

CITY OF BOULDER, COLORADO

Comprehensive Annual Financial Report

For the fiscal year ended

December 31, 2015

Prepared by the Finance Department

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

July 11, 2016

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, 2015.

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 an unmodified (“clean”) opinion on the City of Boulder’s financial statements for the year ended December 31, 2015. 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 according to the 2015 City of Boulder Community Profile is 104,810.

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

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

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

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

Budgetary Process

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

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

generally adopted in October during public hearings.

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

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

FACTORS AFFECTING FINANCIAL CONDITION

Pursuant to a vote in November of 2014, the sales and use tax rate changed on January 1st, 2015 from 3.56% to 3.86%. The additional 0.30% tax was approved for a three year period and is earmarked for “Community Culture and Facilities.” Original projections for sales and use tax revenues for 2015 expected a 3.13% increase from 2014. Actual sales and use tax revenues for the City increased by 4.57% over 2014. During 2015, Retail Sales Tax was up 4.59%, Business/Consumer Use Tax was down by 2.87%, Construction Use Tax was up by 12.27%, and Motor Vehicle Use Tax was up 9.55%. Recreational marijuana was a new revenue source in 2014. Excluding the revenues from recreational marijuana and normalizing for the 0.30% increase, retail Sales Tax Revenue would have had a more modest increase of 3.80%. The increase in the Construction Use Tax is primarily due to a number of large one-time projects in 2015 compared to 2014. The Motor Vehicle Use Tax continued to trend higher as the City continued to recover from the 2007-2009 Great Recession. The Business Use Tax ended 2015 downward due to the amount and timing of the purchase of capital assets by businesses in the City.

Sales and use tax revenues in 2015 made up approximately 47% of the General Fund, 97% of the Open Space and Mountain Parks Fund and 76% of the Transportation Fund total revenues.

The property tax base for 2015 was appraised at the 2014 actual value. The assessed valuation for property within the City of Boulder increased from \$2.599 billion in 2014 to \$3.160 billion in 2015, or 21.6%. Taxes levied against the 2015 assessed valuation will be collected in 2016. In November 2008, the voters within the City of Boulder approved a ballot question which removed the remaining TABOR restriction on property tax revenues for 2009 and beyond. This increase in retained taxes was limited to .5 mills per year until the full amount of the existing tax levy of 11.981 mills was restored and retained. During 2012, the remaining TABOR limitation was fully eliminated.

Projections for the Future

According to The Colorado Outlook Report, released March 18, 2016, economic growth in Colorado exhibited slower growth over the course of 2015. Much of the moderation in activity can be attributed to the sharp contraction in oil and gas activity. A strong dollar is also impacting some of the economic activity in the State, most notably in the tourism and agriculture industries. A very tight labor market is making it more difficult for employers to find workers for expansion. Despite these negative factors, there continues to be enough positive ingredients for

Colorado's economy to post stronger growth than the nation overall. The Northern Front Range section of Colorado (which includes the City of Boulder) accounts for nearly three-quarters of Colorado's economy, continues to bolster overall indicators for the state. The region remains a center of innovation and entrepreneurship, population growth, a highly skilled workforce, and diverse industries producing higher valued products that are in demand in today's economy.

The national economy continued to post mostly modest growth. A stronger labor market and sustained consumer spending growth continued to propel the nation's economy forward. Despite slower job growth over the past year, Colorado's statewide unemployment rate continued to drop, registering 3.2 percent in January, the lowest since 2001. Job growth for the state is forecasted to be 2.6 percent in 2016, following growth of 3.5 percent and 3.1 percent in 2014 and 2015, respectively.

The change in March 2016 year-to-date sales and use tax revenue, including use tax compared to March 2015 is as follows:

TAX CATEGORY	% CHANGE IN REVENUE Increase/(Decrease)	% OF TOTAL
Sales Tax	(0.35%)	72.97%
Business/Consumer Use Tax	26.92%	12.79%
Construction Use Tax	1.50%	11.32%
Motor Vehicle Use Tax	7.92%	2.92%
Total Sales & Use Tax	2.92%	100.00%

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

- Retail Sales Tax – Actual retail receipts were down 0.35% from that received in 2015. Retail sales tax started trending downward during the last half of 2015 and is being watched closely. The city has adequate reserves that provide time for staff to determine if this trend is short term in nature, or if it is longer term and revenue projections will need to be revised.
- Business/Consumer Use Tax – Revenues are up by 26.92% from 2015. This category can be volatile as it is associated primarily with the amount and timing of purchase of capital assets by businesses in the city and the amount and timing of audit revenue. A significant portion of this amount is one time in nature and is not expected to reoccur in future months.
- Construction Use Tax – This category is up a modest 1.50% year to date. This is another volatile tax category as it depends upon the number and timing of construction projects in any given period. Revenue in this category assumes “base” number of projects will continue indefinitely, plus revenue from large projects in the “pipeline” (based upon a review of information from the City Planning Department and the Colorado University Capital Improvement Plan).
- Motor Vehicle Use Tax is up by 7.92% year to date. Vehicles purchased by Boulder citizens, regardless of where in the state the vehicle is purchased, generate use tax revenues for the city. As individuals and businesses became more confident about jobs and the economy, they have replaced their vehicles and thus reduced the average age of their fleet.

In the future, as revenues continue to recover, any proposed increases in expenditures will be evaluated based on Priority Based Budgeting, a decision making tool which helps the city make strategic recommendations regarding priorities for current and future funding changes. By using the Priority Based Budgeting process, existing financial policies and the six-year planning model for operations, the city will be able to maintain targeted fund balances, redirect any funding increases to the highest priority areas and ensure that operating revenues exceed ongoing operating expenditures each year.

The actual percentages for 2014 and 2015, along with the 2016 sales tax projections for the City of Boulder and statewide forecasts from the Colorado Office of State Planning and Budgeting are as follows:

Forecast	2014 Actual	2015 Actual	2016 Projected
Base Sales/Use Tax - City of Boulder	6.24%	4.57%	2.65%
Denver-Boulder-Greeley Consumer Price Index	2.80%	1.20%	1.80%
Statewide Retail Sales Trade Growth	6.80%	3.90%	4.30%
Statewide Personal Income Growth	5.80%	4.90%	4.90%

THE IMPORTANCE OF SOUND STRATEGIC PLANNING

The following narrative was extracted from the City Manager's message found in the 2016 Annual Budget, Volume I:

Over the last three years, City Council has adopted a number of 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 number of other studies and plan work in progress – such as the Fire Community Risk Assessment and flood mapping studies and mitigation plans – 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 worked extensively this year on aligning resources with achieving community priorities, and working toward a long-term, citywide strategic plan, guided by the sustainability framework and in conjunction with the update to the Boulder Valley Comprehensive Plan.

During 2015, the city continued to implement the financial policy of using one-time revenue only for one-time expenditures, which has served the city well during and since the last recession.

MAJOR INITIATIVES

Current economic conditions and long-term structural budget problems require that the City of Boulder conduct business in a new way, evaluate what services and programs can be provided, continue to focus on being as efficient as possible, and refine processes and systems to work with staffing levels that can be sustained over time. In order to address these economic and structural

realities, a Priority Based Budgeting approach was implemented as part of the 2011 budget process and was continued in 2012 and 2013. Starting in 2014, Priority Based Budgeting was the sole framework used in all decisions to determine the set of services and programs that were provided to the community and continued in 2015.

The 2016 Capital Improvements Program (CIP) includes proposed funding of \$74.4 million for 115 projects. The entire six-year (2015-20) CIP includes proposed funding of \$407.5 million for 163 projects. The city is spending the majority, over 82% of its 2016 capital funds on capital maintenance and enhancement of its existing assets. 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 \$126.5 million for Water Utility related projects, \$61.4 for Storm Water and Flood Utility related projects, \$58.0 million for Wastewater Utility related projects, \$56.3 million for Transportation related projects and \$49.1 million for Open Space related projects.

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

Planned capital expenditures will be financed using revenues from current rates and charges, plant investment and connection fees, bond proceeds from a \$49.0 million bond sale in March 2012, and future rate and fee increases.

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

OTHER FINANCIAL INFORMATION

Debt Ratings

During 2014, the city's general obligation credit ratings were established as Aa1 by Moody's Investors Service and AAA by Standard & Poor's. The primary reasons cited in the past for these high rating levels have been the general strength of the Boulder economy, its distinctiveness from the general Denver metropolitan economy, and the lesser reliance of the

city's General Fund on sales taxes when compared with other Colorado municipalities.

CERTIFICATE OF ACHIEVEMENT

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the city for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended December 31, 2014. This was the twenty-sixth consecutive year that the city has achieved this prestigious award and the thirty-fourth year in total. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

In addition, the city also received the GFOA's Distinguished Budget Presentation Award for its 2015 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.

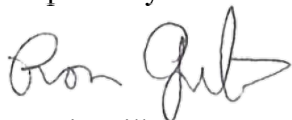
Another important accomplishment for the City of Boulder is the Award for Outstanding Achievement for producing a Popular Annual Financial Report (PAFR) for the fiscal year ended December 31, 2014. This is again only valid for a period of one year and is awarded by the GFOA. This report is a useful tool 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,

A handwritten signature in black ink, appearing to read "Ron Gilbert", written in a cursive style.

Ronnie 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, 2014

Executive Director/CEO

CITY OF BOULDER, COLORADO

Principal Elected and Administrative Officials

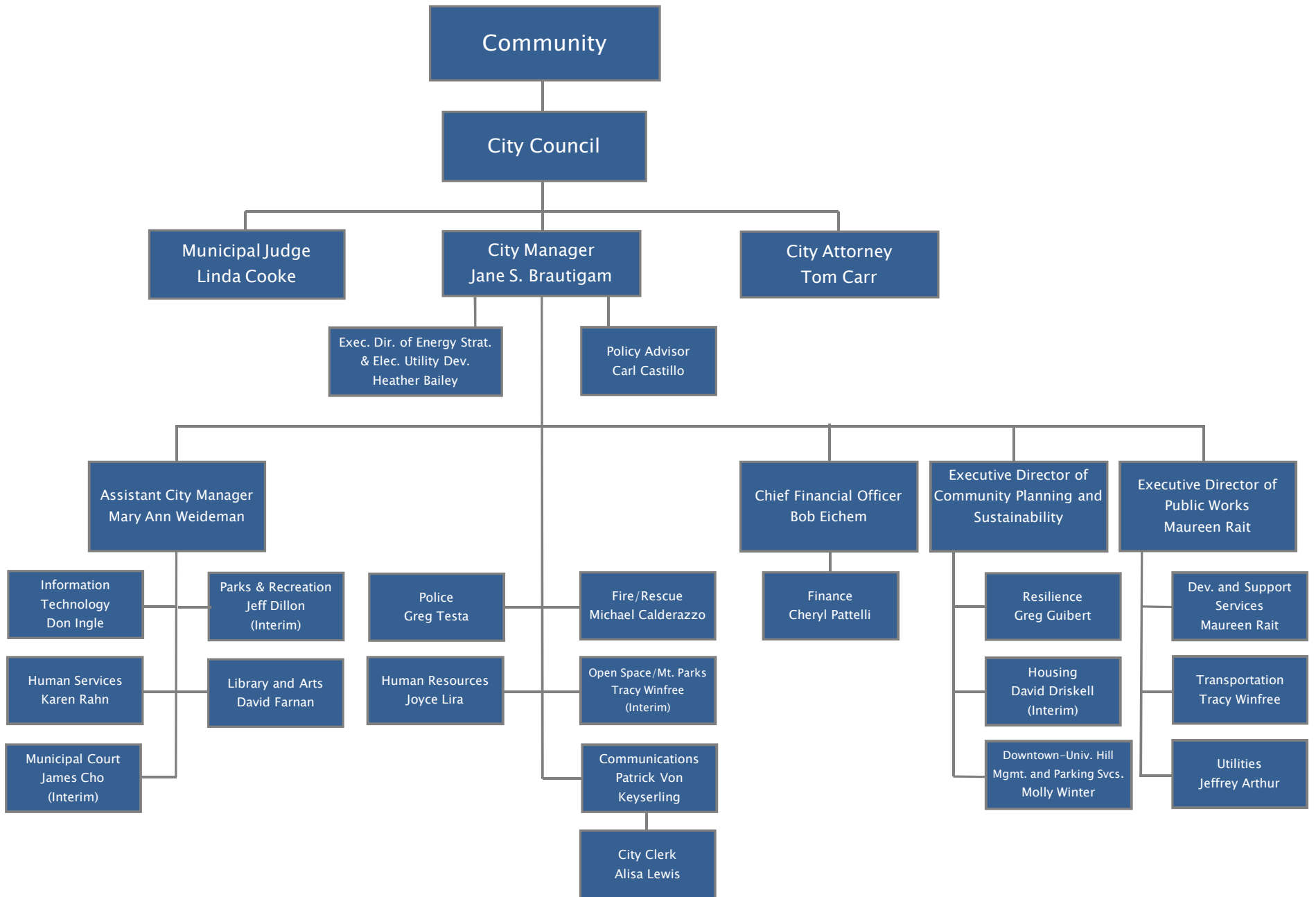
At December 31, 2015

Mayor and City Council

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

Administrative

City Manager:	Jane Brautigam
Deputy City Manager:	Mary Ann Weideman
Chief Financial Officer:	Bob Eichem
Director of Finance:	Cheryl Pattelli
Controller:	Duane Hudson



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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, 2015, 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, 2015, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison schedules (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 Matters

Implementation of GASB Statement Nos. 68 and 71

As discussed in Note A to the financial statements, the City of Boulder, Colorado implemented the provisions of Governmental Accounting Standards Board (GASB) Statement No. 68 – *Accounting and Financial Reporting for Pensions* and Statement No. 71 – *Pension Transition for Contributions Made Subsequent to the Measurement Date*, for the year ended December 31, 2015, which represents a change in accounting principle. As of January 1, 2015, the City of Boulder, Colorado's net position was restated to reflect the impact of adoption. A summary of the restatement is presented in Note A.

Corrections of an error

As discussed in Note A to the financial statements, the City of Boulder, Colorado restated its net position for governmental activities, business-type activities, the Water Utility Fund, the Wastewater Utility Fund, the Stormwater and Flood Management Fund and the Downtown Commercial District Fund as of January 1, 2015 due to a correction of an error for capital assets. A summary of the restatement is presented in Note A.

Additionally, as discussed in Note A to the financial statements, the City of Boulder, Colorado restated its net position for governmental activities, business-type activities and the Boulder Municipal Property Authority Fund as of January 1, 2015 due to a correction of an error regarding the recognition of the Boulder Municipal Property Authority Fund as a special revenue fund as of January 1, 2015. A summary of the restatement is presented in Note A.

Our auditors' opinions were not modified with respect to the restatements.

Other Matters

Required Supplementary Information

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

Other Information

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

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

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 July 11, 2016, on our consideration of the City of Boulder, Colorado's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the result of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Boulder, Colorado's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Broomfield, Colorado
July 11, 2016

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City of Boulder, Colorado

MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2015

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, 2015. 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 2015 by \$1,044.6 million (\$632.7 million in governmental activities net position and \$411.9 million in business-type activities net position). Of the governmental activities net position total, \$38.2 million, or 6%, is unrestricted and may be used to meet the city's ongoing obligations to the public and creditors. Similarly, \$68.1 million, or 17%, of business-type activities net position is unrestricted.
- Total net position of the city decreased \$41.8 million, or 4%, compared to 2014. Net position of the city's governmental activities decreased \$35.6 million, which represents a decrease of 5% from 2014. Net position of the city's business-type activities decreased \$6.3 million, or 2%, from 2014. These changes do not incorporate the restated beginning 2015 balances. See Note A15 for further details.
- Total revenues, excluding transfers and extraordinary items, increased \$20.1 million, or 7%, to \$324.4 million compared to 2014. Governmental activities revenues increased \$15.6 million, or 7%, to \$249.3 million, while revenues of business-type activities increased \$4.5 million, or 6%, to \$75.1 million compared to 2014.
- The total expenses of all the city's programs, excluding transfers and extraordinary items, increased \$14.3 million, or 6%, to \$260.0 million compared to 2014. The expenses of governmental activities programs increased \$15.6 million, or 8%, to \$209.8 million, while the expenses of business-type activities decreased \$1.3 million, or 3%, from 2014 to \$50.2 million.
- As of December 31, 2015, the city's governmental funds reported a combined ending fund balance of \$162.4 million. Approximately 56%, or \$91.5 million, is unrestricted fund balance and, therefore, available for spending at the city's discretion within the purposes specified for the city's funds.

Overview of the Financial Statements

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

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

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

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

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

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

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

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

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

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

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

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

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

The combining statements referred to earlier in connection with non-major governmental funds and internal service funds are presented immediately following the required supplementary information on pensions. Included are budgetary comparison schedules for all annually budgeted non-major special revenue and capital project funds.

Government-wide Financial Analysis

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

Table 1 - Net Position (dollars in thousands)

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total Primary Government</u>	
	2015	2014*	2015	2014*	2015	2014*
Current and other assets	\$ 278,366	\$ 264,189	\$ 124,675	\$ 78,644	\$ 403,041	\$ 342,833
Capital assets	642,275	571,112	407,475	427,152	1,049,750	998,264
Total assets	920,641	835,301	532,150	505,796	1,452,791	1,341,097
Deferred outflows of resources	14,084	250	5,094	3,143	19,178	3,393
Noncurrent liabilities	147,979	113,256	101,939	85,882	249,918	199,138
Other liabilities	116,499	23,025	22,052	3,656	138,551	26,681
Total liabilities	264,478	136,281	123,991	89,538	388,469	225,819
Deferred inflows of resources	37,590	31,014	1,325	1,213	38,915	32,227
Net position:						
Net investment in capital assets	521,402	494,209	343,555	345,149	864,957	839,358
Restricted	65,690	61,410	273	269	65,963	61,679
Unrestricted	45,565	112,637	68,100	72,770	113,665	185,407
Total net position	<u>\$ 632,657</u>	<u>\$ 668,256</u>	<u>\$ 411,928</u>	<u>\$ 418,188</u>	<u>\$ 1,044,585</u>	<u>\$ 1,086,444</u>

** 2014 amounts were not restated for MD&A purposes due to information not being available for all components. See Note A15 for further details.*

Table 1 presents an analysis of the city's net position as of December 31, 2015. The city's assets exceeded its liabilities by \$1,044.6 million at the close of the current fiscal year. By far the largest portion of the city's net position (83%) reflects its investment of \$865.0 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, \$66.0 million (6%), represents resources that are subject to restrictions as to how they may be used. The remaining balance of unrestricted net position, \$113.7 million (11%), 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 \$25.6 million, or 3%, compared to 2014. This increase is due to new bonds issued in 2015 as well as capital project costs related to repairs from the September 2013 flood, including a large utility project, additional funding in Transportation and the installation of parking garage access equipment. Restricted net position increased \$4.3 million, or 7%, compared to 2014. This was largely due to the new capital improvement fund. The \$71.7 million, or 39%, decrease in unrestricted net position during 2015 was due in large part to new defined benefit plan reporting requirements for GASB 68.

It is important to note that approximately \$48.0 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 \$64.4 million during 2015. This increase is explained in the governmental and business-type activities discussion below.

Governmental Activities

Net position of governmental activities increased by \$36.8 million during 2015, accounting for 57% of the total increase in the city's net position. This increase was \$3.7 million less than the \$40.4 million increase in net position in 2014.

Revenues during 2015 increased by \$15.6 million compared to 2014. The continuing strength of the economy, a 0.03 sales and use tax rate increase beginning in 2015 and recreational marijuana revenue contributed to a \$15.0 million rise in sales and use taxes. Other taxes increased by \$2.5 million primarily due to a full year of recreational marijuana excise taxes and increased development. Charges for services decreased \$0.8 million. Operating and capital grant revenue decreased by \$0.8 million and \$2.7 million, respectively, compared to 2014 primarily due to increased FEMA reimbursements for 2013 flood damage received in 2014.

Expenses increased \$15.6 million in 2015 compared to 2014. Administrative Services expenses fell \$1.0 million because of additional salary and computer software costs partially due to large software replacement projects that were no longer needed in 2015. A \$3.6 million increase in Housing and Human Services expenses was related to development or improvement of permanently affordable housing units in 2015 as compared to 2014. Public Works expenses increased \$1.7 million primarily due to increase in general fund transportation expense.

