class allocations were within the maximum limits.

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

"Old Hire" Police Pension Fund		
Issuer	Fair Market Value (in 000's)	Percentage of Total Portfolio
Eaton Vance Floating Mutual Fund	\$ 1,111	9%
Fidelity Total Bond Fund	991	8%
Artisan International Fund	758	6%
Brandes International Equity Fund	748	6%
Principal US Property Separate Account real estate	711	6%
Credit Suisse Commodity Equity Fund	592	5%

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2017

NOTE E – DEPOSITS AND INVESTMENTS (CONTINUED)

Investments – Fiduciary Funds (Continued)

"Old Hire" Fire Pension Fund		
Issuer	Fair Market Value (in 000's)	Percentage of Total Portfolio
Eaton Vance Floating Mutual Fund	\$ 802	8%
Fidelity Total Bond Fund	1,329	14%
Metropolitan West Mutual Fund	1,328	14%
Artisan International Fund	670	7%
Artisan Mid Cap Equity Fund	489	5%
Brandes International Equity Fund	681	7%
Diamond Hill Small Cap Mutual Fund	478	5%
Dodge & Cox Stock Fund	798	8%
Harbor Cap Appreciation Fund	791	8%
Vanguard 500 Index Fund	795	8%
Wells Fargo Emerging Market Equity Fund	481	5%
Credit Suisse Commodity Equity Fund	447	5%

Custodial Credit Risk – Pension Investments. This is the risk that, in the event of a counterparty's failure, the City will not be able to recover the value of its investments. The "Old Hire" Police Pension Fund investment policy states that a custodian bank will maintain possession of securities owned by the Fund. The "Old Hire" Fire Pension Fund's investment policy was revised to require a custodian bank to maintain possession of securities in September 2008. All the pension securities, except for the Principal RESA account, are held by the Fund's third party custodian, Charles Schwab Institution, in the pension's name.

Interest Rate Risk – Pension Investments. This is the risk that changes in interest rates will adversely affect the portfolio's fair market value. The "Old Hire" Police Pension Fund investment policy specifies a targeted rate of return of 6.28%, for its long-term account. The "Old Hire" Fire Pension Fund investment policy specifies a targeted rate of return of 6.25% for its long-term account.

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

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2017

NOTE E – DEPOSITS AND INVESTMENTS (CONTINUED)

Fair Value of Investments

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

City Investments Measured at Fair Value at 12/31/2017:

		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)
	12/31/2017			
Investments by fair value level				
Debt securities				
U.S. Treasury securities	\$ 99,264	\$ -	\$ 99,263	\$ -
U.S. Instrumentalities and agencies	208,535	-	208,535	-
U.S. Corporate	11,516	-	11,516	-
Total debt securities	<u>319,315</u>	<u>-</u>	<u>319,314</u>	<u>-</u>
Total investments measured at fair value level	<u>319,315</u>	<u>\$ -</u>	<u>\$ 319,314</u>	<u>\$ -</u>
Investments measured at the net asset value (NAV)				
Time deposits	<u>9,206</u>			
Total investments measured at the NAV	<u>9,206</u>			
Total investments	<u><u>\$ 328,521</u></u>			

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2017

NOTE E – DEPOSITS AND INVESTMENTS (CONTINUED)

Fair Value of Investments (Continued)

Fiduciary Investments Measured at Fair Value at 12/31/17:

	12/31/2017	Fair Value Measurement Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by fair value level				
Debt securities				
U.S. Treasury securities	\$ 233	\$ -	\$ 233	-
U.S. Instrumentalities and agencies	630	-	630	-
Corporate bonds	6,372	-	6,372	-
Other	376	-	376	-
Total debt securities	<u>7,611</u>	<u>-</u>	<u>7,611</u>	<u>-</u>
Equity securities	<u>13,496</u>	<u>13,496</u>		
Real estate investment trust	<u>711</u>			<u>711</u>
Total investments measured at fair value level	<u>21,818</u>	<u>\$ 13,496</u>	<u>\$ 7,611</u>	<u>\$ 711</u>
Investments measured at the net asset value (NAV)				
Money market funds	<u>651</u>			
Total investments measured at the NAV	<u>651</u>			
Total investments	<u>\$ 22,469</u>			

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2017

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 2017 for collection in 2018 of \$39,206,000 in the General Fund, \$1,363,000 in the Special Revenue Funds, \$3,267,000 in the Capital Projects Funds and \$1,542,000 in the Enterprise Funds, are included in receivables and deferred inflows at December 31, 2017. These taxes are classified as deferred inflows since they are not normally available to the City until mid-2018 and are budgeted for in 2018.

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, 2017, no allowance for doubtful accounts was recognized.

The December 31, 2017, balance in "other receivables" contains the following detail (amounts in 000's):

Type of Note Receivable	Governmental Activities	Business-type Activities	Total
Accounts	\$ 8,027	\$ 1,278	\$ 9,305
Charges for services	-	4,809	4,809
Accrued interest	738	319	1,057
Intergovernmental	6,171	3,791	9,962
Other	65	471	536
	<u>\$ 15,001</u>	<u>\$ 10,668</u>	<u>\$ 25,669</u>

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2017

NOTE H – CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2017, was as follows (amounts in 000's):

Governmental Activities:

	Beginning Balance	Increases	Transfers	Decreases	Ending Balance
Capital assets not being depreciated:					
Land and easements	\$ 337,479	\$ 7,799	\$ 3	\$ -	\$ 345,281
Construction in progress	40,346	26,174	(24,300)	-	42,220
Total capital assets, not being depreciated, net	<u>377,825</u>	<u>33,973</u>	<u>(24,297)</u>	<u>-</u>	<u>387,501</u>
Capital assets being depreciated:					
Buildings	141,970	658	15	-	142,643
Improvements other than buildings	93,299	639	1,303	-	95,241
Infrastructure	432,827	5,486	22,919	-	461,232
Machinery and equipment	51,233	7,904		(2,606)	56,531
Software and Licenses	8,511	941	60	-	9,512
Total capital assets, being depreciated	<u>727,840</u>	<u>15,628</u>	<u>24,297</u>	<u>(2,606)</u>	<u>765,159</u>
Less accumulated depreciation for:					
Buildings	70,926	4,263	-	-	75,189
Improvements other than buildings	37,861	4,096	-	-	41,957
Infrastructure	308,625	7,580	-	-	316,205
Machinery and equipment	28,237	4,235	-	(2,271)	30,201
Software and Licenses	2,080	861	-	-	2,941
Total accumulated depreciation	<u>447,729</u>	<u>21,035</u>	<u>-</u>	<u>(2,271)</u>	<u>466,493</u>
Total capital assets, being depreciated, net	<u>280,111</u>	<u>(5,407)</u>	<u>24,297</u>	<u>(335)</u>	<u>298,666</u>
Governmental activities capital assets, net	<u>\$ 657,936</u>	<u>\$ 28,566</u>	<u>\$ -</u>	<u>\$ (335)</u>	<u>\$ 686,167</u>

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2017

NOTE H – CAPITAL ASSETS (CONTINUED)

Business-type Activities:

	Beginning Balance	Increases	Transfers	Decreases	Ending Balance
Capital assets not being depreciated:					
Land and easements	\$ 43,347	\$ 556	\$ -	\$ (405)	\$ 43,498
Construction in progress	50,978	42,693	(12,957)	-	80,714
Total capital assets, not being depreciated	94,325	43,249	(12,957)	(405)	124,212
Capital assets being depreciated:					
Buildings	43,630	1,247	1,532	-	46,409
Improvements other than buildings	7,645	130	-	-	7,775
Intangibles	-	2,000	-	-	2,000
Utility plant in service and undergrounds	509,194	8,214	11,417	-	528,825
Machinery and equipment	10,990	190	8	(219)	10,969
Total capital assets, being depreciated	571,459	11,781	12,957	(219)	595,978
Less accumulated depreciation for:					
Buildings	22,891	1,374	-	-	24,265
Improvements other than buildings	4,763	381	-	-	5,144
Intangibles	-	50	-	-	50
Utility plant in service and undergrounds	193,916	7,760	-	-	201,676
Machinery and equipment	7,112	784	-	(198)	7,698
Total accumulated depreciation	228,682	10,349	-	(198)	238,833
Total capital assets, being depreciated, net	342,777	1,432	12,957	(21)	357,145
Business-type activities capital assets, net	\$ 437,102	\$ 44,681	\$ -	\$ (426)	\$ 481,357

During 2017, the City had intangible assets of \$17.1 million that are included in land and easements in governmental activities and business-type activities.

In 2017, the City capitalized \$1,447,030 of eligible interest costs in the business-type activities capital assets.

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2017

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		1,027
Public Safety		473
Public Works		14,996
Culture and Recreation		3,742
Open Space and Mountain Parks		426
Housing & Human Services		1
Community Sustainability		338
Total depreciation expense – Governmental Activities	\$	<u>21,035</u>

Business-type Activities:

Water Utility	\$	4,712
Wastewater Utility		2,855
Stormwater and Flood Management		1,111
Parking Facilities and Services		1,671
Total depreciation expense – Business-type Activities	\$	<u>10,349</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, 2017

NOTE I – RISK MANAGEMENT (CONTINUED)

The current actuarial study was performed in April of 2017 and addressed claims as of December 31, 2016.

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, 2016 and 2017, were as follows (amounts in 000's):

	2016	2017
Estimated claims payable January 1	\$ 574	\$ 700
Current year claims and changes in estimates	377	298
Claim payments	(251)	(232)
Estimated claims payable December 31	<u>\$ 700</u>	<u>\$ 766</u>
Claims payable due within one year	<u>\$ 207</u>	<u>\$ 209</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, 2017, have been established through the completion of an actuarial study and recorded as a liability in the Workers' Compensation Insurance Fund. Benefits are mandated by State Statute. Settled claims have not exceeded commercial insurance coverage in any of the past three fiscal years.

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

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2017

NOTE I – RISK MANAGEMENT (CONTINUED)

Changes in the estimated claims payable for the Workers' Compensation Insurance Fund during the years ended December 31, 2016 and 2017, were as follows (amounts in 000's):

	2016	2017
Estimated claims payable January 1	\$ 1,607	\$ 2,314
Current year claims and changes in estimates	2,383	1,536
Claim payments	(1,676)	(1,637)
Estimated claims payable December 31	<u>\$ 2,314</u>	<u>\$ 2,213</u>
Claims payable due within one year	<u>\$ 929</u>	<u>\$ 992</u>

NOTE J – ACCRUED LIABILITIES

The December 31, 2017, 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	\$ 4,883	\$ 657	\$ 5,540
Accrued interest	851	421	1,272
Accrued liability – landfill cleanup	<u>47</u>	<u>2,474</u>	<u>2,521</u>
Total	<u>\$ 5,781</u>	<u>\$ 3,552</u>	<u>\$ 9,333</u>

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2017

NOTE K – PROPERTY TAX OVERCOLLECTION LIABILITY

The 2016 mill levy for the City of Boulder for taxes collected in 2017 resulted in an excess of the TABOR (see Note D) allowable property tax revenues by \$19,176. The 2017 mill levy for taxes collected in 2018 was voluntarily reduced to compensate for this overcollection.

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

	<u>Net Overcollection</u>
Downtown Commercial District	<u>\$ 19</u>

NOTE L – ACCRUED LIABILITY – LANDFILL CLEANUP

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2017

NOTE L – ACCRUED LIABILITY – LANDFILL CLEANUP (CONTINUED)

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

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

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

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

Funds to pay any future costs associated with this will be allocated through the collection of wastewater user charges. The December 31, 2017, balance in the “accrued landfill cleanup liability” is \$2,474,000.

NOTE M – ACCRUED LIABILITY – 13th STREET VOLUNTARY CLEANUP

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

On July 13, 2016, the City of Boulder submitted a Voluntary Cleanup Plan Second Interim Remediation Report to the Colorado Department of Public Health and Environment (CDPHE). This report summarized results of a pilot study and ongoing groundwater monitoring performed at the site. The report contains information that includes the possible cost of the remediation. The estimated liability per the report is \$659,000. This is based on a specific treatment plan for the site using Sodium Persulfate. The cost is dependent on the mass of oxidant required to address the extent of the treatment area. Costs could also change due to the urban setting, schedule conflicts and community requirements. In 2017, the City incurred \$611,838 in related costs and the 2017 liability amounted to \$47,000.

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2017

NOTE N – FUTURE WATER RIGHTS

Under a water allotment contract with the Municipal Subdistrict, Northern Colorado Water Conservancy District (Subdistrict), the City has available 37/480 of the water units available through the Windy Gap Project (a water diversion project on the Colorado River). In 1991, the City sold 43 of its original 80 units to the City of Broomfield for a total of \$23,724,500. Under the sales agreement, the City received its final annual payment in 1993. The Raw Water Master Plan recommended that Windy Gap Project supplies be sold due to the high incremental cost of maintaining this portion of the raw water supply. When voting to approve the sales agreement, the City Council also moved that the proceeds be used for the acquisition of replacement water supplies capable of meeting multiple objectives, including diversification of municipal water supply sources, drought protection and maintaining instream flows. Bonds issued by the Subdistrict in connection with construction of the project totaled \$119,280,000 after refunding in 1993. The bonds are not liabilities of the City since the City has an option annually to elect to either pay its share of the debt service and operating costs of the Subdistrict or to request the Subdistrict levy taxes directly through the County Assessor against property owners within the boundaries of the City to pay such costs and expenses. Under its contract, the City will never have ownership of the project, including the water rights. The City's remaining commitment to pay the annual costs and expenses associated with the acquisition and maintenance of its future water rights continues to be for the original 80 units in 2017 is \$0.00. 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, 2017 balance was \$0.

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2017

NOTE O – LONG-TERM DEBT

The following balances and changes in long-term debt are for the year ended December 31, 2017 (amounts in 000's):

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable:					
General obligation bonds	\$ 22,555	\$ -	\$ (4,156)	\$ 18,399	\$ 4,290
Taxable pension obligation bonds	7,063	-	(388)	6,675	395
Total bonds payable	29,618	-	(4,544)	25,074	4,685
Certificates of participation	40,179	-	(1,488)	38,691	1,485
Capital improvement project bonds	41,330	-	(2,943)	38,387	1,945
Capital lease purchase agreements	8,242	-	(632)	7,610	684
Lease purchase revenue notes	4,326	-	(848)	3,478	650
Compensated absences	10,177	9,362	(8,823)	10,716	755
Estimated claims payable (Note I)	3,014	1,834	(1,869)	2,979	1,201
Retiree health care benefit	2,380	326	-	2,706	-
Governmental activities long-term debt	<u>\$ 139,266</u>	<u>\$ 11,522</u>	<u>\$ (21,147)</u>	<u>\$ 129,641</u>	<u>\$ 11,405</u>
Business-type activities:					
Bonds payable:					
General obligation bonds	\$ 7,453	\$ -	\$ (1,721)	\$ 5,732	\$ 1,705
Revenue bonds	116,226	-	(10,554)	105,672	9,965
Total bonds payable	123,679	-	(12,275)	111,404	11,670
Promissory notes	-	1,917	(750)	1,167	335
Compensated absences	1,087	967	(945)	1,109	208
Retiree health care benefit	345	36	-	381	-
Business-type activities long-term debt	<u>\$ 125,111</u>	<u>\$ 2,920</u>	<u>\$ (13,970)</u>	<u>\$ 114,061</u>	<u>\$ 12,213</u>

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2017

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, 2017, are as follows (amounts in 000's):

Purpose	Interest Rates Outstanding	Amount Outstanding	Original Amount
Governmental activities	2.00% - 5.50%	\$ 16,550	\$ 36,115
Governmental activities – refunding	3.50% - 4.00%	1,715	12,345
Business-type activities – refunding	2.00% - 4.00%	5,540	15,005
		<u>\$ 23,805</u>	<u>\$ 63,465</u>

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

Year Ending December 31	Governmental Activities		Business-type Activities		Debt Requirements to Maturity
	Principal	Interest	Principal	Interest	
2018	\$ 4,290	\$ 602	\$ 1,705	\$ 169	\$ 6,766
2019	2,665	440	720	115	3,940
2020	735	342	740	94	1,911
2021	755	322	765	71	1,913
2022	770	303	790	48	1,911
2023-2027	4,205	1,159	820	25	6,209
2028-2032	3,605	492	-	-	4,097
2033-2037	1,240	56	-	-	1,296
Total liability	<u>18,265</u>	<u>3,716</u>	<u>5,540</u>	<u>522</u>	<u>28,043</u>
Plus bond premium	134	-	192	-	326
Net liability	<u>\$ 18,399</u>	<u>\$ 3,716</u>	<u>\$ 5,732</u>	<u>\$ 522</u>	<u>\$ 28,369</u>

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2017

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, 2017, 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>\$ 6,610</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>	
2018	\$ 395	\$ 292	\$ 687
2019	410	278	688
2020	425	261	686
2021	440	245	685
2022	460	227	687
2023-2027	2,610	828	3,438
2028-2032	1,870	189	2,059
Total liability	<u>6,610</u>	<u>2,320</u>	<u>8,930</u>
Plus bond premium	<u>65</u>	<u>-</u>	<u>65</u>
Total liability	<u>\$ 6,675</u>	<u>\$ 2,320</u>	<u>\$ 8,995</u>

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2017

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, 2017, are as follows (amounts in 000's):

Purpose	Interest Rates Outstanding	Amount Outstanding	Original Amount
Governmental activities	2.00% - 4.00%	\$ 35,215	\$ 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	
2018	\$ 1,945	\$ 1,389	\$ 3,334
2019	2,000	1,331	3,331
2020	2,080	1,251	3,331
2021	2,165	1,167	3,332
2022	2,250	1,081	3,331
2023-2027	12,680	3,981	16,661
2028-2032	12,095	1,233	13,328
Total liability	35,215	11,433	46,648
Plus bond premium	3,172	-	3,172
Net liability	\$ 38,387	\$ 11,433	\$ 49,820

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2017

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, 2017, are as follows (amounts in 000's):

Purpose	Interest Rates Outstanding	Amount Outstanding	Original Amount
Business-type activities	2.00% - 5.00%	\$ 69,080	\$ 77,045
Business-type activities – refunding	2.00% - 4.125%	31,895	71,760
		<u>\$ 100,975</u>	<u>\$ 148,805</u>

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

Year ending December 31	Business-type Activities		Debt Requirements to Maturity
	Principal	Interest	
2018	\$ 9,965	\$ 3,391	\$ 13,356
2019	8,800	3,023	11,823
2020	7,730	2,699	10,429
2021	8,000	2,421	10,421
2022	6,195	2,132	8,327
2023-2027	28,005	7,313	35,318
2028-2032	20,980	3,659	24,639
2033-2037	11,300	683	11,983
Total liability	100,975	25,321	126,296
Plus bond premium	4,697	-	4,697
Total liability	<u>\$ 105,672</u>	<u>\$ 25,321</u>	<u>\$ 130,993</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, 2017, are as follows (amounts in 000's):

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2017

NOTE O – LONG-TERM DEBT (CONTINUED)

Lease Purchase Revenue Notes (continued)

<u>Purpose</u>	<u>Interest Rates Outstanding</u>	<u>Amount Outstanding</u>	<u>Original Amount</u>
Government-type activity	3.25 - 7.00%	<u>\$ 3,478</u>	<u>\$ 6,528</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>	
2018	\$ 650	\$ 118	\$ 768
2019	569	94	663
2020	588	75	663
2021	539	54	593
2022	557	37	594
2023-2027	575	19	594
Total Liability	<u>\$ 3,478</u>	<u>\$ 397</u>	<u>\$ 3,875</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, 2017, 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>\$ 38,215</u>	<u>\$ 41,000</u>

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2017

NOTE O – LONG-TERM DEBT (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	
2018	\$ 1,485	\$ 1,338	\$ 2,823
2019	1,530	1,293	2,823
2020	1,575	1,247	2,822
2021	1,625	1,200	2,825
2022	1,670	1,151	2,821
2023-2027	9,205	4,906	14,111
2028-2032	10,865	3,252	14,117
2033-2037	10,260	1,036	11,296
Total Liability	38,215	15,423	53,638
Plus bond premium	476	-	476
Total liability	<u>\$ 38,691</u>	<u>\$ 15,423</u>	<u>\$ 54,114</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, 2017 are as follows (amounts in 000's):

Purpose	Interest Rates Outstanding	Amount Outstanding	Original Amount
Governmental activities	2.65 - 4.93%	<u>\$ 7,610</u>	<u>\$ 10,750</u>

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2017

NOTE O – LONG-TERM DEBT (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	
2018	\$ 684	\$ 249	\$ 933
2019	739	225	964
2020	798	198	996
2021	860	169	1,029
2022	926	139	1,065
2023-2027	3,603	241	3,844
Total liability	<u>\$ 7,610</u>	<u>\$ 1,221</u>	<u>\$ 8,831</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, 2017 are as follows (amounts in 000's):

Purpose	Interest Rates Outstanding	Amount Outstanding	Original Amount
Business Activities	3.50%	<u>\$ 1,167</u>	<u>\$ 1,917</u>

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2017

NOTE O – LONG-TERM DEBT (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	
2018	\$ 376	\$ 41	\$ 417
2019	389	28	417
2020	402	14	416
Total liability	<u>\$ 1,167</u>	<u>\$ 83</u>	<u>\$ 1,250</u>

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, 2017 (amounts in 000's):

	Governmental Activities	Business-type Activities
Accrued vacation	\$ 7,783	\$ 837
Accrued sick pay	1,079	41
Accrued appreciation bonus	1,524	231
Accrued compensation time	330	-
	<u>\$ 10,716</u>	<u>\$ 1,109</u>

The liability attributable to the governmental funds is recorded as a governmental activities noncurrent liability. It is estimated that \$755 of governmental activities' and \$208 of business-type activities' liabilities will be paid in 2018. 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.

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2017

NOTE O – LONG-TERM DEBT (CONTINUED)

Arbitrage Liability

Kutak Rock Arbitrage Consulting LLC made calculations for the City to determine if any of the bond issues dated since January 1, 2006, had a liability for rebatable arbitrage at December 31, 2017. 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, 2017, 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, 2017, there is \$22,495 of principal outstanding on defeased bonds.

Lease of Criminal Justice Center

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

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

Lease of Public Library Space at the Meadows on the Parkway

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

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2017

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, 2017, is as follows (amounts in 000's):

Receivable Fund	Payable Fund	Amount
Water Utility Fund (proprietary fund)	General Fund	\$ 462
Fleet Fund (internal service fund)	General Fund	545
Downtown Commercial District (proprietary Fund)	Boulder Junction Access GID - Parking (non-major special revenue fund)	9
		<u>\$ 1,016</u>

Governmental funds due to/from balances as of December 31, 2017, is as follows (amounts in 000's):

Receivable Fund	Payable Fund	Amount
General Fund	Community Development Fund	\$ 38
General Fund	Police Old Hire Pension Fund	4
		<u>\$ 42</u>

The General Fund owes the Water Utility Fund \$462,000 at December 31, 2017, 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 \$545,000 for the Valmont Butte Remediation at December 31, 2017. 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 \$9,000 at December 31, 2017. This advance will be repaid over 10 years with 10 equal annual payments beginning 2012. The interest rate is 2.50%.

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2017

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

Interfund Transactions

There are various types of interfund transactions which occur between funds. The following information describes the City’s 2017 transfers (amounts in 000’s).

TRANSFERS IN	TRANSFERS OUT						TOTAL
	General Fund	Transportation	Nonmajor Governmental	Water Utility	Wastewater Utility	Stormwater & Flood Management	
General Fund	\$ -	\$ 28	\$ -	\$ -	\$ -	\$ -	\$ 28
Open Space & Mountain Parks	1,209	-	-	-	-	-	1,209
Transportation	-	-	-	16	16	8	40
Nonmajor Governmental	5,126	354	255	268	266	161	6,430
Downtown Commercial District	1,650	-	-	-	-	-	1,650
Nonmajor Business-type	625	-	-	-	-	-	625
Internal Service Funds	326	160	-	80	40	40	646
Total transfers	\$ 8,936	\$ 542	\$ 255	\$ 364	\$ 322	\$ 209	\$ 10,628

NOTE Q – RELATED PARTY TRANSACTIONS

Boulder Housing Partners is a separate related organization as explained in Note A1. During 2017, Boulder Housing Partners received grant funding of \$1,401,825 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 2017 totaling \$9,312.

During 2017, 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, 2017.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2017

NOTE R – REVOLVING LOAN PROGRAM

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

NOTE S – RESTRICTED NET POSITION AND SIMILAR FUND BALANCE LIMITATIONS

TABOR Emergency Reserves: At December 31, 2017, net position for Business-type Activities of \$182,000 and \$6,000, 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,

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2017

NOTE T – COMMITMENTS AND CONTINGENCIES (CONTINUED)

1. Litigation (Continued)

2013. As of December 31, 2013, the City has expended a total of \$2.5 million on Valmont Butte cleanup with no additional liability remaining for continued cleanup responsibilities. The City will have ongoing monitoring responsibilities for a few more years but no expected cleanup costs.

2. Single Audit

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

3. Construction Commitments

At December 31, 2017, City funds were obligated under contractual commitments for various operational, construction or equipment acquisition projects as follows (000's):

Fund	Contractual Commitments
General	\$ 4,685
Open Space	1,744
Transportation	6,007
Total Major Funds	12,436
Total Non- Major Governmental Funds	5,677
Total Governmental Funds	\$ 18,113
Water Utility	\$ 10,886
Wastewater Utility	2,051
Stormwater & Flood Management	3,187
CAGID	315
Total Major Enterprise Funds	16,439
Non-Major Enterprise Funds	18
Total Enterprise Funds	\$ 16,457
Total Internal Service Funds	\$ 2,300

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2017

NOTE U – PENSION AND RETIREMENT PLANS

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

Number of Active Full-time Employees	Plan	Employee Contributions		City Contributions	
		Dollars	Percentage	Dollars	Percentage
1,528	PERA	\$ 5,908	8.000%	\$ 9,933	12.680%
0	Old Hire Police	-	0.000%	314	
0	Old Hire Fire	-	0.000%	173	
	Police and Fire Money Purchase –				
186	Police employees	922	6.200%	2,053	13.800%
	Police and Fire Money Purchase –				
	Fire employees – International				
119	Association of Firefighters	824	8.000%	1,338	13.000%
11	ICMA 401(a)	81	8.000%	130	13.700%
4	ICMA 457	23	8.000%	5	13.700%
	Totals	<u>\$ 7,758</u>		<u>\$ 13,946</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, 2017

NOTE U – PENSION AND RETIREMENT PLANS (CONTINUED)

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

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

The "Old Hire" Police Defined Benefit Plan and the "Old Hire" Fire Defined Benefit Plan financial statements as of December 31, 2017, 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, 2017, is as follows (amounts in 000's):

	"Old Hire" Police Defined Benefit Plan	"Old Hire" Fire Defined Benefit Plan
Assets:		
Equity in pooled cash and cash equivalents	\$ -	\$ 223
Investments		
U.S. Treasuries	233	-
U.S. Instrumentalities	630	-
Mutual Funds	5,808	9,357
Equity Securities	4,528	-
Money Market Funds	400	251
Real Estate Investment Trust	711	-
Corporate Bonds	175	-
Other	376	-
Accrued Interest	11	-
Total assets	<u>12,872</u>	<u>9,831</u>
Liabilities:		
Due to other funds	4	-
Accrued pensions payable	53	40
Total liabilities	<u>57</u>	<u>40</u>
Net position restricted for pensions	<u>\$ 12,815</u>	<u>\$ 9,791</u>

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2017

NOTE U – PENSION AND RETIREMENT PLANS (CONTINUED)

The changes in plan net position for December 31, 2017, were as follows (amounts in 000's):

	"Old Hire" Police Defined Benefit Plan	"Old Hire" Fire Defined Benefit Plan
Additions:		
Pension contributions:		
City of Boulder	\$ 314	\$ 173
Total contributions	314	173
Investment earnings (loss)	1,636	1,220
Less investment expense	(47)	(29)
Net investment income	1,589	1,191
Total additions	1,903	1,364
Deductions:		
Benefits	1,368	1,044
Administrative	-	-
Total deductions	1,368	1,044
Net increase in net position	535	320
Net position restricted for pensions:		
Beginning of year	12,280	9,471
End of year	\$ 12,815	\$ 9,791

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, 2017

NOTE U – PENSION AND RETIREMENT PLANS (CONTINUED)

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

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

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

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

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

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

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

The pension benefit in subsequent years will include any benefit increases granted by the Board to retirees and widows. Upon retirement, the member begins to receive pension payments in the form of an annuity and the cumulative assets in the DROP account are paid to him in a lump-sum. As of December 31, 2017, 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, 2017

NOTE U – PENSION AND RETIREMENT PLANS (CONTINUED)

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

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

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

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

Contributions and Funding Policy – The Plan is a joint-contributory retirement plan operating on an actuarial reserve basis. Per the Plan Document, the contribution requirements of the plan members and the City are established and may be amended by the Boulder Police Officers Association collective bargaining agreement in effect for the payroll period concerned. Contributions of 2.0% of covered payroll are currently required from both the City and employees. The City must also contribute an additional annual payment necessary to make the plan actuarially sound as defined by Section 3.02 of the plan document with no maximum specified. In 2017, the City contributed \$314,000 to meet the actuarially calculated contribution requirement which exceeded the state mandated requirement. Administrative expenditures are recorded when incurred and are financed by the Plan.

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2017

NOTE U – PENSION AND RETIREMENT PLANS (CONTINUED)

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

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

- Actuarial Cost Method – entry age normal actuarial cost method.
- Amortization Method and Remaining Period – Closed, level dollar amortization of unfunded actuarial liability over the remaining amortization period which is 16 years.
- Actuarial Valuation Method – Determined by calculating an expected value equal to the prior year’s market value of assets, plus cash flows of contributions and benefit payments for the year and assuming a 7.50% interest return. The difference between this expected value and the actuarial market value is recognized over three years. The resulting value is limited to between 80% and 120% of the market value of assets.
- Investment Rate of Return– 6.5% compounded annually, net of expenses.
- Inflation Rate – 2.75% compounded annually.
- Salary Increases – None assumed.
- Retirement Age – Not applicable. All participants are retired or are on the DROP list.
- Retiree Mortality – Sex-distinct RP-2014 mortality for annuitants projected by Scale AA to 2017.
- Minimum Death Benefit – A minimum death benefit of \$515 per pay period is used.
- First Class Firefighter Salary – The highest negotiated First Class Firefighter Salary is used to calculate death benefits. For 2017, this is \$3,114.99 per pay period.
- Marriage Rates – 90% active participants are assumed to be married. Male spouses are assumed to be three years older than their female spouses. Actual marital status is used for retirees.
- Form of Payment – All active participants are assumed to elect the normal form of payment.

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2017

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, 2017, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was a gain of 13.52%. 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, 2017.

Asset Class	Long-Term Expected Geometric Real Rate Of Return
Domestic Large Cap	3.1%
Domestic Small Cap	3.6%
International Equity	3.9%
Emerging Markets	4.6%
Domestic Fixed Income	1.9%
Floating Rate Corporate Loans	2.4%
High Yield	4.2%
Real Estate	3.3%
Commodities	1.4%

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

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2017

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, 2017 were as follows:

Total Pension Liability	\$ 15,615,490
Fiduciary Net Position	<u>12,814,000</u>
Net Pension Liability	<u>\$ 2,801,490</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	82.06%

For the year ended December 31, 2017, the “Old Hire” Police Defined Benefit Plan recognized pension expense of \$247,781 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 Inflows of Resources</u>
Net difference between projected and actual earnings on pension plan investments	(\$196,088)
Total	(\$196,088)

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2017

NOTE U – PENSION AND RETIREMENT PLANS (CONTINUED)

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

<u>Year ended December 31:</u>	<u>Expense amount</u>
2018	\$ 71,061
2019	71,062
2020	(173,507)
2021	(164,704)
2022	-
Thereafter	-
Total	<u><u>\$ (196,088)</u></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>\$ 4,161,828</u>	<u>\$ 2,801,490</u>	<u>\$ 1,624,295</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, 2017

NOTE U – PENSION AND RETIREMENT PLANS (CONTINUED)

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

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

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

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

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

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

The pension benefit in subsequent years will include any benefit increases granted by the Board to retirees and widows. Upon retirement, the member begins to receive pension payments in the form of an annuity and the cumulative assets in the DROP account are paid to him in a lump-sum. As of December 31, 2017, 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, 2017

NOTE U – PENSION AND RETIREMENT PLANS (CONTINUED)

Death and Disability Benefits

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

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

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

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

Contributions and Funding Policy – The Plan is a joint-contributory retirement plan operating on an actuarial reserve basis. Per the "Old Hire" Fire Defined Benefit Pension Plan, the contribution requirements of the plan members and the City are established and may be amended by the International Association of Fire Fighters, Local #900 collective bargaining agreement in effect for the payroll period concerned. The City must also contribute an additional annual payment necessary to make the plan actuarially sound as defined by Section 3.02 of the plan document with no maximum specified. In 2016 and 2017, the City contributed \$172,790 to meet the actuarially calculated contribution requirement which exceeded the state-mandated requirement. In 2017, Administrative expenditures are recorded when incurred and are financed by the Plan.

Actuarial Present Value of Accumulated Plan Benefits - An actuarial study was prepared at January 1, 2016 and rolled forward to December 31, 2017. It is the Fire Pension Board policy to have an actuarial study prepared every two years or whenever a benefit change is being considered.

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

- Actuarial Cost Method – Entry age normal actuarial cost method.
- Amortization Method and Remaining Period – Open – Based on Expected lifetime (Not to exceed 20 years), level dollar amortization of unfunded actuarial liability over the remaining amortization period which is 12 years.
- Asset Valuation Method – The market value of assets.
- Investment Rate of Return – 6.5% compounded annually, net of expenses.
- Inflation rate – 2.75% compounded annually.
- Salary Increases – None assumed.
- Retirement Age – Not Applicable – All participants are retired.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2017

NOTE U – PENSION AND RETIREMENT PLANS (CONTINUED)

- Retiree Mortality – Sex-distinct RP-2014 mortality for annuitants projected by Scale AA to 2017.
- Minimum Death Benefit – A minimum death benefit of \$515 per pay period is used.
- First Class Firefighter Salary – The highest negotiated First Class Firefighter Salary is used to calculate death benefits. For 2017, this is projected to be \$3,114.99 per pay period.
- Marriage Rates – Male spouses are assumed to be three years older than their female spouses. Actual marital status is used for retirees.
- Form of Payment – All active participants are assumed to elect the normal form of payment.

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

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

Funded Status and Funding Progress – As of January 1, 2016, the most recent actuarial valuation date, the plan was 93.49% funded. The actuarial accrued liability for benefits was \$10,472,959 and the actuarial value of assets was \$9,791,000, resulting in an unfunded actuarial accrued liability (UAAL) of \$681,959. The covered payroll (annual payroll of active employees covered by the plan) was \$0 and the ratio of the UAAL to the covered payroll was not applicable since all participants were retired as of January 1, 2014. In October 2010, City of Boulder Taxable Pension Obligation Bonds were issued and \$3,531,000 of additional funding was deposited into the plan to decrease the UAAL for the future.

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

Pension Plan Investments – The investment policies and fair value determination policies are disclosed above in Notes A and E. For the year ended December 31, 2017, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was a gain of 13.18%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested. The plan's investment policies, including fair value determination, concentration of credit risk information, and asset allocation is included in Note E – Deposits and Investments.

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2017

NOTE U – PENSION AND RETIREMENT PLANS (CONTINUED)

Long Term Expected Rate of Return – The best-estimate range for the long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions are per the actuary's investment consulting practice as of December 31, 2017.

Asset Class	Long-Term Expected Geometric Real Rate Of Return
Domestic Large Cap	3.1%
Domestic Mid Cap	3.3%
Domestic Small Cap	3.6%
International Equity	3.9%
Emerging Markets	4.6%
Domestic Fixed Income	1.9%
Floating Rate Corporate Loans	2.4%
High Yield	4.2%
Commodities	1.4%

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

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2017

NOTE U – PENSION AND RETIREMENT PLANS (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, 2017 were as follows:

Total Pension Liability	\$ 10,472,959
Fiduciary Net Position	<u>9,791,000</u>
Net Pension Liability	<u>\$ 681,959</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	93.49%

For the year ended December 31, 2017, the “Old Hire” Fire Defined Benefit Plan recognized pension expense of \$150,741 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 Inflows of Resources</u>
Net difference between projected and actual earnings on pension plan investments	(\$8,471)
Total	(\$8,471)

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2017

NOTE U – PENSION AND RETIREMENT PLANS (CONTINUED)

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

<u>Year ended December 31:</u>	<u>Expense amount</u>
2018	\$ 102,310
2019	102,312
2020	(92,442)
2021	(120,651)
2022	-
Thereafter	-
Total	<u><u>\$ (8,471)</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% Decrease (5.5%)</u>	<u>Current Discount Rate (6.5%)</u>	<u>1% Increase (7.5%)</u>
Net Pension Liability	<u>\$ 1,540,103</u>	<u>\$ 681,959</u>	<u>\$ (60,261)</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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2017

NOTE U – PENSION AND RETIREMENT PLANS (CONTINUED)

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

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

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

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

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

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

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

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

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2017

NOTE U – PENSION AND RETIREMENT PLANS (CONTINUED)

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

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

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

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

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

	2016	2017
	Rate	Rate
Employer Contribution Rate ¹	10.00%	10.00%
Amount of Employer Contribution apportioned to the Health Care Trust Fund as specified in C.R.S. § 24-51-208(1)(f) ¹	(1.02)%	(1.02)%
Amount Apportioned to the LGDTF ¹	8.98%	8.98%
Amortization Equalization Disbursement (AED) as specified in C.R.S. § 24-51-411 ¹	2.20%	2.20%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. § 24-51-411 ¹	1.50%	1.50%
Total Employer Contribution Rate to the LGDTF ¹	12.68%	12.68%

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

Employer contributions are recognized by the LGDTF in the period in which the compensation becomes payable to the member and the City of Boulder is statutorily committed to pay the contributions to the LGDTF. Employer contributions recognized by the LGDTF from the City of Boulder were \$9,932,708, for the year ended December 31, 2017

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2017

NOTE U – PENSION AND RETIREMENT PLANS (CONTINUED)

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

At December 31, 2017, the City of Boulder reported a liability of \$166,121,308 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2015. Standard update procedures were used to roll forward the total pension liability to December 31, 2016. 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 2016 relative to the total contributions of participating employers to the LGDTF.

At December 31, 2017, the City of Boulder's proportion was 12.3021746194 percent, which was a decrease of 0.0399709773 percent from its proportion measured as of December 31, 2016.

For the year ended December 31, 2017, the City of Boulder recognized pension expense of \$12,833,883. Of this amount, \$10,533,341 is related to governmental activities and \$2,300,542 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	\$2,404,662	
Changes of assumptions or other inputs	9,584,823	\$386,603
Net difference between projected and actual earnings on pension plan investments	16,228,214	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	273,875	154,472
Contributions subsequent to the measurement date	8,079,529	-
Total	\$36,571,103	\$541,075

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2017

NOTE U – PENSION AND RETIREMENT PLANS (CONTINUED)

Business-type Activities:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$551,551	
Changes of assumptions or other inputs	2,198,446	\$93,797
Net difference between projected and actual earnings on pension plan investments	3,722,223	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	62,818	37,477
Contributions subsequent to the measurement date	1,853,179	-
Total	\$8,388,217	\$131,724

\$9,932,708 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended December 31, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended 12/31:	Governmental Activities	Business-type Activities
2018	\$16,175,980	\$3,550,825
2019	7,254,971	1,592,555
2020	4,363,994	1,225,339
2021	155,554	34,595
2022	-0-	-0-
Total	\$27,950,499	\$6,403,314

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2017

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, 2016:

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

Mortality rates used in the December 31, 2015 valuation were based on the RP-2000 Combined Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on a projection of Scale AA to 2020 with Males set back 1 year, and Females set back 2 years. Active member mortality based upon the same mortality rates but adjusted to 55 percent of the base rate for males and 40 percent of the base rate for females. For disabled retirees, the RP-2000 Disabled Mortality Table (set back 2 years for males and set back 2 years for females) was assumed.

The actuarial assumptions used in the December 31, 2015 valuation were based on the results of an actuarial experience study for the period January 1, 2008 through December 31, 2011, adopted by PERA's Board on November 13, 2012, and an economic assumption study, adopted by PERA's Board on November 15, 2013 and January 17, 2014.

As a result of the 2016 experience analysis and the October 28, 2016 actuarial assumptions workshop, revised economic and demographic actuarial assumptions including withdrawal rates, retirement rates for early reduced and unreduced retirement, disability rates, administrative expense load, and pre-and post-retirement and disability mortality rates were adopted by PERA's Board on November 18, 2016 to more closely reflect PERA's actual experience. As the revised economic and demographic assumptions are

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2017

NOTE U – PENSION AND RETIREMENT PLANS (CONTINUED)

effective as of the measurement date, December 31, 2016, these revised assumptions were reflected in the total pension liability roll-forward procedures.

Healthy mortality assumptions for active members reflect 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.

Health, 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 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 changed to reflect 90 percent of the RP-2014 Disabled Mortality Table.

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. As a result of the October 28, 2016 actuarial assumptions workshop and the November 18, 2016 PERA Board meeting, the economic assumptions changed, effective December 31, 2016 as follows:

- Investment rate of return assumption decreased from 7.50 percent per year, compounded annually, net of investment expenses to 7.25 percent per year, compounded annually, net of investment expenses.
- Price inflation assumption decreased from 2.80 percent per year to 2.40 percent per year.
- Real rate of investment return assumption increased from 4.70 percent per year, net of investment expenses, to 4.85 percent per year, net of investment expenses.
- Wage inflation assumption decreased from 3.90 percent per year to 3.50 percent per year.

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2017

NOTE U – PENSION AND RETIREMENT PLANS (CONTINUED)

weighing the expected future real rates of return by the target asset allocation percentage and then adding expected inflation.

As of the November 18, 2016 adoption of the current long-term expected rate of return by the PERA Board, the target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	30 Year Expected Geometric Real Rate of Return
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%
Total	100.00%	

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

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 assumptions shown above. In addition, the following methods and assumptions were used in the projection of cash flows:

- Updated economic and demographic actuarial assumptions adopted by PERA’s Board on November 18, 2016.
- 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,

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2017

NOTE U – PENSION AND RETIREMENT PLANS (CONTINUED)

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

- 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.

As of the prior measurement date, the long-term expected rate of return of 7.50 percent on pension plan investments was applied to all periods of projected benefit payments to determine the total pension

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2017

NOTE U – PENSION AND RETIREMENT PLANS (CONTINUED)

liability. The discount rate determination did not use the municipal bond index rate, and therefore, the discount rate was 7.50 percent, 0.25 percent higher compared to the current measurement date.

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 (in thousands):

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net pension liability	\$244,938,265	\$166,121,308	\$100,852,243

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.

4. Police and Fire Money Purchase Pension Plan

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

The Boulder Police Benevolent Association negotiated an economic agreement with the City which is in effect through December 31, 2019. The City's contribution requirement for the year ended December 31, 2017, was 13.8 percent, of covered payroll. The dollar amount of the City's contributions was \$2,053,000 in 2017. The employee contributions were 6.2 percent, or \$922,000, 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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2017

NOTE U – PENSION AND RETIREMENT PLANS (CONTINUED)

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

ended December 31, 2017, was 13 percent of covered payroll, or \$1,338,000. The employee contributions were 8 percent of covered payroll, or \$824,000.

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 33rd Street, Boulder, Colorado, 80301.

NOTE V – DEFERRED COMPENSATION PLANS

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

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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2017

NOTE V – DEFERRED COMPENSATION PLANS (CONTINUED)

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

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

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

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

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

The City of Boulder’s contributions to HCTF for the years ending December 31, 2017, 2016, and 2015 were \$799,003, \$759,772 and \$ 674,933 respectively, equal to their required contributions for each year.

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

All full-time police officers and firefighters are covered by the Fire and Police Pension Association (FPPA), a multiple-employer cost-sharing plan for pre-retirement death and disability. To date contributions to the plan have been determined and budgeted by the State legislature. State law provided that these contributions would continue in diminishing amounts until 1994. The State requires employees hired on or after January 1, 1997, to contribute 2.6% of salary. The City pays the 2.7% for all affected police officers and firefighters. In 2017, 2016, and 2015, the City paid \$464,945, \$405,511 and \$354,659 respectively, equal to their required contributions for each year.

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

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2017

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

2. City of Boulder Retiree Health Care Benefit Plan

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

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

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

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

Annual required contribution (ARC)	\$ 603
Interest on prior year net OPEB obligation	102
Less adjustment to ARC	(100)
Annual OPEB cost	<u>605</u>
Contributions made	<u>245</u>
Increase in net OPEB obligation	360
Net OPEB obligation – beginning of year	<u>2,727</u>
Net OPEB obligation – end of year	<u><u>\$ 3,087</u></u>

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2017

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

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

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2017 and the two preceding years were as follows:

Fiscal Year	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2015	\$ 710	47.5%	\$ 2,505
2016	\$ 494	55.1%	\$ 2,727
2017	\$ 605	40.5%	\$ 3,087

Funded Status and Funding Progress – As of January 1, 2017, the most recent actuarial evaluation date, the actuarial accrued liability for benefits was \$5,452,199 all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was \$97,029,040, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 5.6 percent.

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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2017

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

2 City of Boulder Retiree Health Care Benefit Plan (Continued)

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 expense is included in the premiums charged by the City's health insurance carrier. No other OPEB program expenses are included in this valuation.
- Retirement – Age and service eligibility requirements for PERA (Management and BMEA employees) and City provided pensions (Fire and Police).
- Mortality –
 - Healthy Lives –Pre-retirement - 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.
- 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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2017

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

2 City of Boulder Retiree Health Care Benefit Plan (Continued)

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 \$79,905,000 in outstanding water and sewer system revenue bonds. Proceeds from the bonds provided financing for the construction of capital assets or refunded other revenue bonds issued for that purpose. The bonds are payable solely from water and sewer net revenues and are payable through 2035. Annual principal and interest payments on the bonds are expected to require approximately 50% of net revenues (as defined by the bond ordinances). The total principal and interest remaining to be paid on the bonds at December 31, 2017 is \$98,887,050. Principal and interest paid for the current year and total customer net revenues were \$11,395,687 and \$22,692,000, respectively.

Stormwater and Flood Management Revenues Pledged

The City has pledged future stormwater and flood management fund revenues, net of specified operating expenses, to repay \$21,070,000 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, 2017 is \$27,409,238.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2017

NOTE X – PLEDGED REVENUES (CONTINUED)

Principal and interest paid for the current year and total customer net revenues were \$1,979,388 and \$7,247,000, 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 \$14,285,000 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 \$14,285,000 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, 2017 is \$16,913,287. Principal and interest paid for the current year and total pledged sales tax revenues were \$4,461,619 and \$29,569,000 respectively.

Downtown Commercial District Revenues Pledged

The City has pledged a portion of future sales tax revenues to repay \$4,535,000 in outstanding bonds issued by the City of Boulder Central Area General Improvement District (CAGID), now known as the Downtown Commercial District, to finance an underground parking garage located at 9th Street and Canyon Boulevard (TIF bonds). These TIF bonds are payable from the Parking Garage Net Revenues, incremental property tax revenues of the tax increment area and incremental sales and accommodations tax revenues.

In addition, the City has pledged future net revenue derived by CAGID from the operation of its properties to repay \$1,005,000 in other general obligation bonds outstanding. These bonds are payable from the net operating revenues generated by operations of the District's parking structures.

Both the TIF bonds and the other general obligation bonds are backed with a pledge of the full faith and credit of CAGID. These bonds mature through 2023. Annual principal and interest payments on the outstanding bonds are expected to require less than 39% of pledged revenues. The total principal and interest remaining to be paid on the bonds at December 31, 2017 is \$6,061,900. Principal and interest paid for the current year and total pledged revenues were \$1,866,350 and \$4,391,000 respectively.

Boulder Municipal Property Authority Revenues Pledged

The Boulder Municipal Property Authority (BMPA) pledged as security for certificates of participation and lease purchase notes (debt) the base rental revenues received from the City's various funds and operations. As of December 31, 2017, BMPA currently has \$41,692,964 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

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2017

NOTE X – PLEDGED REVENUES (CONTINUED)

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 \$57,512,900 with annual requirements ranging from \$3,590,282 in 2018 to \$2,823,600 in 2036. The base rental revenues received each year equal the debt service requirements on BMPA's debt, averaging \$3,804,987 over the last 15 years. For the current year, principal and interest incurred by BMPA and the total base rental revenues pledged were \$3,828,243 and \$3,828,243, 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, 2017, there are currently \$3,980,000 in outstanding Waste Reduction Bonds. Total principal and interest remaining as of December 31, 2017 is \$5,067,350. 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 \$424,400 and \$424,400, 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, 2017, \$35,215,000 in bonds remain outstanding. The principal and interest remaining to be paid on the bonds at December 31, 2017 is \$46,648,150. Principal and interest paid for the current year and total General Fund pledged revenues were \$3,995,050 and \$3,995,050, respectively.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2017

NOTE Y – SECURITY FOR CERTIFICATES OF PARTICIPATION

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

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

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

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

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

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2017

NOTE Z – DEFERRED INFLOWS AND OUTFLOWS OF RESOURCES

Deferred inflows and outflows of resources are discussed in Note A 12. As of December 31, 2017, deferred inflows and outflows of resources consisted of the following (in 000's):

<u>Government Wide</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Deferred Outflows - Related to PERA	\$ 36,571	\$ 8,388	\$ 44,959
Deferred Outflows - Grants and Other	1,073	673	1,746
Total Deferred Outflows	<u>\$ 37,644</u>	<u>\$ 9,061</u>	<u>\$ 46,705</u>
	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Deferred Inflows - Related to PERA	\$ 541	\$ 132	\$ 673
Deferred Inflows - Old Hire Police Pension	196	-	196
Deferred Inflows - Old Hire Fire Pension	8	-	8
Deferred Inflows - Property Taxes	43,648	1,536	45,184
Deferred Inflows - Other	13	33	46
Total Deferred Inflows	<u>\$ 44,406</u>	<u>\$ 1,701</u>	<u>\$ 46,107</u>
	<u>General Fund</u>	<u>Open Space & Mountain Parks Fund</u>	<u>Trans- portation Fund</u>
Deferred Inflows - Property Taxes	\$ 39,019	\$ -	\$ -
Deferred Inflows - Grants	2,369	3,942	1,329
Total Deferred Inflows	<u>\$ 41,388</u>	<u>\$ 3,942</u>	<u>\$ 1,329</u>
	<u>Other Governmental Funds</u>	<u>Total</u>	
Deferred Inflows - Property Taxes	\$ 4,629	\$ 43,648	
Deferred Inflows - Grants	1,106	8,746	
Total Deferred Inflows	<u>\$ 5,735</u>	<u>\$ 52,394</u>	

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2017

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	\$ 3,283	\$ 2,162	\$ 1,154
Deferred Outflows - Grants and Other	153	1,372	1
Total Deferred Outflows	<u>\$ 3,436</u>	<u>\$ 3,534</u>	<u>\$ 1,155</u>
Deferred Inflows - Property Taxes	\$ -	\$ -	\$ -
Deferred Inflows - Related to PERA	54	33	19
Total Deferred Inflows	<u>\$ 54</u>	<u>\$ 33</u>	<u>\$ 19</u>

Proprietary Funds	Downtown Commercial District	Nonmajor Enterprise Funds	Total Enterprise Funds	Total Internal Service Funds
Deferred Outflows - Related to PERA	\$ 794	\$ -	\$ 7,393	\$ 1,066
Deferred Outflows - Grants and Other	22	120	1,668	
Total Deferred Outflows	<u>\$ 816</u>	<u>\$ 120</u>	<u>\$ 9,061</u>	<u>\$ 1,066</u>
Deferred Inflows - Property Taxes	\$ 1,288	\$ 247	\$ 1,535	\$ -
Deferred Inflows - Related to PERA	26	34	166	12
Total Deferred Inflows	<u>\$ 1,314</u>	<u>\$ 281</u>	<u>\$ 1,701</u>	<u>\$ 12</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2017

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.