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 (24%), followed by Public Works (19%) and Culture and Recreation (15%). General revenues such as sales and use taxes, property and other taxes are not shown in *Chart 1* by program, but are used to support program activities citywide and included in *Chart 2*. For governmental activities overall, without regard to program, sales and use taxes are the largest single source (53%), followed by charges for services (16%) and property taxes (12%).

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

	Governmental		Business-type		Total Primary Government	
	2015	2014	2015	2014	2015	2014
Program revenues:						
Charges for services	\$ 38,788	\$ 39,616	\$ 65,142	\$ 50,132	\$ 103,930	\$ 89,748
Operating grants and contributions	11,400	12,213	1,931	-	13,331	12,213
Capital grants and contributions	6,175	8,906	5,665	17,983	11,840	26,889
General revenue:						
Sales and use taxes	131,323	116,316	-	-	131,323	116,316
Property taxes	30,846	30,353	1,178	2,013	32,024	32,366
Other taxes	26,358	23,858	69	66	26,427	23,924
Interest and investment earnings	1,097	906	486	324	1,583	1,230
Miscellaneous revenue	1,008	1,437	45	65	1,053	1,502
Gain on sale of capital assets	2,313	99	562	-	2,875	99
Total revenues	249,308	233,704	75,078	70,583	324,386	304,287
Program expenses (includes indirect expenses allocation):						
Governmental activities:						
General Government	13,436	22,406	-	-	13,436	22,406
Administrative Services	6,742	7,655	-	-	6,742	7,655
Public Safety	50,190	50,662	-	-	50,190	50,662
Public Works	39,117	37,406	-	-	39,117	37,406
Planning and Development Services	14,033	6,041	-	-	14,033	6,041
Culture and Recreation	32,247	30,819	-	-	32,247	30,819
Open Space and Mountain Parks	20,922	16,774	-	-	20,922	16,774
Housing and Human Services	23,400	19,795	-	-	23,400	19,795
Interest on long-term debt	9,750	2,679	-	-	9,750	2,679
Business-type activities:						
Water Utility	-	-	22,546	22,644	22,546	22,644
Wastewater Utility	-	-	13,550	14,703	13,550	14,703
Stormwater and Flood Management	-	-	6,873	6,812	6,873	6,812
Parking Services	-	-	6,583	6,892	6,583	6,892
Property and Facility Acquisition	-	-	618	463	618	463
Total expenses	209,837	194,237	50,170	51,514	260,007	245,751
Excess before extraordinary items and transfers	39,471	39,467	24,908	19,069	64,379	58,536
Extraordinary items	-	956	-	-	-	956
Transfers	(2,711)	(11)	2,711	11	-	-
Increase in net position	36,760	40,412	27,619	19,080	64,379	59,492
Net position, beginning of year	595,897	627,844	384,309	399,108	980,206	1,026,952
Restatement, see Note A15	-	(72,359)	-	(33,879)	-	(106,238)
Net position, beginning of year, as restated	595,897	555,485	384,309	365,229	980,206	920,714
Net position, end of year	\$ 632,657	\$ 595,897	\$ 411,928	\$ 384,309	\$ 1,044,585	\$ 980,206

Chart 1: 2015 Expenses and Program Revenues - Governmental Activities

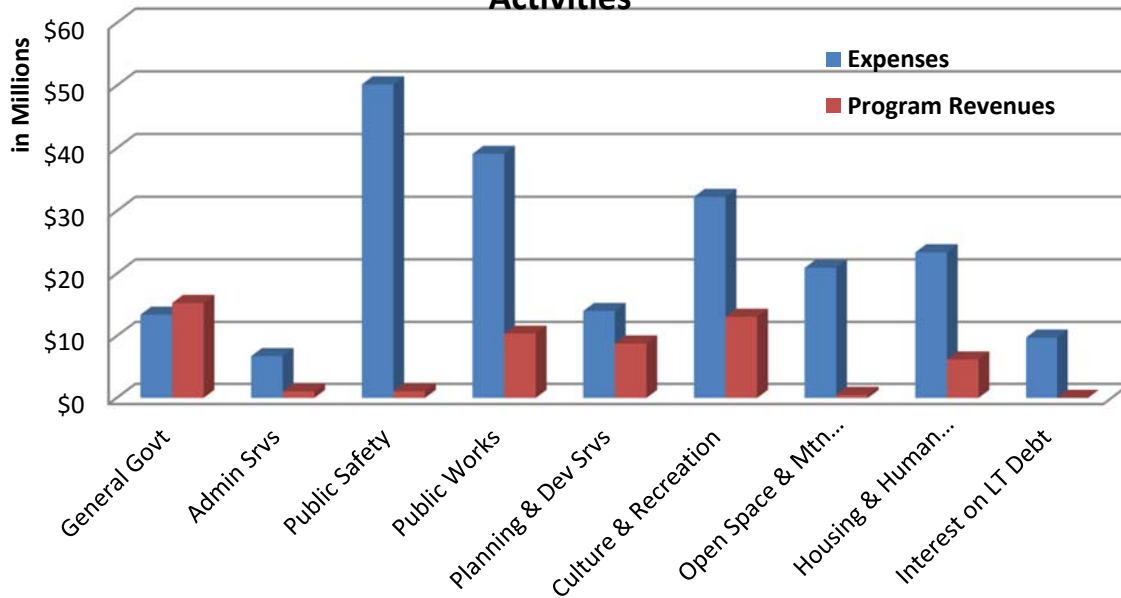
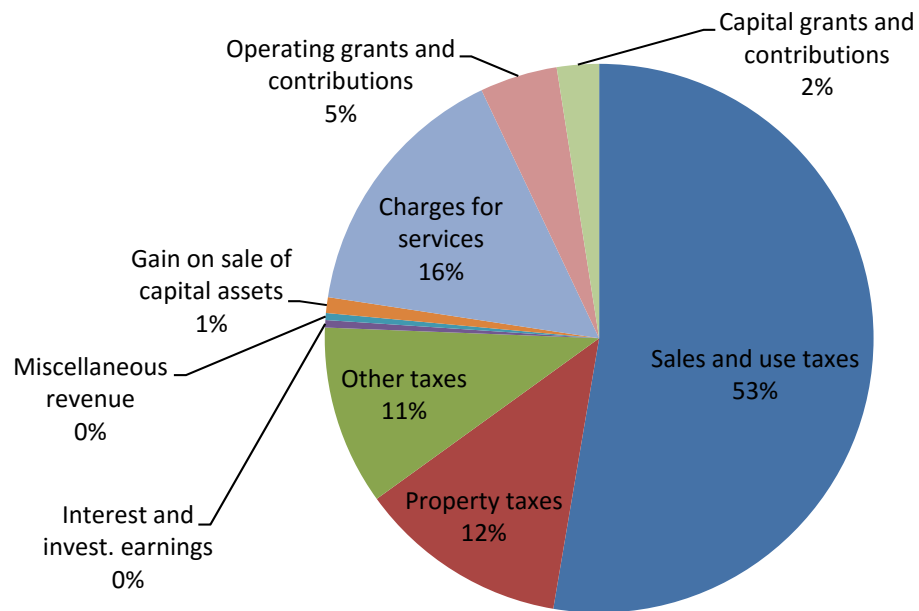


Chart 2: 2015 Revenues by Source - Governmental Activities



Business-type Activities

Net position in business-type activities increased \$27.6 million in 2015. This increase was \$8.5 million more than the \$19.1 million increase in net position in 2014.

Total business-type revenues increased \$4.5 million, or 6%, compared to 2014. Capital grants and contributions decreased by \$12.3 million in 2015 mainly due to FEMA reimbursements for 2013 flood damage.

Expenses of business-type activities decreased by \$1.3 million, or 3% compared to 2014, mainly because of flood recovery work.

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 73% of total business-type activities expenses. Charges for services provide the largest share of revenues (87%), followed by capital grants and contributions (8%) and property taxes (3%).

Chart 3: 2015 Expenses and Program Revenues - Business-type Activities

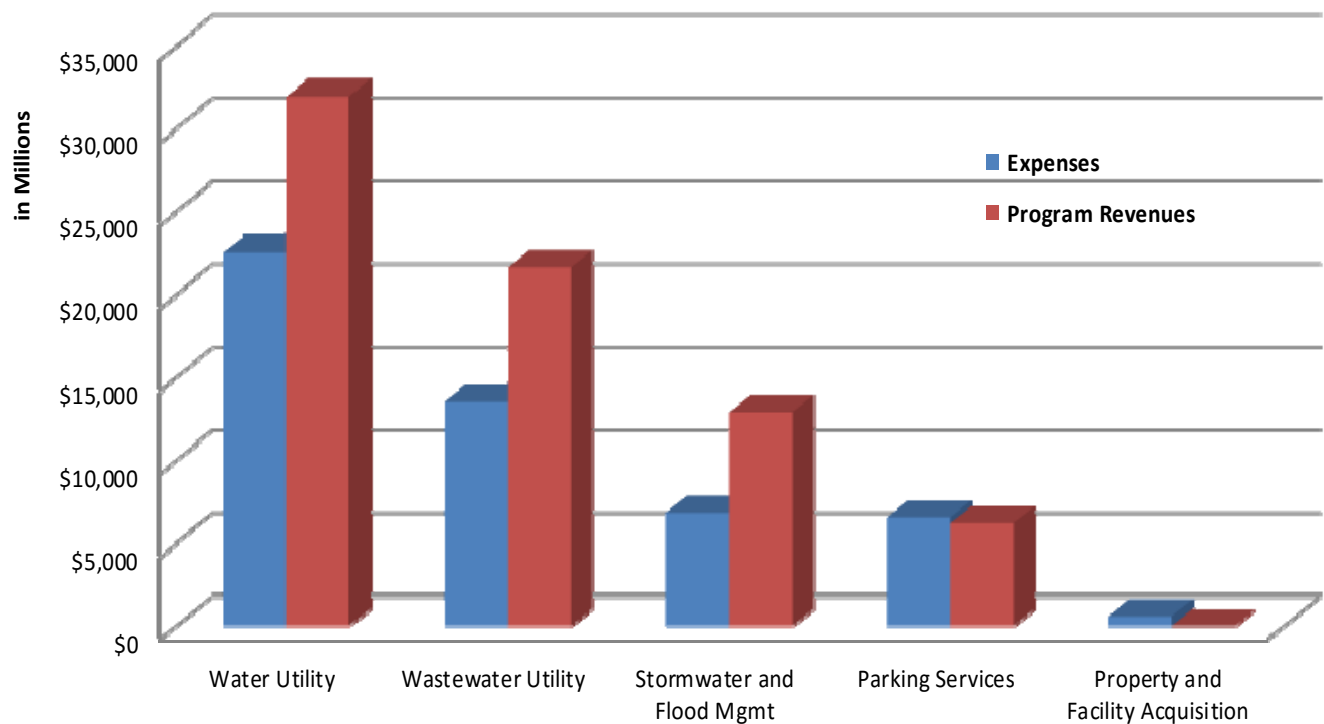
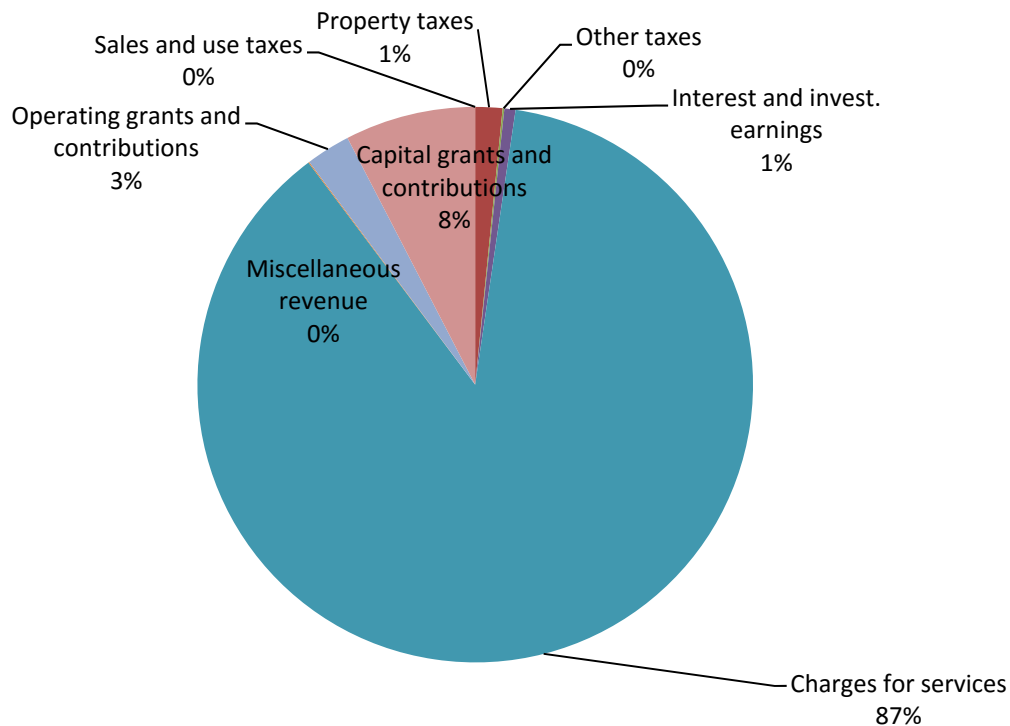


Chart 4: 2015 Revenue by Source - Business-type Activities



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, 2015, the city's governmental funds reported combined ending fund balances of \$162.4 million, an increase of \$7.2 million, or 5%, from the prior year. The fund balance of the General Fund increased \$3.5 million to \$54.6 million at December 31, 2015. General Fund revenues grew by \$4.7 million, primarily because of overall improvements in the economy. Increased consumer spending, a 0.03 sales tax rate increase and recreational marijuana tax led to a \$2.6 million rise in sales and use taxes. Fund expenditures increased by \$6.1 million due to expansion of services. Administrative Services increased \$1.7 million also due to staffing increase in HR, Finance and the City Manager's Office. Housing and Human

Services increased \$2.0 million mainly due to development, redevelopment or improvement of affordable housing units and the position of Housing Director being filled. Public Safety expenditures increased \$2.6 million mainly due to increased personnel costs and the purchase of materials and equipment.

The Open Space and Mountain Parks Fund's fund balance increased \$5.8 million in 2015. Revenues grew by \$1.3 million due to an increase in sales and use taxes from increased economic activity. Expenditures decreased by \$0.7 due to decreased debt service payments.

The fund balance of the Transportation Fund fell by \$1.1 million in 2015. Revenues decreased by \$1.4 million while expenditures increased by \$5.3 million. Transportation receives funding from CDOT for infrastructure projects as they are completed. The increase in expenditures is due to the implementation of a pavement management program and capital projects.

Other governmental fund balances fell by \$1.9 million. This decrease was primarily due inclusion of the 2011 Capital Improvement Fund with increased spending.

Approximately \$91.5 million or 56% of the combined ending fund balance in the governmental funds constitutes unrestricted fund balance available for spending at the city's discretion within the purposes specified for each of the funds. The remainder of fund balance is either non-spendable or restricted to indicate that it is not available for new spending because it has already been committed for specific purposes. This non-spendable or restricted fund balance is comprised of: (1) fund balance not in spendable form such as prepaid expenses, inventory for consumption, and permanent endowments - \$0.2 million; (2) limitations imposed on use of funds by external laws and regulations - \$10.8 million; (3) restrictions for capital projects - \$13.7 million; (4) restrictions for future development - \$43.1 million; (5) restricted for expenditure on lottery authorized parks and recreation projects - \$2.5 million and (6) restrictions placed on the funds by donors - \$0.7 million.

The General Fund is the primary operating fund of the city. At the end of 2015 the unrestricted fund balance of the General Fund was \$52.1 million, while total fund balance was \$54.6 million. Unrestricted fund balance includes fund balance committed by city council, assigned by city management, and unassigned fund balance as disclosed in the Governmental Funds Balance Sheet. As a measure of the General Fund's liquidity, it is useful to compare unassigned fund balance to total fund expenditures and transfers out. In 2015, unassigned fund balance of \$42.7 million represents 35% of total general fund expenditures and transfers out of \$120.3 million. General Fund unassigned fund balance as a percentage of total expenditures and transfers out was 35% in 2014.

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 \$35.8 million at December 31, 2015, an increase of \$5.8 million from 2014. The

Transportation Fund's revenue sources are generally restricted except for investment income. As of December 31, 2015, the Transportation Fund's restricted fund balance was \$4.4 million and \$10.9 million was assigned for special purposes. The total Transportation fund balance was \$15.3 million at December 31, 2015, a \$1.1 million decrease from 2014.

In the 2015 budget year, the City Council maintained a minimum target for unassigned General Fund balance of 15% 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 15% was met in 2015.

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, 2015, the unrestricted net position of the Water Utility Fund was \$27.6 million, the Wastewater Utility Fund was \$11.4 million, the Storm Water and Flood Management Fund was \$16.7 million, the Downtown Commercial District Fund was \$6.7 million and the non-major enterprise funds was \$.9 million. The total decrease in net position for the proprietary funds was \$6.7 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 2015 was \$17.8 million greater than the original budget. The primary reasons for this difference are related to the following increases:

- \$2.0 million for recreational marijuana education and enforcement
- \$1.0 million for project and grant carryover
- \$5.0 million for operating carryover in significant initiative investment areas
- \$2.0 million for unanticipated grant revenue including FEMA reimbursements
- \$0.5 million for outdated Fire Alerting system

On a basis consistent with the adopted budget, actual revenues and transfers in were \$2.7 million, or 2%, less than the final budget. Actual expenditures and transfers out were \$25.3 million, or 20%, less than the final budget. The net effect of these differences along with the extraordinary item was a favorable variance in actual revenues and expenditures to the fiscal year-end budgeted fund balance of \$22.7 million. The primary factors contributing to this favorable variance include the following:

- \$0.6 million less in sales and use tax revenues

- \$3.0 million reimbursement that was budgeted as revenue was accounted for as a reduction of expenses
- \$3.0 million less in expenditures for the downpayment on the purchase of the Boulder Community Hospital site but was reimbursed by Certificates Of Participation proceeds
- \$6.0 million less in expenditures related to potential municipation of the electric utility being carried into 2016
- \$1.0 million less in expenditures related to public safety
- \$1.0 million less in expenditures related to community vitality
- \$0.5 million less in expenditures related to finance
- \$1.5 million less in expenditures related to timing of several capital projects in public safety
- \$1.6 million less in expenditures related to the space renovation of the Boulder Community Hospital site
- Various smaller variances in and expenditures

Capital Assets and Debt Administration

Capital Assets

As can be seen from *Table 3*, the city's investment in capital assets for its governmental and business-type activities as of December 31, 2015 amounts to \$1,049.8 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, underground drainage facilities, machinery, equipment and vehicles. The net increase in the city's investment in capital assets was \$51.5million (5%) from 2014. Net capital assets of governmental activities increased \$71.2 million (12%) and those of business-type activities decreased \$19.7 million (4.6%).