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, 2017, the City abated taxes and fees totaling \$84,309 under this program, including the following rebate payments that each exceeded 15 percent of the total amount abated:

- A \$35,000 rebate payment for a renewable energy company with employees that engage in the community through volunteer work and purchase many items for their office location locally to support the local economy.
- A \$20,403 rebate payment for a renewable energy company increasing employment and making significant capital improvements to facilities.
- A \$19,438 rebate payment for a food and beverage company that is making significant capital investment in facilities and increasing employment in the City.

NOTE AB – SUBSEQUENT EVENTS

On June 18th, 2018 the City acting through its Water Utility Enterprise and its Wastewater Utility Enterprise issued Water and Sewer Revenue Bonds, Series 2018 for a par amount of \$38,620,000. Proceeds of the 2018 bonds will be used to finance future water projects and pay for the costs of issuing the 2018 bonds including the cost of a reserve fund surety bond. The 2018 bonds will be payable solely from and secured by the net income of the City's water and sewer systems. The 2018 Bonds will not constitute an indebtedness or a debt of the City within the meanings of any constitutional, charter or statute provision or limitation, will not be payable from the proceeds of general property taxes, and will not be considered or help to be general obligations of the City, but will be its special obligations.

On May 1, 2018 the City purchased the 110-acre Boulder County Poor Farm site located on 63rd Street in Boulder. The amount of the purchase was for \$5,200,000 which was cash financed by the City. This land will now become part of the City's Open Space and Mountain Parks division who currently manages 45,000 acres of property. The Boulder County Poor Farm is currently listed on the National Register of Historic Places.

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REQUIRED SUPPLEMENTARY INFORMATION

CITY OF BOULDER, COLORADO

Required Supplementary Information

Schedule of Funding Progress

Boulder Retiree Health Care Benefit Plan

<u>Fiscal Year</u>	<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Accrued Liability Entry Age (b)</u>	<u>Total Unfunded (Overfunded) Actuarial Accrued Liability (b-a)</u>	<u>Funded Ratio (a/b)</u>	<u>Covered Payroll (c)</u>	<u>UAAL as a Percentage of Covered Payroll ((b-a)/c)</u>
2013	1/1/2013	\$ -	\$ 8,280,910	\$ 8,280,910	-	\$ 78,172,630	10.6%
2015	1/1/2015	\$ -	\$ 4,939,361	\$ 4,939,361	-	\$ 74,056,002	6.7%
2017	1/1/2017	\$ -	\$ 5,452,199	\$ 5,452,199	-	\$ 97,029,040	5.6%

CITY OF BOULDER, COLORADO

Required Supplementary Information

Schedule of Changes in Net Pension Liability
and Related Ratios

Police Pension Fund

Fiscal Year Ending December 31,

Last Ten Fiscal Years*

	2017	2016	2015	2014
Total Pension Liability				
Interest on total pension liability	\$ 998,989	\$ 1,042,311	\$ 1,068,529	\$ 1,097,208
Effect of economic/demographic (gains) or losses	(57,785)	1,820,754	9,185	7,180
Benefit payments	(1,368,000)	(1,411,000)	(1,443,000)	(1,529,000)
Net change in total pension liability	(426,796)	1,452,065	(365,286)	(424,612)
Total pension liability, beginning	16,042,286	14,590,221	14,955,507	15,380,119
Total pension liability, ending (a)	<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	\$ 314,000	\$ 314,000	\$ 304,000	\$ 305,000
Member contributions	-	-	-	1,000
Investment income net of investment expenses	1,588,000	937,000	(228,000)	635,000
Benefit payments	(1,368,000)	(1,411,000)	(1,443,000)	(1,529,000)
Administrative expenses	-	(10,000)	(13,000)	(14,000)
Net change in plan fiduciary net position	<u>534,000</u>	<u>(170,000)</u>	<u>(1,380,000)</u>	<u>(602,000)</u>
Fiduciary net position, beginning	12,280,000	12,450,000	13,830,000	14,432,000
Fiduciary net position, ending (b)	<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>\$ 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	82.06%	76.55%	85.33%	92.47%
Covered payroll	N/A	N/A	N/A	N/A
Net pension liability as a % of covered payroll	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

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
2008	\$ 403,366	\$ 472,000	\$ (68,634)	\$ 184,130	256.34%
2009	403,366	471,000	(67,634)	184,130	255.80%
2010	661,414	5,985,000	(5,323,586)	124,228	4817.75%
2011	188,544	152,000	36,544	129,818	117.09%
2012	219,204	222,000	(2,796)	130,326	170.34%
2013	237,055	222,000	15,055	35,965	617.27%
2014	181,916	305,000	(123,084)	N/A	N/A
2015	181,916	304,000	(122,084)	N/A	N/A
2016	314,204	314,000	204	N/A	N/A
2017	314,204	314,000	204	N/A	N/A

Note to Schedule:

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

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

CITY OF BOULDER, COLORADO

Required Supplementary Information

Schedule of Investment Returns

Police Pension Fund

Last Ten Fiscal Years*

<u>Fiscal Year Ending December 31,</u>	<u>Net Annual Money-Weighted Rate of Return</u>
2014	4.59%
2015	-1.72%
2016	7.86%
2017	13.52%

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

Fire Pension Fund

Fiscal Year Ending December 31,

Last Ten Fiscal Years*

	2017	2016	2015	2014
Total Pension Liability				
Interest on total pension liability	\$ 673,854	\$ 761,693	\$ 789,618	\$ 831,605
Effect of economic/demographic (gains) or losses	(37,670)	510,898	(69,656)	(48,180)
Benefit payments	(1,044,000)	(1,076,000)	(1,108,000)	(1,542,000)
Net change in total pension liability	(407,816)	196,591	(388,038)	(758,575)
Total pension liability, beginning	10,880,775	10,684,184	11,072,222	11,831,797
Total pension liability, ending (a)	<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	\$ 173,000	\$ 173,000	\$ 64,000	\$ 64,000
Member contributions	-	-	-	1,000
Investment income net of investment expenses	1,191,000	562,000	(183,000)	334,000
Benefit payments	(1,044,000)	(1,076,000)	(1,108,000)	(1,542,000)
Administrative expenses	-	(10,000)	(15,000)	(11,000)
Net change in plan fiduciary net position	<u>320,000</u>	<u>(351,000)</u>	<u>(1,242,000)</u>	<u>(1,154,000)</u>
Fiduciary net position, beginning	9,471,000	9,822,000	11,064,000	12,218,000
Fiduciary net position, ending (b)	<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>\$ 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	93.49%	87.04%	91.93%	99.92%
Covered payroll	N/A	N/A	N/A	N/A
Net pension liability as a % of covered payroll	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

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
2008	\$ 197,099	\$ 314,000	\$ (116,901)	\$ 161,644	194.25%
2009	197,099	315,000	(117,901)	161,644	194.87%
2010	497,098	3,874,000	(3,376,902)	N/A	N/A
2011	60,510	104,000	(43,490)	N/A	N/A
2012	156,888	162,000	(5,112)	N/A	N/A
2013	97,999	159,000	(61,001)	N/A	N/A
2014	-	64,000	(64,000)	N/A	N/A
2015	-	64,000	(64,000)	N/A	N/A
2016	172,790	173,000	(210)	N/A	N/A
2017	172,790	173,000	(210)	N/A	N/A

Note to Schedule:

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

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

CITY OF BOULDER, COLORADO

Required Supplementary Information

Schedule of Investment Returns

Fire Pension Fund

Last Ten Fiscal Years*

<u>Fiscal Year Ending December 31,</u>	<u>Net Annual Money-Weighted Rate of Return</u>
2014	2.90%
2015	-1.74%
2016	6.01%
2017	13.18%

Note to Schedule:

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

CITY OF BOULDER, COLORADO

Required Supplementary Information

Notes to Required Supplementary Information

Actuarial Assumptions

	"Old Hire" Police Defined Benefit Plan (See Note U)	"Old Hire" Fire Defined Benefit Plan (See Note U)	Retiree Health Care Benefit Plan (See Note W)
Actuarial valuation date	1/1/2016	1/1/2016	1/1/2017
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	15 years	12 years	30 years
Asset valuation method	3-year smoothing	market value of assets	NA - nonfunded plan
Investment rate of return	6.5%	6.5%	NA - nonfunded plan
Inflation rate	2.75%	2.75%	2.5%
Salary increases	Not applicable	Not applicable	3.0%
Administrative Expense	NA	NA	Claims expenses are loaded into claims costs for all health benefits. Age and service eligibility requirements for PERA (Management and BMEA employees) and city provided pensions (Fire and Police)
Retirement age	NA - no actives	NA - no actives	
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. 50% of future retirees who elect coverage are assumed to elect spousal coverage upon retirement
Probability of spouse coverage	NA	NA	
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*			
	2017*	2016*	2015*	2014*
City's proportion (percentage) of the collective net pension liability	12.3021746194%	12.3421455967%	11.9715197388%	11.9276751932%
City's proportionate share of the collective net pension liability	\$ 166,121,308	\$ 135,958,731	\$ 107,299,000	\$ 98,155,000
Covered payroll	\$ 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	223.02%	199.65%	163.57%	153.18%
Plan fiduciary net position as a percentage of the total pension liability	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*

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Statutorily required contributions	\$ 9,932,708	\$ 9,445,013	\$ 8,635,000	\$ 8,317,900
Contributions in relation to the statutorily required contributions	<u>9,932,708</u>	<u>9,445,013</u>	<u>8,635,000</u>	<u>8,317,900</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 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%

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

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GENERAL FUND DETAILS

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

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

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

CITY OF BOULDER, COLORADO

Combining Balance Sheet

General Fund

December 31, 2017

(Amounts in 000's)

Assets	Core General Fund	Community Hsg Asst Prgm Fund	Total General Fund
Equity in pooled cash and cash equivalents	\$ 1,437	\$ 63	\$ 1,500
Investments	47,436	2,138	49,574
Receivables:			
General property taxes	36,302	2,904	39,206
Sales and use taxes	7,751	-	7,751
Accounts	3,009	-	3,009
Accrued interest	167	16	183
Intergovernmental	402	-	402
Other	33	-	33
Total receivables	47,664	2,920	50,584
Due from other funds	42	-	42
Inventory of materials and supplies	6	-	6
Restricted assets:			
Investments for special purposes	674	-	674
Total restricted assets	674	-	674
Other assets	215	-	215
Total assets	97,474	5,121	102,595
Total assets	\$ 97,474	\$ 5,121	\$ 102,595

<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	\$ 3,607	\$ 17	\$ 3,624
Contracts and retainage payable	117	-	117
Accrued salaries, wages and amounts withheld from employees	3,291	16	3,307
Advances from other funds	1,007	-	1,007
Other liabilities	261	-	261
Unearned revenue	435	-	435
Total liabilities	<u>8,718</u>	<u>33</u>	<u>8,751</u>
Deferred inflows of resources:			
Property tax	36,115	2,904	39,019
Grants and other deferrals	2,369	-	2,369
Deferred inflows of resources	<u>38,484</u>	<u>2,904</u>	<u>41,388</u>
Fund balances:			
Nonspendable:			
Prepaid	215	-	215
Inventory	6	-	6
Restricted:			
Legally restricted	2,733	-	2,733
Capital projects	2,483	-	2,483
Donor restrictions	90	-	90
Assigned:			
Special purposes	3,621	2,184	5,805
Contractual obligations	2,202	-	2,202
Unassigned	38,922	-	38,922
Total fund balances	<u>50,272</u>	<u>2,184</u>	<u>52,456</u>
Total liabilities, deferred inflows of resources and fund balances	\$ <u>97,474</u>	\$ <u>5,121</u>	\$ <u>102,595</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, 2017

(Amounts in 000's)

	Core General <u>Fund</u>	Community Hsg Asst Prgm <u>Fund</u>	Total General <u>Fund</u>
Revenues:			
Taxes:			
Sales, use and other taxes	\$ 58,094	\$ -	\$ 58,094
General property taxes	30,747	2,471	33,218
Accommodations taxes	8,932	-	8,932
Franchise taxes	10,788	-	10,788
Specific ownership & tobacco taxes	2,630	-	2,630
Excise taxes	922	339	1,261
Charges for services	4,697	6	4,703
Sale of goods	76	138	214
Licenses, permits and fines	6,294	-	6,294
Intergovernmental	1,968	518	2,486
Leases, rents and royalties	215	-	215
Interest and investment earnings	338	38	376
Other	3,242	-	3,242
Total revenues	<u>128,943</u>	<u>3,510</u>	<u>132,453</u>
Expenditures:			
Current:			
General Government	21,057	-	21,057
Administrative Services	7,643	-	7,643
Public Safety	56,301	-	56,301
Public Works	9,584	-	9,584
Planning & Development Services	2,627	-	2,627
Culture and Recreation	12,856	-	12,856
Open Space and Mountain Parks	80	-	80
Housing and Human Services	8,030	6,384	14,414
Debt service payments:			
Principal	3,175	-	3,175
Interest	1,974	-	1,974
Total expenditures	<u>123,327</u>	<u>6,384</u>	<u>129,711</u>
Excess (deficiency) of revenues over (under) expenditures	<u>5,616</u>	<u>(2,874)</u>	<u>2,742</u>
Other financing sources (uses):			
Transfers in	28	-	28
Transfers out	(8,929)	(7)	(8,936)
Total other financing sources (uses)	<u>(8,901)</u>	<u>(7)</u>	<u>(8,908)</u>
Net change in fund balances	(3,285)	(2,881)	(6,166)
Fund balances, beginning of year	<u>53,557</u>	<u>5,065</u>	<u>58,622</u>
Fund balances, end of year	\$ <u>50,272</u>	\$ <u>2,184</u>	\$ <u>52,456</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, 2017

(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, use and other taxes	\$ 61,465	\$ 61,465	\$ 59,859	\$ (1,606)
General property taxes	30,989	30,989	30,747	(242)
Accommodations taxes	8,055	8,055	8,932	877
Franchise taxes	10,652	10,652	10,831	179
Specific ownership & tobacco taxes	2,181	2,181	2,630	449
Excise taxes	1,017	1,017	922	(95)
Charges for services	5,460	5,629	4,697	(932)
Sale of goods	65	121	76	(45)
Licenses, permits and fines	6,102	6,233	6,292	59
Intergovernmental	1,254	2,494	2,006	(488)
Leases, rents and royalties	301	401	215	(186)
Interest and investment earnings	300	300	602	302
Other	-	202	3,238	3,036
Total revenues	<u>127,841</u>	<u>129,739</u>	<u>131,047</u>	<u>1,308</u>
Expenditures:				
Current:				
General Government	15,761	22,696	16,599	6,097
Administrative Services	14,877	17,875	14,258	3,617
Public Safety	54,212	56,785	56,113	672
Public Works	7,052	11,697	12,105	(408)
Planning & Development Services	3,007	4,076	2,610	1,466
Culture and Recreation	12,657	13,603	12,941	662
Open Space and Mountain Parks	31	31	28	3
Housing and Human Services	7,953	9,506	8,041	1,465
Debt service payments:				
Principal	3,175	3,175	3,175	-
Interest	1,930	1,930	1,930	-
Total expenditures	<u>120,655</u>	<u>141,374</u>	<u>127,800</u>	<u>13,574</u>
Excess (deficiency) of revenues				
over (under) expenditures	<u>7,186</u>	<u>(11,635)</u>	<u>3,247</u>	<u>14,882</u>

	<u>Budgeted amounts</u>		<u>Actual</u>	Variance with final budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>amounts</u>	
Other financing sources (uses):				
Transfers in	28	28	28	-
Transfers out	<u>(8,931)</u>	<u>(9,297)</u>	<u>(9,195)</u>	<u>102</u>
Total other financing sources (uses)	(8,903)	(9,269)	(9,167)	102
 Net change in fund balance	 \$ <u>(1,717)</u>	 \$ <u>(20,904)</u>	 (5,920)	 \$ <u>14,984</u>
 Encumbrances, end of year			 4,631	
 Fund balance, beginning of year, basis of budgeting			 <u>57,872</u>	
Fund balance, end of year, basis of budgeting			56,583	
 Basis of budgeting to GAAP basis reconciliation:				
Fair market value adjustment to investments			(190)	
Accrued salaries, wages and amounts withheld from employees			(3,270)	
Deferred inflows			(1,843)	
Advances from other funds			<u>(1,008)</u>	
 Fund balance, end of year, GAAP basis			 \$ <u>50,272</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, 2017

(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	\$ 2,492	\$ 2,492	\$ 2,471	\$ (21)
Excise taxes	150	292	339	47
Charges for services	4	4	6	2
Sale of goods and capital assets	-	138	138	-
Licenses, permits and fines	-	-	-	-
Intergovernmental	-	518	518	-
Interest and investment earnings	5	5	61	56
Total revenues	<u>2,651</u>	<u>3,449</u>	<u>3,533</u>	<u>84</u>
Expenditures:				
Current:				
Housing and Human Services	<u>3,118</u>	<u>8,369</u>	<u>6,383</u>	<u>1,986</u>
Total expenditures	<u>3,118</u>	<u>8,369</u>	<u>6,383</u>	<u>1,986</u>
Excess (deficiency) of revenues over (under) expenditures	(467)	(4,920)	(2,850)	2,070
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>(474)</u>	\$ <u>(4,927)</u>	(2,857)	\$ <u>2,070</u>
Fund balance, beginning of year, basis of budgeting			<u>5,091</u>	
Fund balance, end of year, basis of budgeting			<u>2,234</u>	
Basis of budgeting to GAAP basis reconciliation:				
Fair market value adjustment to investments			(34)	
Accrued salaries, wages and amounts withheld from employees			<u>(16)</u>	
Fund balance, end of year, GAAP basis			\$ <u>2,184</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 30th and Pearl streets. It will be a regional transit-oriented, mixed-use neighborhood including a new regional bus and light rail terminal developed by Regional Transportation District (RTD). Funding is provided from a portion of the use taxes collected from development in the area.

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

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

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CITY OF BOULDER, COLORADO

Combining Balance Sheet

Nonmajor Governmental Funds

December 31, 2017

(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	\$ 3,557	\$ 521	\$ 4,078
Investments	48,517	13,437	61,954
Receivables:			
General property taxes	1,363	3,267	4,630
Sales and use taxes	1,490	1,161	2,651
Accounts	849	315	1,164
Accrued interest	169	31	200
Intergovernmental	330	142	472
Total receivables	<u>4,201</u>	<u>4,916</u>	<u>9,117</u>
Inventory of materials and supplies	44	-	44
Restricted assets:			
Investments for special purposes	478	-	478
Investments for capital projects	-	30	30
Total restricted assets	<u>478</u>	<u>30</u>	<u>508</u>
Other assets	<u>44</u>	<u>10</u>	<u>54</u>
 Total assets and deferred outflows of resources	 <u>\$ 56,841</u>	 <u>\$ 18,914</u>	 <u>\$ 75,755</u>
 <u>Liabilities, Deferred Inflows of Resources and Fund Balances</u>			
Liabilities:			
Accounts and accrued liabilities:			
Vouchers and accounts payable	\$ 1,669	\$ 250	\$ 1,919
Contracts and retainage payable	296	452	748
Accrued salaries, wages and amounts withheld from employees	702	41	743
Due to other funds	38	-	38
Other liabilities	697	-	697
Unearned revenue:			
Unearned revenue	52	-	52
Total liabilities	<u>3,454</u>	<u>743</u>	<u>4,197</u>
 Deferred inflows of resources:			
Property tax	1,362	3,267	4,629
Grants and other deferrals	647	459	1,106
Deferred inflow of resources	<u>2,009</u>	<u>3,726</u>	<u>5,735</u>
 Fund balances:			
Nonspendable:			
Prepaid/receivable	44	10	54
Inventory	44	-	44
Restricted:			
Legally restricted	9,870	-	9,870
Capital projects	-	12,293	12,293
Development fees	6,187	-	6,187
Lottery funds	3,281	-	3,281
Donor restrictions	1,013	-	1,013
Committed:			
Affordable housing	7,530	-	7,530
Transportation projects	3,542	-	3,542
Assigned:			
Special purposes	19,867	2,142	22,009
Total fund balances	<u>51,378</u>	<u>14,445</u>	<u>65,823</u>
Total liabilities, deferred inflows of resources and fund balances	 <u>\$ 56,841</u>	 <u>\$ 18,914</u>	 <u>\$ 75,755</u>

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CITY OF BOULDER, COLORADO

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds

Year ended December 31, 2017

(Amounts in 000's)

	<u>Special Revenue</u>	<u>Capital Project</u>	<u>Total</u>
Revenues:			
Taxes:			
Sales and use taxes	\$ 8,324	\$ 10,898	\$ 19,222
General property taxes	1,252	2,782	4,034
Accommodations taxes	-	-	-
Franchise taxes	1,776	-	1,776
Specific own & tobacco taxes	7	-	7
Excise taxes	4,158	320	4,478
Charges for services	20,815	-	20,815
Sale of goods	175	-	175
License, permits and fines	7,234	-	7,234
Intergovernmental	5,476	5	5,481
Leases, rents and royalties	1,925	-	1,925
Interest and investment earnings	313	86	399
Other	2,302	18	2,320
Total revenues	<u>53,757</u>	<u>14,109</u>	<u>67,866</u>
Expenditures:			
Current:			
General Government	107	-	107
Public Works	6,188	168	6,356
Planning & Development Services	12,890	-	12,890
Culture and Recreation	20,801	1,550	22,351
Open Space and Mountain Parks	-	-	-
Housing and Human Services	18,040	-	18,040
Capital outlay	-	11,415	11,415
Total expenditures	<u>58,026</u>	<u>13,133</u>	<u>71,159</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(4,269)</u>	<u>976</u>	<u>(3,293)</u>
Other financing sources (uses):			
Transfers in	6,196	234	6,430
Transfers out	<u>(248)</u>	<u>(7)</u>	<u>(255)</u>
Total other financing sources (uses)	<u>5,948</u>	<u>227</u>	<u>6,175</u>
Net change in fund balances	1,679	1,203	2,882
Fund balances, beginning of year	<u>49,699</u>	<u>13,242</u>	<u>62,941</u>
Fund balances, end of year	<u>\$ 51,378</u>	<u>\$ 14,445</u>	<u>\$ 65,823</u>

CITY OF BOULDER, COLORADO

Combining Balance Sheet

Nonmajor Special Revenue Funds

December 31, 2017

(Amounts in 000's)