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

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total Primary Government</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Land and easements	\$ 307,000	\$ 282,810	\$ 43,347	\$ 62,676	\$ 350,347	\$ 345,486
Buildings	61,120	54,808	21,777	25,889	82,897	80,697
Improvements other than buildings	50,320	42,431	3,215	3,446	53,535	45,877
Infrastructure	108,822	108,615	5	-	108,827	108,615
Utility plant in service and undergrounds	-	-	313,570	315,895	313,570	315,895
Machinery, equipment and vehicles	21,048	21,855	4,940	5,751	25,988	27,606
Construction in progress	93,965	60,593	20,621	13,495	114,586	74,088
Total	<u>\$ 642,275</u>	<u>\$ 571,112</u>	<u>\$ 407,475</u>	<u>\$ 427,152</u>	<u>\$ 1,049,750</u>	<u>\$ 998,264</u>

Some of the major capital asset activities during 2015 included the following:

Governmental activities:

- Construction in progress of several transportation infrastructure projects, including: Broadway reconstruction (Violet to US 36), Diagonal 28th-30th reconstruction and Pearl Parkway Multi use path - \$4.8 million

- Acquired the Boulder Community Health hospital campus with the issuance of Certificates of Participation (COP's) - \$40 million
- Construction began on Dairy Center renovation - \$1.3 million
- Main Library Renovation project completed - \$ 4.8 million
- Completion and replacement of Substandard bridges, Structures, and Signs - \$2.4 million
- Completion of Transportation Transit system and pedestrian enhancements - \$1.8 million
- Several land acquisitions by OSMP – \$2.8 million and Transportation - \$ 1.5 million
- New radio frequency identification (RFID) equipment installed February 2015 at Main Library - \$0.380 million
- Completion of park shelter replacements and improvements - \$2.3 million
- Boulder Reservoir Infrastructure Improvements - \$ 3.3 million
- Completion of Flatirons Golf Course Irrigation replacement - \$3.5 million
- New vehicle purchases - \$2.0 million
- Recognition of \$17.0 million in depreciation expense

Business-type activities:

- Land acquisition - \$1.5 million
- Wastewater utility construction projects in progress including: WWTF Nitrogen Upgrade project and IBM Lift station improvements - \$ 1.0 million
- Water Utility construction projects in progress including: Betasso WTF project, the city's distribution waterline replacement and the Sunshine transmission pipeline replacements - \$ 5.8 million
- Flood mitigation projects have begun for Wonderland Creek and Fourmile Canyon Creek - \$1.2 million
- Kossler Reservoir Concrete Facing rehabilitation - \$ 1.0 million
- CAGID Garage Improvements - \$0.3 million
- Recognition of \$10.0 million in depreciation expense

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

Debt Administration

Table 4 summarizes the city's bonded debt as of the end of 2015 and 2014. At December 31, 2015, the city had total bonded debt (including certificates of participation) of \$178.7 million. Of this amount, \$79.9 million consisted of general obligation debt backed by the full faith and credit of the city. Another \$91.3 million represents bonds secured solely by specified revenue sources (revenue bonds and certificates of participation). The remaining \$7.4 million relates to pension obligation bonds. The pension obligation bonds are not backed by either specified revenue sources or taxes. The decreases in the bonds this year are directly related to payments that the city makes on a semi-annual basis. During 2015, the city issued \$22 million Storm Water and Flood Management Revenue Bonds Series 2015, \$10 million Water and Sewer Revenue Bond Series 2015, and \$41 million Boulder Municipal Property Authority Taxable Certificates of Participation Series 2015.

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

	Governmental Activities		Business-type Activities		Total Primary Government	
	2015	2014	2015	2014	2015	2014
General obligation bonds	\$ 70,793	\$ 79,610	\$ 9,133	\$ 10,778	\$ 79,926	\$ 90,388
Revenue bonds	-	-	91,294	66,341	91,294	66,341
Pension obligation bonds	7,443	7,812	-	-	7,443	7,812
Total bonded debt	<u>\$ 78,236</u>	<u>\$ 89,436</u>	<u>\$ 100,427</u>	<u>\$ 77,119</u>	<u>\$ 178,663</u>	<u>\$ 166,555</u>

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

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

Other Significant Matters

Governmental Activities

The city suffered from severe flood conditions in September 2013. The current damage estimate to the city's infrastructure is \$28 million. The city received \$1.0 million in insurance reimbursements during 2014 and this is included in the extraordinary item line of the financial statements. In 2014 and 2015, in governmental activities only, the city incurred \$6.4 million of flood related expenditures. The city expects to be reimbursed for 87.5% (75% FEMA, 12.5% State) of FEMA eligible expenses. Not all of the \$28 million will be eligible for FEMA reimbursement.

Business-type Activities

As described above, the city suffered from severe flood conditions in September 2013. In 2014 and 2015, in business-type activities only, the city incurred \$7.7 million of flood related expenditures. The city expects to be reimbursed for 87.5% (75% FEMA, 12.5% State) of FEMA eligible expenses. Not all of the flood repair costs will be eligible for FEMA reimbursement.

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 Assistant Controller of the City of Boulder Finance Department at 1777 Broadway, Boulder, CO 80302.

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BASIC FINANCIAL STATEMENTS

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CITY OF BOULDER, COLORADO

Statement of Net Position

December 31, 2015

(Amounts in 000's)

	Governmental Activities	Business-type Activities	Total
Assets:			
Equity in pooled cash and cash equivalents	\$ 17,527	\$ 9,360	\$ 26,887
Investments	187,628	66,654	254,282
General property tax receivable	37,572	1,321	38,893
Sales tax receivable	15,028	-	15,028
Notes receivable	153	-	153
Other receivables (See Note H)	10,589	8,334	18,923
Restricted investments	9,487	38,751	48,238
Inventory of materials and supplies	67	255	322
Other assets	315	-	315
Capital assets (net of accumulated depreciation):			
Land and easements	307,000	43,347	350,347
Buildings	61,120	21,777	82,897
Improvements other than buildings	50,320	3,215	53,535
Infrastructure	108,822	5	108,827
Utility plant in service and undergrounds	-	313,570	313,570
Machinery, equipment and vehicles	21,048	4,940	25,988
Construction in progress	93,965	20,621	114,586
Total assets	<u>920,641</u>	<u>532,150</u>	<u>1,452,791</u>
Deferred outflows of resources	<u>14,084</u>	<u>5,094</u>	<u>19,178</u>
Liabilities:			
Accounts and accrued liabilities:			
Vouchers and accounts payable	8,688	2,828	11,516
Contracts and retainage payable	1,308	517	1,825
Accrued liabilities	5,287	3,484	8,771
Intergovernmental	668	-	668
Internal balances	5,353	(5,353)	-
Other liabilities	2,781	1,147	3,928
Unearned revenue	413	-	413
Water rights liability	-	1,127	1,127
Noncurrent liabilities:			
Due within one year	11,855	10,514	22,369
Due in more than one year	136,124	91,425	227,549
Net pension liability	92,001	18,302	110,303
Total liabilities	<u>264,478</u>	<u>123,991</u>	<u>388,469</u>
Deferred inflows of resources:	<u>37,590</u>	<u>1,325</u>	<u>38,915</u>
Net position:			
Net investment in capital assets	521,402	343,555	864,957
Restricted for:			
Legally restricted	13,033	173	13,206
Capital projects	10,876	100	10,976
Development	38,473	-	38,473
Lottery funds	2,497	-	2,497
Donor restrictions	711	-	711
Endowment	100	-	100
Unrestricted	45,565	68,100	113,665
Total net position	<u>\$ 632,657</u>	<u>\$ 411,928</u>	<u>\$ 1,044,585</u>

The accompanying notes are an integral part of this statement.

CITY OF BOULDER, COLORADO

Statement of Activities

Year ended December 31, 2015

(Amounts in 000's)

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
General Government	\$ 13,436	\$ 9,563	\$ 5,737	\$ -
Administrative Services	6,742	1,039	-	-
Public Safety	50,190	675	375	-
Public Works	39,117	1,658	2,545	6,175
Planning & Development Services	14,033	8,654	138	-
Culture and Recreation	32,247	11,576	1,526	-
Open Space and Mountain Parks	20,922	798	(302)	-
Housing and Human Services	23,400	4,825	1,381	-
Interest on long-term debt	9,750	-	-	-
Total governmental activities	<u>209,837</u>	<u>38,788</u>	<u>11,400</u>	<u>6,175</u>
Business-type activities:				
Water utility	22,546	28,813	396	2,756
Wastewater utility	13,550	19,583	115	1,943
Stormwater and flood management	6,873	10,530	1,420	966
Parking facilities and services	6,583	6,216	-	-
Property and facility acquisition	618	-	-	-
Total business-type activities	<u>50,170</u>	<u>65,142</u>	<u>1,931</u>	<u>5,665</u>
Total government	<u>\$ 260,007</u>	<u>\$ 103,930</u>	<u>\$ 13,331</u>	<u>\$ 11,840</u>

General revenues:

Taxes:

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

Interest and investment earnings

Miscellaneous

Gain on Sale of Capital Assets

Transfers

Total general revenues,
transfers and extraordinary item
Change in net position

Net position, beginning of year, as restated

Net position, end of year

The accompanying notes are an integral part of this statement.

Net (Expense) Revenue and
Changes in Net Position

Governmental Activities	Business-type Activities	Total
\$ 1,864	\$ -	\$ 1,864
(5,703)	-	(5,703)
(49,140)	-	(49,140)
(28,739)	-	(28,739)
(5,241)	-	(5,241)
(19,145)	-	(19,145)
(20,426)	-	(20,426)
(17,194)	-	(17,194)
(9,750)	-	(9,750)
<u>(153,474)</u>	<u>-</u>	<u>(153,474)</u>
-	9,419	9,419
-	8,091	8,091
-	6,043	6,043
-	(367)	(367)
-	(618)	(618)
-	22,568	22,568
<u>(153,474)</u>	<u>22,568</u>	<u>(130,906)</u>
131,323	-	131,323
30,846	1,178	32,024
7,019	-	7,019
12,777	-	12,777
2,109	69	2,178
4,453	-	4,453
1,097	486	1,583
1,008	45	1,053
2,313	562	2,875
<u>(2,711)</u>	<u>2,711</u>	<u>-</u>
190,234	5,051	195,285
36,760	27,619	64,379
595,897	384,309	980,206
<u>\$ 632,657</u>	<u>\$ 411,928</u>	<u>\$ 1,044,585</u>

CITY OF BOULDER, COLORADO

Balance Sheet

Governmental Funds

December 31, 2015

(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	\$ 1,332	\$ 1,121	\$ 618	\$ 301	\$ 6,897	\$ 10,269
Investments	50,082	27,819	16,365	-	48,112	142,378
Receivables:						
General property taxes	34,671	-	-	-	2,901	37,572
Sales and use taxes	7,587	3,004	2,560	-	1,877	15,028
Accounts	1,499	56	59	-	145	1,759
Notes	-	-	-	153	-	153
Accrued interest	112	65	40	4	121	342
Intergovernmental	1,468	106	6,444	-	157	8,175
Other	9	-	-	-	-	9
Total receivables	45,346	3,231	9,103	157	5,201	63,038
Advances to other funds	210	-	-	-	-	210
Inventory of materials and supplies	15	-	1	-	51	67
Restricted assets:						
Investments for special purposes	1,232	4,604	-	-	851	6,687
Investments for capital projects	-	-	-	798	2,002	2,800
Total restricted assets	1,232	4,604	-	798	2,853	9,487
Other assets	-	-	-	-	11	11
Total assets	\$ <u>98,217</u>	\$ <u>36,775</u>	\$ <u>26,087</u>	\$ <u>1,256</u>	\$ <u>63,125</u>	\$ <u>225,460</u>

The accompanying notes are an integral part of this statement.

<u>Liabilities, Deferred Inflows of Resources and Fund Balances</u>	<u>General Fund</u>	<u>Open Space & Mountain Parks Fund</u>	<u>Trans- portation Fund</u>	<u>Boulder Municipal Property Authority</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Liabilities:						
Accounts and accrued liabilities:						
Vouchers and accounts payable	\$ 2,707	\$ 468	\$ 2,117	\$ -	\$ 2,309	\$ 7,601
Contracts and retainage payable	-	12	541	-	680	1,233
Accrued salaries, wages and amounts withheld from employees	2,862	376	236	-	671	4,145
Intergovernmental	668	-	-	-	-	668
Advances from other funds	1,442	-	-	-	210	1,652
Other liabilities	154	-	1,881	-	501	2,536
Unearned revenue	381	-	-	-	32	413
Total liabilities	<u>8,214</u>	<u>856</u>	<u>4,775</u>	<u>-</u>	<u>4,403</u>	<u>18,248</u>
Deferred inflows of resources:						
Property tax	34,671	-	-	-	2,901	37,572
Grants and other deferrals	778	131	5,998	153	146	7,206
Deferred inflows of resources	<u>35,449</u>	<u>131</u>	<u>5,998</u>	<u>153</u>	<u>3,047</u>	<u>44,778</u>
Fund balances:						
Nonspendable:						
Prepaid	-	-	-	-	11	11
Inventory	15	-	1	-	51	67
Endowment	100	-	-	-	-	100
Restricted for:						
Legally restricted	992	-	4,437	1,103	4,294	10,826
Capital projects	1,186	-	-	-	12,490	13,676
Development	-	35,745	-	-	7,305	43,050
Lottery funds	-	-	-	-	2,497	2,497
Donor restrictions	137	35	-	-	539	711
Committed to:						
Affordable housing	-	-	-	-	7,468	7,468
Transportation projects	-	-	-	-	2,884	2,884
Assigned to:						
Special purposes	9,238	8	10,876	-	18,136	38,258
Contractual obligations	212	-	-	-	-	212
Unassigned	42,674	-	-	-	-	42,674
Total fund balances	<u>54,554</u>	<u>35,788</u>	<u>15,314</u>	<u>1,103</u>	<u>55,675</u>	<u>162,434</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 98,217</u>	<u>\$ 36,775</u>	<u>\$ 26,087</u>	<u>\$ 1,256</u>	<u>\$ 63,125</u>	<u>\$ 225,460</u>

CITY OF BOULDER, COLORADO

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

December 31, 2015

(Amounts in 000's)

Total governmental fund balances	\$	162,434
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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	930,531	
Accumulated depreciation - governmental funds	<u>(346,632)</u>	
Net book value of capital assets in governmental funds		583,899

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	(86,382)	
Police net pension liability	(2,140)	
Fire net pension liability	(862)	
Deferred inflows related to pensions: PERA	(18)	
Deferred outflows related to pensions:		
PERA	11,799	
"Old Hire" Police Defined Benefit Plan	978	
"Old Hire" Fire Defined Benefit Plan	<u>779</u>	(75,846)

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.	92,794
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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.	(137,829)
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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 unearned revenues in the governmental funds and thus are
not included in fund balance.

Intergovernmental revenues	<u>7,205</u>	<u>7,205</u>
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Net position of governmental activities	\$	<u><u>632,657</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, 2015

(Amounts in 000's)

	General Fund	Open Space & Mountain Parks Fund	Trans- portation Fund	Boulder Municipal Property Authority	Other Governmental Funds	Total Governmental Funds
Revenues:						
Taxes:						
Sales and use taxes	\$ 58,108	\$ 29,512	\$ 25,147	\$ -	\$ 18,556	\$ 131,323
General property taxes	28,394	-	-	-	2,452	30,846
Accommodation taxes	7,019	-	-	-	-	7,019
Franchise taxes	10,959	-	-	-	1,813	12,772
Specific ownership & tobacco taxes	2,109	-	-	-	-	2,109
Excise taxes	1,382	-	-	-	3,071	4,453
Charges for services	4,743	152	-	-	15,985	20,880
Sale of goods	83	-	34	-	1,152	1,269
Licenses, permits and fines	6,002	186	-	-	6,817	13,005
Intergovernmental	2,951	112	7,087	152	2,045	12,347
Leases, rents and royalties	290	249	160	1,597	1,844	4,140
Interest and investment earnings	288	167	101	8	263	827
Other	1,284	200	529	-	583	2,596
Total revenues	<u>123,612</u>	<u>30,578</u>	<u>33,058</u>	<u>1,757</u>	<u>54,581</u>	<u>243,586</u>
Expenditures:						
Current:						
General Government	12,265	-	-	40,710	102	53,077
Administrative Services	8,480	-	-	-	-	8,480
Public Safety	52,789	126	-	-	-	52,915
Public Works	5,901	-	35,225	-	4,988	46,114
Planning & Development Services	2,701	-	-	-	11,562	14,263
Culture and Recreation	13,462	-	-	-	19,503	32,965
Open Space and Mountain Parks	189	20,645	-	-	165	20,999
Housing and Human Services	9,517	-	-	-	13,762	23,279
Capital outlay	-	-	-	-	9,750	9,750
Debt service payments:						
Principal	2,995	3,530	-	1,451	2,166	10,142
Interest	2,171	850	-	180	65	3,266
Base rentals to Boulder Municipal Property Authority	-	1,701	-	-	-	1,701
Total expenditures	<u>110,470</u>	<u>26,852</u>	<u>35,225</u>	<u>42,341</u>	<u>62,063</u>	<u>276,951</u>
Excess (deficiency) of revenues over (under) expenditures	<u>13,142</u>	<u>3,726</u>	<u>(2,167)</u>	<u>(40,584)</u>	<u>(7,482)</u>	<u>(33,365)</u>
Other financing sources (uses):						
Sale of capital assets	-	756	1,214	-	-	1,970
Premium on bonds issued	-	-	-	561	-	561
Long-term loans issued	-	-	-	41,000	-	41,000
Transfers in	152	1,282	150	174	5,575	7,333
Transfers out	(9,812)	(12)	(279)	(161)	(32)	(10,296)
Total other financing sources (uses)	(9,660)	2,026	1,085	41,574	5,543	40,568
Net change in fund balances	3,482	5,752	(1,082)	990	(1,939)	7,203
Fund balances, beginning of year, as restated	<u>51,072</u>	<u>30,036</u>	<u>16,396</u>	<u>113</u>	<u>57,614</u>	<u>155,231</u>
Fund balances, end of year	<u>\$ 54,554</u>	<u>\$ 35,788</u>	<u>\$ 15,314</u>	<u>\$ 1,103</u>	<u>\$ 55,675</u>	<u>\$ 162,434</u>

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, 2015

(Amounts in 000's)

Net change in fund balances - total governmental funds	\$	7,203
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Amounts reported for governmental activities in the statement of activities
are different because:

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

Governmental Activities capital asset additions	70,681	
Governmental Activities capital asset deletions	(3,299)	
Internal Service Funds capital asset additions	(4,043)	
Internal Service Funds capital asset deletions	2,015	
Governmental Activities depreciation retirement	21	
Governmental Activities capital asset depreciation expense	<u>(10,816)</u>	54,559

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.

(30,672)

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>4,023</u>	4,023
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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		1,647
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Change in net position of governmental activities	\$	<u><u>36,760</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, 2015
(Amounts in 000's)

	<u>Budgeted amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>amounts</u>	<u>final budget -</u>
				<u>Positive</u>
				<u>(Negative)</u>
Revenues:				
Taxes:				
Sales and use taxes	\$ 54,634	\$ 56,134	\$ 58,108	\$ 1,974
General property taxes	29,162	29,162	28,394	(768)
Accommodations taxes	6,355	6,355	7,019	664
Franchise taxes	10,915	10,988	10,959	(29)
Specific ownership & tobacco taxes	1,734	1,734	2,109	375
Excise taxes	150	150	1,382	1,232
Charges for services	4,854	5,029	4,743	(286)
Sale of goods	92	108	83	(25)
Licenses, permits and fines	6,106	6,106	6,002	(104)
Intergovernmental	1,129	1,990	2,951	961
Leases, rents and royalties	177	258	290	32
Interest and investment earnings	398	398	418	20
Other	108	501	1,688	1,187
Total revenues	<u>115,814</u>	<u>118,913</u>	<u>124,146</u>	<u>5,233</u>
Expenditures:				
Current:				
General Government	23,253	27,218	9,587	17,631
Administrative Services	12,216	14,124	12,618	1,506
Public Safety	52,106	54,318	51,828	2,490
Public Works	5,836	6,706	6,128	578
Planning & Development Services	2,341	4,263	2,757	1,506
Culture and Recreation	12,869	14,493	13,473	1,020
Open Space and Mountain Parks	149	149	149	-
Housing and Human Services	9,129	14,052	8,993	5,059
Debt service payments:				
Principal	2,995	2,995	2,995	-
Interest	2,110	2,284	2,110	174
Total expenditures	<u>123,004</u>	<u>140,602</u>	<u>110,638</u>	<u>29,964</u>
Excess (deficiency) of revenues				
over (under) expenditures	<u>(7,190)</u>	<u>(21,689)</u>	<u>13,508</u>	<u>35,197</u>

(continued)

The accompanying notes are an integral part of this statement

	Budgeted amounts		Actual	Variance with
	<u>Original</u>	<u>Final</u>	<u>amounts</u>	final budget - Positive (Negative)
Other financing sources (uses):				
Transfers in	14,775	14,729	6,763	(7,966)
Transfers out	<u>(15,513)</u>	<u>(15,726)</u>	<u>(15,693)</u>	<u>33</u>
Total other financing sources (uses)	(738)	(997)	(8,930)	(7,933)
Net change in fund balance	\$ <u>(7,928)</u>	\$ <u>(22,686)</u>	4,578	\$ <u>27,264</u>
Encumbrances, end of year			1,495	
Fund balance, beginning of year, basis of budgeting			<u>52,676</u>	
Fund balance, end of year, basis of budgeting			58,749	
Basis of budgeting to GAAP basis reconciliation:				
Fair market value adjustment to investments			(68)	
Accrued salaries, wages and amounts withheld from employees			(2,894)	
Advances to other funds			210	
Advances from other funds			<u>(1,443)</u>	
Fund balance, end of year, GAAP basis			\$ <u>54,554</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, 2015

(Amounts in 000's)

	Budgeted amounts		Actual	Variance with
	<u>Original</u>	<u>Final</u>	<u>amounts</u>	final budget - Positive (Negative)
Revenues:				
Taxes:				
Sales and use taxes	\$ 28,468	\$ 28,468	\$ 29,512	\$ 1,044
Charges for services	129	129	152	23
Licenses, permits and fines	148	148	186	38
Intergovernmental	-	85	112	27
Leases, rents and royalties	105	105	249	144
Interest and investment earnings	101	101	240	139
Other	28	28	200	172
Total revenues	<u>28,979</u>	<u>29,064</u>	<u>30,651</u>	<u>1,587</u>
Expenditures:				
Current:				
Public Safety	87	87	126	(39)
Open Space and Mountain Parks	22,785	42,360	21,627	20,733
Debt service payments:				
Principal	3,160	3,530	3,530	-
Interest	637	850	850	-
Base rentals to Boulder Municipal Property				
Authority Debt Service Fund	1,701	1,701	1,701	-
Total expenditures	<u>28,370</u>	<u>48,528</u>	<u>27,834</u>	<u>20,694</u>
Excess (deficiency) of revenues over (under) expenditures	<u>609</u>	<u>(19,464)</u>	<u>2,817</u>	<u>22,281</u>
Other financing sources (uses):				
Sale of capital assets	-	-	756	756
Transfers in	1,302	1,282	1,282	-
Transfers out	(1,349)	(1,360)	(12)	1,348
Total other financing sources (uses)	<u>(47)</u>	<u>(78)</u>	<u>2,026</u>	<u>2,104</u>
Net change in fund balance	\$ <u>562</u>	\$ <u>(19,542)</u>	4,843	\$ <u>24,385</u>
Encumbrances, end of year			1,145	
Fund balance, beginning of year, basis of budgeting			<u>30,215</u>	
Fund balance, end of year, basis of budgeting			36,203	
Basis of budgeting to GAAP basis reconciliation:				
Fair market value adjustment to investments			(39)	
Accrued salaries, wages and amounts withheld from employees			<u>(376)</u>	
Fund balance, end of year, GAAP basis			\$ <u>35,788</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, 2015

(Amounts in 000's)

	<u>Budgeted amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>amounts</u>	<u>final budget -</u>
				<u>Positive</u>
				<u>(Negative)</u>
Revenues:				
Taxes:				
Sales and use taxes	\$ 23,934	\$ 23,934	\$ 25,147	\$ 1,213
Sale of goods	-	-	34	34
Intergovernmental	4,839	23,895	7,087	(16,808)
Leases, rents and royalties	103	103	160	57
Interest and investment earnings	28	28	144	116
Other	423	423	529	106
Total revenues	<u>29,327</u>	<u>48,383</u>	<u>33,101</u>	<u>(15,282)</u>
Expenditures:				
Current:				
Public Works	<u>28,723</u>	<u>59,587</u>	<u>46,505</u>	<u>13,082</u>
Total expenditures	<u>28,723</u>	<u>59,587</u>	<u>46,505</u>	<u>13,082</u>
Excess (deficiency) of revenues				
over (under) expenditures	<u>604</u>	<u>(11,204)</u>	<u>(13,404)</u>	<u>(2,200)</u>
Other financing sources (uses):				
Sales of capital assets	1,430	1,430	1,214	(216)
Transfers in	-	150	150	-
Transfers out	<u>(1,938)</u>	<u>(1,938)</u>	<u>(279)</u>	<u>1,659</u>
Total other financing sources (uses)	<u>(508)</u>	<u>(358)</u>	<u>1,085</u>	<u>1,443</u>
Net change in fund balance	\$ <u>96</u>	\$ <u>(11,562)</u>	(12,319)	\$ <u>(757)</u>
Encumbrances, end of year			11,316	
Fund balance, beginning of year, basis of budgeting			<u>16,574</u>	
Fund balance, end of year, basis of budgeting			15,571	
Basis of budgeting to GAAP basis reconciliation:				
Fair market value adjustment to investments			(21)	
Accrued salaries, wages and amounts				
withheld from employees			<u>(236)</u>	
Fund balance, end of year, GAAP basis			\$ <u>15,314</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, 2015

(Amounts in 000's)

	Budgeted amounts		Actual	Variance with
	<u>Original</u>	<u>Final</u>	<u>amounts</u>	final budget - Positive (Negative)
Revenues:				
Intergovernmental	\$ 161	\$ 161	\$ 161	\$ -
Leases, rents and royalties	1,701	1,701	1,701	-
Interest and investment earnings	-	-	4	4
Total revenues	<u>1,862</u>	<u>1,862</u>	<u>1,866</u>	<u>4</u>
Expenditures:				
Current:				
General Government	-	41,561	40,710	851
Debt service payments:				
Principal	1,451	1,451	1,451	-
Interest	<u>250</u>	<u>424</u>	<u>180</u>	<u>244</u>
Total expenditures	<u>1,701</u>	<u>43,436</u>	<u>42,341</u>	<u>1,095</u>
Excess (deficiency) of revenues over (under) expenditures	161	(41,574)	(40,475)	1,099
Other financing uses:				
Long-term refunding bonds issued	-	-	41,000	41,000
Premium on long-term refunding bonds issued	-	-	561	561
Transfers in	-	174	174	-
Transfers out	<u>(161)</u>	<u>(161)</u>	<u>(161)</u>	<u>-</u>
Total other financing sources (uses)	<u>(161)</u>	<u>13</u>	<u>41,574</u>	<u>41,561</u>
Net change in fund balance	\$ <u>-</u>	\$ <u>(41,561)</u>	1,099	\$ <u>42,660</u>
Encumbrances, end of year			-	
Fund balance, beginning of year, basis of budgeting			-	
Fund balance, end of year, basis of budgeting			<u>1,099</u>	
Basis of budgeting to GAAP basis reconciliation:				
Interest receivable on notes			<u>4</u>	
Fund balance, end of year, GAAP basis			\$ <u><u>1,103</u></u>	

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CITY OF BOULDER, COLORADO

Statement of Net Position

Proprietary Funds

December 31, 2015

(Amounts in 000's)

	Water Utility <u>Fund</u>	Wastewater Utility <u>Fund</u>	Stormwater and Flood Management <u>Fund</u>
Assets:			
Current assets:			
Equity in pooled cash and cash equivalents	\$ 631	\$ 2,324	\$ 3,722
Investments	34,598	13,832	11,001
Receivables:			
General property taxes	-	-	-
Accounts	555	401	13
Charges for services	1,482	1,484	920
Accrued interest	84	29	28
Intergovernmental	566	285	2,456
Total receivables	2,687	2,199	3,417
Advances to other funds	64	-	-
Inventory of materials and supplies	250	4	1
Other assets - prepaid expenses	-	-	-
Total current assets	38,230	18,359	18,141
Noncurrent assets:			
Advances to other funds	530	-	-
Restricted assets:			
Investments for bond reserves	2,102	680	2,316
Investments for capital projects	101	10,142	23,098
Total restricted assets	2,203	10,822	25,414
Capital assets:			
Land and easements	21,723	2,009	16,838
Buildings	1,399	2,339	775
Improvements other than buildings	179	417	990
Infrastructure	-	-	-
Utility plant in service	-	-	-
Undergrounds - drainage facilities	286,307	144,018	69,634
Vehicles	2,394	2,128	1,208
Machinery and equipment	2,340	1,259	345
	314,342	152,170	89,790
Less accumulated depreciation	(112,724)	(59,305)	(22,749)
	201,618	92,865	67,041
Construction in progress	7,596	3,110	9,887
Total capital assets, net of accumulated depreciation	209,214	95,975	76,928
Total noncurrent assets	211,947	106,797	102,342
Total assets	250,177	125,156	120,483
Deferred outflows of resources			
Deferred outflows	1,490	2,774	387
Total deferred outflow of resources	1,490	2,774	387
Total assets and deferred outflows of resources	\$ 251,667	\$ 127,930	\$ 120,870

The accompanying notes are an integral part of this statement.

<u>Downtown Commercial District</u>	<u>Nonmajor Enterprise Funds</u>	<u>Total Enterprise Funds</u>	<u>Governmental Activities - Internal Service Funds</u>
\$ 1,776	\$ 907	\$ 9,360	\$ 7,258
6,868	355	66,654	45,250
1,152	169	1,321	-
8	-	977	64
-	-	3,886	-
16	2	159	113
5	-	3,312	127
<u>1,181</u>	<u>171</u>	<u>9,655</u>	<u>304</u>
2	-	66	149
-	-	255	-
-	-	-	304
<u>9,827</u>	<u>1,433</u>	<u>85,990</u>	<u>53,265</u>
10	-	540	699
312	-	5,410	-
-	-	33,341	-
<u>312</u>	<u>-</u>	<u>38,751</u>	<u>-</u>
2,333	444	43,347	117
38,848	-	43,361	89,250
5,956	58	7,600	8,621
-	-	-	468
6	-	6	-
-	-	499,959	-
102	90	5,922	31,830
<u>1,404</u>	<u>247</u>	<u>5,595</u>	<u>10,883</u>
48,649	839	605,790	141,169
<u>(23,866)</u>	<u>(292)</u>	<u>(218,936)</u>	<u>(83,959)</u>
24,783	547	386,854	57,210
28	-	20,621	1,166
<u>24,811</u>	<u>547</u>	<u>407,475</u>	<u>58,376</u>
<u>25,133</u>	<u>547</u>	<u>446,766</u>	<u>59,075</u>
<u>34,960</u>	<u>1,980</u>	<u>532,756</u>	<u>112,340</u>
400	43	5,094	460
<u>400</u>	<u>43</u>	<u>5,094</u>	<u>460</u>
\$ <u>35,360</u>	\$ <u>2,023</u>	\$ <u>537,850</u>	\$ <u>112,800</u>

(continued)

CITY OF BOULDER, COLORADO

Statement of Net Position,
continuedProprietary Funds

December 31, 2015

(Amounts in 000's)

	Water Utility Fund	Wastewater Utility Fund	Stormwater and Flood Management Fund
Liabilities:			
Current liabilities:			
Accounts and accrued liabilities:			
Vouchers and accounts payable	\$ 1,227	\$ 997	\$ 517
Contracts and retainage payable	310	184	23
Accrued salaries, wages and amounts withheld from employees	275	195	97
Accrued interest	67	144	61
Accrued claims liability	-	-	-
Advances from other funds	-	-	-
Other liabilities	688	105	280
General obligation bonds payable	-	-	-
Revenue bonds payable	4,655	2,835	1,245
Capitalized lease obligations	-	-	-
Compensated absences payable	60	77	11
Total current liabilities	<u>7,282</u>	<u>4,537</u>	<u>2,234</u>
Noncurrent liabilities:			
Accounts and accrued liabilities:			
Accrued landfill cleanup liability	-	2,474	-
Accrued claims liability	-	-	-
Future water rights	1,127	-	-
Advances from other funds	-	-	-
General obligation bonds payable (net of premium)	-	-	-
Revenue bonds payable (net of premium)	15,581	44,146	22,832
Capitalized lease obligations	-	-	-
Compensated absences payable	473	321	99
Net pension liability	8,090	5,375	2,784
Retiree health care benefit	125	96	35
Total noncurrent liabilities	<u>25,396</u>	<u>52,412</u>	<u>25,750</u>
Total liabilities	<u>32,678</u>	<u>56,949</u>	<u>27,984</u>
Deferred inflows of resources	<u>2</u>	<u>1</u>	<u>1</u>
Net position:			
Net investment in capital assets	191,319	59,539	76,165
Restricted for:			
Legally restricted - emergency reserve	-	-	-
Capital projects	100	-	-
Unrestricted	<u>27,568</u>	<u>11,441</u>	<u>16,720</u>
Total net position	<u>\$ 218,987</u>	<u>\$ 70,980</u>	<u>\$ 92,885</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>
\$ 74	\$ 13	\$ 2,828	\$ 1,087
-	-	517	75
55	13	635	91
103	-	375	-
-	-	-	1,047
-	2	2	-
64	10	1,147	245
1,590	-	1,590	-
-	-	8,735	-
-	-	-	585
10	-	158	31
<u>1,896</u>	<u>38</u>	<u>15,987</u>	<u>3,161</u>
-	-	2,474	-
-	-	-	1,134
-	-	1,127	-
-	10	10	-
7,544	-	7,544	-
-	-	82,559	-
-	-	-	8,242
128	7	1,028	60
1,742	311	18,302	2,617
62	6	324	34
<u>9,476</u>	<u>334</u>	<u>113,368</u>	<u>12,087</u>
<u>11,372</u>	<u>372</u>	<u>129,355</u>	<u>15,248</u>
<u>1,152</u>	<u>169</u>	<u>1,325</u>	<u>-</u>
15,986	546	343,555	49,550
167	6	173	-
-	-	100	-
<u>6,683</u>	<u>930</u>	<u>63,342</u>	<u>48,002</u>
\$ <u>22,836</u>	\$ <u>1,482</u>	407,170	\$ <u>97,552</u>

Adjustment to reflect the consolidation
of internal service fund activities
related to enterprise funds 4,758
Net position of
business-type activities \$ 411,928

CITY OF BOULDER, COLORADO

Statement of Revenues, Expenses and Changes in Fund Net Position

Proprietary Funds

Year ended December 31, 2015

(Amounts in 000's)

	Water Utility Fund	Wastewater Utility Fund	Stormwater and Flood Management Fund
Operating revenues:			
Charges for services	\$ 28,747	\$ 19,304	\$ 10,227
Sale of goods	7	-	-
Total operating revenues	<u>28,754</u>	<u>19,304</u>	<u>10,227</u>
Operating expenses:			
Personnel	7,407	4,794	2,539
Non-personnel	8,333	4,997	3,373
Depreciation	4,544	2,867	1,019
Total operating expenses	<u>20,284</u>	<u>12,658</u>	<u>6,931</u>
Operating income (loss)	<u>8,470</u>	<u>6,646</u>	<u>3,296</u>
Nonoperating revenues (expenses):			
Interest and investment earnings	223	78	143
Leases, rents and royalties	59	-	-
Intergovernmental revenue	396	115	1,420
General property taxes	-	-	-
Specific ownership & tobacco taxes	-	-	-
Interest expense	(786)	(1,120)	(48)
Contribution expense - future water rights	(1,686)	-	-
Gain (loss) on disposition of capital assets	562	279	303
Other, net	21	-	16
Total nonoperating revenues (expenses)	<u>(1,211)</u>	<u>(648)</u>	<u>1,834</u>
Income before capital			
Income before capital contributions and transfers	7,259	5,998	5,130
Capital contributions	2,756	1,944	966
Transfers in	971	-	-
Transfers out	<u>(279)</u>	<u>(240)</u>	<u>(152)</u>
Changes in net position	<u>10,707</u>	<u>7,702</u>	<u>5,944</u>
Total net position, beginning of year, as restated	<u>208,280</u>	<u>63,278</u>	<u>86,941</u>
Total net position, end of year	\$ <u>218,987</u>	\$ <u>70,980</u>	\$ <u>92,885</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>
\$ 5,798	\$ 157	\$ 64,233	\$ 18,536
-	-	7	113
<u>5,798</u>	<u>157</u>	<u>64,240</u>	<u>18,649</u>
1,515	257	16,512	2,361
3,202	331	20,236	9,102
<u>1,531</u>	<u>30</u>	<u>9,991</u>	<u>6,260</u>
<u>6,248</u>	<u>618</u>	<u>46,739</u>	<u>17,723</u>
<u>(450)</u>	<u>(461)</u>	<u>17,501</u>	<u>926</u>
38	4	486	270
261	-	320	140
-	-	1,931	35
1,100	78	1,178	-
65	4	69	-
(233)	-	(2,187)	(276)
-	-	(1,686)	-
-	-	1,144	343
8	-	45	274
<u>1,239</u>	<u>86</u>	<u>1,300</u>	<u>786</u>
789	(375)	18,801	1,712
-	-	5,666	124
1,661	749	3,381	372
<u>-</u>	<u>-</u>	<u>(671)</u>	<u>(119)</u>
<u>2,450</u>	<u>374</u>	<u>27,177</u>	<u>2,089</u>
<u>20,386</u>	<u>1,108</u>		<u>95,463</u>
\$ <u><u>22,836</u></u>	\$ <u><u>1,482</u></u>		\$ <u><u>97,552</u></u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds		<u>442</u>	
Change in net position of business-type activities		\$ <u><u>27,619</u></u>	

CITY OF BOULDER, COLORADO

Statement of Cash Flows

Proprietary Funds

Year ended December 31, 2015

(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	\$ 28,311	\$ 18,696	\$ 10,040
Receipts from interfund services provided	-	-	-
Other receipts	26		16
Other payments	-	(18)	-
Refundable deposits receipts (payments)	-	-	-
Payments to suppliers	(7,805)	(4,409)	(2,926)
Payments to employees	(7,236)	(4,688)	(2,378)
Payment for interfund services used	-	-	-
Net cash provided by operating activities	<u>13,296</u>	<u>9,581</u>	<u>4,752</u>
Cash flows from noncapital financing activities:			
Payments from other funds			
on due from (due to) balances	177	46	-
Payments to other funds			
on due from (due to) balances		-	(30)
Payments from other funds on advances		-	-
Payments to other funds on advances	61	-	-
Leases, rents and royalties	59	-	-
Intergovernmental revenue	396	115	1,420
General property taxes	-	-	-
Specific ownership & tobacco taxes	-	-	-
Transfers in	971	-	-
Transfers out	(279)	(239)	(152)
Net cash provided (used) by noncapital financing activities	<u>1,385</u>	<u>(78)</u>	<u>1,238</u>
Cash flows from capital and related financing activities:			
Acquisition and construction of capital assets	(8,817)	(3,025)	(2,692)
Proceeds from sale or transfer of property and equipment	609	279	303
Contractual payment - future water rights	(2,250)	-	-
Long-term bonds issued	-	10,075	22,845
Principal paid on notes payable, bonds payable and capitalized lease obligations	(4,291)	(2,565)	
Interest paid on notes payable, bonds payable, and capitalized lease obligations	(1,165)	(1,421)	(495)
Other	-	-	
Capital contributions	<u>2,693</u>	<u>1,626</u>	<u>2,675</u>
Net cash (used) for capital related financing activities	<u>(13,221)</u>	<u>4,969</u>	<u>22,636</u>

The accompanying notes are an integral part of this statement.