<u>Assets and Deferred Outflows of Resources</u>	<u>Capital Development Fund</u>	<u>Lottery Fund</u>	<u>Planning & 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	\$ 1,197	\$ 48	\$ 436	\$ 148	\$ 224	\$ 187	234
Investments	11,391	3,422	9,928	7,621	4,573	53	1,935
Receivables:							
General property taxes	-	-	-	-	-	1,209	-
Sales and use taxes	-	-	-	-	968	-	-
Accounts	-	-	51	2	267	4	9
Accrued interest	25	7	35	63	11	2	8
Intergovernmental	-	-	4	-	42	-	1
Total receivables	<u>25</u>	<u>7</u>	<u>90</u>	<u>65</u>	<u>1,288</u>	<u>1,215</u>	<u>18</u>
Inventory of materials and supplies	-	-	-	-	-	-	44
Restricted assets:							
Investments for special purposes	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2)</u>	<u>480</u>	<u>-</u>
Total restricted assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2)</u>	<u>480</u>	<u>-</u>
Other assets	<u>-</u>	<u>-</u>	<u>4</u>	<u>-</u>	<u>-</u>	<u>39</u>	<u>-</u>
Total assets	<u>12,613</u>	<u>3,477</u>	<u>10,458</u>	<u>7,834</u>	<u>6,083</u>	<u>1,974</u>	<u>2,231</u>
Total assets and deferred outflows of resources	<u>\$ 12,613</u>	<u>\$ 3,477</u>	<u>\$ 10,458</u>	<u>\$ 7,834</u>	<u>\$ 6,083</u>	<u>\$ 1,974</u>	<u>2,231</u>
<u>Liabilities, Deferred Inflows of Resources and Fund Balances</u>							
Liabilities:							
Accounts and accrued liabilities:							
Vouchers and accounts payable	\$ 39	\$ 157	\$ 62	\$ 219	\$ 413	\$ 27	102
Contracts and retainage payable	115	37	32	-	105	-	-
Accrued salaries, wages and amounts withheld from employees	-	2	300	28	126	2	213
Due to other funds	-	-	-	-	-	-	-
Other liabilities	-	-	615	57	22	-	-
Unearned revenue	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10</u>	<u>-</u>	<u>42</u>
Total liabilities	<u>154</u>	<u>196</u>	<u>1,009</u>	<u>304</u>	<u>676</u>	<u>29</u>	<u>357</u>
Deferred inflows of resources:							
Property tax	-	-	-	-	-	1,209	-
Grants and other deferrals	<u>-</u>	<u>-</u>	<u>22</u>	<u>-</u>	<u>311</u>	<u>-</u>	<u>1</u>
Deferred inflows of resources	<u>-</u>	<u>-</u>	<u>22</u>	<u>-</u>	<u>311</u>	<u>1,209</u>	<u>1</u>
Fund balances:							
Nonspendable:							
Prepaid/Receivable	-	-	4	-	-	39	-
Inventory	-	-	-	-	-	-	44
Restricted:							
Legally restricted	-	-	3	-	4,844	-	-
Development fees	6,187	-	-	-	-	-	-
Lottery funds	-	3,281	-	-	-	-	-
Donor restrictions	-	-	-	-	252	697	64
Committed:							
Affordable housing	-	-	-	7,530	-	-	-
Transportation projects	-	-	-	-	-	-	-
Assigned:							
Special purposes	<u>6,272</u>	<u>-</u>	<u>9,420</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,765</u>
Total fund balances	<u>12,459</u>	<u>3,281</u>	<u>9,427</u>	<u>7,530</u>	<u>5,096</u>	<u>736</u>	<u>1,873</u>
Total liabilities, deferred inflows from resources and fund balances	<u>\$ 12,613</u>	<u>\$ 3,477</u>	<u>\$ 10,458</u>	<u>\$ 7,834</u>	<u>\$ 6,083</u>	<u>\$ 1,974</u>	<u>2,231</u>

(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
\$ 382	\$ 261	\$ 64	\$ 17	\$ 133	\$ 155	\$ 1	\$ 70	\$ 3,557
1,223	1,461	5,709	2	72	1,200	(23)	(50)	48,517
-	-	-	10	144	-	-	-	1,363
-	-	-	-	-	522	-	-	1,490
-	158	-	-	-	-	316	42	849
5	1	12	-	-	-	-	-	169
2	-	-	-	-	-	191	90	330
7	159	12	10	144	522	507	132	4,201
-	-	-	-	-	-	-	-	44
-	-	-	-	-	-	-	-	478
-	-	-	-	-	-	-	-	478
-	-	-	-	1	-	-	-	44
1,612	1,881	5,785	29	350	1,877	485	152	56,841
<u>\$ 1,612</u>	<u>\$ 1,881</u>	<u>\$ 5,785</u>	<u>\$ 29</u>	<u>\$ 350</u>	<u>\$ 1,877</u>	<u>\$ 485</u>	<u>\$ 152</u>	<u>\$ 56,841</u>
\$ 109	\$ 5	\$ 45	\$	\$ 5	\$ 158	\$ 256	\$ 72	\$ 1,669
-	-	7	-	-	-	-	-	296
13	6	1	-	-	-	10	1	702
-	-	-	-	-	-	38	-	38
-	3	-	-	-	-	-	-	697
-	-	-	-	-	-	-	-	52
122	14	53	-	5	158	304	73	3,454
-	-	-	10	143	-	-	-	1,362
2	51	-	-	-	-	181	79	647
2	51	-	10	143	-	181	79	2,009
-	-	-	-	1	-	-	-	44
-	-	-	-	-	-	-	-	44
1,488	1,816	-	-	-	1,719	-	-	9,870
-	-	-	-	-	-	-	-	6,187
-	-	-	-	-	-	-	-	3,281
-	-	-	-	-	-	-	-	1,013
-	-	-	-	-	-	-	-	7,530
-	-	3,542	-	-	-	-	-	3,542
-	-	2,190	19	201	-	-	-	19,867
1,488	1,816	5,732	19	202	1,719	-	-	51,378
<u>\$ 1,612</u>	<u>\$ 1,881</u>	<u>\$ 5,785</u>	<u>\$ 29</u>	<u>\$ 350</u>	<u>\$ 1,877</u>	<u>\$ 485</u>	<u>\$ 152</u>	<u>\$ 56,841</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, 2017

(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 taxes	-	-	-	-
Specific ownership & tobacco taxes	-	-	-	-
Excise taxes	-	-	-	-
Charges for services	1,136	-	2,023	10,935
Sale of goods	-	-	-	-
Licenses, permits and fines	-	-	7,011	-
Intergovernmental	-	1,063	19	2,938
Leases, rents and royalties	-	-	-	108
Interest and investment earnings	68	19	73	49
Other	<u>1,145</u>	<u>23</u>	<u>-</u>	<u>112</u>
Total revenues	<u>2,349</u>	<u>1,105</u>	<u>9,126</u>	<u>14,142</u>
Expenditures:				
Current:				
General Government	-	-	-	-
Public Works	2,584	201	-	-
Planning & Development Services	-	-	12,890	-
Culture and Recreation	-	790	-	-
Housing and Human Services	-	-	-	15,762
Total expenditures	<u>2,584</u>	<u>991</u>	<u>12,890</u>	<u>15,762</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(235)</u>	<u>114</u>	<u>(3,764)</u>	<u>(1,620)</u>
Other financing sources (uses):				
Transfers in	811	-	3,427	309
Transfers out	<u>(215)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>596</u>	<u>-</u>	<u>3,427</u>	<u>309</u>
Net change in fund balances	361	114	(337)	(1,311)
Fund balances, beginning of year	<u>12,098</u>	<u>3,167</u>	<u>9,764</u>	<u>8,841</u>
Fund balances, end of year	<u>\$ 12,459</u>	<u>\$ 3,281</u>	<u>\$ 9,427</u>	<u>\$ 7,530</u>

CITY OF BOULDER, COLORADO

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Special Revenue Funds

Year ended December 31, 2017

(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	\$ 8,324	\$ -	-	\$ -	\$ -	\$ -
General property taxes	-	1,029	-	-	-	-
Accommodations taxes	-	-	-	-	-	-
Franchise taxes	-	-	-	1,776	-	-
Specific ownership & tobacco taxes	-	-	-	-	-	-
Excise taxes	-	-	-	-	-	1,523
Charges for services	-	-	6,662	-	59	-
Sale of goods	-	-	175	-	-	-
Licenses, permits and fines	31	-	192	-	-	-
Intergovernmental	24	26	44	-	-	-
Leases, rents and royalties	2	-	1,229	-	586	-
Interest and investment earnings	23	17	14	8	9	33
Other	185	510	108	-	-	219
Total revenues	<u>8,589</u>	<u>1,582</u>	<u>8,424</u>	<u>1,784</u>	<u>654</u>	<u>1,775</u>
Expenditures:						
Current:						
General Government	-	-	-	-	-	-
Public Works	443	-	-	1,403	445	1,101
Planning & Development Services	-	-	-	-	-	-
Culture and Recreation	8,505	1,476	10,030	-	-	-
Housing and Human Services	-	-	-	-	-	-
Total expenditures	<u>8,948</u>	<u>1,476</u>	<u>10,030</u>	<u>1,403</u>	<u>445</u>	<u>1,101</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(359)</u>	<u>106</u>	<u>(1,606)</u>	<u>381</u>	<u>209</u>	<u>674</u>
Other financing sources (uses):						
Transfers in	-	28	1,616	-	-	-
Transfers out	-	-	-	-	-	(33)
Total other financing sources (uses)	<u>-</u>	<u>28</u>	<u>1,616</u>	<u>-</u>	<u>-</u>	<u>(33)</u>
Net change in fund balances	(359)	134	10	381	209	641
Fund balances, beginning of year	<u>5,455</u>	<u>602</u>	<u>1,863</u>	<u>1,107</u>	<u>1,607</u>	<u>5,091</u>
Fund balances, end 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>

Transit Pass General Improvement <u>District</u>	Boulder Junction Access GID- <u>TDM</u>	Sugar- Sweetened Beverage Tax <u>Fund</u>	Community Development <u>Fund</u>	HOME <u>Fund</u>	<u>Total</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,324
10	213	-	-	-	1,252
-	-	-	-	-	-
-	-	-	-	-	1,776
1	6	-	-	-	7
-	-	2,635	-	-	4,158
-	-	-	-	-	20,815
-	-	-	-	-	175
-	-	-	-	-	7,234
-	-	-	741	621	5,476
-	-	-	-	-	1,925
-	-	-	-	-	313
-	-	-	-	-	2,302
<u>11</u>	<u>219</u>	<u>2,635</u>	<u>741</u>	<u>621</u>	<u>53,757</u>
-	107	-	-	-	107
11	-	-	-	-	6,188
-	-	-	-	-	12,890
-	-	-	-	-	20,801
-	-	916	741	621	18,040
<u>11</u>	<u>107</u>	<u>916</u>	<u>741</u>	<u>621</u>	<u>58,026</u>
<u>-</u>	<u>112</u>	<u>1,719</u>	<u>-</u>	<u>-</u>	<u>(4,269)</u>
5	-	-	-	-	6,196
-	-	-	-	-	(248)
<u>5</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,948</u>
5	112	1,719	-	-	1,679
<u>14</u>	<u>90</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>49,699</u>
\$ <u>19</u>	\$ <u>202</u>	\$ <u>1,719</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>51,378</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, 2017

(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	\$ 3	\$ 3	\$ -	\$ (3)
Charges for services	1,665	1,665	1,136	(529)
Interest and investment earnings	116	116	117	1
Other	-	-	1,145	1,145
Total revenues	<u>1,784</u>	<u>1,784</u>	<u>2,398</u>	<u>614</u>
Expenditures:				
Current:				
Public Works	<u>2,200</u>	<u>2,898</u>	<u>2,695</u>	<u>203</u>
Total expenditures	<u>2,200</u>	<u>2,898</u>	<u>2,695</u>	<u>203</u>
Excess (deficiency) of revenues				
over (under) expenditures	(416)	(1,114)	(297)	817
Other financing uses:				
Transfers in	811	811	811	-
Transfers out	<u>(7)</u>	<u>(215)</u>	<u>(215)</u>	<u>-</u>
Total other financing sources (uses)	<u>804</u>	<u>596</u>	<u>596</u>	<u>-</u>
Net change in fund balance	\$ <u><u>388</u></u>	\$ <u><u>(518)</u></u>	299	\$ <u><u>817</u></u>
Encumbrances, end of year			111	
Fund balance, beginning of year, basis of budgeting			<u>12,122</u>	
Fund balance, end of year, basis of budgeting			12,532	
Basis of budgeting to GAAP basis reconciliation:				
Fair market value adjustment to investments			<u>(73)</u>	
Fund balance, end of year, GAAP basis			\$ <u><u>12,459</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, 2017

(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:				
Intergovernmental	\$ 999	\$ 999	\$ 1,063	\$ 64
Interest and investment earnings	8	8	34	26
Other	-	-	23	23
Total revenues	<u>1,007</u>	<u>1,007</u>	<u>1,120</u>	<u>113</u>
Expenditures:				
Current:				
Public Works	151	1,180	-	1,180
Culture and Recreation	697	1,197	959	238
Open Space and Mountain Parks	<u>709</u>	<u>1,802</u>	<u>456</u>	<u>1,346</u>
Total expenditures	<u>1,557</u>	<u>4,179</u>	<u>1,415</u>	<u>2,764</u>
Excess (deficiency) of				
revenues over expenditures	<u>(550)</u>	<u>(3,172)</u>	<u>(295)</u>	<u>2,877</u>
Net change in fund balance	\$ <u>(550)</u>	\$ <u>(3,172)</u>	(295)	\$ <u>2,877</u>
Encumbrances, end of year			426	
Fund balance, beginning of year, basis of budgeting			<u>3,174</u>	
Fund balance, end of year, basis of budgeting			3,305	
Basis of budgeting to GAAP basis reconciliation:				
Fair market value adjustment to investments			(22)	
Accrued salaries, wages and amounts				
withheld from employees			<u>(2)</u>	
Fund balance, end of year, GAAP basis			\$ <u>3,281</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, 2017

(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	\$ 1,730	\$ 1,730	\$ 1,996	\$ 266
Sale of goods	3	3	-	(3)
Licenses, permits and fines	5,841	6,021	7,006	985
Intergovernmental	-	-	19	19
Interest and investment earnings	56	56	123	67
Total revenues	<u>7,630</u>	<u>7,810</u>	<u>9,144</u>	<u>1,334</u>
Expenditures:				
Current:				
Planning & Development Services	<u>12,379</u>	<u>15,006</u>	<u>13,267</u>	<u>1,739</u>
Total expenditures	<u>12,379</u>	<u>15,006</u>	<u>13,267</u>	<u>1,739</u>
Excess (deficiency) of revenues				
over (under) expenditures	(4,749)	(7,196)	(4,123)	3,073
Other financing sources (uses):				
Transfers in	<u>3,428</u>	<u>3,428</u>	<u>3,427</u>	<u>(1)</u>
Total other financing sources (uses)	<u>3,428</u>	<u>3,428</u>	<u>3,427</u>	<u>(1)</u>
Net change in fund balance	\$ <u>(1,321)</u>	\$ <u>(3,768)</u>	(696)	\$ <u>3,072</u>
Encumbrances, end of year			377	
Fund balance, beginning of year, basis of budgeting			<u>10,087</u>	
Fund balance, end of year, basis of budgeting			9,768	
Basis of budgeting to GAAP basis reconciliation:				
Fair market value adjustment to investments			(75)	
Unearned revenue			34	
Accrued salaries, wages and amounts				
withheld from employees			<u>(300)</u>	
Fund balance, end of year, GAAP basis			\$ <u>9,427</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, 2017

(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	\$ 1,650	\$ 4,650	\$ 10,935	\$ 6,285
Intergovernmental	-	2,933	2,938	5
Leases, rents and royalties	-	25	108	83
Interest and investment earnings	20	20	89	69
Other	-	-	112	112
Total revenues	<u>1,670</u>	<u>7,628</u>	<u>14,182</u>	<u>6,554</u>
Expenditures:				
Current:				
Housing and Human Services	<u>1,738</u>	<u>16,492</u>	<u>15,867</u>	<u>625</u>
Total expenditures	<u>1,738</u>	<u>16,492</u>	<u>15,867</u>	<u>625</u>
Excess (deficiency) of revenues over (under) expenditures	(68)	(8,864)	(1,685)	7,179
Other financing sources (uses):				
Transfers in	<u>240</u>	<u>309</u>	<u>309</u>	-
Total other financing sources (uses)	<u>240</u>	<u>309</u>	<u>309</u>	-
Net change in fund balance	\$ <u>172</u>	\$ <u>(8,555)</u>	(1,376)	\$ <u>7,179</u>
Encumbrances, end of year			110	
Fund balance, beginning of year, basis of budgeting			<u>8,882</u>	
Fund balance, end of year, basis of budgeting			7,616	
Basis of budgeting to GAAP basis reconciliation:				
Fair market value adjustment to investments			(58)	
Accrued salaries, wages and amounts withheld from employees			<u>(28)</u>	
Fund balance, end of year, GAAP basis			\$ <u>7,530</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, 2017

(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, use and other taxes	\$ 8,835	\$ 8,835	\$ 8,587	\$ (248)
Licenses, permits and fines	-	-	31	31
Intergovernmental	-	45	24	(21)
Leases, rents and royalties	-	-	2	2
Interest and investment earnings	20	20	43	23
Other	100	208	185	(23)
Total revenues	<u>8,955</u>	<u>9,108</u>	<u>8,872</u>	<u>(236)</u>
Expenditures:				
Current:				
Public Works	450	459	454	5
Culture and Recreation	<u>7,981</u>	<u>10,225</u>	<u>9,483</u>	<u>742</u>
Total expenditures	<u>8,431</u>	<u>10,684</u>	<u>9,937</u>	<u>747</u>
Excess (deficiency) of revenues				
over (under) expenditures	<u>524</u>	<u>(1,576)</u>	<u>(1,065)</u>	<u>511</u>
Net change in fund balance	\$ <u>524</u>	\$ <u>(1,576)</u>	(1,065)	\$ <u>511</u>
Encumbrances, end of year			1,009	
Fund balance, beginning of year, basis of budgeting			<u>5,580</u>	
Fund balance, end of year, basis of budgeting			5,524	
Basis of budgeting to GAAP basis reconciliation:				
Unearned revenue			(273)	
Fair market value adjustment to investments			(29)	
Accrued salaries, wages and amounts				
withheld from employees			<u>(126)</u>	
Fund balance, end of year, GAAP basis			\$ <u>5,096</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, 2017

(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:				
General property taxes	\$ 1,047	\$ 1,047	\$ 1,029	\$ (18)
Intergovernmental	-		26	26
Other	314	496	510	14
Total revenues	<u>1,361</u>	<u>1,543</u>	<u>1,565</u>	<u>22</u>
Expenditures:				
Current:				
Culture and Recreation	<u>1,411</u>	<u>1,711</u>	<u>1,493</u>	<u>218</u>
Total expenditures	<u>1,411</u>	<u>1,711</u>	<u>1,493</u>	<u>218</u>
Excess (deficiency) of revenues over (under) expenditures	(50)	(168)	72	240
Other financing sources:				
Transfers in	<u>-</u>	<u>28</u>	<u>28</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>28</u>	<u>28</u>	<u>-</u>
Net change in fund balance	\$ <u>(50)</u>	\$ <u>(140)</u>	100	\$ <u>240</u>
Encumbrances, end of year			15	
Fund balance, beginning of year, basis of budgeting			<u>606</u>	
Fund balance, end of year, basis of budgeting			721	
Basis of budgeting to GAAP basis reconciliation:				
Fair market value adjustment to investments			17	
Accrued salaries, wages and amounts withheld from employees			<u>(2)</u>	
Fund balance, end of year, GAAP basis			\$ <u>736</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, 2017

(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	\$ 7,466	\$ 7,582	\$ 6,662	\$ (920)
Sale of goods	212	212	175	(37)
Licenses, permits and fines	150	150	192	42
Intergovernmental	-	44	44	-
Leases, rents and royalties	1,253	1,257	1,229	(28)
Interest and investment earnings	11	11	25	14
Other	<u>29</u>	<u>119</u>	<u>108</u>	<u>(11)</u>
Total revenues	9,121	9,375	8,435	(940)
Expenditures:				
Current:				
Culture and Recreation	<u>10,918</u>	<u>11,078</u>	<u>10,139</u>	<u>939</u>
Total expenditures	<u>10,918</u>	<u>11,078</u>	<u>10,139</u>	<u>939</u>
Excess (deficiency) of revenues over (under) expenditures	(1,797)	(1,703)	(1,704)	(1)
Other financing sources (uses):				
Transfers in	<u>1,616</u>	<u>1,616</u>	<u>1,616</u>	<u>-</u>
Total other financing sources (uses)	<u>1,616</u>	<u>1,616</u>	<u>1,616</u>	<u>-</u>
Net change in fund balance	\$ <u>(181)</u>	\$ <u>(87)</u>	(88)	\$ <u>(1)</u>
Encumbrances, end of year			117	
Fund balance, beginning of year, basis of budgeting			<u>2,074</u>	
Fund balance, end of year, basis of budgeting			2,103	
Basis of budgeting to GAAP basis reconciliation:				
Fair market value adjustment to investments			(17)	
Accrued salaries, wages and amounts withheld from employees			<u>(213)</u>	
Fund balance, end of year, GAAP basis			\$ <u>1,873</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, 2017

(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:				
Franchise taxes	\$ 1,838	\$ 1,838	\$ 1,776	\$ (62)
Interest and investment earnings	<u>1</u>	<u>1</u>	<u>13</u>	<u>12</u>
Total revenues	1,839	1,839	1,789	(50)
Expenditures:				
Current:				
Planning & Development Services	<u>1,829</u>	<u>2,795</u>	<u>2,278</u>	<u>517</u>
Total expenditures	<u>1,829</u>	<u>2,795</u>	<u>2,278</u>	<u>517</u>
Excess (deficiency) of revenues				
over (under) expenditures	<u>10</u>	<u>(956)</u>	<u>(489)</u>	<u>467</u>
Net change in fund balance	\$ <u>10</u>	\$ <u>(956)</u>	(489)	\$ <u>467</u>
Encumbrances, end of year			872	
Fund balance, beginning of year, basis of budgeting			<u>1,126</u>	
Fund balance, end of year, basis of budgeting			1,509	
Basis of budgeting to GAAP basis reconciliation:				
Fair market value adjustment to investments			(8)	
Accrued salaries, wages and amounts				
withheld from employees			<u>(13)</u>	
Fund balance, end of year, GAAP basis			\$ <u>1,488</u>	

CITY OF BOULDER, COLORADO

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

Sugar-Sweetened Beverage Tax Fund

Year ended December 31, 2017

(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	\$ 2,635	\$ 1,135
Total revenues	-	1,500	2,635	1,135
Expenditures:				
Current:				
Administrative Services		5	-	5
Housing and Human Services		1,495	938	557
Total expenditures	-	1,500	938	562
Excess (deficiency) of revenues				
over (under) expenditures	-	-	1,697	1,697
Net change in fund balance	\$ -	\$ -	\$ 1,697	\$ 1,697
Encumbrances, end of year			22	
Fund balance, beginning of year, basis of budgeting			-	
Fund balance, end of year, GAAP basis			\$ 1,719	

CITY OF BOULDER, COLORADO

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

Year ended December 31, 2017

(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:				
Charges for services	\$ 11	\$ 11	\$ 59	\$ 48
Leases, rents and royalties	579	579	579	-
Interest and investment earnings	14	14	17	3
Total revenues	<u>604</u>	<u>604</u>	<u>655</u>	<u>51</u>
Expenditures:				
Current:				
Public Works	432	484	448	36
Total expenditures	<u>432</u>	<u>484</u>	<u>448</u>	<u>36</u>
Excess (deficiency) of revenues over (under) expenditures	<u>172</u>	<u>120</u>	<u>207</u>	87
Net change in fund balance	\$ <u>172</u>	\$ <u>120</u>	207	\$ <u>87</u>
Encumbrances, end of year			3	
Fund balance, beginning of year, basis of budgeting			<u>1,615</u>	
Fund balance, end of year, basis of budgeting			1,825	
Basis of budgeting to GAAP basis reconciliation:				
Fair market value adjustment to investments			(10)	
Accrued salaries, wages and amounts withheld from employees			(6)	
Unearned revenue			<u>7</u>	
Fund balance, end of year, GAAP basis			\$ <u>1,816</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, 2017

(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	\$ 736	\$ 736	\$ 1,523	\$ 787
Interest and investment earnings	25	25	55	30
Other	100	100	219	119
Total revenues	<u>861</u>	<u>861</u>	<u>1,797</u>	<u>936</u>
Expenditures:				
Current:				
Public Works	1,538	4,182	1,156	3,026
Total expenditures	<u>1,538</u>	<u>4,182</u>	<u>1,156</u>	<u>3,026</u>
Excess (deficiency) of revenues over (under) expenditures	(677)	(3,321)	641	3,962
Other financing uses:				
Transfers out	(7)	(32)	(33)	(1)
Total other financing sources (uses)	<u>(7)</u>	<u>(32)</u>	<u>(33)</u>	<u>(1)</u>
Net change in fund balance	\$ <u>(684)</u>	\$ <u>(3,353)</u>	608	\$ <u>3,961</u>
Encumbrances, end of year			55	
Fund balance, beginning of year, basis of budgeting			<u>5,101</u>	
Fund balance, end of year, basis of budgeting			5,764	
Basis of budgeting to GAAP basis reconciliation:				
Fair market value adjustment to investments			(31)	
Accrued salaries, wages and amounts withheld from employees			<u>(1)</u>	
Fund balance, end of year, GAAP basis			\$ <u>5,732</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, 2017

(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:				
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	<u>16</u>	<u>16</u>	<u>11</u>	<u>5</u>
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	<u>5</u>	<u>5</u>	<u>5</u>	<u>-</u>
Total other financing sources (uses)	<u>5</u>	<u>5</u>	<u>5</u>	<u>-</u>
Net change in fund balance	\$ <u>(1)</u>	\$ <u>(1)</u>	5	\$ <u>6</u>
Fund balance, beginning of year, basis of budgeting			<u>14</u>	
Fund balance, end of year, GAAP basis			\$ <u>19</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, 2017

(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:				
General property taxes	\$ 307	\$ 307	\$ 213	\$ (94)
Specific ownership & tobacco taxes	<u>3</u>	<u>3</u>	<u>6</u>	<u>3</u>
Total revenues	<u>310</u>	<u>310</u>	<u>219</u>	<u>(91)</u>
Expenditures:				
Current:				
General Government	<u>187</u>	<u>216</u>	<u>116</u>	<u>100</u>
Total expenditures	<u>187</u>	<u>216</u>	<u>116</u>	<u>100</u>
Excess (deficiency) of revenues				
over (under) expenditures	<u>123</u>	<u>94</u>	<u>103</u>	<u>9</u>
Net change in fund balance	\$ <u>123</u>	\$ <u>94</u>	103	\$ <u>9</u>
Encumbrances, end of year			9	
Fund balance, beginning of year, basis of budgeting			<u>90</u>	
Fund balance, end of year, GAAP basis			\$ <u>202</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, 2017