Downtown Commercial <u>District</u>	Nonmajor Enterprise <u>Funds</u>	Total Enterprise <u>Funds</u>	Governmental Activities Internal Service <u>Funds</u>
\$ 5,790	\$ 157	\$ 62,994	\$ 11,599
-	-	-	6,893
44	-	86	377
-	2	(16)	-
-	-	-	(3)
(3,198)	(318)	(18,656)	(9,661)
(1,621)	(277)	(16,200)	(1,793)
-	-	-	(1)
<u>1,015</u>	<u>(436)</u>	<u>28,208</u>	<u>7,411</u>
3	-	226	(384)
-	-	(30)	(19)
2	-	2	293
-	(3)	58	-
261	-	320	140
-	-	1,931	(66)
1,100	79	1,179	-
65	4	69	-
1,661	749	3,381	372
-	-	(670)	(95)
<u>3,092</u>	<u>829</u>	<u>6,466</u>	<u>241</u>
(435)	(7)	(14,976)	(3,479)
-	-	1,191	649
-	-	(2,250)	-
-	-	32,920	-
(1,181)	-	(8,037)	(547)
(508)	-	(3,589)	(330)
-	-	-	10
-	-	6,994	124
<u>(2,124)</u>	<u>(7)</u>	<u>12,253</u>	<u>(3,573)</u>

(continued)

CITY OF BOULDER, COLORADO

Statement of Cash Flows,
continued

Proprietary Funds

Year ended December 31, 2015

(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	\$ (3,473)	\$ (15,649)	\$ (27,261)
Proceeds from sale and maturities of investment securities	833	2,853	1,678
Interest on investments	<u>208</u>	<u>73</u>	<u>138</u>
Net cash provided (used) in investing activities	<u>(2,432)</u>	<u>(12,723)</u>	<u>(25,445)</u>
Net increase (decrease) in cash and cash equivalents	(972)	1,749	3,181
Cash and cash equivalents, January 1	<u>1,603</u>	<u>575</u>	<u>541</u>
Cash and cash equivalents, December 31	\$ <u><u>631</u></u>	\$ <u><u>2,324</u></u>	\$ <u><u>3,722</u></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>
\$ (2,639)	\$ (151)	\$ (49,173)	\$ (16,632)
2,069	626	8,059	17,200
<u>35</u>	<u>4</u>	<u>458</u>	<u>250</u>
<u>(535)</u>	<u>479</u>	<u>(40,656)</u>	<u>818</u>
1,448	865	6,271	4,897
<u>328</u>	<u>42</u>	<u>3,089</u>	<u>2,361</u>
\$ <u><u>1,776</u></u>	\$ <u><u>907</u></u>	\$ <u><u>9,360</u></u>	\$ <u><u>7,258</u></u>

(continued)

CITY OF BOULDER, COLORADO

Statement of Cash Flows,
continuedProprietary Funds

Year ended December 31, 2015

(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)	\$ 8,470	\$ 6,646	\$ 3,296
Adjustments to reconcile net operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	4,544	2,867	1,019
Other nonoperating revenues (expenses)	21	(18)	16
Change in assets and liabilities:			
(Increase) decrease in assets:			
Accounts receivable	-	-	-
Charges for services receivable	(436)	(608)	(187)
Intergovernmental receivables	-	-	-
Inventory of materials and supplies	(26)	-	-
Other assets - prepaid expenses	-	-	-
Increase (decrease) in liabilities:			
Vouchers and accounts payable	554	588	424
Accrued salaries, wages and amounts withheld from employees	-	31	30
Accrued claims liability	-	-	-
Other liabilities	(2)	-	-
Other liabilities - refundable deposits	-	-	-
Pension Liability	213	141	74
Contracts and retainage payable	-	-	23
Compensated absences	(60)	(79)	52
Retiree health care benefit	18	13	5
Total adjustments	4,826	2,935	1,456
Net cash provided by operating activities	\$ 13,296	\$ 9,581	\$ 4,752
Noncash investing, capital and financing activities:			
Assets acquired through:			
Capital contributions:			
From governmental funds	\$ -	\$ -	\$ -
Other	491	523	131
Financed through accounts, contracts and retainage payable	476	164	108
Amortization of bond premium	-	-	-
Increase (decrease) in fair value of investments	(83)	-	-
	\$ 884	\$ 687	\$ 239

The accompanying notes are an integral part of this statement.

Downtown Commercial District	Nonmajor Enterprise Funds	Total Enterprise Funds	Governmental Activities Internal Service Funds
\$ (450)	\$ (461)	\$ 17,501	\$ 926
1,531	30	9,991	6,260
-	2	21	171
-	-	-	(59)
-	-	(1,231)	-
-	-	-	15
-	-	(26)	-
-	-	-	(260)
4	5	1,575	(236)
8	6	75	-
-	-	-	95
36	-	34	44
-	-	-	430
(116)	8	320	(3)
-	-	23	-
(8)	(27)	(122)	22
10	1	47	6
<u>1,465</u>	<u>25</u>	<u>10,707</u>	<u>6,485</u>
\$ <u>1,015</u>	\$ <u>(436)</u>	\$ <u>28,208</u>	\$ <u>7,411</u>
\$ -	\$ -	\$ -	\$ 124
-	-	1,145	-
-	-	748	-
-	-	-	569
<u>-</u>	<u>-</u>	<u>(83)</u>	<u>(109)</u>
\$ <u>-</u>	\$ <u>-</u>	\$ <u>1,810</u>	\$ <u>584</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, 2015

(Amounts in 000's)

Assets:

Equity in pooled cash and cash equivalents	\$	102
Investments:		
U.S. Treasuries		303
U.S. Agencies & Instrumentalities		530
Time Deposits		9,521
Mutual Funds		5,523
Equity Securities		4,294
Local Government Investment Pools		244
Money Market Funds		310
Real Estate Investment Trust		749
Corporate Bonds		101
Other		672
Receivables:		
Accrued interest		12
Total assets		<u>22,361</u>

Liabilities:

Accounts and accrued liabilities:		
Vouchers and accounts payable		2
Accrued pensions payable		<u>87</u>
Net position restricted for pensions	\$	<u><u>22,272</u></u>

The accompanying notes are an integral part of this statement.

CITY OF BOULDER, COLORADO

Statement of Changes in Fiduciary Net Position

Pension Trust Funds

Year ended December 31, 2015

(Amounts in 000's)

Additions:

Pension contributions:

City of Boulder	\$	<u>368</u>
Total contributions		<u>368</u>

Investment earnings (loss)	(338)
Less investment expense	<u>(74)</u>
Net investment earnings	<u>(412)</u>

Total additions	<u>(44)</u>
-----------------	-------------

Deductions:

Benefits	2,551
Administrative	<u>27</u>
Total deductions	<u>2,578</u>

Net (decrease) in net position	(2,622)
--------------------------------	---------

Net position restricted for
pensions:

Beginning of year	<u>24,894</u>
End of year	\$ <u><u>22,272</u></u>

The accompanying notes are an integral part of this statement.

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NOTES TO THE FINANCIAL STATEMENTS

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2015

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City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2015

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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2015

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, 2015

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. *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, 2015

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. All other revenue items are considered to be measurable and available only when cash is received by the government.

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, 2015

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

The City reports the following major enterprise funds:

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

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

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

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

Additionally, the City reports the following fund types:

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2015

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

4. Budgets

Budgets are adopted on a budgetary basis as described in Note C. The City budgets revenues and expenditures/expenses for all funds except Fiduciary Funds and the Gifts and Contributions Fund. Pension Trust Fiduciary Funds each have an independent board, which review all expense, refund, disability and investment transactions. The Gifts and Contributions Fund does not have an adopted budget as control over expenditures is provided by the Library Foundation. All annual appropriations lapse at year ended December 31, 2015.

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, 2015

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4. Budgets (Continued)

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

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

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

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

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

6. Investments

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2015

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 in accordance with GASB Statement No. 31 using quoted market prices. Short-term investments are reported at cost, which approximates fair value. Pension fund real estate investments are stated at an estimated market value using an annual external appraisal service hired by the real estate company's management team. Other pension fund investments for which market quotations are not readily available are valued at their fair values as determined by the custodian with the assistance of a valuation service. The City authorizes the purchase and sale of investments, except for those held in the Pension Trust funds, which are controlled by the Fire and Police Pension Boards as trustees.

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2015

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

7. Interfund Receivables/Payables

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

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

8. Inventories

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

9. Restricted Assets

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

10. Capital Assets

All capital assets, including “Public Domain” infrastructure capital assets such as bridges, streets and sidewalks are reported in the applicable governmental or business-type activities columns in the government-wide and proprietary fund financial statements. Capital assets are defined as assets with an initial, individual cost of more than \$5,000 (\$50,000 for infrastructure) and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost. Donated assets are valued at fair 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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2015

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

10. Capital Assets (Continued)

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets, net of any related interest income, is included as part of the capitalized value of the assets constructed for business-type activities. Interest capitalized in 2015 totaled \$563,977.

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

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, 2015

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

12. Deferred Outflows/Inflows of Resources (Continued)

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

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

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

13. Long-Term Obligations

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2015

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.

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, taking into account 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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2015

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

those assets. Net investment in capital assets, excludes unspent bond proceeds. Unspent bond proceeds as of December 31, 2015 totaled \$40,617,191 consisting of \$10,141,839 for the Wastewater Utility Fund, \$23,097,971 for the Stormwater and Flood Management Fund, \$4,576,818 for Open Space Acquisition, \$2,002,576 for Capital Bond Proceeds and \$797,987 from Certificates of Participation.

15. Restatement of Net Position

For the year ended December 31, 2015, the City adopted the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions an amendment of GASB Statement No. 27* (GASB No. 68) and the related GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date an amendment of GASB Statement No. 68*, which are effective for financial statements for periods beginning after June 15, 2014. GASB No. 68 revises and establishes new financial reporting requirements for most governments that provide their employees with pension benefits. GASB No. 68 requires cost-sharing employers participating in the PERA program to record their proportionate share, as defined in GASB No. 68, of PERA's unfunded liability. Single employer plans, such as the City of Boulder Old Hire Police Defined Benefit Plan and the City of Boulder Old Hire Fire Defined Benefit Plan, GASB No. 68 requires the full unfunded liability to be recognized.

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

The City also restated beginning net position as a result of classifying the Boulder Municipal Property Authority (BMPA) component unit as a Special Revenue Fund and as a governmental activity as of January 1, 2015. The BMPA fund was previously reported as a non-major business- type activity. During 2015, further analysis was performed by the City and the final conclusion was to apply GASB Statement No. 61 which goes into greater detail on the correct reporting requirements of a component unit. Statement No. 61 modified certain requirements for inclusion of component units in the financial reporting entity. This restated the beginning governmental activities net position by increasing the amount as of January 1, 2015, by \$17,354,000 and decreased the business activities net position by the same amount.

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2015

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

15. Restatement of Net Position (Continued)

In addition, the City during 2015 made the determination certain construction in progress assets reported in 2014 should have been classified as repairs and maintenance which is an expense and not a capital asset. This restated the beginning net position of governmental activities by decreasing the amount as of January 1, 2015, by \$5,033. This also restated the beginning net position of business-type activities by decreasing the amount as of January 1, 2015, by \$1,203. The details of these adjustments are as follows (amounts in 000's):

<u>Government-Wide Statements</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Beginning Net Position, as previously reported at January 1, 2015	\$ 668,256	\$ 418,188
Business-type activities now presented as governmental activities	17,354	(17,354)
GASB Statement No. 68 & 71 Implementation:		
Deferred Outflows of Resources - City contributions related to PERA made January 1, 2014 through December 31, 2014	6,923	1,418
Eliminate net prepaid pension obligation for the Old Hire Police and Old Hire Fire plans	(8,839)	-
PERA - Net pension liability, at December 31, 2014 (measurement date)	(81,629)	(16,740)
Old Hire Fire - Net pension liability, at December 31, 2014 (measurement date)	(9)	-
Old Hire Police - Net pension liability, at December 31, 2014 (measurement date)	(1,126)	-
Construction in progress correction	<u>(5,033)</u>	<u>(1,203)</u>
Net Position, January 1, 2015, as restated	<u>\$ 595,897</u>	<u>\$ 384,309</u>

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2015

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

15. Restatement of Net Position (Continued)

The impact of the restatements on the Fund Balance / Net Position of the individual funds have been restated as noted below:

<u>Governmental Fund Statements</u>	<u>Boulder Municipal Property Authority</u>	<u>Total Governmental Funds</u>
Beginning Fund Balance, as previously reported at January 1, 2015	\$ -	\$ 155,118
Business-type activities now presented as a governmental fund	<u>113</u>	<u>113</u>
Fund Balance, January 1, 2015, as restated	<u><u>\$ 113</u></u>	<u><u>\$ 155,231</u></u>

<u>Enterprise Fund Statements</u>	<u>Water Utility Fund</u>	<u>Wastewater Utility Fund</u>	<u>Stormwater and Flood Management Fund</u>	<u>Downtown Commercial District</u>
Beginning Net Position, as previously reported at January 1, 2015	\$ 216,033	\$ 67,888	\$ 89,385	\$ 21,844
Business-type activities now presented as governmental activities	-	-	-	-
GASB Statement No. 68 & 71 Implementation:				
Deferred Outflows of Resources - City contributions related to PERA made January 1, 2014 through December 31, 2014	627	416	216	135
PERA - Net pension liability, at December 31, 2014 (measurement date)	(7,401)	(4,916)	(2,546)	(1,593)
Construction in progress correction	<u>(979)</u>	<u>(110)</u>	<u>(114)</u>	<u>-</u>
Net Position, January 1, 2015, as restated	<u><u>\$ 208,280</u></u>	<u><u>\$ 63,278</u></u>	<u><u>\$ 86,941</u></u>	<u><u>\$ 20,386</u></u>

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2015

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

15. Restatement of Net Position (Continued)

<u>Enterprise Fund Statements (continued)</u>	<u>Boulder Municipal Property Authority</u>	<u>University Hill Commercial District</u>	<u>Boulder Junction Access GID - Parking</u>	<u>Total Enterprise Funds</u>
Beginning Net Position, as previously reported at January 1, 2015	\$ 17,354	\$ 1,334	\$ 34	\$ 413,872
Business-type activities now presented as governmental activities	(17,354)	-	-	(17,354)
GASB Statement No. 68 & 71 Implementation:				
Deferred Outflows of Resources - City contributions related to PERA made January 1, 2014 through December 31, 2014	-	24	-	1,418
PERA - Net pension liability, at December 31, 2014 (measurement date)	-	(284)	-	(16,740)
Construction in progress correction	-	-	-	(1,203)
Net Position, January 1, 2015, as restated	<u>\$ -</u>	<u>\$ 1,074</u>	<u>\$ 34</u>	<u>\$ 379,993</u>

<u>Internal Service Fund Statements</u>	<u>Telecom- munications Fund</u>	<u>Property and Casualty Insurance Fund</u>	<u>Workers' Compensation Insurance Fund</u>	<u>Compensated Absences Fund</u>
Beginning Net Position, as previously reported at January 1, 2015	\$ 2,868	\$ 5,666	\$ 1,722	\$ 1,545
GASB Statement No. 68 & 71 Implementation:				
Deferred Outflows of Resources - City contributions related to PERA made January 1, 2014 through December 31, 2014	14	38	6	48
PERA - Net pension liability, at December 31, 2014 (measurement date)	<u>(158)</u>	<u>(446)</u>	<u>(74)</u>	<u>(563)</u>
Net Position, January 1, 2015, as restated	<u>\$ 2,724</u>	<u>\$ 5,258</u>	<u>\$ 1,654</u>	<u>\$ 1,030</u>

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2015

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

15. Restatement of Net Position (Continued)

Internal Service Fund Statements (continued)	Fleet Fund	Computer Replacement Fund	Equipment Replacement Fund	Facility Renovation & Replacement Fund	Total Internal Service Funds
Beginning Net Position, as previously reported at January 1, 2015	\$ 31,059	\$ 8,767	\$ 5,587	\$ 40,436	\$ 97,650
GASB Statement No. 68 & 71 Implementation:					
Deferred Outflows of Resources - City contributions related to PERA made January 1, 2014 through December 31, 2014	88	1	2	6	203
PERA - Net pension liability, at December 31, 2014 (measurement date)	(1,044)	(8)	(26)	(71)	(2,390)
Net Position, January 1, 2015, as restated	<u>\$ 30,103</u>	<u>\$ 8,760</u>	<u>\$ 5,563</u>	<u>\$ 40,371</u>	<u>\$ 95,463</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):

	Governmental Fund Capital Assets	Internal Service Fund Capital Assets	Total Capital Assets - Governmental Activities
Land and easements	\$ 306,883	\$ 117	\$ 307,000
Buildings	38,666	89,250	\$ 127,916
Improvements other than buildings	75,727	8,621	\$ 84,348
Infrastructure	410,254	468	\$ 410,722
Machinery, equipment and vehicles	6,202	42,713	\$ 48,915
Construction-in-progress	92,799	1,166	\$ 93,965
Total capital assets	930,531	142,335	1,072,866
Less accumulated depreciation	(346,632)	(83,959)	(430,591)
Capital assets, net	<u>\$ 583,899</u>	<u>\$ 58,376</u>	<u>\$ 642,275</u>

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2015

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

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

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

General obligation bonds	\$ 70,793
Taxable obligation bonds	7,443
Certificates of participation - COPs	41,561
Lease Purchase revenue notes	5,727
Capital Lease, excluding internal service funds	10
Compensated absences, excluding internal service funds of resources	9,185
Deferred Outflows of resources related to losses on refundings	(68)
Retiree health care benefits payable, excluding internal service funds	2,127
Interest payable, excluding internal service funds	1,051
Governmental fund long-term liabilities	<u>\$ 137,829</u>

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

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

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2015

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

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

The details of the \$30,672 decrease from changes in the treatment of long-term debt and related items are as follow (amounts in 000's):

Debt issued or incurred:	
Issuance of Certificates of Participation (COPs)	\$ (41,000)
Premiums received on new issuances	(561)
Increase in compensated absences	(8,249)
Increase in retiree health care benefit	(580)
Increase in net pension liability:	
PERA	(2,277)
"Old Hire" Police Defined Benefit Plan	(36)
"Old Hire" Fire Defined Benefit Plan	(74)
Total debt issued or incurred	<u>(52,777)</u>
Principal repayments or reductions	
Repayments	10,142
Amortization of debt premium	532
Bond Payments	<u>10,674</u>
Decrease in compensated absences, excluding Internal Service Funds	11,472
Decrease in retiree health care benefit, excluding Internal Service Funds	273
Total principal repayments or reductions	<u>22,419</u>
Other long term liabilities	
Change in accrued interest payable	(252)
Amortization of deferred loss on refunding	(62)
Total other related items	<u>(314)</u>
Net adjustment to increase net changes in fund balances – total governmental funds to arrive at changes in net position of governmental activities – debt and related items	<u><u>\$ (30,672)</u></u>

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2015

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:

- 1) \$13,484,653 increase from fund balance and additional revenue in the Affordable Housing Fund for opportunity funds for the City to enter into funding agreements with community partners for the development of affordable housing units.
- 2) \$1,000,000 increase from additional revenue in the Transportation Fund to appropriate Transportation Improvement Program Funds for the Broadway Reconstruction: Violet to US 36 project that reconnects the existing roadway.

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.

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2015

NOTE D – LEGAL COMPLIANCE – TABOR

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

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

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

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

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2015

NOTE D – LEGAL COMPLIANCE – TABOR (CONTINUED)

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, 2015, the City believes it was in compliance with TABOR (see Note L).

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2015

NOTE E – DEPOSITS AND INVESTMENTS

At December 31, 2015, the City had the following in cash and investments (in 000's):

Cash and deposits	\$ 26,989
Investments	<u>324,767</u>
Total	<u><u>\$ 351,756</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	\$ 26,887
Investments	254,282
Restricted investments	<u>48,238</u>
	<u>329,407</u>
<i>Fiduciary Fund Investments</i>	
Equity in pooled cash and cash equivalents	102
Investments	<u>22,247</u>
	<u>22,349</u>
Total	<u><u>\$ 351,756</u></u>

Deposits

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

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2015

NOTE E – DEPOSITS AND INVESTMENTS (CONTINUED)

At December 31, 2015, the City had cash on hand of \$25,543. In addition, at December 31, 2015, the carrying amount of the City's deposits at JPMorgan Chase was \$26,925,308 while the bank statement balance was \$28,909,861. On November 9, 2010, the FDIC issued a final rule to implement Section 343 of the Dodd-Frank Wall Street Reform and Consumer Protection Act that provided temporary unlimited deposit insurance coverage for noninterest-bearing transaction accounts at all FDIC insured depository institutions. The insurance coverage went into effect on December 31, 2010, and expired on December 31, 2012, leaving \$250,000 of the City's operating accounts under FDIC coverage and \$28,659,861 properly collateralized under the Public Deposit Protection Act.

Investments – Citywide (excludes Fiduciary Funds)

As of December 31, 2015, the City had the following investments:

Investment Type	Fair Value (000's)
Local Government	
Investment Pools	\$ 24,596
U.S. Treasuries	85,671
U.S. Instrumentalities	183,166
Time Deposits	<u>9,087</u>
Total	<u>\$ 302,520</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, 2015

NOTE E – DEPOSITS AND INVESTMENTS (CONTINUED)

Investments – Citywide (excludes Fiduciary Funds) (Continued)

As of December 31, 2015, the City held investments with the following credit ratings:

Issuer	Fair Value (000's)	Ratings	
		Standard & Poors	Moody's
U.S. Instrumentalities			
FHLB	\$ 55,798	AA+	Aaa
FNMA	49,494	AA+	Aaa
FFCB	25,348	AA+	Aaa
FHLMC	52,526	AA+	Aaa
Local Government Investment Pools	24,596	AAAm	N/A

Interest Rate Risk – Investments. For investments, this is the risk that changes in interest rates will adversely affect fair market values. In accordance with Title 2, Chapter 10 of the Boulder Revised Code (1981) the weighted average maturity of the City's portfolio shall at no time exceed five years. As of December 31, 2015, the weighted average maturity of the City's pooled investment portfolio was 1.50 years as detailed in the following chart:

Investment Type	Fair Value (000's)	Weighted Average Maturity (years)
U.S. Treasuries	\$ 85,671	1.69
FHLB	55,798	1.48
FNMA	49,494	2.10
FFCB	25,348	1.20
FHLMC	52,526	1.69
Time Deposits	9,087	0.32
Local Government Investment Pools	24,596	0.00
Total fair value	<u>\$ 302,520</u>	
Portfolio weighted average maturity		<u>1.50</u>

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

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2015

NOTE E – DEPOSITS AND INVESTMENTS (CONTINUED)

Investments – Citywide (excludes Fiduciary Funds) (Continued)

As of December 31, 2015, the City is invested in Colorado Government Liquid Asset Trust Plus (COLOTRUST Plus), Colorado Government Liquid Asset Trust Prime (COLOTRUST Prime) and the Colorado Surplus Asset Fund Trust (CSAFE), investment vehicles established for local government entities in Colorado to pool surplus funds. The pools are regulated by the Colorado Securities Commissioner. These pools operate similar to a money market fund and each share is equal in value to \$1.00. Investments of the pools consist of U.S. Treasury bills, notes and note strips, commercial paper allowed by state statute and repurchase agreements collateralized by U.S. Treasury securities and or U.S. Instrumentalities. A designated custodial bank provides safekeeping and depository services to the pools in connection with the direct investment and withdrawal functions of the pools. Securities owned by the pools are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian's internal records identify the investments owned by the specific pool.

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

Concentration of Credit Risk – Investments. Concentration of credit risk is the risk of loss attributed to the concentration of the City's investment in a single issuer. The Boulder Revised Code does not specifically address concentration of credit risk. 5% or more of the City's investments were held by the following issuers as of December 31, 2015:

Issuer	Fair Market Value (in 000's)	Percentage of Total Portfolio
Federal Home Loan Bank	\$ 55,798	18%
Federal Farm Credit Bureau	25,348	8%
Federal National Mortgage Association	49,494	16%
Federal Home Loan Mortgage Corporation	52,526	17%

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2015

NOTE E – DEPOSITS AND INVESTMENTS (CONTINUED)

Investments – Fiduciary Funds

As of December 31, 2015, the Police and Fire Pension Funds had the following investments:

Investment Type	Fair Value (in 000's)	Maturities in Years				
		<1	1-2	3-5	5-10	>10
Local Government						
Investment Pools	\$ 2	\$ 2	\$ -	\$ -	\$ -	\$ -
U.S. Treasuries	283	5	8	7	99	164
U.S. Instrumentalities and Agencies	547	15	16	314	202	-
Time Deposits	3	3	-	-	-	-
Corporate Bonds	101	101	-	-	-	-
Subtotal	\$ 936	\$ 126	\$ 24	\$ 321	\$ 301	\$ 164
Money Market Funds	553					
Mutual Funds	15,044					
Equities	4,293					
Real Estate Investment Trust	749					
Other	672					
Total	\$ 22,247					

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

At December 31, 2015 the pension funds held investments with credit ratings as follows:

Issuer	Fair Value (000's)	Ratings	
		Standard & Poors	Moody's
Local Government			
Investment Pools	\$ 2	AAAm	N/A
U.S. Instrumentalities and Agencies	547	AA+	Aaa
Time Deposits	2	AA+	Aaa
Corporate Bond – JPMorgan Chase	101	A	A3

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2015

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, 2015, no single issuer held more than 10% of either pension fund’s portfolio.

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

Asset Allocation	Lower Limit	Strategic Allocation	Upper Limit
Domestic Large Cap	19%	31%	35%
Domestic Small Cap Core	1%	4%	7%
International Equity	9%	12%	15%
Emerging Markets	0%	4%	6%
Domestic Fixed Income	24%	27%	30%
Floating Rate Corporate Loans	6%	9%	12%
High Yield	0%	3%	6%
Real Estate	2%	5%	8%
Commodities	2%	5%	8%

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2015

NOTE E – DEPOSITS AND INVESTMENTS (CONTINUED)

Investments – Fiduciary Funds (Continued)

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

Asset Allocation	Lower Limit	Strategic Allocation	Upper Limit
Domestic Large Cap	25%	28%	31%
Domestic Mid Cap	2.5%	5.5%	8.5%
Domestic Small Cap	2.5%	5.5%	8.5%
International Equity	10%	13%	16%
Emerging Markets	1%	4%	7%
Domestic Fixed Income	24%	27%	30%
Floating Rate Corporate Loans	5%	8%	11%
High Yield	1%	4%	7%
Commodities	2%	5%	8%

At December 31, 2015 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	\$ 1,051	8%
Fidelity Total Bond Fund	944	8%
Artisan International Fund	750	6%
Brandes International Equity Fund	705	6%
Principal US Property Separate Account real estate	749	6%

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2015

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	\$ 843	9%
Fidelity Total Bond Fund	1,338	14%
Metropolitan West Mutual Fund	1,352	14%
Artisan International Fund	693	7%
Artisan Mid Cap Equity Fund	492	5%
Brandes International Equity Fund	643	7%
Diamond Hill Small Cap Mutual Fund	470	5%
Dodge & Cox Stock Fund	812	8%
Harbor Cap Appreciation Fund	842	9%
Vanguard 500 Index Fund	836	9%

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 of the pension securities, with the exception of the Principal RESA account, are held by the Fund's third party custodian, Charles Schwab Institution, in the pension's name.

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

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

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2015

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 2015 for collection in 2016 of \$34,671,000 in the General Fund, \$85,000 in the Special Revenue Funds, \$2,816,000 in the Capital Projects Funds and \$1,321,000 in the Enterprise Funds, are included in receivables and deferred inflows at December 31, 2015. These taxes are classified as deferred inflows since they are not normally available to the City until mid-2016 and are budgeted for in 2016.

NOTE G – NOTES RECEIVABLE

The December 31, 2015 balance in “notes receivable” includes one short-term note receivable. The following summarizes the notes receivable and the amounts due within one year (amounts in 000’s):

Type of note receivable	Governmental Activities		Business-type Activities	
	Current	Noncurrent	Current	Noncurrent
Land Sale to Boulder County	\$ 153	\$ -	\$ -	\$ -

NOTE H – 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, 2015, no allowance for doubtful accounts was recognized.

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2015

NOTE H – OTHER RECEIVABLES (CONTINUED)

The December 31, 2015, balance in “other receivables” contains the following detail (amounts in 000’s):

Type of Note Receivable	Governmental Activities	Business-type Activities	Total
Accounts	\$ 1,823	\$ 977	\$ 2,800
Charges for services	-	3,886	3,886
Accrued interest	455	159	614
Intergovernmental	8,302	3,312	11,614
Other	9	-	9
	<u>\$ 10,589</u>	<u>\$ 8,334</u>	<u>\$ 18,923</u>

NOTE I – CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2015, was as follows (amounts in 000’s):

Governmental Activities:

	Beginning Balance *	Increases	Transfers	Decreases	Ending Balance
Capital assets not being depreciated:					
Land and easements	\$ 303,818	\$ 4,373	\$ -	\$ (1,191)	\$ 307,000
Construction in progress	55,561	57,920	(19,408)	(108)	93,965
Total capital assets, not being depreciated, net	<u>359,379</u>	<u>62,293</u>	<u>(19,408)</u>	<u>(1,299)</u>	<u>400,965</u>
Capital assets being depreciated:					
Buildings	121,031	2,442	4,487	(44)	127,916
Improvements other than buildings	73,088	1,128	10,180	(48)	84,348
Infrastructure	404,248	2,109	4,365	-	410,722
Machinery and equipment	47,738	2,709	376	(1,908)	48,915
Total capital assets, being depreciated	<u>646,105</u>	<u>8,388</u>	<u>19,408</u>	<u>(2,000)</u>	<u>671,901</u>
Less accumulated depreciation for:					
Buildings	63,007	3,791	-	(2)	66,796
Improvements other than buildings	30,657	3,389	-	(18)	34,028
Infrastructure	295,634	6,266	-	-	301,900
Machinery and equipment	25,883	3,628	-	(1,644)	27,867
Total accumulated depreciation	<u>415,181</u>	<u>17,074</u>	<u>-</u>	<u>(1,664)</u>	<u>430,591</u>
Total capital assets, being depreciated, net	<u>230,924</u>	<u>(8,686)</u>	<u>19,408</u>	<u>(336)</u>	<u>241,310</u>
Governmental activities capital assets, net	<u>\$ 590,303</u>	<u>\$ 53,607</u>	<u>\$ -</u>	<u>\$ (1,635)</u>	<u>\$ 642,275</u>

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2015

NOTE I – CAPITAL ASSETS (CONTINUED)

During 2015, the City had intangible assets of \$14.46 million that are included in land and easements in governmental activities above.

Business-type Activities:

	Beginning Balance *	Increases	Transfers	Decreases	Ending Balance
Capital assets not being depreciated:					
Land and easements	\$ 41,668	\$ 1,679	\$ -	\$ -	\$ 43,347
Construction in progress	12,292	10,811	(2,482)	-	20,621
Total capital assets, not being depreciated	53,960	12,490	(2,482)	-	63,968
Capital assets being depreciated:					
Buildings	42,973	388	-	-	43,361
Improvements other than buildings	7,459	114	27	-	7,600
Utility plant in service and undergrounds	494,861	2,649	2,455	-	499,965
Machinery and equipment	11,981	171	-	(635)	11,517
Total capital assets, being depreciated	557,274	3,322	2,482	(635)	562,443
Less accumulated depreciation for:					
Buildings	20,300	1,284	-	-	21,584
Improvements other than buildings	4,013	372	-	-	4,385
Utility plant in service and undergrounds	178,966	7,424	-	-	186,390
Machinery and equipment	6,230	911	-	(564)	6,577
Total accumulated depreciation	209,509	9,991	-	(564)	218,936
Total capital assets, being depreciated, net	347,765	(6,669)	2,482	(71)	343,507
Business-type activities capital assets, net	\$ 401,725	\$ 5,821	\$ -	\$ (71)	\$ 407,475

(*) Beginning balances have been restated to include capital assets previously reported as Business-Type Activities and a correction of 2014 construction in progress (see Note 15).

In 2015, the City capitalized \$563,977 of eligible interest costs in the business-type activities capital assets.

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2015

NOTE I – CAPITAL ASSETS (CONTINUED)

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

Governmental Activities:	
General Government	\$ 18
Administrative Services	750
Public Safety	373
Public Works	12,300
Culture and Recreation	3,074
Open Space and Mountain Parks	401
Housing & Human Services	59
Community Sustainability	99
Total depreciation expense – Governmental Activities	<u>\$ 17,074</u>
Business-type Activities:	
Water Utility	\$ 4,544
Wastewater Utility	2,867
Stormwater and Flood Management	1,019
Parking Facilities and Services	1,561
Total depreciation expense – Business-type Activities	<u>\$ 9,991</u>

NOTE J – RISK MANAGEMENT

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

The City Council has established a reserve policy for the Property and Casualty Fund with a goal of fully funding an actuarially calculated liability as of the end of the prior year at the 80% confidence level. An actuarial study will be completed every two years in order to determine the appropriate reserve levels. The next actuarial was performed in the first quarter of 2015 and addressed claims as of December 31, 2014.

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2015

NOTE J – RISK MANAGEMENT (CONTINUED)

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

Changes in the estimated claims payable for the Property and Casualty Insurance Fund during the years ended December 31, 2014 and 2015, were as follows (amounts in 000's):

	2014	2015
Estimated claims payable January 1	\$ 720	\$ 833
Current year claims and changes in estimates	312	193
Claim payments	(199)	(452)
Estimated claims payable December 31	<u>\$ 833</u>	<u>\$ 574</u>
Claims payable due within one year	<u>\$ 171</u>	<u>\$ 202</u>

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

The City Council has established a reserve policy for the Workers' Compensation Insurance Fund with a goal of fully funding an actuarially calculated liability as of the end of the prior year at the 80% confidence level. An actuarial study will be completed every two years in order to determine the appropriate reserve levels. The latest actuarial study was performed in April of 2015 and addressed claims as of December 31, 2014.

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2015

NOTE J – RISK MANAGEMENT (CONTINUED)

Changes in the estimated claims payable for the Workers' Compensation Insurance Fund during the years ended December 31, 2014 and 2015, were as follows (amounts in 000's):

	2014	2015
Estimated claims payable January 1	\$ 1,183	\$ 1,249
Current year claims and changes in estimates	936	1,758
Claim payments	(870)	(1,400)
Estimated claims payable December 31	<u>\$ 1,249</u>	<u>\$ 1,607</u>
Claims payable due within one year	<u>\$ 775</u>	<u>\$ 845</u>

NOTE K – ACCRUED LIABILITIES

The December 31, 2015, 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	\$ 4,236	\$ 635	\$ 4,871
Accrued interest	1,051	375	1,426
Accrued liability – landfill cleanup	-	2,474	2,474
	<u>\$ 5,287</u>	<u>\$ 3,484</u>	<u>\$ 8,771</u>

NOTE L – PROPERTY TAX OVERCOLLECTION LIABILITY

The 2014 mill levy for the City of Boulder for taxes collected in 2015 resulted in an excess of the TABOR (see Note D) allowable property tax revenues by \$61,945. The 2015 mill levy for taxes collected in 2016 was voluntarily reduced to compensate for this overcollection.

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

Fund	Net Overcollection
Downtown Commerical District	\$ 54
University Hill Commercial District	8
	<u>\$ 62</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2015

NOTE M – 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.

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.

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2015

NOTE M – ACCRUED LIABILITY – LANDFILL CLEANUP (CONTINUED)

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, 2015, balance in the “accrued landfill cleanup liability” is \$2,474,000.

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 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 as follows:

2016	\$ 1,697,958
2017	1,700,125

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2015

NOTE N –FUTURE WATER RIGHTS (CONTINUED)

Unearned revenue 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, 2015 balance was \$1,127,062.

NOTE O – LONG-TERM DEBT

The following balances and changes in long-term debt are for the year ended December 31, 2015 (amounts in 000's):

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable:					
General obligation bonds	\$ 79,610	\$ -	\$ (8,817)	\$ 70,793	\$ 6,440
Taxable pension obligation bonds	7,812	-	(369)	7,443	370
Total bonds payable	87,422	-	(9,186)	78,236	6,810
Certificates of participation	-	41,561	-	41,561	1,340
Capital lease purchase agreements	9,420	-	(583)	8,837	594
Lease purchase revenue notes	7,178	-	(1,451)	5,727	1,401
Compensated absences	12,477	8,371	(11,572)	9,276	663
Estimated claims payable (Note J)	2,082	1,951	(1,852)	2,181	1,047
Retiree health care benefit	1,855	580	(274)	2,161	-
Governmental activities long-term debt	<u>\$ 120,434</u>	<u>\$ 52,463</u>	<u>\$ (24,918)</u>	<u>\$ 147,979</u>	<u>\$ 11,855</u>
Business-type activities:					
Bonds payable:					
General obligation bonds	\$ 10,778	\$ -	\$ (1,645)	\$ 9,133	\$ 1,590
Revenue bonds	66,341	33,575	(8,622)	91,294	8,735
Total bonds payable	77,119	33,575	(10,267)	100,427	10,325
Compensated absences	1,308	1,167	(1,287)	1,188	189
Retiree health care benefit	277	135	(88)	324	-
Business-type activities long-term debt	<u>\$ 78,704</u>	<u>\$ 34,877</u>	<u>\$ (11,642)</u>	<u>\$ 101,939</u>	<u>\$ 10,514</u>

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2015

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, 2015, are as follows (amounts in 000's):

Purpose	Interest Rates Outstanding	Amount Outstanding	Original Amount
Governmental activities	2.00% - 5.50%	\$ 61,650	\$ 85,115
Governmental activities – refunding	3.50% - 4.00%	4,930	12,435
Business-type activities – refunding	2.00% - 4.00%	8,775	15,005
		<u>\$ 75,355</u>	<u>\$ 112,555</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	
2016	\$ 6,440	\$ 2,442	\$ 1,590	\$ 311	\$ 10,783
2017	6,660	2,221	1,645	272	10,798
2018	6,235	1,991	1,705	221	10,152
2019	4,665	1,771	720	169	7,325
2020	2,815	1,592	740	115	5,262
2021-2025	15,690	6,332	2,375	238	24,635
2026-2030	18,455	3,151	-	-	21,606
2031-2035	5,620	312	-	-	5,932
Total liability	<u>66,580</u>	<u>19,812</u>	<u>8,775</u>	<u>1,326</u>	<u>96,493</u>
Plus bond premium	<u>4,213</u>	<u>-</u>	<u>358</u>	<u>-</u>	<u>4,571</u>
Net liability	<u>\$ 70,793</u>	<u>\$ 19,812</u>	<u>\$ 9,133</u>	<u>\$ 1,326</u>	<u>\$ 101,064</u>

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2015

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, 2015, are as follows (amounts in 000's):

Purpose	Interest Rates Outstanding	Amount Outstanding	Original Amount
Governmental activities	2.00% - 5.00%	\$ 7,360	\$ 9,070

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

Year Ending December 31	Governmental Activities		Debt Requirements to Maturity
	Principal	Interest	
2016	\$ 370	\$ 316	\$ 686
2017	380	305	685
2018	395	292	687
2019	410	278	688
2020	425	262	687
2021-2025	2,400	1,036	3,436
2026-2030	2,980	452	3,432
Total liability	7,360	2,941	10,301
Plus bond premium	83	-	83
Total liability	\$ 7,443	\$ 2,941	\$ 10,384

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.

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2015

NOTE O – LONG-TERM DEBT (CONTINUED)

Revenue Bonds (Continued)

Revenue bonds outstanding at December 31, 2015, are as follows (amounts in 000's):

Purpose	Interest Rates Outstanding	Amount Outstanding	Original Amount
Business-type activities	2.00% - 5.00%	\$ 40,555	\$ 42,900
Business-type activities – refunding	2.00% - 4.125%	45,330	79,660
		<u>\$ 85,885</u>	<u>\$ 122,560</u>

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

Year ending December 31	Business-type Activities		Debt Requirements
	Principal	Interest	to Maturity
2016	\$ 8,735	\$ 3,254	\$ 11,989
2017	8,185	2,931	11,116
2018	8,490	2,605	11,095
2019	7,300	2,267	9,567
2020	6,195	1,974	8,169
2021-2025	25,950	6,429	32,379
2026-2030	12,095	2,599	14,694
2031-2035	8,935	807	9,742
Total liability	<u>85,885</u>	<u>22,866</u>	<u>108,751</u>
Plus bond premium	<u>5,409</u>	<u>-</u>	<u>5,409</u>
Total liability	<u>\$ 91,294</u>	<u>\$ 22,866</u>	<u>\$ 114,160</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 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, 2015, are as follows (amounts in 000's):

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2015

NOTE O – LONG-TERM DEBT (CONTINUED)

Lease Purchase Revenue Notes (continued)

Purpose	Interest Rates Outstanding	Amount Outstanding	Original Amount
Government-type activity	3.25 - 7.00%	<u>\$ 5,727</u>	<u>\$ 13,559</u>

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

Year Ending December 31	Government-type Activities		Debt Requirements to Maturity
	Principal	Interest	
2016	\$ 1,401	\$ 217	\$ 1,618
2017	848	153	1,001
2018	650	118	768
2019	569	93	662
2020	588	77	665
2021-2023	<u>1,671</u>	<u>110</u>	<u>1,781</u>
Total Liability	<u>\$ 5,727</u>	<u>\$ 768</u>	<u>\$ 6,495</u>

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2015

NOTE O – LONG-TERM DEBT (CONTINUED)

Certificates of Participation

The Boulder Municipal Property Authority (BMPA) has issued Certificates of Participation where BMPA pledges income, received from the City of Boulder and derived from base rentals of leased properties by the City. These notes are a debt of BMPA, not of the City of Boulder, but are included as a blended component unit of the City (Note A.1). Certificates of Participation outstanding at December 31, 2015, are as follows (amounts in 000's):

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

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	
2016	\$ 1,340	\$ 1,358	\$ 2,698
2017	1,445	1,382	2,827
2018	1,485	1,338	2,823
2019	1,530	1,293	2,823
2020	1,575	1,247	2,822
2021-2025	8,640	5,471	14,111
2026-2030	10,150	3,967	14,117
2031-2035	12,120	1,998	14,118
2036	2,715	108	2,823
Total Liability	41,000	18,162	59,162
Plus bond premium	561	-	-
Total liability	<u>\$ 41,561</u>	<u>\$ 18,162</u>	<u>\$ 59,162</u>

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2015

NOTE O – LONG-TERM DEBT (CONTINUED)

Capital Lease Purchase Agreements

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

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

Bank of the West – on February 5, 2013, the City entered into a capital lease agreement with Bank of the West. Exercise equipment was purchased at a cost of \$105,783, to be used by Parks and Recreation customers for overall wellness purposes.