(Amounts in 000's)

	Budgeted amounts		Actual	Variance with
	<u>Original</u>	<u>Final</u>	<u>amounts</u>	final budget -
				Positive
				(Negative)
Revenues:				
Intergovernmental	\$ 650	\$ 1,326	\$ 741	\$ (585)
Total revenues	650	1,326	741	(585)
Expenditures:				
Current:				
Housing and Human Services	650	1,326	741	585
Total expenditures	650	1,326	741	585
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			(10)	
Grant receivable			10	
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 Fund

Year ended December 31, 2017

(Amounts in 000's)

	Budgeted amounts		Actual	Variance with
	<u>Original</u>	<u>Final</u>	<u>amounts</u>	final budget -
				Positive
				(Negative)
Revenues:				
Intergovernmental	\$ 825	\$ 2,855	\$ 621	\$ (2,234)
Total revenues	<u>825</u>	<u>2,855</u>	<u>621</u>	<u>(2,234)</u>
Expenditures:				
Current:				
Housing and Human Services	<u>825</u>	<u>2,855</u>	<u>621</u>	<u>2,234</u>
Total expenditures	<u>825</u>	<u>2,855</u>	<u>621</u>	<u>2,234</u>
Excess (deficiency) of revenues				
over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	\$ <u>-</u>	\$ <u>-</u>	-	\$ <u>-</u>
Encumbrances, end of year			-	
Fund balance, beginning of year, basis of budgeting			-	
Fund balance, end of year, basis of budgeting			-	
Accrued salaries, wages			(1)	
Grant receivable			<u>1</u>	
Fund balance, end of year, GAAP basis			\$ <u>-</u>	

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CITY OF BOULDER, COLORADO

Combining Balance Sheet

Nonmajor Capital Project Funds

December 31, 2017

(Amounts in 000's)

<u>Assets and Deferred Outflows of Resources</u>	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>
Equity in pooled cash and cash equivalents	\$ 33	\$ -	\$ 214	\$ 69	\$ 205	\$ 521
Investments	3,190	4	1,942	1,716	6,585	13,437
Receivables:						
General property taxes	3,267	-	-	-	-	3,267
Sales and use taxes	-	-	-	-	1,161	1,161
Accounts	-	-	-	-	315	315
Accrued interest	5	-	11	15	-	31
Intergovernmental	142	-	-	-	-	142
Total receivables	3,414	-	11	15	1,476	4,916
Investments for capital projects	-	-	-	30	-	30
Total restricted assets	-	-	-	30	-	30
Other Assets	-	-	-	10	-	10
Total assets	6,637	4	2,167	1,840	8,266	18,914
 Total assets and deferred outflows of resources	 \$ 6,637	 \$ 4	 \$ 2,167	 \$ 1,840	 \$ 8,266	 \$ 18,914
 <u>Liabilities, Deferred Inflows of Resources and Fund Balance</u>						
Liabilities:						
Accounts and accrued liabilities:						
Vouchers and accounts payable	\$ 31	\$ -	\$ 28	\$ 11	\$ 180	\$ 250
Contracts and retainage payable	-	-	-	-	452	452
Accrued salaries, wages and amounts withheld from employees	30	-	1	6	4	41
Total liabilities	61	-	29	17	636	743
Deferred inflows of resources:						
Property tax	3,267	-	-	-	-	3,267
Grants and other deferrals	144	-	-	-	315	459
Deferred inflows of resources	3,411	-	-	-	315	3,726
Fund balances:						
Nonspendable						
Prepaid/receivable	-	-	-	10	-	10
Restricted:						
Capital projects	3,165	-	-	1,813	7,315	12,293
Assigned:						
Special purposes	-	4	2,138	-	-	2,142
Total fund balances	3,165	4	2,138	1,823	7,315	14,445
Total liabilities, deferred inflows of resources and fund balances	\$ 6,637	\$ 4	\$ 2,167	\$ 1,840	\$ 8,266	\$ 18,914

CITY OF BOULDER, COLORADO

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Capital Project Funds

Year ended December 31, 2017

(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, use and other	\$ -	\$ -	\$ 818	\$ -	\$ 10,080	\$ 10,898
General property taxes	2,782	-	-	-	-	2,782
Excise taxes	59	-	261	-	-	320
Intergovernmental	5	-	-	-	-	5
Interest and investment earnings	12	-	12	18	44	86
Other	18	-	-	-	-	18
Total revenues	<u>2,876</u>	<u>-</u>	<u>1,091</u>	<u>18</u>	<u>10,124</u>	<u>14,109</u>
Expenditures:						
Current:						
Capital Outlay	-	-	-	347	11,068	11,415
Culture and Recreation	1,550	-	-	-	-	1,550
Public Works	-	-	168	-	-	168
Total expenditures	<u>1,550</u>	<u>-</u>	<u>168</u>	<u>347</u>	<u>11,068</u>	<u>13,133</u>
Excess (deficiency) of revenues over (under) expenditures	1,326	-	923	(329)	(944)	976
Other financing sources (uses)						
Transfers out	(7)	-	-	-	-	(7)
Total other financing sources (uses)	<u>(7)</u>	<u>-</u>	<u>234</u>	<u>-</u>	<u>-</u>	<u>227</u>
Net change in fund balances	<u>1,319</u>	<u>-</u>	<u>1,157</u>	<u>(329)</u>	<u>(944)</u>	<u>1,203</u>
Fund balances, beginning of year	<u>1,846</u>	<u>4</u>	<u>981</u>	<u>2,152</u>	<u>8,259</u>	<u>13,242</u>
Fund balances, end 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>

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, 2017

(Amounts in 000's)

	Budgeted amounts		Actual	Variance with
	Original	Final	amounts	final budget - Positive (Negative)
Revenues:				
Taxes:				
General property taxes	\$ 2,804	\$ 2,804	\$ 2,782	\$ (22)
Excise taxes	-	-	59	59
Intergovernmental	-	-	5	5
Interest and investment earnings	15	15	22	7
Other	25	25	18	(7)
Total revenues	2,844	2,844	2,886	42
Expenditures:				
Culture and Recreation	3,225	3,325	1,772	1,553
Total expenditures	3,225	3,325	1,772	1,553
Excess (deficiency) of revenues over (under) expenditures	(381)	(481)	1,114	1,595
Other financing sources (uses)				
Transfers out	(7)	(7)	(7)	-
Total other financing sources (uses)	(7)	(7)	(7)	-
Net change in fund balance	\$ <u>(388)</u>	\$ <u>(488)</u>	1,107	\$ <u>1,595</u>
Encumbrances, end of year			224	
Fund balance, beginning of year, basis of budgeting			1,879	
Fund balance, end of year, basis of budgeting			3,210	
Basis of budgeting to GAAP basis reconciliation:				
Fair market value adjustment to investments			(15)	
Accrued salaries, wages and amounts withheld from employees			(30)	
Fund balance, end of year, GAAP basis			\$ <u>3,165</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, 2017

(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	\$ <u>-</u>	\$ <u>-</u>	-	\$ <u>-</u>
Fund balance, beginning of year, basis of budgeting			<u>4</u>	
Fund balance, end of year, GAAP basis			\$ <u><u>4</u></u>	

CITY OF BOULDER, COLORADO

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

Year ended December 31, 2017

(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, use and other taxes	\$ 22	\$ 22	\$ 818	\$ 796
Excise taxes	402	402	261	(141)
Charges for services	213	213	-	(213)
Interest and investment earnings	<u>5</u>	<u>5</u>	<u>13</u>	<u>8</u>
Total revenues	642	642	1,092	450
Expenditures:				
Culture and Recreation	350	350	-	350
Public Works	<u>607</u>	<u>1,409</u>	<u>235</u>	<u>1,174</u>
Total expenditures	<u>957</u>	<u>1,759</u>	<u>235</u>	<u>1,524</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(315)</u>	<u>(1,117)</u>	<u>857</u>	<u>1,974</u>
Other financing sources (uses)				
Transfers in	<u>-</u>	<u>234</u>	<u>234</u>	<u>-</u>
Net change in fund balance	\$ <u>(315)</u>	\$ <u>(883)</u>	1,091	\$ <u>1,974</u>
Encumbrances, end of year			68	
Fund balance, beginning of year, basis of budgeting			<u>986</u>	
Fund balance, end of year, basis of budgeting			2,145	
Basis of budgeting to GAAP basis reconciliation:				
Fair market value adjustment to investments			(6)	
Accrued salaries, wages and amounts withheld from employees			<u>(1)</u>	
Fund balance, end of year, GAAP basis			\$ <u>2,138</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, 2017

(Amounts in 000's)

	Budgeted amounts		Actual	Variance with
	<u>Original</u>	<u>Final</u>	<u>amounts</u>	final budget - Positive (Negative)
Revenues:				
Taxes:				
Interest and investment earnings	\$ 8	\$ 8	\$ 28	\$ 20
Total revenues	8	8	28	20
Expenditures:				
Capital outlay	-	2,158	1,641	517
Total expenditures	-	2,158	1,641	517
Excess (deficiency) of revenues over (under) expenditures	8	(2,150)	(1,613)	537
Other financing uses -				
Net change in fund balance	\$ 8	\$ (2,150)	(1,613)	\$ 537
Encumbrances, end of year			1,296	
Fund balance, beginning of year, basis of budgeting			2,157	
Fund balance, end of year, basis of budgeting			1,840	
Basis of budgeting to GAAP basis reconciliation:				
Fair market value adjustment to investments			(11)	
Accrued salaries, wages and amounts withheld from employees			(6)	
Fund balance, end of year, GAAP basis			\$ 1,823	

CITY OF BOULDER, COLORADO

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

Year ended December 31, 2017

(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, use and other taxes	\$ -	\$ 11,011	\$ 10,396	\$ (615)
Interest and investment earnings	-	-	76	76
Total revenues	-	11,011	10,472	(539)
Expenditures:				
Capital outlay	-	18,679	12,030	6,649
Total expenditures	-	18,679	12,030	6,649
Excess (deficiency) of revenues				
over (under) expenditures	-	(7,668)	(1,558)	6,110
Other financing uses -				
Net change in fund balance	\$ -	\$ (7,668)	(1,558)	\$ 6,110
Encumbrances, end of year			962	
Fund balance, beginning of year, basis of budgeting			8,277	
Fund balance, end of year, basis of budgeting			7,681	
Basis of budgeting to GAAP basis reconciliation:				
Fair market value adjustment to investments			(46)	
Accrued salaries, wages and amounts				
withheld from employees			(4)	
Increase in accounts receivable			(316)	
Fund balance, end of year, GAAP basis			\$ 7,315	

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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, 2017

(Amounts in 000's)

	University Hill Commercial <u>District</u>	Boulder Junction Access GID - <u>Parking</u>	Total Nonmajor Enterprise <u>Funds</u>
Assets:			
Current assets:			
Equity in pooled cash and cash equivalents	\$ 240	\$ 34	\$ 274
Investments	685	400	1,085
Receivables:			
General property taxes	32	247	279
Accrued interest	3	-	3
Intergovernmental	-	1	1
Other	<u>1</u>	<u>1</u>	<u>2</u>
Total receivables	<u>36</u>	<u>249</u>	<u>285</u>
Total current assets	<u>961</u>	<u>683</u>	<u>1,644</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	<u>247</u>	<u>-</u>	<u>247</u>
	817	2,000	2,817
Less accumulated depreciation	<u>(328)</u>	<u>(50)</u>	<u>(378)</u>
Total capital assets, net of accumulated depreciation	<u>489</u>	<u>1,950</u>	<u>2,439</u>
Total noncurrent assets	<u>489</u>	<u>1,950</u>	<u>2,439</u>
Total assets	<u>1,450</u>	<u>2,633</u>	<u>4,083</u>
Deferred outflows of resources	<u>120</u>	<u>-</u>	<u>120</u>
Total assets and deferred outflows of resources	\$ <u><u>1,570</u></u>	\$ <u><u>2,633</u></u>	\$ <u><u>4,203</u></u>

CITY OF BOULDER, COLORADO

Combining Statement of Net Position
continued

Nonmajor Enterprise Funds

December 31, 2017

(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	\$ 10	\$ 3	\$ 13
Accrued salaries, wages and amounts withheld from employees	15	-	15
Accrued interest	-	83	83
Advances from other funds	-	2	2
Other liabilities	1	-	1
Promissory Note (current portion)	-	376	376
Total current liabilities	<u>26</u>	<u>464</u>	<u>490</u>
Non-current liabilities:			
Accounts and accrued liabilities:			
Advances from other funds	-	7	7
Compensated absences payable	7	-	7
Promissory Note	-	791	791
Net Pension Liability	461	-	461
Retiree health care benefit	7	-	7
Total non-current liabilities	<u>475</u>	<u>798</u>	<u>1,273</u>
Total liabilities	<u>501</u>	<u>1,262</u>	<u>1,763</u>
Deferred inflows of resources:			
Total deferred inflow of resources	<u>34</u>	<u>247</u>	<u>281</u>
Net position:			
Net investment in capital assets	489	783	1,272
Restricted for:			
Legally restricted	6	-	6
Unrestricted	<u>540</u>	<u>341</u>	<u>881</u>
Total net position	<u>\$ 1,035</u>	<u>\$ 1,124</u>	<u>\$ 2,159</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, 2017

(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	\$ 190	\$ 90	\$ 280
Total operating revenues	<u>190</u>	<u>90</u>	<u>280</u>
Operating expenses:			
Personnel	382	-	382
Non-personnel	283	133	416
Depreciation	<u>27</u>	<u>50</u>	<u>77</u>
Total operating expenses	<u>692</u>	<u>183</u>	<u>875</u>
Operating income (loss)	<u>(502)</u>	<u>(93)</u>	<u>(595)</u>
Nonoperating revenues (expenses):			
Interest and investment earnings	4	3	7
General property taxes	36	152	188
Specific ownership & tobacco taxes	2	10	12
Gain (loss) on disposition of capital assets	(2)	-	(2)
Other, net	<u>-</u>	<u>2</u>	<u>2</u>
Total nonoperating revenues (expenses)	<u>40</u>	<u>167</u>	<u>207</u>
Income (loss) before capital contributions and transfers	(462)	74	(388)
Transfers in	<u>425</u>	<u>200</u>	<u>625</u>
Changes in net position	(37)	274	237
Total net position, beginning of year	<u>1,072</u>	<u>850</u>	<u>1,922</u>
Total net position, end of year	\$ <u>1,035</u>	\$ <u>1,124</u>	\$ <u>2,159</u>

CITY OF BOULDER, COLORADO

Combining Statement of Cash Flows

Nonmajor Enterprise Funds

Year ended December 31, 2017

(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	\$ 190	\$ 90	\$ 280
Other receipts	-	2	2
Other payments	(8)	-	(8)
Payments to suppliers	(276)	(129)	(405)
Payments to employees	<u>(328)</u>	<u>-</u>	<u>(328)</u>
Net cash provided (used) by operating activities	<u>(422)</u>	<u>(37)</u>	<u>(459)</u>
Cash flows from noncapital financing activities:			
Payments to other funds on advances	-	(2)	(2)
Intergovernmental revenue	-	(1)	(1)
General property taxes	37	152	189
Specific ownership & tobacco taxes	2	10	12
Transfers in	<u>425</u>	<u>200</u>	<u>625</u>
Net cash provided (used) by noncapital financing activities	<u>464</u>	<u>359</u>	<u>823</u>
Cash flows from capital and related financing activities:			
Acquisition and construction of capital assets		(2,000)	(2,000)
Proceeds from sale or transfer of property and equipment	1	-	1
Promissory note issued	<u>-</u>	<u>1,250</u>	<u>1,250</u>
Net cash provided (used) for capital related financing activities	<u>1</u>	<u>(750)</u>	<u>(749)</u>

CITY OF BOULDER, COLORADO

Combining Statement of Cash Flows,
continued

Nonmajor Enterprise Funds

Year ended December 31, 2017

(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	(417)	(238)	(655)
Proceeds from sale and maturities of investment securities	354	372	726
Interest on investments	<u>7</u>	<u>5</u>	<u>12</u>
Net cash provided (used) in investing activities	<u>(56)</u>	<u>139</u>	<u>83</u>
Net (decrease) in cash and cash equivalents	(13)	(289)	(302)
Cash and cash equivalents, January 1	<u>253</u>	<u>323</u>	<u>576</u>
Cash and cash equivalents, December 31	\$ <u><u>240</u></u>	\$ <u><u>34</u></u>	\$ <u><u>274</u></u>

The accompanying notes are an integral part of this statement.

CITY OF BOULDER, COLORADO

Combining Statement of Cash Flows,
continued

Nonmajor Enterprise Funds

Year ended December 31, 2017

(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>(502)</u>	\$ <u>(93)</u>	\$ <u>(595)</u>
Adjustments to reconcile net operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	27	50	77
Other nonoperating revenues (expenses)	(8)	2	(6)
Change in assets and liabilities:			
Increase (decrease) in liabilities:			
Vouchers and accounts payable	7	4	11
Other liabilities	-	-	-
Pension Liability	53	-	53
Retiree health care benefit	1	-	1
Total adjustments	<u>80</u>	<u>56</u>	<u>136</u>
Net cash provided (used) by operating activities	\$ <u><u>(422)</u></u>	\$ <u><u>(37)</u></u>	\$ <u><u>(459)</u></u>
Noncash investing, capital and financing activities:			
Increase (decrease) in fair value of investments	\$ <u>(3)</u>	\$ <u>(2)</u>	\$ <u>(5)</u>
	\$ <u><u>(3)</u></u>	\$ <u><u>(2)</u></u>	\$ <u><u>(5)</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, 2017

(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	\$ 348	\$ 69	\$ 31	\$ 586
Investments	1,661	5,528	2,192	2,043
Receivables, net:				
Accounts	12	-	-	-
Accrued interest	6	24	11	6
Intergovernmental	-	-	-	-
Total receivables	18	24	11	6
Advances to other funds	-	-	-	-
Other assets - prepaid expenses	-	420	-	-
Total current assets	2,027	6,041	2,234	2,635
Noncurrent assets:				
Advances to other funds, less current	-	-	-	-
Capital assets:				
Land and easements	-	-	-	-
Buildings	207	-	-	-
Improvements other than buildings	-	-	-	-
Infrastructure	-	-	-	-
Vehicles	-	-	-	-
Machinery and equipment	3,106	13	-	-
	3,313	13	-	-
Less accumulated depreciation	(2,681)	(13)	-	-
	632	-	-	-
Construction in progress	-	-	-	-
Total capital assets, net of accumulated depreciation	632	-	-	-
Total noncurrent assets	632	-	-	-
Total assets	2,659	6,041	2,234	2,635
Deferred outflows of resources:				
Total deferred outflow of resources	71	127	65	189
Total assets and deferred outflows of resources	2,730	6,168	2,299	2,824

<u>Fleet Fund</u>	<u>Computer Replacement Fund</u>	<u>Equipment Replacement Fund</u>	<u>Facility Renovation and Replacement Fund</u>	<u>Total</u>
\$ 235	\$ 1,150	\$ 610	\$ 144	\$ 3,173
16,857	7,170	6,131	10,582	52,164
58	-	-	10	80
49	29	19	40	184
2	-	-	109	111
<u>109</u>	<u>29</u>	<u>19</u>	<u>159</u>	<u>375</u>
130	-	-	-	130
-	29	-	-	449
<u>17,331</u>	<u>8,378</u>	<u>6,760</u>	<u>10,885</u>	<u>56,291</u>
415	-	-	-	415
-	-	-	117	117
2,381	38	138	88,332	91,096
1,437	-	56	7,533	9,026
-	-	-	468	468
37,406	-	-	-	37,406
1,120	4,330	4,054	372	12,995
<u>42,344</u>	<u>4,368</u>	<u>4,248</u>	<u>96,822</u>	<u>151,108</u>
<u>(20,526)</u>	<u>(3,896)</u>	<u>(3,139)</u>	<u>(62,713)</u>	<u>(92,968)</u>
21,818	472	1,109	34,109	58,140
-	-	-	380	380
<u>21,818</u>	<u>472</u>	<u>1,109</u>	<u>34,489</u>	<u>58,520</u>
<u>22,233</u>	<u>472</u>	<u>1,109</u>	<u>34,489</u>	<u>58,935</u>
39,564	8,850	7,869	45,374	115,226
439	18	15	142	1,066
<u>40,003</u>	<u>8,868</u>	<u>7,884</u>	<u>45,516</u>	<u>116,292</u>

CITY OF BOULDER, COLORADO

Combining Statement of Net Position
continuedInternal Service Funds

December 31, 2017

(Amounts in 000's)

	Telecom- munications Fund	Property and Casualty Insurance Fund	Workers' Compensation Insurance Fund	Compensated Absences Fund
Liabilities:				
Current liabilities:				
Accounts and accrued liabilities:				
Vouchers and accounts payable	10	14	36	1
Contracts and retainage payable	-	-	-	-
Accrued salaries, wages and amounts withheld from employees	1	10	7	-
Accrued environmental cleanup liability	-	-	-	-
Accrued claims liability (current portion)	-	209	992	-
Unearned revenue	-	-	-	-
Compensated absences payable (current portion)	-	-	-	-
Capitalized lease obligations (current portion)	-	-	-	-
Total current liabilities	<u>11</u>	<u>233</u>	<u>1,035</u>	<u>1</u>
Non-current liabilities:				
Capitalized lease obligations	-	-	-	-
Compensated absences payable	-	7	9	-
Accrued claims liability	-	556	1,221	-
Net Pension Liability	265	609	193	802
Retiree health care benefit	3	4	4	-
Total non-current liabilities	<u>268</u>	<u>1,176</u>	<u>1,427</u>	<u>802</u>
Total liabilities	<u>279</u>	<u>1,409</u>	<u>2,462</u>	<u>803</u>
Deferred inflow of resources:				
Deferred inflows of resources	<u>1</u>	<u>1</u>	<u>-</u>	<u>4</u>
Net position:				
Net investment in capital assets	632	-	-	-
Unrestricted	<u>1,818</u>	<u>4,758</u>	<u>(163)</u>	<u>2,017</u>
Total net position	\$ <u>2,450</u>	\$ <u>4,758</u>	\$ <u>(163)</u>	\$ <u>2,017</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>
156	53	14	395	679
-	-	-	101	101
39	-	1	8	66
-	-	-	47	47
-	-	-	-	1,201
-	-	-	17	17
42	-	-	-	42
-	-	-	684	684
<u>237</u>	<u>53</u>	<u>15</u>	<u>1,252</u>	<u>2,837</u>
-	-	-	6,927	6,927
22	-	-	13	51
-	-	-	-	1,777
1,703	37	50	197	3,856
26	-	1	3	41
<u>1,751</u>	<u>37</u>	<u>51</u>	<u>7,140</u>	<u>12,652</u>
<u>1,988</u>	<u>90</u>	<u>66</u>	<u>8,392</u>	<u>15,489</u>
<u>5</u>	<u>1</u>	<u>-</u>	<u>-</u>	<u>12</u>
21,818	472	1,110	26,879	50,911
<u>16,192</u>	<u>8,305</u>	<u>6,708</u>	<u>10,245</u>	<u>49,880</u>
\$ <u><u>38,010</u></u>	\$ <u><u>8,777</u></u>	\$ <u><u>7,818</u></u>	\$ <u><u>37,124</u></u>	\$ <u><u>100,791</u></u>

CITY OF BOULDER, COLORADO

Combining Statement of Revenues, Expenses and Changes in Net Position

Internal Service Funds

Year ended December 31, 2017

(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	\$ 717	\$ 1,863	\$ 1,838	\$ 846
Sales of goods	-	-	-	-
Total operating revenues	<u>717</u>	<u>1,863</u>	<u>1,838</u>	<u>846</u>
Operating expenses:				
Personnel	161	295	262	493
Non-personnel	255	1,626	1,786	18
Depreciation	190	1	-	-
Total operating expenses	<u>606</u>	<u>1,922</u>	<u>2,048</u>	<u>511</u>
Operating income (loss)	<u>111</u>	<u>(59)</u>	<u>(210)</u>	<u>335</u>
Nonoperating revenues (expenses):				
Interest and investment earnings	12	34	18	13
Leases, rents and royalties	-	-	-	-
Intergovernmental revenue	-	-	-	-
Interest expense	-	-	-	-
Gain (loss) on sale of capital assets	1	-	-	-
Other (net)	<u>-</u>	<u>12</u>	<u>11</u>	<u>-</u>
Total nonoperating revenues (expenses)	<u>13</u>	<u>46</u>	<u>29</u>	<u>13</u>
Income (loss) before capital contributions, extraordinary items, and transfers	124	(13)	(181)	348
Capital contributions	-	-	-	-
Transfers in	-	-	50	-
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Changes in net position	124	(13)	(131)	348
Total net position, beginning of year	<u>2,326</u>	<u>4,771</u>	<u>(32)</u>	<u>1,669</u>
Total net position, end of year	\$ <u>2,450</u>	\$ <u>4,758</u>	\$ <u>(163)</u>	\$ <u>2,017</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>
\$ 8,166	\$ 2,387	\$ 842	\$ 3,036	\$ 19,695
304	-	-	-	304
<u>8,470</u>	<u>2,387</u>	<u>842</u>	<u>3,036</u>	<u>19,999</u>
1,404	35	42	273	2,965
2,970	2,228	118	2,939	11,940
3,093	258	213	2,910	6,665
<u>7,467</u>	<u>2,521</u>	<u>373</u>	<u>6,122</u>	<u>21,570</u>
<u>1,003</u>	<u>(134)</u>	<u>469</u>	<u>(3,086)</u>	<u>(1,571)</u>
139	44	44	70	374
-	-	-	130	130
-	-	-	18	18
-	-	-	(348)	(348)
399	3	-	-	403
8	-	-	665	696
<u>546</u>	<u>47</u>	<u>44</u>	<u>535</u>	<u>1,273</u>
1,549	(87)	513	(2,551)	(298)
-	-	-	4	4
-	-	275	321	646
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
1,549	(87)	788	(2,226)	352
<u>36,461</u>	<u>8,864</u>	<u>7,030</u>	<u>39,350</u>	<u>100,439</u>
\$ <u>38,010</u>	\$ <u>8,777</u>	\$ <u>7,818</u>	\$ <u>37,124</u>	\$ <u>100,791</u>

CITY OF BOULDER, COLORADO

Combining Statement of Cash Flows

Internal Service Funds

Year ended December 31, 2017

(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>
Cash flows from operating activities:				
Receipts from customers and users	\$ 717	\$ -	\$ -	\$ -
Receipts from interfund services provided	-	1,863	1,838	846
Other receipts	-	-	11	-
Payments to suppliers	(277)	(1,548)	(1,851)	(16)
Payments to employees	(142)	(248)	(219)	(438)
Sale of goods	-	-	-	-
Net cash provided (used) by operating activities	<u>298</u>	<u>67</u>	<u>(221)</u>	<u>392</u>
Cash flows from noncapital financing activities:				
Payments from other funds				
on due from (due to) balances	-	-	-	-
Leases, rents and royalties	-	-	-	-
Intergovernmental revenue	-	-	-	-
Transfers in	-	-	50	-
Net cash provided (used) by noncapital financing activities	<u>-</u>	<u>-</u>	<u>50</u>	<u>-</u>
Cash flows from capital and related financing activities:				
Acquisition and construction of capital assets	-	-	-	-
Proceeds from sale of capital assets	1	-	-	-
Principal paid on capitalized lease obligation	-	-	-	-
Capital contributions	-	-	-	-
Other	-	12	-	-
Net cash provided (used) for capital and related financing activities	<u>1</u>	<u>12</u>	<u>-</u>	<u>-</u>
Cash flows from investing activities:				
Purchase of investment securities	(70)	(948)	-	(384)
Proceeds from sale and maturities of investment securities	29	402	174	340
Interest on investments	19	56	28	22
Net cash provided in investing activities	<u>(22)</u>	<u>(490)</u>	<u>202</u>	<u>(22)</u>
Net (decrease) in cash and cash equivalents	277	(411)	31	370
Equity in pooled cash and cash equivalents, January 1	<u>71</u>	<u>480</u>	<u>-</u>	<u>216</u>
Equity in pooled cash and cash equivalents, December 31	<u>\$ 348</u>	<u>\$ 69</u>	<u>\$ 31</u>	<u>\$ 586</u>
Reconciliation of cash and cash equivalents to balance sheet amounts:				
Equity in pooled cash and cash equivalents	<u>\$ 348</u>	<u>\$ 69</u>	<u>\$ 31</u>	<u>\$ 586</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>
\$ 8,151	\$ -	\$ -	\$ 3,049	\$ 11,917
8	2,387	842	-	7,776
(2,940)	-	-	669	688
(1,168)	(2,257)	(117)	(3,348)	(12,354)
304	(34)	(34)	(210)	(2,493)
<u>304</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>304</u>
<u>4,355</u>	<u>96</u>	<u>691</u>	<u>160</u>	<u>5,838</u>
153	-	-	-	153
-	-	-	130	130
-	-	-	35	35
<u>-</u>	<u>-</u>	<u>275</u>	<u>321</u>	<u>646</u>
<u>153</u>	<u>-</u>	<u>275</u>	<u>486</u>	<u>964</u>
(6,190)	(246)	(601)	(638)	(7,675)
720	3	-	-	724
-	-	-	(630)	(630)
-	-	-	(348)	(348)
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12</u>
<u>(5,470)</u>	<u>(243)</u>	<u>(601)</u>	<u>(1,616)</u>	<u>(7,917)</u>
(3,020)	(1,329)	(356)	(1,515)	(7,622)
3,593	(34)	363	1,371	6,238
<u>217</u>	<u>72</u>	<u>70</u>	<u>119</u>	<u>603</u>
<u>790</u>	<u>(1,291)</u>	<u>77</u>	<u>(25)</u>	<u>(781)</u>
(172)	(1,438)	442	(995)	(1,896)
<u>407</u>	<u>2,588</u>	<u>168</u>	<u>1,139</u>	<u>5,069</u>
\$ <u>235</u>	\$ <u>1,150</u>	\$ <u>610</u>	\$ <u>144</u>	\$ <u>3,173</u>
\$ <u>235</u>	\$ <u>1,150</u>	\$ <u>610</u>	\$ <u>144</u>	\$ <u>3,173</u>

(continued)

CITY OF BOULDER, COLORADO

Combining Statement of Cash Flows,
continuedInternal Service Funds

Year ended December 31, 2017

(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)	\$ 111	\$ (59)	\$ (210)	\$ 335
Adjustments to reconcile net operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	190	1	-	-
Other nonoperating revenues (expenses)			11	-
Change in assets and liabilities:				
(Increase) decrease in assets:				
Accounts receivable		-	-	-
Intergovernmental receivables	-	-	-	-
Other assets - prepaid expenses	-			
Increase (decrease) in liabilities:				
Vouchers and accounts payable	(22)	13	35	-
Contracts and retainage payable	-	-	-	-
Accrued salaries, wages and amounts withheld from employees	(3)	1	-	(2)
Pension Liability	35	48	45	59
Other liabilities	-	-		-
Accrued claims liability	-	65	(101)	-
Compensated absences	(13)	(2)	(2)	-
Retiree health care benefit			1	-
Total adjustments	187	126	(11)	57
Net cash provided (used) by operating activities	\$ 298	\$ 67	\$ (221)	\$ 392
Noncash investing, capital and financing activities:				
Increase (decrease) in fair value of investments	(8)	(26)	(11)	(10)
	\$ (8)	\$ (26)	\$ (11)	\$ (10)

<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>1,003</u>	\$ <u>(134)</u>	\$ <u>469</u>	\$ <u>(3,086)</u>	\$ <u>(1,571)</u>
3,093	258	213	2,910	6,665
8	-	-	669	688
(15)	-	-	10	(5)
-	-	-	3	3
-	(29)			(29)
30	(3)	3	136	192
-	-	-	66	66
4	(2)		1	(1)
216	7	6	61	477
-	-	-	(612)	(612)
-	-	-		(36)
13	(1)	-	1	(4)
3	-	-	1	5
<u>3,352</u>	<u>230</u>	<u>222</u>	<u>3,246</u>	<u>7,409</u>
\$ <u>4,355</u>	\$ <u>96</u>	\$ <u>691</u>	\$ <u>160</u>	\$ <u>5,838</u>
<u>(86)</u>	<u>(33)</u>	<u>(29)</u>	<u>(55)</u>	<u>(258)</u>
\$ <u>(86)</u>	\$ <u>(33)</u>	\$ <u>(29)</u>	\$ <u>(55)</u>	\$ <u>(258)</u>

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SUPPLEMENTARY SCHEDULES

CITY OF BOULDER, COLORADO

Supplementary Schedule

Combined Schedule of Long-Term Debt Payable

December 31, 2017

(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	\$ 3,810	\$ 1,865
Premium on Bonds				-	10	-
Open Space Acquisition Refunding	3.50 - 4.00	6/26/07	8/15/18	12,345	1,715	1,715
Premium on Refunding Bonds				-	1	-
Open Space Acquisition Bonds	2.00 - 3.00	10/9/14	8/15/34	10,000	8,760	440
Premium on Bonds				-	92	-
Waste Reduction Bonds	2.00 - 4.00	12/15/09	12/01/29	6,000	3,980	270
Premium on Waste Reduction Bonds				-	31	-
				<u>48,460</u>	<u>18,399</u>	<u>4,290</u>
General Fund Cap. Imp. Projects Bonds	2.00 - 4.00	3/22/12	10/01/31	49,000	35,215	1,945
Premium on Cap. Imp. Projects Bonds				-	3,172	-
				<u>49,000</u>	<u>38,387</u>	<u>1,945</u>
Supported by base rentals:						
Certificates Of Participation Series 2015	2.00 - 3.80	11/17/2015	10/01/36	41,000	38,215	1,485
Premium on COPS				-	476	-
				<u>41,000</u>	<u>38,691</u>	<u>1,485</u>
Lease Purchase Revenue Notes:						
Boulder Municipal Property Authority:						
Open space acquisition:						
Luchetta Note 2005C	5.00	8/05/05	8/05/20	720	189	60
Kolb, Edward H. Note 2008AR-1	5.00	4/22/08	4/22/18	404	50	50
Vigil Note 2008AR-2	5.00	4/22/08	4/22/18	404	50	50
E.R.T.L. Note 2013A	3.25	10/31/13	10/31/23	5,000	3,189	490
				<u>6,528</u>	<u>3,478</u>	<u>650</u>
Taxable Pension Obligation Bonds	2.00 - 5.00	10/26/10	10/01/30	9,070	6,610	395
Premium on Pension Obligation Bonds				-	65	-
				<u>9,070</u>	<u>6,675</u>	<u>395</u>
Capital Lease Purchase Agreements						
Banc of America Leasing & Capital, LLC	4.93	9/27/10	11/27/23	1,500	818	120
Suntrust Equipment Finance & Leasing Corp.	2.65	1/25/12	7/25/27	9,250	6,792	564
				<u>10,750</u>	<u>7,610</u>	<u>684</u>
Compensated Absences				-	10,716	755
Retiree Health Care Benefit (OPEB)				-	2,706	-
Estimated Claims Payable				-	2,979	1,201
				<u>-</u>	<u>16,401</u>	<u>1,956</u>
Total Governmental Activities and total supported by sales tax revenues and other financing sources				\$ <u>164,808</u>	\$ <u>129,641</u>	\$ <u>11,405</u>

CITY OF BOULDER, COLORADO

Supplementary ScheduleCombined Schedule of Long-Term Debt Payable,
(continued)

December 31, 2017

(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	7,575	1,775
Premium on Bonds				-	153	-
Water and Sewer Revenue Refunding Bonds	4.00 - 4.125	7/10/07	12/01/19	25,935	3,705	2,380
Water and Sewer Revenue Refunding Bonds	4.00 - 5.00	11/20/12	12/01/25	24,325	20,245	2,150
Premium on Bonds				-	2,893	-
Water and Sewer Revenue Bonds	2.00 - 3.00	10/12/10	12/01/30	9,980	7,090	455
Premium on Bonds				-	107	-
Storm Water & Flood Mgmt Rev. Rfdg.	2.00 - 3.00	6/08/10	12/01/18	3,165	370	370
Premium on Bonds				-	2	-
Storm Water & Flood Mgmt Revenue Bond	2.00 - 3.50	7/20/2015	12/01/34	22,845	20,700	950
Premium on Bonds				-	377	-
Water and Sewer Revenue Bonds	2.00 - 3.25	10/1/2015	12/01/35	10,075	9,280	410
Premium on Bonds				-	151	-
Water and Sewer Revenue Bonds	2.00 - 3.125	6/7/2016	12/01/35	34,145	32,010	1,475
Premium on Bonds				-	1,014	-
				<u>148,805</u>	<u>105,672</u>	<u>9,965</u>
Compensated Absences				-	967	189
Retiree Health Care Benefit (OPEB)				-	304	-
Total supported by utility revenues				<u>148,805</u>	<u>106,943</u>	<u>10,154</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	4,535	700
Premium on Bonds				-	186	-
Parking Facilities	3.00 - 4.00	5/14/09	8/15/18	7,730	1,005	1,005
Premium on Bonds				-	6	-
				<u>15,005</u>	<u>5,732</u>	<u>1,705</u>
Promissory Notes:						
Boulder Junction Access General Improvement District		3/6/2018	3/28/20	1,917	1,167	335
Compensated Absences				-	142	19
Retiree Health Care Benefit (OPEB)				-	77	-
Total supported by parking revenues				<u>16,922</u>	<u>7,118</u>	<u>2,059</u>
Total Business-type Activities				<u>\$ 165,727</u>	<u>\$ 114,061</u>	<u>\$ 12,213</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, 2017

(Unaudited)

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

Contents	Page
Financial Trends	
These schedules contain trend information to help the reader understand how the City's financial performance and well being have changed over time.	
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Revenue Capacity	
These schedules contain information to help the reader assess the City's most significant local revenue sources, the property tax (or sales tax).	
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Debt Capacity	
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Demographic and Economic Information	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	
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Operating Information	
These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	
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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				
	2008	2009	2010	2011	2012
Governmental activities:					
Net Investment in capital assets	\$ 363,896	\$ 379,461	\$ 395,174	\$ 418,691	\$ 458,372
Restricted	59,456	58,197	51,815	30,256	35,096
Unrestricted	51,761	51,266	69,024	86,439	102,519
Total governmental activities net position	<u><u>\$ 475,113</u></u>	<u><u>\$ 488,924</u></u>	<u><u>\$ 516,013</u></u>	<u><u>\$ 535,386</u></u>	<u><u>\$ 595,987</u></u>
Business-type activities:					
Net Investment in capital assets	\$ 295,936	\$ 313,583	\$ 310,791	\$ 325,861	\$ 325,883
Restricted	234	242	249	254	257
Unrestricted	65,263	59,917	65,547	67,166	61,583
Total business-type activities net position	<u><u>\$ 361,433</u></u>	<u><u>\$ 373,742</u></u>	<u><u>\$ 376,587</u></u>	<u><u>\$ 393,281</u></u>	<u><u>\$ 387,723</u></u>
Primary government:					
Net Investment in capital assets	\$ 659,832	\$ 693,044	\$ 705,965	\$ 744,552	\$ 727,155
Restricted	59,690	58,439	52,064	30,510	81,581
Unrestricted	117,024	111,183	134,571	153,605	174,974
Total primary government net position	<u><u>\$ 836,546</u></u>	<u><u>\$ 862,666</u></u>	<u><u>\$ 892,600</u></u>	<u><u>\$ 928,667</u></u>	<u><u>\$ 983,710</u></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				
2013	2014	2015	2016	2017
\$ 480,321	\$ 494,209	\$ 521,402	\$ 545,505	\$ 577,789
33,822	61,410	65,690	77,392	94,646
113,701	112,637	45,565	46,051	12,517
<u>\$ 627,844</u>	<u>\$ 668,256</u>	<u>\$ 632,657</u>	<u>\$ 668,948</u>	(a) <u>\$ 684,952</u>
\$ 331,096	\$ 345,149	\$ 343,555	\$ 375,949	\$ 387,932
265	269	273	279	288
67,747	72,770	68,100	64,613	77,110
<u>\$ 399,108</u>	<u>\$ 418,188</u>	<u>\$ 411,928</u>	<u>\$ 440,841</u>	<u>\$ 465,330</u>
\$ 811,417	\$ 839,358	\$ 864,957	\$ 921,454	\$ 965,721
34,087	61,679	65,963	77,671	94,934
181,448	185,407	113,665	110,664	89,627
<u>\$ 1,026,952</u>	<u>\$ 1,086,444</u>	<u>\$ 1,044,585</u>	<u>\$ 1,109,789</u>	<u>\$ 1,150,282</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				
	2008	2009	2010	2011	2012
Expenses:					
Governmental activities:					
General Government	\$ 10,227	\$ 9,945	\$ 12,431	\$ 19,509	\$ 16,625
Administrative Services	2,951	2,139	1,678	1,892	2,627
Public Safety	44,479	45,506	45,819	47,391	49,693
Public Works	30,966	32,634	30,542	30,844	33,110
Planning & Development Services	8,966	8,619	8,248	5,665	5,555
Culture and Recreation	27,961	27,478	27,200	28,140	28,112
Open Space and Mountain Parks	13,360	13,043	13,548	14,863	13,040
Housing and Human Services	13,983	14,745	16,580	13,060	14,431
Interest on long-term debt	3,530	2,820	2,285	2,290	2,984
Total governmental activities expenses	<u>156,423</u>	<u>156,929</u>	<u>158,331</u>	<u>163,654</u>	<u>166,177</u>
Business-type activities:					
Water utility	21,713	21,051	20,921	21,223	21,925
Wastewater utility	11,693	13,458	12,885	13,948	13,776
Stormwater and flood management	4,407	4,011	4,454	4,790	4,523
Parking facilities and services	6,228	7,385	7,602	6,570	7,303
Property and facility acquisition	1,150	1,009	860	724	479
Total business-type activities expenses	<u>45,191</u>	<u>46,914</u>	<u>46,722</u>	<u>47,255</u>	<u>48,006</u>
Total primary government expenses	<u>201,614</u>	<u>203,843</u>	<u>205,053</u>	<u>210,909</u>	<u>214,183</u>
Program revenue:					
Governmental activities:					
Charges for services:					
General Government	2,832	2,819	3,512	2,941	7,593
Administrative Services	268	205	191	142	548
Public Safety	1,640	1,706	1,874	1,748	1,629
Public works	909	803	1,122	2,095	1,730
Planning & Development Services	6,327	4,587	5,421	5,862	7,473
Culture and Recreation	9,069	8,448	8,121	8,386	9,041
Open Space and Mountain Parks	367	384	425	479	506
Housing and Human Services	3,671	2,608	5,775	1,401	13,303
Operating grants and contributions:	8,500	6,607	7,338	6,154	6,911
Capital grants and contributions	6,886	11,950	8,381	7,679	9,260
Total governmental activities program revenue	<u>40,469</u>	<u>40,117</u>	<u>42,160</u>	<u>36,887</u>	<u>57,994</u>
Business-type activities:					
Charges for services:					
Water utility	21,123	20,201	21,633	22,940	24,592
Wastewater utility	12,606	12,748	12,688	12,955	13,013
Stormwater and flood management	4,959	5,084	5,080	4,896	5,167
Parking facilities and services	4,319	3,939	4,162	4,324	4,483
Property and facility acquisition	4,042	3,455	3,447	5,178	2,336
Operating grants and contributions:	168	136	169	151	181
Capital grants and contributions:	10,703	8,408	5,610	8,411	5,175
Total business-type activities program revenues	<u>57,920</u>	<u>53,971</u>	<u>52,789</u>	<u>58,855</u>	<u>54,947</u>
Total primary government program revenues	<u>98,389</u>	<u>94,088</u>	<u>94,949</u>	<u>95,742</u>	<u>112,941</u>
Net (expense) revenue:					
Governmental activities	(115,954)	(116,812)	(116,171)	(126,767)	(108,183)
Business-type activities	12,729	7,057	6,067	11,600	6,941
Total primary government net expense	<u>\$ (103,225)</u>	<u>\$ (109,755)</u>	<u>\$ (110,104)</u>	<u>\$ (115,167)</u>	<u>\$ (101,242)</u>

(a) 2016 total was updated to reflect a change on the financial statements

Fiscal Year				
2013	2014	2015	2016	2017
\$ 22,857	\$ 22,406	\$ 13,436	\$ 20,073	\$ 32,773
4,387	7,655	6,742	9,750	10,278
50,468	50,662	50,190	58,151	58,350
27,558	37,406	39,117	43,112	39,571
6,087	6,041	14,033	14,600	17,334
30,749	30,819	32,247	36,216	37,359
16,023	16,774	20,922	22,010	30,110
17,937	19,795	23,400	13,085	29,214
3,532	2,679	9,750	3,815	3,468
<u>179,598</u>	<u>194,237</u>	<u>209,837</u>	<u>220,812</u>	<u>258,457</u>
22,599	22,644	22,546	23,540	23,431
13,916	14,703	13,550	14,309	15,125
4,461	6,812	6,873	7,468	7,916
6,853	6,892	6,583	6,546	7,192
1,118	463	618	661	870
<u>48,947</u>	<u>51,514</u>	<u>50,170</u>	<u>52,524</u>	<u>54,534</u>
<u>228,545</u>	<u>245,751</u>	<u>260,007</u>	<u>273,336</u>	<u>312,991</u>
7,546	7,262	9,563	10,537	9,891
1,163	676	1,039	1,084	1,436
1,652	2,273	675	384	218
2,070	4,474	1,658	1,475	1,689
7,710	8,640	8,654	9,422	9,037
9,015	9,358	11,576	9,302	8,947
423	475	798	889	1,322
7,859	6,458	4,825	1,414	11,334
5,824	12,213	11,400	12,856	17,211
7,630	8,906	6,175	8,439 (a)	4,305
<u>50,892</u>	<u>60,735</u>	<u>56,363</u>	<u>55,802</u>	<u>65,390</u>
23,269	22,950	28,813	29,386	28,742
14,267	13,979	19,583	18,849	19,229
5,537	5,637	10,530	10,772	10,861
4,905	5,475	6,216	6,144	6,629
1,625	2,091	-	165	280
138	-	1,931	3,664	3,353
6,498	17,983	5,665	7,854	5,912
<u>56,239</u>	<u>68,115</u>	<u>72,738</u>	<u>76,834</u>	<u>75,006</u>
<u>107,131</u>	<u>128,850</u>	<u>129,101</u>	<u>132,636</u>	<u>140,396</u>
(128,706)	(133,502)	(153,474)	(165,010)	(193,067)
7,292	16,601	22,568	24,310	20,472
<u>\$ (121,414)</u>	<u>\$ (116,901)</u>	<u>\$ (130,906)</u>	<u>\$ (140,700)</u>	<u>\$ (172,595)</u>

CITY OF BOULDER, COLORADO

Statistical Data

Changes In Net Position (Continued)

Last Ten Fiscal Years
(Unaudited)

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

	2008	2009	2010	2011	2012
General revenues and other changes in net position:					
Governmental activities:					
Taxes:					
Sales and use taxes (a)	\$ 84,867	\$ 85,457	\$ 87,802	\$ 92,627	\$ 97,397
Property taxes (a)	21,865	23,526	26,022	27,462	29,474
Accommodation taxes	3,389	3,049	3,199	4,668	4,890
Franchise Taxes	9,131	9,121	10,868	10,282	12,310
Specific Ownership & Tobacco taxes	1,705	1,587	1,587	1,578	1,789
Excise Taxes	2,748	1,847	837	1,927	1,290
Interest and investment earnings	7,875	2,088	2,060	1,895	1,052
Miscellaneous (c)	5,025	5,286	5,633	6,418	1,645
Gain on Sale of Capital Assets	627	130	805	456	2,173
Transfers	587	(1,468)	5,982	(1,208)	16,764
Extraordinary Item	-	-	(1,535)	35	-
Total governmental activities	<u>137,819</u>	<u>130,623</u>	<u>143,260</u>	<u>146,140</u>	<u>168,784</u>
Business-type activities:					
Taxes:					
Sales and use tax increment (a)	94	83	87	94	119
Property taxes (a)	1,578	1,627	1,704	1,782	1,952
Accommodation taxes	714	604	635	715	781
Specific Ownership & Tobacco taxes	63	55	51	51	55
Interest and investment earnings	5,583	1,257	1,226	1,156	384
Miscellaneous (c)	165	78	81	64	974
Gain on Sale of Capital Assets	-	80	-	-	-
Transfers	(587)	1,468	(5,982)	1,208	(16,764)
Extraordinary item	-	-	(1,024)	24	-
Total business-type activities	<u>7,610</u>	<u>5,252</u>	<u>(3,222)</u>	<u>5,094</u>	<u>(12,499)</u>
Total primary government	<u>145,429</u>	<u>135,875</u>	<u>140,038</u>	<u>151,234</u>	<u>156,285</u>
Changes in net position:					
Governmental activities	21,865	13,811	27,089	19,373	60,601
Business-type activities	20,339	12,309	2,845	16,694	(5,558)
Total primary government	<u>\$ 42,204</u>	<u>\$ 26,120</u>	<u>\$ 29,934</u>	<u>\$ 36,067</u>	<u>\$ 55,043</u>

(a) Starting in 2008, Sales and use tax is combined with Sales and use tax increment.

The same applies to Property tax and Property tax increment.