Capital lease purchase agreement obligations outstanding as of December 31, 2015 are as follows (amounts in 000's):

Purpose	Interest Rates Outstanding	Amount Outstanding	Original Amount
Governmental activities	2.65 - 4.93%	\$ 8,837	\$ 10,857

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	
2016	\$ 594	\$ 293	\$ 887
2017	632	272	904
2018	684	249	933
2019	739	225	964
2020	798	198	996
2021-2025	4,662	530	5,192
2026-2030	728	19	747
Total liability	\$ 8,837	\$ 1,786	\$ 10,623

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2015

NOTE O – LONG-TERM DEBT (CONTINUED)

Compensated Absences

The City has accrued, as a liability to current employees, the following amounts of accumulated unused vacation and sick pay, appreciation bonus and compensation time at December 31, 2015 (amounts in 000's):

	Governmental Activities	Business-type Activities
Accrued vacation	\$ 6,305	\$ 740
Accrued sick pay	1,070	138
Accrued appreciation bonus	1,614	306
Accrued compensation time	287	4
	<u>\$ 9,276</u>	<u>\$ 1,188</u>

The liability attributable to the governmental funds is recorded as a governmental activities noncurrent liability. It is estimated that \$663 of governmental activities' and \$190 of business-type activities' liabilities will be paid in 2016. Governmental liabilities relating to General, Library, Recreation Activity, Community Development and HOME Fund employees are liquidated out of the Compensated Absences Internal Service Fund. Liabilities relating to employees of all other governmental funds are liquidated out of the associated fund.

Arbitrage Liability

Kutak Rock Arbitrage Consulting LLC made calculations for the City to determine if any of the bond issues dated since January 1, 1986, had a liability for rebatable arbitrage at December 31, 2014. 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, 2015, 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, 2015, there is \$27,055,000 of principal outstanding on defeased bonds.

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2015

NOTE O – LONG-TERM DEBT (CONTINUED)

Lease of Criminal Justice Center

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

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

Lease of Public Library Space at the Meadows on the Parkway

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

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2015

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, 2015, is as follows (amounts in 000's):

Receivable Fund	Payable Fund	Amount
General Fund	Airport Fund	\$ 210
Water Utility Fund (proprietary fund)	General Fund	594
Fleet Fund (internal service fund)	General Fund	848
Downtown Commercial District (proprietary Fund)	Boulder Junction Access GID - Parking (non-major special revenue fund)	12
		<u>\$ 1,664</u>

The Airport Fund owes the General Fund \$210,000 at December 31, 2015. This advance will be repaid over 6 years with annual payments beginning in 2014.

The General Fund owes the Water Utility Fund \$594,155 at December 31, 2015, 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 \$53,650 for funding assistance in the implementation of new parking technology and \$794,402 for the Valmont Butte Remediation at December 31, 2015. The parking technology advance will be repaid over 10 years with 40 equal quarterly payments including 5% interest beginning in 2008. The Valmont Butte Remediation advance will be repaid over 10 years with 40 equal quarterly payments beginning in 2012 with an interest rate of 0.75%.

The Boulder Junction Access GID - Parking owes the Downtown Commercial District \$12,612 at December 31, 2015. This advance will be repaid over 10 years with 10 equal annual payments beginning 2012. The interest rate is 2.50%.

Interfund Transactions

There are various types of interfund transactions which occur between funds. The following information describes the City's 2015 transfers (amounts in 000's). All funds made quarterly payments to the General Fund for indirect expenses, primarily administrative, such as legal, human resources, finance and information technologies.

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2015

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

Interfund Transactions (Continued)

TRANSFERS IN	TRANSFERS OUT						
	General Fund	Open Space	Transportation	BMPA	Nonmajor Governmental	Water Utility	Wastewater Utility
General Fund	\$ -	\$ -	\$ 28	\$ -	\$ -	\$ 60	\$ 20
Open Space &							
Mountain Parks	1,121	-	-	161	-	-	-
Transportation	136	-	-	-	14	-	-
BMPA	174	-	-	-	-	-	-
Nonmajor Governmental	4,628	12	251	-	18	219	220
Water Utility	971	-	-	-	-	-	-
Downtown Commercial District	1,661	-	-	-	-	-	-
Nonmajor Business-type	749	-	-	-	-	-	-
Internal Service Funds	372	-	-	-	-	-	-
Total transfers	\$ 9,812	\$ 12	\$ 279	\$ 161	\$ 32	\$ 279	\$ 240

TRANSFERS IN	TRANSFERS OUT (Continued)				
	Stormwater & Flood Management	Downtown Commercial District	Nonmajor Business-type	Internal Service Funds	TOTAL
General Fund	\$ 20	\$ -	\$ -	\$ 24	\$ 152
Open Space &					
Mountain Parks	-	-	-	-	1,282
Transportation	-	-	-	-	150
BMPA	-	-	-	-	174
Nonmajor Governmental	132	-	-	95	5,575
Water Utility	-	-	-	-	971
Downtown Commercial District	-	-	-	-	1,661
Nonmajor Business-type	-	-	-	-	749
Internal Service Funds	-	-	-	-	372
Total transfers	\$ 152	\$ -	\$ -	\$ 119	\$ 11,086

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2015

NOTE Q – RELATED PARTY TRANSACTIONS

Boulder Housing Partners is a separate related organization as explained in Note A1. During 2015, Boulder Housing Partners received grant funding of \$3,000,000 from the City. These grants were awarded to Boulder Housing Partners in a competitive application process. In addition to the grant funding above, Boulder Housing Partners received other operating assistance and support in 2015 totaling \$19,423.

During 2015, 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, 2015.

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, 2015, net position for Business-type Activities of \$167,069 and \$6,234, 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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2015

NOTE T – COMMITMENTS AND CONTINGENCIES

1. Litigation

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

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

2. Single Audit

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

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2015

NOTE T – COMMITMENTS AND CONTINGENCIES (CONTINUED)

3. Construction Commitments

At December 31, 2015, City funds were obligated under contractual commitments for various operational, construction or equipment acquisition projects as follows (000's):

Fund	Contractual Commitments
General	\$ 1,495
Open Space	1,159
Transportation	11,316
Total Major Funds	<u>13,970</u>
Total Non- Major Governmental Funds	<u>5,600</u>
Total Governmental Funds	<u>\$ 19,570</u>
Water Utility	\$ 2,199
Wastewater Utility	8,291
Stormwater & Flood Management	24,034
CAGID	273
Total Major Enterprise Funds	<u>34,797</u>
Non-Major Enterprise Funds	<u>15</u>
Total Enterprise Funds	<u>\$ 34,812</u>
Total Internal Service Funds	<u>\$ 1,783</u>

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2015

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
1,305	PERA	\$ 5,462	8.000%	\$ 9,350	13.700%
0	Old Hire Police	-	2.000%	304	
0	Old Hire Fire	-	7.833%	64	
	Police and Fire Money Purchase –				
177	Police employees	857	6.200%	1,907	13.800%
	Police and Fire Money Purchase –				
	Fire employees – International				
108	Association of Firefighters	756	8.000%	1,228	13.000%
4	ICMA 401(a)	58	8.000%	100	13.700%
7	ICMA 457	16	8.000%	3	13.700%
	Totals	<u>\$ 7,149</u>		<u>\$ 12,956</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, 2015

NOTE U – PENSION AND RETIREMENT PLANS (CONTINUED)

Membership of each plan consisted of the following at January 1, 2015, the date of the latest actuarial valuation:

	"Old Hire" Police Defined Benefit Plan	"Old Hire" Fire Defined Benefit Plan
Retirees & Beneficiaries receiving benefits	42	41
Terminated plan members entitled but not yet receiving benefits	7	5
Active plan members	-	-
Total	<u>49</u>	<u>46</u>

The "Old Hire" Police Defined Benefit Plan and the "Old Hire" Fire Defined Benefit Plan financial statements as of December 31, 2015, 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, 2015, 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	\$ 50	\$ 52
Investments		
U.S. Treasuries	259	44
U.S. Instrumentalities	529	1
Time Deposits	1	9,520
Mutual Funds	5,523	-
Equity Securities	4,293	1
Local Government Investment Pools	1	243
Money Market Funds	310	-
Real Estate Investment Trust	749	-
Corporate Bonds	101	-
Other	672	-
Accrued Interest	12	-
Total assets	<u>12,500</u>	<u>9,861</u>
Liabilities:		
Vouchers and accounts payable	1	1
Accrued pensions payable	49	38
Total liabilities	<u>50</u>	<u>39</u>
Net position restricted for pensions	<u>\$ 12,450</u>	<u>\$ 9,822</u>

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2015

NOTE U – PENSION AND RETIREMENT PLANS (CONTINUED)

The changes in plan net position for December 31, 2015, 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	\$ 304	\$ 64
Total contributions	304	64
Investment earnings (loss)	(191)	(147)
Less investment expense	(37)	(37)
Net investment income	(228)	(184)
Total additions	76	(120)
Deductions:		
Benefits	1,443	1,108
Administrative	13	14
Total deductions	1,456	1,122
Net (decrease) in net position	(1,380)	(1,242)
Net position restricted for pensions:		
Beginning of year	13,830	11,064
End of year	\$ 12,450	\$ 9,822

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, 2015

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, 2015, 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, 2015

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 2015, the City contributed \$304,977 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, 2014 and rolled forward to December 31, 2015. 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, 2015

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, 2014, 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– 7.5% 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-2000 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 2014, this is projected to be \$2,886 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, 2014 included the following:

- First Class Firefighter Salary was increased from \$2,802 to \$2,886 per pay period to reflect the current highest negotiated rate.

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, 2015

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, 2015, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was a loss of 1.72%. 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, 2015.

Asset Class	Long-Term Expected Geometric Real Rate Of Return
Domestic Large Cap	3.9%
Domestic Small Cap	4.3%
International Equity	4.3%
Emerging Markets	4.8%
Domestic Fixed Income	2.1%
Floating Rate Corporate Loans	3.0%
High Yield	3.9%
Real Estate	3.3%
Commodities	1.7%

Discount Rate – The discount rate used to measure the total pension liability was 7.5%. 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, 2015

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, 2015 were as follows:

Total Pension Liability	\$ 14,590,221
Fiduciary Net Position	<u>12,450,000</u>
Net Pension Liability	<u><u>\$ 2,140,221</u></u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	85.33%

For the year ended December 31, 2015, the “Old Hire” Police Defined Benefit Plan recognized pension expense of \$340,449. The City of Boulder reported deferred outflows of resources and deferred inflows of resources related to this plan from the following sources:

“Old Hire” Police Defined Benefit Plan:

	<u>Deferred Outflows of Resources</u>
Net difference between projected and actual earnings on pension plan investments	\$978,265
Total	\$978,265

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2015

NOTE U – PENSION AND RETIREMENT PLANS (CONTINUED)

Sensitivity Analysis – The following presents the net pension liability of the City of Boulder, calculated using the discount rate of 7.5%, 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 (6.5%) or 1 percentage point higher (8.5%) than the current rate.

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
Net Pension Liability	\$ 3,364,595	\$ 2,140,221	\$ 1,081,000

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.

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2015

NOTE U – PENSION AND RETIREMENT PLANS (CONTINUED)

salary, up to a maximum of 65% of final salary. On termination, members may receive a refund of their contributions without interest. This refund of contributions paid waives future rights to any benefits.

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

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

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

The pension benefit in subsequent years will include any benefit increases granted by the Board to retirees and widows. Upon retirement, the member begins to receive pension payments in the form of an annuity and the cumulative assets in the DROP account are paid to him in a lump-sum. As of December 31, 2015, there are no current Fire employees who have elected the DROP and all DROP balances have been disbursed.

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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2015

NOTE U – PENSION AND RETIREMENT PLANS (CONTINUED)

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. Contribution rates during 2015 were 2.451% and 7.833% of covered payroll for the City and employees, respectively. City contributions must be at least equal to employee contributions. 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 2015, the City contributed \$64,207 to meet the actuarially calculated contribution requirement which exceeded the state-mandated requirement. Administrative expenditures are recorded when incurred and are financed by the Plan.

Actuarial Present Value of Accumulated Plan Benefits - An actuarial study was prepared at January 1, 2015 and rolled forward to December 31, 2015. 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, 2015 included the following:

- Actuarial Cost Method – Entry age normal actuarial cost method.
- Amortization Method and Remaining Period – Closed, level dollar amortization of unfunded actuarial liability over the remaining amortization period which is 12 years.
- Asset Valuation Method – The market value of assets.
- Investment Rate of Return – 7.5% compounded annually, net of expenses.
- Inflation rate – 2.75% compounded annually.
- Salary Increases – None assumed.
- Retirement Age – Not Applicable – All participants are retired.
- Retiree Mortality – Sex-distinct RP-2000 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 2014, this is projected to be \$2,886 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, 2014 included the following:

- First Class Firefighter Salary was increased from \$2,802 to \$2,886 to reflect the current highest negotiated rate.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2015

NOTE U – PENSION AND RETIREMENT PLANS (CONTINUED)

Funded Status and Funding Progress – As of January 1, 2014, the most recent actuarial valuation date, the plan was 103.3% funded. The actuarial accrued liability for benefits was \$11,831,797 and the actuarial value of assets was \$12,218,000, resulting in an overfunded actuarial accrued liability (UAAL) of \$386,203. 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, 2015, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was a loss of 1.74%. 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, 2015.

Asset Class	Long-Term Expected Geometric Real Rate Of Return
Domestic Large Cap	3.9%
Domestic Mid Cap	4.0%
Domestic Small Cap	4.3%
International Equity	4.3%
Emerging Markets	4.8%
Domestic Fixed Income	2.1%
Floating Rate Corporate Loans	3.0%
High Yield	3.9%
Commodities	1.7%

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2015

NOTE U – PENSION AND RETIREMENT PLANS (CONTINUED)

Discount Rate – The discount rate used to measure the total pension liability was 7.5%. The plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

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

Net Pension Liability – The components of the net pension liability of the City at December 31, 2015 were as follows:

Total Pension Liability	\$ 10,684,184
Fiduciary Net Position	<u>9,822,000</u>
Net Pension Liability	<u><u>\$ 862,184</u></u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	91.93%

For the year ended December 31, 2015, the “Old Hire” Fire Defined Benefit Plan recognized pension expense of \$137,948. The City of Boulder reported deferred outflows of resources and deferred inflows of resources related to this plan from the following sources:

“Old Hire” Fire Defined Benefit Plan:

	<u>Deferred Outflows of Resources</u>
Net difference between projected and actual earnings on pension plan investments	\$779,014
Total	\$779,014

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2015

NOTE U – PENSION AND RETIREMENT PLANS (CONTINUED)

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

Sensitivity Analysis – The following present the net pension liability of the City of Boulder, calculated using the discount rate or 7.5%, 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 (6.5%) or 1 percentage point higher (8.5%) than the current rate.

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
Net Pension Liability	\$ 1,689,666	\$ 862,184	\$ 141,536

3. Public Employees Retirement Association (PERA)

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.
- Highest average salary multiplied by 2.5 percent and then multiplied by years of service credit

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2015

NOTE U – PENSION AND RETIREMENT PLANS (CONTINUED)

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

- \$15 times the first 10 years of service credit plus \$20 times service credit over 10 years plus a monthly amount equal to the annuitized member contribution account balance 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 also 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 (COLAs), referred to as annual increases in the C.R.S. Benefit recipients under the PERA benefit structure who began eligible employment before January 1, 2007 and all benefit recipients of the DPS benefit structure receive an annual increase of 2 percent, unless PERA has a negative investment year, in which case the annual increase for the next three years is the lesser of 2 percent or the average of the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) for the prior calendar year. Benefit recipients under the PERA benefit structure who began eligible employment after January 1, 2007 receive an annual increase of the lesser of 2 percent or the average CPI-W for the prior calendar year, not to exceed 10 percent of PERA's Annual Increase Reserve 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.

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2015

NOTE U – PENSION AND RETIREMENT PLANS (CONTINUED)

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

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:

	Rate
Employer Contribution Rate ¹	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)%
Amount Apportioned to the LGDTF ¹	8.98%
Amortization Equalization Disbursement (AED) as specified in C.R.S. § 24-51-411 ¹	2.20%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. § 24-51-411 ¹	1.50%
Total Employer Contribution Rate to the LGDTF ¹	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 \$8,635,000 for the year ended 12/31/2015.

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

At December 31, 2015, the City of Boulder reported a liability of \$107,299,000 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2013. Standard update procedures were used to roll forward the total pension liability to December 31, 2014. 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 2014 relative to the total contributions of participating employers to the LGDTF.

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2015

NOTE U – PENSION AND RETIREMENT PLANS (CONTINUED)

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

At December 31, 2014, the City of Boulder's proportion was 11.9715197388 percent, which was an increase of 0.0438445456 from its proportion measured as of December 31, 2013.

For the year ended December 31, 2015, the City of Boulder recognized pension expense of approximately \$11,463,000. 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	-	\$18,000
Net difference between projected and actual earnings on pension plan investments	\$4,684,644	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	162,622	-
Contributions subsequent to the measurement date	7,308,734	N/A
Total	\$12,156,000	\$18,000

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2015

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	-	\$4,000
Net difference between projected and actual earnings on pension plan investments	\$1,134,356	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	39,378	-
Contributions subsequent to the measurement date	1,326,266	N/A
Total	\$2,500,000	\$4,000

\$8,635,000 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended December 31, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended 12/31:	Governmental Activities	Business-type Activities
2016	\$1,238,090	\$299,910
2017	1,238,090	299,910
2018	1,185,836	287,164
2019	1,167,250	282,750
2020	-0-	-0-
Thereafter	-0-	-0-

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2015

NOTE U – PENSION AND RETIREMENT PLANS (CONTINUED)

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

Actuarial assumptions - The total pension liability in the December 31, 2013 actuarial valuation was determined using the following actuarial assumptions and other inputs:

Price inflation	2.80 percent
Real wage growth	1.10 percent
Wage inflation	3.90 percent
Salary increases, including wage inflation	3.90 – 10.85 percent
Long-term investment Rate of Return, net of pension plan investment expenses, including price inflation	7.50 percent
Future post-retirement benefit increases:	
PERA Benefit Structure hired prior to 1/1/07; and DPS Benefit Structure (automatic)	2.00 percent
PERA Benefit Structure hired after 12/31/06 (ad hoc, substantively automatic)	Financed by the Annual Increase Reserve

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

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

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

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2015

NOTE U – PENSION AND RETIREMENT PLANS (CONTINUED)

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

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

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

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

Discount rate. The discount rate used to measure the total pension liability was 7.50 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the fixed statutory rates specified in law, including current and 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 percent every year until they are zero. Based on those assumptions, the LGDTF's fiduciary net position was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate determination does not use the Municipal Bond Index Rate. There was no change in the discount rate from the prior measurement date.