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

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

(c) Starting in 2008, Gain on Sale of Capital Assets is reported separately
from Governmental Activities Miscellaneous

(d) 2016 total was updated to reflect a change on the financial statements

Fiscal Year				
2013	2014	2015	2016	2017
\$ 104,136	\$ 116,316	\$ 131,323	\$ 136,269	\$ 135,913
29,434	30,353	30,846	36,897	37,252
5,192	6,443	7,019	7,927	8,932
12,815	12,226	12,777	12,693	12,551
1,839	1,954	2,109	2,277	2,637
1,338	3,235	4,453	2,253	5,739
755	906	1,097	1,976	1,491
1,678	1,437	1,008	2,825	5,526
3,878	99	2,313	219	410
(1,630)	(11)	(2,711)	(2,035)	(1,380)
1,888	956	-	-	-
<u>161,323</u>	<u>173,914</u>	<u>190,234</u>	<u>201,301</u>	<u>209,071</u>
118	-	-	-	-
1,976	2,013	1,178	1,293	1,402
844	-	-	-	-
60	66	69	57	91
301	324	486	1,073	885
91	65	45	145	158
-	-	562	-	101
1,630	11	2,711	2,035	1,380
-	-	-	-	-
<u>5,020</u>	<u>2,479</u>	<u>5,051</u>	<u>4,603</u>	<u>4,017</u>
<u>166,343</u>	<u>176,393</u>	<u>195,285</u>	<u>205,904</u>	<u>213,088</u>
27,821	173,914	36,760	36,291	16,004
21,621	2,479	27,619	28,913	24,489
<u>\$ 49,442</u>	<u>\$ 176,393</u>	<u>\$ 64,379</u>	<u>\$ 65,204</u> (d)	<u>\$ 40,493</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				
	2008	2009	2010	2011 (a)	2012
General Fund:					
Reserved	\$ 2,928	\$ 3,934	\$ 4,179	\$ -	\$ -
Unreserved	18,524	19,399	22,103	-	-
Nonspendable	-	-	-	297	276
Restricted	-	-	-	3,468	2,492
Assigned	-	-	-	7,711	10,016
Unassigned	-	-	-	20,209	25,471
Total General Fund	<u>\$ 21,452</u>	<u>\$ 23,333</u>	<u>\$ 26,282</u>	<u>\$ 31,685</u>	<u>\$ 38,255</u>
All Other Governmental Funds:					
Reserved	\$ 9,857	\$ 17,774	\$ 11,338	\$ -	\$ -
Unreserved, reported in:					
Special revenue funds	57,409	38,605	45,123	-	-
Debt service funds	356	418	446	-	-
Capital projects funds	14,449	4,568	1,125	-	-
Nonspendable	-	-	-	63	47
Restricted	-	-	-	26,688	78,732
Committed	-	-	-	4,174	15,399
Assigned	-	-	-	21,949	21,964
Unassigned	-	-	-	-	-
Total all other government funds	<u>\$ 82,071</u>	<u>\$ 61,365</u>	<u>\$ 58,032</u>	<u>\$ 52,874</u>	<u>\$ 116,142</u>

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

Fiscal Year				
2013	2014	2015	2016	2017
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
1,646	260	115	122	221
1,694	1,481	2,315	2,394	5,306
10,886	10,202	9,450	8,619	8,007
28,216	39,129	42,674	47,487	38,922
<u>\$ 42,442</u>	<u>\$ 51,072</u>	<u>\$ 54,554</u>	<u>\$ 58,622</u>	<u>\$ 52,456</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
50	46	63	39	121
63,649	59,829	68,445	74,898	71,985
19,376	17,195	10,352	11,994	11,072
23,754	26,996	29,020	30,396	39,339
-	(20)	-	-	-
<u>\$ 106,829</u>	<u>\$ 104,046</u>	<u>\$ 107,880</u>	<u>\$ 117,327</u>	<u>\$ 122,517</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			
	2008	2009	2010	2011
Revenues:				
Taxes:				
Sales and use taxes	\$ 84,867	\$ 85,457	\$ 87,802	\$ 92,627
General property taxes	21,865	23,526	26,022	27,462
Accommodation taxes	3,389	3,049	3,199	4,668
Franchise taxes	9,131	9,121	10,858	10,295
Specific Ownership & Tobacco taxes	1,705	1,587	1,587	1,578
Excise taxes	2,748	1,847	837	1,927
Charges for services	16,115	13,982	17,239	14,015
Sale of goods	329	318	812	368
License, permits and fines	9,910	8,716	10,956	10,518
Intergovernmental	15,192	15,589	17,043	13,647
Leases, rents and royalties	2,278	2,148	2,240	2,346
Interest and investment earnings	5,698	1,392	1,445	1,416
Other	1,567	1,914	1,208	2,869
Total revenues	<u>174,794</u>	<u>168,646</u>	<u>181,248</u>	<u>183,736</u>
Expenditures:				
General Government	11,838	11,294	13,852	18,122
Administrative Services	8,773	8,749	8,597	8,504
Public Safety	42,882	43,273	53,972	45,123
Public Works	29,204	32,276	31,970	29,558
Planning & Development Services	7,849	7,460	7,118	7,551
Culture and Recreation	26,195	27,029	26,352	26,839
Open Space and Mountain Parks	13,579	10,396	11,199	15,978
Housing and Human Services	12,736	13,443	15,308	12,022
Capital outlay	1,840	12,417	9,785	4,077
Debt service payments:				
Principal	10,331	11,561	9,895	9,715
Interest	2,552	2,930	2,406	2,398
Base rentals to Boulder Municipal				
Property Authority Debt Service Fund	4,042	3,454	3,452	5,178
Cost of issuance - refunding bonds	-	-	28	104
Total expenditures	<u>171,821</u>	<u>184,282</u>	<u>193,934</u>	<u>185,169</u>
Excess of revenues (under) expenditures	<u>2,973</u>	<u>(15,636)</u>	<u>(12,686)</u>	<u>(1,433)</u>
Other financing sources (uses):				
Sale of capital assets	-	84	24	17
Notes / loans payable issued	-	5,441	-	-
Bonds issued (including refunding bonds)	-	30,685	9,203	-
Premium on bonds issued	-	1,016	-	-
Transfers in	20,795	20,745	21,638	22,576
Transfers out	(18,706)	(18,410)	(18,563)	(19,415)
Payment to refunding bond escrow agent	-	(27,945)	-	-
Total other financing sources (uses)	<u>2,089</u>	<u>11,616</u>	<u>12,302</u>	<u>3,178</u>
Extraordinary Item				
Flood insurance recoveries	-	-	-	(1,500)
Net changes in fund balance	<u>\$ 5,062</u>	<u>\$ (4,020)</u>	<u>\$ (384)</u>	<u>\$ 245</u>
Debt service as a percentage of noncapital expenditures (a)	8.3%	8.7%	7.8%	8.6%

(a) These percentages have been changed from prior year reports to more accurately reflect the Debt Service percentage of noncapital expenditures.

Fiscal Year					
2012	2013	2014	2015	2016	2017
\$ 97,397	\$ 104,136	\$ 116,316	\$ 131,323	\$ 136,269	\$ 131,857
29,474	29,434	30,353	30,846	36,897	37,252
4,890	5,192	6,443	7,019	7,927	8,932
12,310	12,815	12,218	12,772	12,693	12,564
1,788	1,839	1,954	2,109	2,277	2,637
1,290	1,338	3,235	4,453	2,253	5,739
27,030	22,670	22,946	20,880	15,839	25,745
628	863	593	1,269	384	401
11,918	12,156	12,813	13,005	14,220	13,680
16,420	13,348	18,188	12,347	16,270	26,787
2,433	2,365	2,651	4,140	7,403	6,414
879	563	686	827	1,529	1,117
1,792	1,556	2,069	2,596	4,175	6,544
<u>208,249</u>	<u>208,275</u>	<u>230,465</u>	<u>243,586</u>	<u>258,136</u>	<u>279,669</u>
18,568	20,161	16,556	53,077	17,951	21,835
9,149	10,024	6,773	8,480	8,836	7,643
47,825	48,202	50,280	52,915	54,214	56,420
22,178	27,896	38,322	46,114	51,706	53,053
4,370	4,659	6,014	14,263	14,199	15,517
25,677	28,089	30,423	32,965	33,209	35,207
12,055	22,521	20,433	20,999	22,725	30,641
13,384	20,226	24,564	23,279	12,682	32,454
29,111	19,218	27,130	9,750	11,378	11,415
10,549	11,201	9,425	10,142	9,560	9,333
3,025	3,549	3,205	3,266	4,386	4,106
3,452	1,625	2,091	1,701	1,618	1,002
28	-	-	-	-	-
<u>193,934</u>	<u>217,371</u>	<u>235,216</u>	<u>276,951</u>	<u>242,464</u>	<u>278,626</u>
<u>(12,686)</u>	<u>(9,096)</u>	<u>(4,751)</u>	<u>(33,365)</u>	<u>15,672</u>	<u>1,043</u>
24	257	7	1,970	4	7
-	-	-	-	-	-
9,203	-	10,000	41,000	-	-
-	-	123	561	-	-
21,638	20,371	8,334	7,333	11,710	7,707
(18,563)	(18,653)	(8,822)	(10,296)	(13,871)	(9,733)
-	-	-	-	-	-
<u>12,302</u>	<u>2,082</u>	<u>9,642</u>	<u>40,568</u>	<u>(16,028)</u>	<u>(2,019)</u>
-	1,888	956	-	-	-
<u>\$ (384)</u>	<u>\$ (5,126)</u>	<u>\$ 5,847</u>	<u>\$ 7,203</u>	<u>\$ (356)</u>	<u>\$ (976)</u>
9.2%	8.1%	6.6%	6.5%	6.7%	5.9%

CITY OF BOULDER, COLORADO

Statistical Data

Taxable Sales by Market Sector

Last Ten Fiscal Years
(Unaudited)

(Amounts in 000's)

Market Sector	2008	2009	2010	2011
Food Stores	\$ 329,727	\$ 328,338	\$ 327,796	\$ 359,707
Eating Places	321,062	311,060	321,904	347,871
Apparel Stores	82,966	77,259	79,232	100,696
Home Furnishings	80,115	75,883	76,487	81,304
General Retail	532,688	515,305	567,786	586,189
Transportation/Utilities	231,463	215,137	220,981	215,462
Automotive Trade	151,612	145,333	157,930	174,631
Building Material-Retail	90,428	82,342	87,238	85,319
Construction Use Tax	103,986	142,739	173,534	153,438
Construction Sales Tax	11,960	11,263	14,922	16,147
Constructions Firms Sales/Use Tax	-	-	-	-
Consumer Electronics	61,953	50,755	54,843	73,237
Computer Related Business Sector	158,410	168,124	146,311	167,503
All Other	335,698	390,880	351,272	359,612
Refunds	(3,300)	(8,349)	(5,396)	(4,781)
Total Sales and Use Tax	<u>\$ 2,488,768</u>	<u>\$ 2,506,069</u>	<u>\$ 2,574,840</u>	<u>\$ 2,716,335</u>
Direct city sales tax rate	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>
Total direct city sales tax	<u><u>3.56%</u></u>	<u><u>3.56%</u></u>	<u><u>3.56%</u></u>	<u><u>3.56%</u></u>

2012	2013	2014	2015	2016	2017
\$ 388,154	\$ 397,482	\$ 418,373	\$ 440,661	\$ 452,030	\$ 469,529
384,485	389,207	411,710	437,428	451,436	483,063
110,467	111,504	119,125	122,977	123,958	122,065
81,243	80,077	88,116	89,689	92,314	96,890
606,359	613,769	630,457	658,659	737,753	707,188
208,713	227,916	244,471	229,281	220,926	227,003
187,675	206,196	224,224	235,029	239,489	263,071
94,886	109,136	111,777	114,560	121,991	126,976
171,106	254,550	240,872	-	-	-
12,006	12,695	11,617	-	-	-
-	-	-	276,746	304,301	292,866
62,924	58,542	67,918	66,687	71,024	62,032
188,876	209,218	201,225	205,890	195,938	197,327
359,324	383,549	497,419	524,543	519,125	541,317
-	-	-	-	-	-
<u>\$ 2,856,218</u>	<u>\$ 3,053,841</u>	<u>\$ 3,267,304</u>	<u>\$ 3,402,150</u>	<u>\$ 3,530,285</u>	<u>\$ 3,589,327</u>
3.41%	3.41%	3.56%	3.86%	3.86%	3.86%
0.15%	0.15%	0.15%	0.15%	0.15%	0.15%
<u>3.56%</u>	<u>3.56%</u>	<u>3.71%</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	Open Space	Open Space	Open Space	Transportation	Transportation	Parks & Rec & General Muni
Year Levied	Sales Tax No Expiration	Sales Tax No Expiration	Sales Tax Expires 12/31/24	Sales Tax No Expiration	Sales Tax No Expiration	Sales Tax Expires 12/31/39	Sales Tax No Expiration	Sales Tax Expires 12/31/19	Sales Tax Expires 12/31/39
2008	1.00%	0.38%	0.15%	0.40%	0.33%	0.15%	0.60%	-	0.15%
2009	1.00%	0.38%	0.15%	0.40%	0.33%	0.15%	0.60%	-	0.15%
2010	1.00%	0.38%	0.15%	0.40%	0.33%	0.15%	0.60%	-	0.15%
2011	1.00%	0.38%	0.15%	0.40%	0.33%	0.15%	0.60%	-	0.15%
2012	1.00%	0.38%	0.15%	0.40%	0.33%	0.15%	0.60%	-	0.15%
2013	1.00%	0.38%	0.15%	0.40%	0.33%	0.15%	0.60%	-	0.15%
2014	1.00%	0.38%	0.15%	0.40%	0.33%	0.15%	0.60%	0.15%	0.15%
2015	1.00%	0.38%	0.15%	0.40%	0.33%	0.15%	0.60%	0.15%	0.15%
2016	1.00%	0.38%	0.15%	0.40%	0.33%	0.15%	0.60%	0.15%	0.15%
2017	1.00%	0.38%	0.15%	0.40%	0.33%	0.15%	0.60%	0.15%	0.15%

Source: City Sales Tax Division and the Colorado Department of Revenue

Notes: Food services establishments collections are deposited into the General Fund and a check written for the total to the Boulder Center for Conference Services and Cultural Affairs.

Overlapping rates are those of local, county, regional and state governments that apply to sales within the City.

					Overlapping Rates						
Parks Acquisition	Food Service	Fire Training	Capital Projects for		Regional			Ball		Total	
& Recreation	Establishments	Center	Community, Safety, and Culture								
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%	0.65%	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%

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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	2008			2017		
	Number Of Filers	Tax Liability	Percentage Of Total	Number Of Filers	Tax Liability	Percentage Of Total
Food Stores	4	\$ 6,263	7.38%	5	\$ 9,514	6.87%
Automotive Trade	1	1,897	2.24%	1	4,496	3.25%
Computer Related Business Sector	2	3,533	4.16%	0	-	0.00%
General Retail, Utilities, & Other	3	7,622	8.98%	4	10,021	7.23%
Total	10	\$ 19,315	22.76%	10	\$ 24,031	17.34%

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	Loans Payable	General Obligation Bonds	Revenue Bonds
2008	60,120	-	7,720	-	-	-	-	19,259	95,393
2009	58,410	-	6,614	-	-	-	500	18,071	88,780
2010	49,683	9,201	5,350	-	-	7,957	500	16,753	91,429
2011	41,746	8,881	4,054	-	-	7,763	250	15,350	84,861
2012 (b)	87,577	8,531	2,739	-	-	10,391	250	14,046	82,204
2013	77,717	8,176	1,378	-	-	9,969	-	12,390	74,385
2014	79,610	7,812	-	-	-	9,420	-	10,778	66,341
2015	70,793	7,443	-	41,561	5,727	8,837	-	9,133	91,294
2016	22,555	7,063	41,330	40,179	4,326	8,242	-	7,453	116,226
2017	18,399	6,675	38,387	38,691	3,478	7,610	-	5,732	105,672

(a) Population information is presented in the Demographic and Economic Statistics schedule.

(b) 2012 amounts restated due to the implementation of GASB 65 (Items previously reported as assets and liabilities)

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

Business-Type Activities			Total Primary Government	Market Value of Taxable Property	Percentage of Property Values	Per Capita (a)
Revenue Notes Payable	Certificates Of Participation	Lease Purchase Revenue Notes				
-	2,130	15,118	199,740	18,494,895	1.08%	1,920.58
-	1,635	13,024	187,034	18,685,545	1.00%	1,798.40
-	1,120	10,809	192,802	19,851,162	0.97%	1,987.65
-	575	6,739	170,219	19,992,416	0.85%	1,736.93
-	-	5,313	211,051	19,602,390	1.08%	2,089.61
-	-	8,949	192,964	19,676,353	0.98%	1,891.80
-	-	7,178	181,139	20,278,600	0.89%	1,725.13
-	-	-	234,788	20,434,242	1.15%	2,236.08
-	-	-	247,374	24,935,355	0.99%	2,311.91
-	-	-	224,644	25,043,689	0.90%	2,060.95

CITY OF BOULDER, COLORADO

Statistical Data

Ratios of General Bonded Debt Outstanding

Last Ten Fiscal Years
(Unaudited)

(Amounts in 000's)

Fiscal Year	Governmental Activities	Business-Type Activities	Total	Taxable Sales	Percentage of Taxable Sales (a)	Per Capita (b)
	General Obligation Bonds	General Obligation Bonds				
2008	60,120	19,259	79,379	2,488,768	3.19%	763.26
2009	58,410	18,071	76,481	2,506,069	3.05%	735.39
2010	58,884	16,753	75,637	2,574,840	2.94%	779.76
2011	50,627	15,350	65,977	2,716,335	2.43%	673.23
2012 (c)	95,773	14,046	109,819	2,856,218	3.84%	1,087.32
2013	85,893	12,390	98,283	3,053,841	3.22%	963.56
2014	87,422	10,778	98,200	3,267,304	3.01%	935.24
2015	78,236	9,133	87,369	3,402,150	2.57%	832.09
2016	29,618	7,453	37,071	3,530,285	1.05%	346.46
2017	25,074	5,732	30,806	3,589,327	0.86%	282.62

(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, 2017
(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	\$ 703,210	62.68 %	\$ 440,804
Boulder Central Area General Improvement District	5,732	100.00	5,732
Northern Colorado Water Conservancy District (NCWCD)	3,725	20.93	780
Boulder County	-	46.66	-
Urban Drainage and Flood Control District	-	6.87	-
Total Overlapping Debt			447,316
City Direct Governmental Activity Debt			113,240
Total Direct and Overlapping Debt			<u>\$ 560,556</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 2017, each jurisdiction had the following valuations (in 000's):

The City of Boulder	\$ 3,667,034
Boulder Valley School District	5,849,977
NCWCD	17,521,665
Boulder County	7,858,436
Urban Drainage & Flood Control	53,405,572

CITY OF BOULDER, COLORADO

Statistical Data

Legal Debt Margin Information

Last Ten Fiscal Years
(Unaudited)

(Amounts in 000's)

	2008	2009
Debt limit	\$ 72,496	\$ 76,882
Total net debt applicable to limit	-	-
Legal debt margin	<u>\$ 72,496</u>	<u>\$ 76,882</u>
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%

(a) 2012 amounts adjusted due to the implementation of GASB 65
(Items previously reported as assets and liabilities)

Note: The total indebtedness of the City, payable solely from the proceeds of ad valorem taxes, shall not exceed 3% of assessed value of taxable property in the municipality. Indebtedness payable in whole or in part from other revenue sources, or is subject to annual appropriations therefrom by the Boulder City Council, is not included in this limitation. (Charter of the City of Boulder, Sec. 97.)

Legal Debt Margin Calculation for Fiscal Year 2017

Assessed value	\$ 3,667,034
Debt limit - 3% of assessed value	<u>110,011</u>
Debt applicable to limit:	
Total bonded debt	30,806
Deductions allowed by law:	
Self-supporting General Obligation bonds	(30,806)
Total net debt applicable to limit	<u>-</u>
Legal debt margin	<u><u>\$ 110,011</u></u>

2010	2011	2012 (a)	2013	2014	2015	2016	2017
\$ 76,981	\$ 74,943	\$ 75,021	\$ 77,024	\$ 77,981	\$ 94,814	\$ 94,409	\$ 110,011
-	-	-	-	-	-	-	-
<u>\$ 76,981</u>	<u>\$ 74,943</u>	<u>\$ 75,021</u>	<u>\$ 77,024</u>	<u>\$ 77,981</u>	<u>\$ 94,814</u>	<u>\$ 94,409</u>	<u>\$ 110,011</u>
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

CITY OF BOULDER, COLORADO

Statistical Data

Pledged Revenue Coverage

Last Ten Years
(Unaudited)

(Amounts in 000's)

Pledged Water and Sewer Bonds

<u>Fiscal year</u>	<u>Gross revenue (a)</u>	<u>Direct operating expense (b)</u>	<u>Net revenue available for debt service</u>	<u>Maximum annual debt service requirement</u>	<u>Coverage (c)</u>
2008	43,394	23,340	20,054	10,029	2.00
2009	39,151	21,633	17,518	10,029	1.75
2010	38,626	20,199	18,427	10,704	1.72
2011	41,412	23,026	18,386	10,615	1.73
2012	41,390	23,503	17,887	12,550	1.43
2013	42,526	24,347	18,179	12,379	1.47
2014	46,519	27,657	18,862	12,379	1.52
2015	51,959	28,220	23,739	11,741	2.02
2016	52,125	29,266	22,859	11,421	2.00
2017	52,141	29,899	22,242	11,430	1.95

- (a) Gross revenue as defined by applicable bond ordinances includes gross operating and nonoperating revenues, plant investment fees and special assessments in the Water Utility and Wastewater Utility Funds.
- (b) Direct operating expense equals total operating expenses less depreciation and amortization expense. In 2004, all prior year direct operating expense totals were restated to include the portion of the annual payment to the Municipal Subdistrict, Northern Colorado Water Conservancy District, that reduces the deferred credit for future water rights in the Water Utility Fund.
- (c) Prior to issuing additional parity bonds, the City must meet the following "facilities earnings test":

The annual gross revenue derived from the operation of the facilities for the fiscal year immediately preceding the date of the issuance of additional parity bonds must be sufficient to pay the annual operation and maintenance expenses of the facilities for that fiscal year, and, in addition, sufficient to pay an amount representing 125% of the combined maximum annual principal and interest requirements of the outstanding bonds, and any other bonds payable from and constituting a lien upon net income of the facilities, and the bonds proposed to be issued.

CITY OF BOULDER, COLORADO

Statistical Data

Pledged Revenue Coverage

Last Ten Years
(Unaudited)

(Amounts in 000's)

Stormwater and Flood Management Bonds

<u>Fiscal year</u>	<u>Gross income (d)</u>	<u>Operating and Maintenance expense (e)</u>	<u>Net revenue available for debt service</u>	<u>Average annual debt service requirement</u>	<u>Coverage (f)</u>
2008	5,988	3,237	2,751	608	4.52
2009	5,362	2,945	2,417	563	4.29
2010	6,590	3,261	3,329	386	8.62
2011	5,185	3,341	1,844	386	4.78
2012	5,386	3,161	2,225	386	5.76
2013	5,708	3,279	2,429	386	6.29
2014	5,642	3,737	1,905	385	4.95
2015	11,806	6,064	5,742	1,934	2.97
2016	13,991	6,146	7,845	1,934	4.06
2017	13,741	6,494	7,247	1,978	3.66

(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			
		Population (b)	Total Personal Income (c)	Per Capita Income (d)	Unemployment Rate (e)(f)
2008	104	300	15,237	50.714	4.6%
2009	104	303	14,334	48.891	5.3%
2010	97	296	14,768	50.031	6.5%
2011	98	300	15,536	51.893	5.9%
2012	101	305	16,639	54.502	5.6%
2013	102	310	17,042	54.968	4.7%
2014	105	314	18,370	58.627	3.2%
2015	105	319	19,233	60.220	2.8%
2016	107	322	20,528	63.707	2.2%
2017	109	*	*	*	2.5%

(a) Source: City of Boulder Department of Community Planning & Sustainability. Estimates are based on January 1.

(b) Source: Colorado Department of Local Affairs, State Demography Office. Estimates are based on July 1.

(c) Source: U.S. Department of Commerce, Bureau of Economic Analysis, Table CA1-3

(d) Source: U.S. Department of Commerce, Bureau of Economic Analysis, Table CA1-3

(e) Source: Colorado Department of Labor and Employment (average annual rate for the City of Boulder).

(f) Source: Starting in 2008, amounts were based on Boulder Economic Council estimates.

* 2017 Boulder, Colorado Metropolitan Statistic Area not available

Note: Personal income information is not available for the City of Boulder. Boulder, Colorado Metropolitan Statistical Area population and personal income information was used.

CITY OF BOULDER, COLORADO

Statistical Data

Principal Employers

Current Year and Nine Years Ago
(Unaudited)

Employer	2008			2017		
	Employees	Rank	Percentage of Total County Employment (a)	Employees	Rank	Percentage of Total County Employment (a) (a1)
University of Colorado at Boulder	6,902	1	4.26%	7,531	1	4.13%
St. Vrain Valley School District	3,164	5	1.95%	4,661	2	2.56%
Boulder Valley School District	4,296	2	2.65%	4,381	3	2.40%
Boulder County	1,700	10	1.05%	2,008	4	1.10%
IBM Corporation	3,400	3	2.10%	1,800	5	0.99%
Ball Corporation	3,100	6	1.91%	1,616	6	0.89%
Boulder Community Hospital	2,374	8	1.46%	1,543	7	0.85%
City of Boulder	-	-	-	1,400	8	0.77%
Seagate Technology LLC	-	-	-	1,300	9	0.71%
National Center for Atmospheric Research (NCAR)	-	-	-	1,187	10	0.65%
Level 3 Communications Inc.	2,100	9	1.30%	-	-	-
Sun Microsystems Inc	3,400	4	2.10%	-	-	-
State of Colorado	2,881	7	1.78%	-	-	-
	<u>33,317</u>		<u>20.55%</u>	<u>27,427</u>		<u>15.05%</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

CITY OF BOULDER, COLORADO

Statistical Data

Full-Time Equivalent City Employees By Functions/Programs

Last Ten Fiscal Years
(Unaudited)

Functions/Program	Full-Time Equivalent Employees			
	2008	2009	2010	2011
General Government:				
City Council	1.00	1.00	-	-
Municipal Court	18.50	18.00	16.25	16.25
City Attorney	18.65	18.65	18.65	18.65
City Manager- Administration	16.50	16.50	14.30	11.80
City Manager- Downtown & University Hill Mgt	42.25	42.25	42.25	42.25
City Manager- Communications	6.00	6.00	4.00	5.50
Administrative Services:				
Human Resources	16.38	16.63	14.88	14.88
Finance	29.37	28.37	26.37	33.50
Information Technology	35.25	35.25	33.50	34.50
Public Safety:				
Police	273.25	273.25	269.50	276.50
Fire	111.33	112.33	112.33	112.33
Planning & Development Services:				
Development	-	-	-	-
Community Planning and Sustainability	-	-	-	-
Energy Strategy & Electric Utility	-	-	-	-
Environmental Affairs:	9.50	10.50	-	-
Public Works:				
Administration	-	-	-	-
Fleet	16.87	16.87	14.87	14.82
Transportation	68.24	68.69	67.10	59.28
Utilities	155.18	156.23	155.90	154.84
Facility / Asset Management	14.58	14.58	14.58	14.68
Culture and Recreation:				
Parks and Recreation	145.82	146.99	139.24	126.12
Library	80.20	79.95	76.95	75.45
Arts	1.50	1.50	1.50	1.50
Open Space / Mountain Parks:	92.00	91.00	90.50	85.60
Housing and Human Services:				
Housing	56.24	57.42	56.10	53.39
Human Services	-	-	-	-
Total	<u>1,281.17</u>	<u>1,288.52</u>	<u>1,248.24</u>	<u>1,230.50</u>

Source: City of Boulder Summary of Standard FTE's per the annual budget document.

Note: Number of FTE's budgeted and approved for each fiscal year

Full-Time Equivalent Employees					
2012	2013	2014	2015	2016	2017
-	-	-	-	-	-
16.25	18.16	18.13	21.13	21.13	20.35
20.15	20.20	21.20	19.20	25.70	27.65
12.68	12.00	12.00	19.50	17.00	19.88
42.25	42.25	42.25	44.50	46.50	49
6.50	6.50	6.50	6.50	12.75	13.5
15.38	15.63	18.63	24.63	24.38	23.38
34.00	34.00	36.00	38.67	44.50	46.62
34.50	34.00	36.85	37.18	40.25	40.75
279.50	279.50	282.50	288.00	290.89	291.89
115.33	118.33	120.33	121.33	124.33	124
82.97	88.74	93.87	105.92	112.72	-
-	-	-	-	-	54.11
-	-	-	-	-	55.34
-	-	-	-	-	9
-	-	-	-	-	-
-	2.74	2.74	3.74	2.85	1.5
14.82	14.77	14.77	14.77	15.12	14.62
59.52	59.78	60.09	70.34	71.34	72.09
154.84	153.59	154.17	166.92	168.02	168.87
14.68	14.73	14.84	14.84	17.53	18.79
126.37	128.37	127.37	130.35	136.35	139.12
75.13	74.14	76.26	76.26	77.50	74
2.00	3.25	3.25	2.25	1.00	3.5
89.60	91.60	95.35	102.35	117.15	128.4
46.73	48.34	48.91	50.39	52.14	-
-	-	-	-	-	15.95
-	-	-	-	-	35.05
<u>1,243.20</u>	<u>1,260.62</u>	<u>1,286.01</u>	<u>1,358.77</u>	<u>1,419.15</u>	<u>1,447.36</u>

CITY OF BOULDER, COLORADO

Statistical Data

Operating Indicators By Function/Program

Last Ten Fiscal Years
(Unaudited)

Function/Program	2008	2009	2010	2011
General Government:				
Municipal Court				
Traffic tickets processed	13,782	13,260	17,433	17,181
General summons processed	4,099	4,510	4,351	6,028
Animal summons processed	986	1,055	870	1,318
Arraignments	4,716	5,543	5,218	5,437
Court trials	93	98	87	69
Jury trials	9	8	8	20
Public Safety:				
Police				
Number of police officers	171	171	171	173
DUI arrests	1,089	781	767	674
Traffic summons	21,205	15,304	18,394	17,530
Total traffic accidents	3,242	3,405	3,222	3,328
Total calls for service	78,204	77,745	76,383	81,218
Fire				
Number of firefighters	95	96	96	96
Total annual responses	8,943	9,730	9,535	10,111
Percentage of responses within 6 minutes	80%	72%	77%	76%
Planning & Development Services:				
Number of applications received	5,781	5,532	6,309	5,888
Number of zoning and environmental code enforcement cases	3,000	2,821	1,995	2,145
Public Works				
Transportation				
Daily vehicle miles of travel in Boulder Valley	2.49 million	2.46 million	2.49 million	2.34 million
Culture and Recreation:				
Parks and Recreation				
Recreation center attendance	453,248	428,682	422,200	628,639
Outdoor pool attendance	58,643	83,335	88,303	83,707
Athletics participation	234,567	237,292	236,950	250,372
Recreation class enrollment	26,583	26,671	22,201	21,794
Reservoir attendance	48,713	36,582	42,688	330,205
Rounds of golf	49,360	43,348	38,293	39,440
Library				
Circulation of books, videos, tapes	1,274,299	1,354,742	1,363,545	1,384,900
Remote use of library resources online	1,792,633	669,217	806,770	804,998
Adults participating in cultural and educational programs	66,994	37,319	33,175	33,298
Attendance at outreach program activities	14,569	5,796	4,525	4,185
Arts				
Participants in Boulder Arts Resource	625	677	678	718
Housing Division:				
Number of permanently affordable housing units added on an annual basis	163	84	100	24

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.

2012	2013	2014	2015	2016	2017
15,681	12,464	10,998	8,273	9,361	5,926
6,498	5,871	4,466	4,886	4,239	3,781
1,635	1,340	1,074	2,016	840	852
5,810	5,049	4,341	4,459	5,090	5,087
63	84	61	54	27	18
12	16	23	12	2	2
173	173	176	179	181	181
706	592	583	568	486	352
16,547	18,438	12,530	13,106	11,439	6,462
3,183	3,598	3,449	3,593	3,691	3,491
91,675	107,519	108,279	105,315	111,349	121,570
96	96	96	96	96	100
10,293	11,203	9,910	10,669	11,818	11,977
74%	78%	47%	66%	69%	75%
6,488	7,727	6,115	6,170	6,289	6,253
706	809	821	1,178	1,371	1,547
2.34 million	2.40 million	2.89 million	2.46 million	2.49 million	2.49 million
725,000	736,138	727,531	488,707	414,366	609,129
77,441	74,175	75,597	64,638	(b) 77,022	61,815
175,543	181,752	161,652	176,404	210,000	239,378
23,092	23,417	29,451	31,223	21,098	18,027
238,265	227,935	156,034	139,396	(b) 163,155	176,747
43,974	36,872	41,494	37,174	35,397	37,992
1,446,816	1,449,679	1,305,894	1,350,156	1,359,858	1,529,187
748,917	752,629	840,954	757,918	(a) 295,040	323,233
31,063	23,999	25,737	36,203	39,198	20,939
5,312	4,429	4,650	3,282	4,943	4,717
737	NA	NA	NA	NA	NA
18	236	141	205	246	94

CITY OF BOULDER, COLORADO

Statistical Data

Capital Asset Statistics By Function/Program

Last Ten Fiscal Years
(Unaudited)

Function/Program	2008	2009	2010	2011
Public Safety:				
Police				
Number of stations and annexes	3	4	3	4
Fire				
Number of stations	7	7	7	7
Public Works:				
Fleet Services				
Cars, Pickups, Vans, and Motorcycles	311	343	355	347
Fire Apparatus	11	22	15	14
Other Heavy Trucks and Equipment	658	594	585	607
Total Vehicles/Equipment in Fleet	980	959	955	968
Transportation				
Miles of streets	289	292	293	293
Number of street lights	4,608	4,638	4,678	4,689
Utilities - Water				
Number of water accounts	28,359	28,458	28,519	28,619
Average daily water production (000's)	16,900	15,400	17,300	17,000
Miles of water mains	451	458	461	463
Utilities - Sewer				
Miles of sanitary sewer mains	351	350	375	355
Miles of storm sewers	150	124	183	186
Culture and Recreation:				
Parks and Recreation				
Acres of urban parks	1,880	1,880	1,880	1,800
Library				
Number of libraries	4	4	4	4
Number of library items in collection	389,805	403,960	405,034	392,506
Open Space / Mountain Parks:				
Acres of mountain parks and open space	45,090	45,091	45,130	45,405

Source: City of Boulder departmental records.

2012	2013	2014	2015	2016	2017
4	5	5	5	5	5
7	7	7	7	7	7
312	328	377	377	381	486
14	14	14	14	14	14
677	720	704	713	831	715
1,003	1,062	1,095	1,104	1,226	1,215
295	295	295	300	300	294
4,742	4,766	4,811	4,822	5,059	5,081
28,759	28,747	28,829	28,944	29,140	29,502
17,600	15,737	15,692	15,800	15,600	16,200
463	462	463	463	467	467
355	355	356	356	356	356
153	152	153	144	153	152
1,800	1,800	1,800	1,800	1,800	1,800
4	4	5	5	5	5
390,427	413,740	412,824	473,716	331,078	308,825
45,591	46,632	45,518	45,518	45,540	45,570

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CITY OF BOULDER, COLORADO
Schedule of Expenditures of Federal Awards
Year Ended December 31, 2017

Federal Grantor, Program Title, Project/Grant Number, and Program Year	Federal CFDA Number	Pass thru Entity Identifying Number	Amount Provided to Subrecipient	Federal Expenditures 1/1/17-12/31/17
Department of Housing and Urban Development:				
Direct Programs:				
Community Development Block Grants/Entitlement Grants	14.218	N/A	488,354	733,520
Home Investment Partnerships Program	14.239	N/A	552,128	620,515
Passed through State of Colorado:				
CDBG – Disaster Recovery	14.269	See Note 4	0	5,010,360
Total Department of Housing and Urban Development			<u>1,040,482</u>	<u>6,364,395</u>
Department of Interior				
Direct Programs:				
U.S Fish and Wildlife Service	15.608		0	75,000
Total Department of Interior			<u>0</u>	<u>75,000</u>
Department of Justice:				
Direct Programs:				
Public Safety Partnership and Community Policing Grants	16.710	N/A	0	25,911
Edward Byrne Memorial Justice Assistance Grant Program	16.738	N/A	0	31,926
Total Department of Justice			<u>0</u>	<u>57,837</u>
Department of Transportation:				
Passed through Colorado Department of Transportation:				
Highway Planning and Construction	20.205	None provided	0	5,043,777
Total Department of Transportation			<u>0</u>	<u>5,043,777</u>
Department of Energy:				
Direct Programs:				
REDI Grant	81.122	N/A	0	141,056
Department of Public Safety:				
Passed through Colorado Department of Public Safety:				
Disaster Grants - Public Assistance	97.036	See Note 4	0	1,961,821
Total Federal Expenditures			<u>\$1,040,482</u>	<u>\$ 13,643,886</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, 2017

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, 2017. 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

In the 2016 Schedule of Expenditures of Federal Awards, amounts for expenditures were overstated related to the Colorado Department of Transportation Highway Planning and Construction grants as these expenditures were not Federally funded, instead were City funded. See Note A.15 for further details. Total expenditures overstated in prior years were \$5,326,000.

Note 4. Pass Through Entity Identifying Numbers

The pass through award numbers for the Disaster Grants - Public Assistance program were PW-00840, PW-00889, PW-01019, PW-01032, PW-01041, PW-01068, PW-01070, PW-01073, PW-01093, PW-01142, PW-01155, PW-01168, PW-01171, PW-01211, PW-00092, PW-00118, PW-00126, 84-F. The pass through award numbers for the CDBG - Disaster Recovery program were DR1-40-3, DR P14-003, DR2P15-058, DR P16-001, B-13-DS-08-001.

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Boulder, Colorado, as of and for the year ended December 31, 2017, 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 25, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Boulder, Colorado's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Boulder, Colorado's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Boulder, Colorado's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2017-001 and 2017-002 that we consider to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Boulder, Colorado's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

City of Boulder, Colorado's Response to Findings

The City of Boulder, Colorado's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The City of Boulder, Colorado's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

CliftonLarsonAllen LLP

Broomfield, Colorado
June 25, 2018

**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, 2017. 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, 2017.

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 25, 2018

**CITY OF BOULDER, COLORADO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2017**

Section I – Summary of Auditors' Results

Financial Statements

1. Type of auditors' report issued: Unmodified
2. Internal control over financial reporting:
- Material weakness(es) identified? _____ yes x no
 - Significant deficiency(ies) identified? x yes _____ none reported
3. Noncompliance material to financial statements noted? _____ yes x no

Federal Awards

1. Internal control over major federal programs:
- Material weakness(es) identified? _____ yes x no
 - Significant deficiency(ies) identified? _____ 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)

20.205

Name of Federal Program or Cluster

Highway Planning and Construction

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, 2017

Section II – Financial Statement Findings

2017 – 001 Prior Period Adjustment

Type of Finding:

- Significant Deficiency in Internal Control over Financial Reporting

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.

Criteria or specific requirement: Internal controls over financial reporting should be in place to ensure the financial statements are fairly presented in accordance with general accepted accounting principles (U.S. GAAP).

Context: Management brought to our attention during the year-end reconciliation of grant receivable balances that a significant portion of the December 31, 2016 balances had not been collected during 2017. Upon further investigation management discovered that total project expenditures in the Transportation fund were being included as federal reimbursements receivable; however, transportation projects have several different funding sources, not all of which are reimbursable.

Effect: The Transportation fund is reported on the modified accrual basis, resulting in receivables and the related deferred inflows of resources to be overstated as of December 31, 2016. However, as those balances offset, there is no effect on fund balance due to recording on a modified accrual basis of accounting.

Beginning net position and accounts receivable for governmental activities were overstated by \$5,326,000 as of December 31, 2016, resulting in a prior period adjustment as of December 31, 2017 as these amounts were not to be reimbursed and instead were City funded activities.

Cause: Individuals with project knowledge have a better understanding of project expenditures that are reimbursable as opposed to those simply incurred by the City. The City's decentralization and lack of communication between individuals with specific knowledge of project expenditures and those responsible for financial reporting resulted in the error noted.

Repeat Finding: No.

Recommendation: We recommend the City continue to consider its internal controls over financial reporting and perform additional reviews of significant accounts to ensure the financial statements are materially correct and grant activities are fully understood for proper reporting each year.

Views of responsible officials and planned corrective actions: The City agrees that the beginning net position and accounts receivable for governmental activities were overstated as of December 31, 2016. Currently expenditures for these projects are tracked within one project ledger in the City's financial system. This has made it difficult to discern which expenditures were reimbursable from federal funds. Going forward the City will ensure that those responsible for the project expenditures and those responsible for financial reporting meet on an ongoing basis to review project expenditures, revenues, and receivables. The City will work to utilize the available functions within the project ledger to track the reimbursable and non-reimbursable expenditures separately. This will allow those responsible for financial reporting to easily access this information for yearend reporting purposes.

CITY OF BOULDER, COLORADO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2017

2017 – 002 Federal Grants Receivable, Revenue, and Deferred Inflows of Resources

Type of Finding:

- Significant Deficiency in Internal Control over Financial Reporting

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.

Criteria or specific requirement: Internal controls over financial reporting should be in place to ensure the financial statements are fairly presented in accordance with general accepted accounting principles (U.S. GAAP).

Context: During our testing of grant revenue, receivable, and deferred inflow of resources balances, we noted that the reconciliation prepared by the City did not initially agree to the respective general ledger account balances. After investigating individual revenue accounts, it was discovered that departments were not properly coding some of the grants to the appropriate general ledger accounts. At year-end, the Finance department performs the reconciliation of the federal grant receivable and deferred inflow of resources balances to ensure the balances are reflected based on the reconciliation. The federal grant revenue balances are not reconciled as those balances are assumed to be correct based on cash receipting and recording procedures performed at the department level. Upon performing the year-end reconciliation, manual entries were made to adjust balances to agree to the reconciliation; however, there were three grant balances where receivables and the associated deferred inflows of resources or revenue were recorded twice.

Effect: The City's financial statements are not accurate due to the error noted. We proposed an audit adjustment to correct the overstated receivable and revenue totaling \$123,339 in the Water Fund, the receivable and deferred inflows of resources totaling \$181,646 in the Community Development Block Grant (CDBG) Fund, and the receivable and deferred inflows of resources balance totaling \$79,237 in the HOME Fund. These were discussed with the City's management who passed on the adjustments as they did not materially misstate the financial statements.

Cause: The City's internal controls over financial reporting did not identify these errors in order to ensure the financial statements were correctly stated as of year-end.

Repeat Finding: No.

Recommendation: We recommend the City continue to consider its internal controls over financial reporting and perform additional reviews of significant accounts to ensure the financial statements are accurate.

Views of responsible officials and planned corrective actions: The City agrees that the receivable and revenue balances were overstated in the Water Fund, CDBG Fund, and HOME Fund. The City will be establishing standing meetings with departments receiving grants in order to discuss the receipting of

CITY OF BOULDER, COLORADO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2017

grant revenue during the year and at yearend. This should ensure that all of revenue has been recorded in the appropriate grant revenue accounts. The City's Finance Department will also be preparing the SEFA reconciliation on a quarterly basis so any errors can be identified in a more timely manner prior to the yearend process. This reconciliation will then be reviewed by the Controller on a quarterly basis.

Section III – Findings and Questioned Costs – Major Federal Programs

Our audit did not disclose any matters required to be reported in accordance with 2 CFR 200.516(a).

**CITY OF BOULDER, COLORADO
CORRECTIVE ACTION PLAN
YEAR ENDED DECEMBER 31, 2017**

The City of Boulder, Colorado respectfully submits the following corrective action plan for the year ended December 31, 2017.

Audit period: December 31, 2017

The findings from the schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the schedule.

FINDINGS—FINANCIAL STATEMENT AUDIT

SIGNIFICANT DEFICIENCIES

2017-001 Prior Period Adjustment

Recommendation: We recommend the City continue to consider its internal controls over financial reporting and perform additional reviews of significant accounts to ensure the financial statements are materially correct and grant activities are fully understood for proper reporting each year.

Explanation of disagreement with audit finding: There is no disagreement with the audit finding.

Action planned/taken in response to finding: The City agrees that the beginning net position and accounts receivable for governmental activities were overstated as of December 31, 2016. Currently, expenditures for these projects are tracked within one project ledger phase in the City's financial system. This has made it difficult to discern which expenditures were reimbursable from federal funds. Going forward, the City will ensure that those responsible for the project expenditures and those responsible for financial reporting meet on an ongoing basis to review project expenditures, revenues, and receivables. The City will work to utilize the available functions within the project ledger to track the reimbursable and non-reimbursable expenditures separately. This will allow those responsible for financial reporting to easily access this information for year-end reporting purposes.

Name(s) of the contact person(s) responsible for corrective action: Anne Penney, Controller, 303-441-1812

Planned completion date for corrective action plan: 12/31/2018

2017-002 Federal Grants Receivable, Revenue, and Deferred Inflows of Resources

Recommendation: We recommend the City continue to consider its internal controls over financial reporting and perform additional reviews of significant accounts to ensure the financial statements are accurate.

Explanation of disagreement with audit finding: There is no disagreement with the audit finding.

Action planned/taken in response to finding: The City agrees that the receivable and revenue balances were overstated in the Water Fund, CDBG Fund, and HOME Fund. The City will be establishing standing meetings with departments receiving grants in order to

**CITY OF BOULDER, COLORADO
CORRECTIVE ACTION PLAN
YEAR ENDED DECEMBER 31, 2017**

discuss the receipting of grant revenue during the year and at year-end. This will ensure all revenue has been recorded in the appropriate grant revenue accounts. The City's Finance Department will also be preparing the SEFA reconciliation on a quarterly basis so any errors can be identified in a more timely manner prior to the year-end process. This reconciliation will be reviewed by the Controller on a quarterly basis.

Name(s) of the contact person(s) responsible for corrective action: Anne Penney,
Controller, 303-441-1812

Planned completion date for corrective action plan: 12/31/2018

If there are any questions regarding this plan, please call Anne Penney, Controller at 303-441-1812.

**CITY OF BOULDER, COLORADO
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED DECEMBER 31, 2017**

The City of Boulder, Colorado respectfully submits the following summary schedule of prior audit findings for the year ended December 31, 2017.

Audit period: December 31, 2017

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

2016 – 001 Search for Unrecorded Liabilities

Condition: Internal controls over financial reporting should be in place to ensure the financial statements are fairly presented in accordance with accounting principles general accepted (U.S. GAAP). The City should have controls in place to properly record accounts payable balances to prevent material misstatements in the financial statements.

Status: Corrective action was taken.

2016 – 002 Environmental Pollution Remediation

Condition: Internal controls over financial reporting should be in place to ensure the financial statements are fairly presented in accordance with accounting principles general accepted (U.S. GAAP). The City should have controls in place to properly record pollution remediation liabilities to prevent misstatements in the financial statements.

Status: Corrective action was taken.

2016 – 003 Nonrefundable Escrow Balance

Condition: Internal controls over financial reporting should be in place to ensure the financial statements are fairly presented in accordance with accounting principles general accepted (U.S. GAAP). The City should have controls in place to properly record revenue to prevent misstatements in the financial statements.

Status: Corrective action was taken.

FINDINGS— FEDERAL AWARD PROGRAMS AUDITS

2016 – 004 Highway Planning and Construction

Condition: From a sample of forty general disbursement expenditures, three selections did not have evidence of review by a person qualified to determine the allowability of the cost as a program expenditure. These selections did have proper supporting documentation evidence the expenditure incurred.

Status: Corrective action was taken.

If there are questions regarding this schedule, please call Anne Penney, Controller, at 303-441-1812.

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

LOCAL HIGHWAY FINANCE REPORT		City or County:
		City of Boulder
		YEAR ENDING :
This Information From The Records Of:		Prepared By: Graham Clark, Budget & Finance Analyst
City of Boulder		Phone: 303-441-3001

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

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES**III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES**

ITEM	AMOUNT	ITEM	AMOUNT
A. Receipts from local sources:		A. Local highway disbursements:	
1. Local highway-user taxes		1. Capital outlay (from page 2)	16,457,110
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	1,977,527
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	2,636,092
2. General fund appropriations	4,268,097	b. Snow and ice removal	1,273,906
3. Other local imposts (from page 2)	25,462,862	c. Other	2,686,580
4. Miscellaneous local receipts (from page 2)	415,365	d. Total (a. through c.)	6,596,578
5. Transfers from toll facilities	0	4. General administration & miscellaneous	4,720,486
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	3,749,823
a. Bonds - Original Issues	0	6. Total (1 through 5)	33,501,523
b. Bonds - Refunding Issues	0	B. Debt service on local obligations:	
c. Notes	0	1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	683,491
7. Total (1 through 6)	30,146,323	b. Redemption	1,180,322
B. Private Contributions	0	c. Total (a. + b.)	1,863,813
C. Receipts from State government (from page 2)	3,677,032	2. Notes:	
D. Receipts from Federal Government (from page 2)	5,755,442	a. Interest	0
E. Total receipts (A.7 + B + C + D)	39,578,797	b. Redemption	0
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	1,863,813
		C. Payments to State for highways	0
		D. Payments to toll facilities	0
		E. Total disbursements (A.6 + B.3 + C + D)	35,365,336

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

	Opening Debt	Amount Issued	Redemptions	Closing Debt
A. Bonds (Total)	16,428,876	0	1,180,322	15,248,553
1. Bonds (Refunding Portion)		0	0	
B. Notes (Total)				0

V. LOCAL ROAD AND STREET FUND BALANCE

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
Transportation Funds	24,728,925	34,130,378	29,916,917	28,942,385	
Capital Improvement Bond Fund (Street & Road)	1,491,120	0	0	1,491,120	0
General Fund (Street & Road)	0	5,448,419	5,448,419	0	0
Totals	26,220,045	39,578,797	35,365,336	30,433,505	0

Notes and Comments:

Transportation Funds include the Transportation, Transportation Development and Boulder Junction Improvement Funds. Balances for Transportation Funds reflected in Section V include balances not restricted for road and street purposes as transportation funding within the City of Boulder supports multi-modal transportation. In contrast, receipt and disbursement financial data only reflect road and street-related activity.

LOCAL HIGHWAY FINANCE REPORT		STATE:	
		Colorado	
		YEAR ENDING (mm/yy): December 2017	
II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL			
ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assessments	15,604	a. Interest on investments	196,047
b. Other local imposts:		b. Traffic Fines & Penalties	0
1. Sales Taxes	23,417,349	c. Parking Garage Fees	0
2. Infrastructure & Impact Fees	1,742,365	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	287,544	g. Other Misc. Receipts	219,318
6. Total (1. through 5.)	25,447,257	h. Other	0
c. Total (a. + b.)	25,462,862	i. Total (a. through h.)	415,365
	(Carry forward to page 1)		(Carry forward to page 1)
ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes	2,553,028	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	295,925	d. Federal Transit Admin	0
d. Other - Hwy/Signal Maint Contract	692,088	e. U.S. Corps of Engineers	0
e. Other - CDOT	135,991	f. Other Federal (FHWA)	5,755,442
f. Total (a. through e.)	1,124,004	g. Total (a. through f.)	5,755,442
4. Total (1. + 2. + 3.f)	3,677,032	3. Total (1. + 2.g)	
			(Carry forward to page 1)
III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL			
	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs	463,676	0	463,676
b. Engineering Costs	0	655,311	655,311
c. Construction:			
(1). New Facilities	0	0	0
(2). Capacity Improvements	0	1,059,270	1,059,270
(3). System Preservation	0	6,579,409	6,579,409
(4). System Enhancement & Operation	517,990	7,181,453	7,699,444
(5). Total Construction (1) + (2) + (3) + (4)	517,990	14,820,133	15,338,123
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	981,666	15,475,443	16,457,110
			(Carry forward to page 1)
Notes and Comments:			