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2015

NOTE U – PENSION AND RETIREMENT PLANS (CONTINUED)

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

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

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Proportionate share of the net pension liability	175,213	107,299	50,658

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

For the years ending December 31, 2015, 2014, and 2013, the City of Boulder's contributions to the LGDTF, were \$8,635,000, \$8,316,000, and \$8,068,000, respectively, equal to their required contributions for each year.

4. Police and Fire Money Purchase Pension Plan

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

The Boulder Police Benevolent Association negotiated an economic agreement with the City which is in effect through December 31, 2015. The City's contribution requirement for the year ended December 31, 2015, was 13.8% of covered payroll. The dollar amount of the City's contributions was \$1,906,787 in 2015. The employee contributions were 6.2%, or \$856,669, of covered payroll.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2015

NOTE U – PENSION AND RETIREMENT PLANS (CONTINUED)

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

The International Association of Firefighters, Local #900, negotiated an economic agreement with the City, which was in effect through December 31, 2016. The City's contribution requirement for the year ended December 31, 2015, was 13% of covered payroll, or \$1,228,008. The employee contributions were 8% of covered payroll, or \$755,692.

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

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

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

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

NOTE V – DEFERRED COMPENSATION PLANS

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2015

NOTE V – DEFERRED COMPENSATION PLANS (Continued)

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

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

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

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

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

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

The City of Boulder's contributions to HCTF for the years ending December 31, 2015, 2014, and 2013 were \$ 674,933, \$667,228 and \$647,219, 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 2.6% for all affected police officers and firefighters. In 2015, 2014, and 2013, the City paid \$354,659, \$355,887 and \$320,527, respectively, equal to their required contributions for each year.

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2015

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

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

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

3. City of Boulder Retiree Health Care Benefit Plan

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

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

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

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

Annual required contribution (ARC)	\$	493
Interest on prior year net OPEB obligation		87
Adjustment to ARC		130
Annual OPEB cost		<u>710</u>
Contributions made		<u>337</u>
Increase in net OPEB obligation		373
Net OPEB obligation – beginning of year		<u>2,132</u>
Net OPEB obligation – end of year	\$	<u><u>2,505</u></u>

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2015

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

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

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2015 and the two preceding years were as follows:

Fiscal Year	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2013	\$ 603	73.0%	\$ 1,794
2014	\$ 778	56.6%	\$ 2,132
2015	\$ 710	47.5%	\$ 2,505

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2015

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

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

The significant actuarial assumptions used in the valuation as of January 1, 2013, included the following:

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2015

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 \$62,280,000 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 customer 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, 2015 is \$77,390,881. Principal and interest paid for the current year and total customer net revenues were \$9,627,000 and \$29,996,000, 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 \$23,605,000 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, 2015 is \$31,360,363. Principal and interest paid for the current year and total customer net revenues were \$788,000 and \$6,188,000, 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 \$21,880,000 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 \$21,880,000 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, 2015 is \$25,842,025. Principal and interest paid for the current year and total pledged sales tax revenues were \$4,380,000 and \$29,512,000, respectively.

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2015

NOTE X – PLEDGED REVENUES (CONTINUED)

Downtown Commercial District Revenues Pledged

The City has pledged a portion of future sales tax revenues to repay \$5,890,000 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 \$2,885,000 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, 2015 is \$9,789,800. Principal and interest paid for the current year and total pledged revenues were \$1,773,000 and \$4,215,000, 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, 2015, BMPA currently has \$46,727,000 in outstanding debt used primarily to provide funding for acquisition of property, land for Parks and Open Space purposes. The City appropriates each year, from various revenue sources, base rental expenses in amounts sufficient to cover the principal and interest requirements on BMPA's debt. In accordance with state statutes, the appropriation by the City is subject to annual renewal at discretion of the City Council. BMPA has pledged, as the sole security for the bonds, the annual base rental revenues received from the City. Total principal and interest remaining on the debt is \$65,657,000 with annual requirements ranging from \$4,316,000 in 2016 to \$2,823,000 in 2036. The base rental revenues received each year equal the debt service requirements on BMPA's debt, averaging \$3,804,987 over the last 15 years. For the current year, principal and interest incurred by BMPA and the total base rental revenues pledged were \$1,701,000 and \$1,701,000, respectively.

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2015

NOTE X – PLEDGED REVENUES (CONTINUED)

Trash Tax Revenues

On August 16, 1994, the City passed the 1994 Ordinance approving the 1994 Election Question which authorized the City to raise its trash tax to a rate not to exceed a maximum per month of \$3.50 for residential customers and a maximum of \$0.85 per cubic yard per month for commercial customers. At a special municipal election held on November 8, 1994, the voters of the City approved the 1994 Election Question authorizing the maximum trash tax rates and authorizing the City under TABOR to issue not to exceed \$6,000,000 of bonds payable from the City's trash tax revenues and additionally secured by the full faith and credit of the City, for the purpose acquisition of interests in land and constructing, operating and maintenance of municipal solid waste recycling and composting facilities. On December 15, 2009, \$6,000,000 in General Obligation Waste Reduction Bonds were issued. As of December 31, 2015, there are currently \$4,500,000 in outstanding Waste Reduction Bonds. Total principal and interest remaining as of December 31, 2015 is \$5,913,163. 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 \$422,663 and \$422,663, 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, 2015, \$40,200,000 in bonds remain outstanding. The principal and interest remaining to be paid on the bonds at December 31, 2015 is \$54,636,900. Principal and interest paid for the current year and total General Fund pledged revenues were \$3,995,250 and \$3,995,250, respectively.

NOTE Y – SECURITY FOR CERTIFICATES OF PARTICIPATION

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

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

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2015

NOTE Y – SECURITY FOR CERTIFICATES OF PARTICIPATION (Continued)

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

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

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

NOTE Z – CHANGE IN ACCOUNTING PRINCIPLES

For the year ended December 31, 2015, the City adopted the provisions of GASB Statement No. 68, Accounting and Financial Reporting for Pensions (GASB No. 68), and the related GASB Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date, an amendment of GASB Statement No. 68, which are effective for financial statements for periods beginning after June 15, 2014. GASB No. 68 revises and establishes new financial reporting requirements for most governments that provide their employees with pension benefits. GASB No. 68 requires cost-sharing employers participating in the PERA program to record their proportionate share, as defined in GASB No. 68, of PERA's unfunded pension liability. GASB Statement No. 68 and GASB Statement No. 71 also applies to the City's "Old Hire" Police Benefit Plan and the City's "Old Hire" Fire Defined Benefit Plan. For the City, the effect of implementing this standard was to change how it accounts and reports the net pension liability. Implementation of the standard resulted in a restatement of the prior period net position as detailed in Note A – Summary of Significant Accounting Policies, Number 15.

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2015

NOTE AA – DEFERRED INFLOWS AND OUTFLOWS OF RESOURCES

Deferred inflows and outflows of resources are discussed in Note A 12. As of December 31, 2015, 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	\$ 12,156	\$ 2,500	\$ 14,656
Deferred Outflows - Old Hire Police Pension	978	-	978
Deferred Outflows - Old Hire Fire Pension	779	-	779
Deferred Outflows - Grants and Other	171	2,594	2,765
Total Deferred Outflows	<u>\$ 14,084</u>	<u>\$ 5,094</u>	<u>\$ 19,178</u>

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Deferred Inflows - Related to PERA	\$ 37,590	\$ 1,325	\$ 38,915
Total Deferred Inflows	<u>\$ 37,590</u>	<u>\$ 1,325</u>	<u>\$ 38,915</u>

<u>Governmental Funds</u>	<u>General Fund</u>	<u>Open Space & Mountain Parks Fund</u>	<u>Trans- portation Fund</u>
Deferred Inflows - Property Taxes	\$ 34,671	\$ -	\$ -
Deferred Inflows - Grants	646	104	4,161
Deferred Inflows - Accounts Receivable	132	27	1,837
Total Deferred Inflows	<u>\$ 35,449</u>	<u>\$ 131</u>	<u>\$ 5,998</u>

	<u>BMPA Fund</u>	<u>Other Governmental Funds</u>	<u>Total</u>
Deferred Inflows - Property Taxes	\$ -	\$ 2,901	\$ 37,572
Deferred Inflows - Grants	-	100	5,011
Deferred Inflows - Accounts Receivable	153	46	2,195
Total Deferred Inflows	<u>\$ 153</u>	<u>\$ 3,047</u>	<u>\$ 44,778</u>

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2015

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

	Water Utility Fund	Wastewater Utility Fund	Stormwater and Flood Management Fund	Downtown Commercial District	Nonmajor Enterprise Funds	Total Enterprise Funds	Total Internal Service Funds
Proprietary Funds							
Deferred Outflows - Related to PERA	\$ 1,105	\$ 734	\$ 380	\$ 238	\$ 43	\$ 2,500	\$ 357
Deferred Outflows - Grants and Other	385	2,040	7	162	-	2,594	103
Total Deferred Outflows	<u>\$ 1,490</u>	<u>\$ 2,774</u>	<u>\$ 387</u>	<u>\$ 400</u>	<u>\$ 43</u>	<u>\$ 5,094</u>	<u>\$ 460</u>
Deferred Inflows - Property Taxes	\$ -	\$ -	\$ -	\$ 1,152	\$ 169	\$ 1,321	\$ -
Deferred Inflows - Related to PERA	2	1	1	-	-	4	-
Total Deferred Inflows	<u>\$ 2</u>	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ 1,152</u>	<u>\$ 169</u>	<u>\$ 1,325</u>	<u>\$ -</u>

NOTE AB – SUBSEQUENT EVENTS

On June 7th, 2016 the City acting through its Water Utility Enterprise and its Wastewater Utility Enterprise issued Water and Sewer Revenue Bonds, Series 2016 for a par amount of \$34,145,000. Proceeds of the 2016 bonds will be used to finance future water projects and pay for the costs of issuing the 2016 bonds, including the cost of a reserve fund surety bond. The 2016 bonds will be payable solely from and secured by the net income of the City's water and sewer systems. The 2016 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.

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>
2011	1/1/2011	\$ -	\$ 6,747,489	\$ 6,747,489	-	\$ 82,956,844	8.1%
2013	1/1/2013	\$ -	\$ 8,280,910	\$ 8,280,910	-	\$ 78,172,630	10.6%
2015	1/1/2015	\$ -	\$ 4,939,361	\$ 4,939,361	-	\$ 74,056,002	6.7%

CITY OF BOULDER, COLORADO

Required Supplementary Information

Schedule of Changes in Net Pension Liability
and Related Ratios

Police Pension Fund

Fiscal Year Ending December 31,

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

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
2006	\$ 302,812	\$ 370,000	\$ (67,188)	\$ 172,409	214.61%
2007	302,812	473,000	(170,188)	172,409	274.35%
2008	403,366	472,000	(68,634)	184,130	256.34%
2009	403,366	471,000	(67,634)	184,130	255.80%
2010	661,414	5,985,000	(5,323,586)	124,228	4817.75%
2011	188,544	152,000	36,544	129,818	117.09%
2012	219,204	222,000	(2,796)	130,326	170.34%
2013	237,055	222,000	15,055	35,965	617.27%
2014	181,916	305,000	(123,084)	N/A	N/A
2015	181,916	304,000	(122,084)	N/A	N/A

Note to Schedule:

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

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

CITY OF BOULDER, COLORADO

Required Supplementary Information

Schedule of Investment Returns

Police Pension Fund

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

CITY OF BOULDER, COLORADO

Required Supplementary Information

Schedule of Changes in Net Pension Liability
and Related Ratios

Fire Pension Fund

Fiscal Year Ending December 31,

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

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
2006	\$ 133,792	\$ 141,000	\$ (7,208)	\$ 236,830	59.54%
2007	133,792	314,000	(180,208)	236,830	132.58%
2008	197,099	314,000	(116,901)	161,644	194.25%
2009	197,099	315,000	(117,901)	161,644	194.87%
2010	497,098	3,874,000	(3,376,902)	N/A	N/A
2011	60,510	104,000	(43,490)	N/A	N/A
2012	156,888	162,000	(5,112)	N/A	N/A
2013	97,999	159,000	(61,001)	N/A	N/A
2014	-	64,000	(64,000)	N/A	N/A
2015	-	64,000	(64,000)	N/A	N/A

Note to Schedule:

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

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

CITY OF BOULDER, COLORADO

Required Supplementary Information

Schedule of Investment Returns

Fire Pension Fund

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

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	1/1/2014	1/1/2014	1/1/2013
Actuarial cost method	Entry age normal	Entry age normal	Projected unit credit
Amortization method	Closed level dollar	Closed level dollar	Open level percent of pay
Remaining amortization period	16 years	12 years	30 years
Asset valuation method	3-year smoothing	market value of assets	NA - nonfunded plan
Investment rate of return	7.5%	7.5%	NA - nonfunded plan
Inflation rate	2.75%	2.75%	2.5%
Salary increases	None assumed	None assumed	3.0%
Administrative Expense	NA	NA	Claims expense is included in the premiums charged by the city's health insurance carrier.
Retirement age	NA - no actives	NA - no actives	Age and service eligibility requirements for PERA (Management and BMEA employees) and city provided pensions (Fire and Police)
Retiree mortality	Sex-distinct RP-2000 mortality for annuitants by Scale AA to 2017	Sex-distinct RP-2000 mortality for annuitants by Scale AA to 2017	Healthy lives use RP2000 Combined Healthy Mortality Table project to 2021 using Scale AA. Disabled Lives use RP2000 Disabled Mortality Table projected to 2021 using Scale AA.
Election of retirement coverage	NA	NA	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	NA	NA	50% of future retirees who elect coverage are assumed to elect spousal coverage upon retirement
Minimum death benefit	\$515 per payperiod	\$515 per payperiod	NA
First class firefighter salary	\$2,886 per payperiod	\$2,886 per payperiod	NA
Marriage rates	Actual for retirees	Actual for retirees	NA
Health care cost trend	NA	NA	Using the Getzen Model, the trend rate starts at 10.8% for 2013 and trends downward to a rate of 4.5% in 2083.
Form of payment	Normal payment method	Normal payment method	NA

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

First class firefighter salary	Increased from \$2,802 to \$2,886 per pay period	Increased from \$2,802 to \$2,886 per pay period	NA
Claims and premiums	NA	NA	Updated claims and premiums to experience and plan changes
Trend assumptions	NA	NA	Trend assumptions were updated using the Getzen Trend Model
Lapse assumption	NA	NA	Lapse assumption was added at age 65 to reflect anticipated plan experience.
Withdrawal and retirement rates	NA	NA	Withdrawal and retirement decrement rates were updated 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,

	<u>2015*</u>	<u>2014*</u>
City's proportion (percentage) of the collective net pension liability	11.9715197388%	11.9276751932%
City's proportionate share of the collective net pension liability	\$ 107,299,000	\$ 98,155,000
Covered-employee payroll	\$ 66,045,335	\$ 64,077,750
City's proportionate share of the net pension liability as a percentage of its covered payroll	162.46%	153.18%
Plan fiduciary net position as a percentage of the total pension liability	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,

	<u>2015 *</u>	<u>2014 *</u>
Statutorily required contributions	\$ 8,635,000	\$ 8,317,900
Contributions in relation to the statutorily required contributions	<u>8,635,000</u>	<u>8,317,900</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	66,169,949	66,045,334
Contribution as a percentage of of covered payroll	13.05%	12.59%

** 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. Two former Special Revenue Funds did not meet the new requirements and have been combined with other general governmental operations into the General Fund. As a result, beginning in 2011 the General Fund is comprised of the following three separate sub-funds:

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

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

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, 2015

(Amounts in 000's)

<u>Assets and Deferred Outflows of Resources</u>	<u>Core General Fund</u>	<u>Library Fund</u>	<u>Community Hsg Asst Prgm Fund</u>	<u>Total General Fund</u>
Equity in pooled cash and cash equivalents	\$ 477	\$ 639	\$ 216	\$ 1,332
Investments	43,694	1,754	4,634	50,082
Receivables:				
General property taxes	31,126	1,042	2,503	34,671
Sales and use taxes	7,587	-	-	7,587
Accounts	1,498	-	1	1,499
Accrued interest	97	5	10	112
Intergovernmental	1,443	25	-	1,468
Other	9	-	-	9
Total receivables	<u>41,760</u>	<u>1,072</u>	<u>2,514</u>	<u>45,346</u>
Advances to other funds	210	-	-	210
Inventory of materials and supplies	15	-	-	15
Restricted assets:				
Investments for special purposes	<u>1,232</u>	<u>-</u>	<u>-</u>	<u>1,232</u>
Total restricted assets	<u>1,232</u>	<u>-</u>	<u>-</u>	<u>1,232</u>
Total assets	<u>87,388</u>	<u>3,465</u>	<u>7,364</u>	<u>98,217</u>
Deferred outflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets and deferred outflows of resources	\$ <u>87,388</u>	\$ <u>3,465</u>	\$ <u>7,364</u>	\$ <u>98,217</u>

<u>Liabilities, Deferred Inflows of Resources and Fund Balance</u>	<u>Core General Fund</u>	<u>Library Fund</u>	<u>Community Hsg Asst Prgm Fund</u>	<u>Total General Fund</u>
Liabilities:				
Accounts and accrued liabilities:				
Vouchers and accounts payable	\$ 2,509	\$ 183	\$ 15	\$ 2,707
Accrued salaries, wages and amounts withheld from employees	2,659	189	14	2,862
Intergovernmental	668	-	-	668
Advances from other funds	1,442	-	-	1,442
Other liabilities	154	-	-	154
Unearned revenue	381	-	-	381
Total liabilities	<u>7,813</u>	<u>372</u>	<u>29</u>	<u>8,214</u>
Deferred inflows of resources	<u>31,903</u>	<u>1,043</u>	<u>2,503</u>	<u>35,449</u>
Fund balances:				
Nonspendable:				
Inventory	15	-	-	15
Endowment	100	-	-	100
Restricted:				
Legally restricted	992	-	-	992
Capital projects	1,186	-	-	1,186
Donor restrictions	137	-	-	137
Assigned:				
Special purposes	2,356	2,050	4,832	9,238
Contractual obligations	212	-	-	212
Unassigned	42,674	-	-	42,674
Total fund balances	<u>47,672</u>	<u>2,050</u>	<u>4,832</u>	<u>54,554</u>
Total liabilities, deferred inflows of resources and fund balances	\$ <u>87,388</u>	\$ <u>3,465</u>	\$ <u>7,364</u>	\$ <u>98,217</u>

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CITY OF BOULDER, COLORADO

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

General Fund

Year ended December 31, 2015
(Amounts in 000's)

	Core General Fund	Library Fund	Community Hsg Asst Prgm Fund	Eliminations	Total General Fund
Revenues:					
Taxes:					
Sales and use taxes	\$ 58,108	\$ -	\$ -	\$ -	\$ 58,108
General property taxes	25,493	853	2,048	-	28,394
Accommodations taxes	7,019	-	-	-	7,019
Franchise taxes	10,959	-	-	-	10,959
Specific ownership & tobacco taxes	2,109	-	-	-	2,109
Excise taxes	969	-	413	-	1,382
Charges for services	4,584	155	4	-	4,743
Sale of goods	61	22	-	-	83
Licenses, permits and fines	6,002	-	-	-	6,002
Intergovernmental	2,925	26	-	-	2,951
Leases, rents and royalties	288	2	-	-	290
Interest and investment earnings	252	11	25	-	288
Other	948	333	3	-	1,284
Total revenues	<u>119,717</u>	<u>1,402</u>	<u>2,493</u>	<u>-</u>	<u>123,612</u>
Expenditures:					
Current:					
General Government	12,265	-	-	-	12,265
Administrative Services	8,480	-	-	-	8,480
Public Safety	52,789	-	-	-	52,789
Public Works	5,901	-	-	-	5,901
Planning & Development Services	2,701	-	-	-	2,701
Culture and Recreation	5,463	7,999	-	-	13,462
Open Space and Mountain Parks	189	-	-	-	189
Housing and Human Services	6,905	-	2,612	-	9,517
Debt service payments:					
Principal	2,995	-	-	-	2,995
Interest	2,171	-	-	-	2,171
Total expenditures	<u>99,859</u>	<u>7,999</u>	<u>2,612</u>	<u>-</u>	<u>110,470</u>
Excess (deficiency) of revenues over (under) expenditures	<u>19,858</u>	<u>(6,597)</u>	<u>(119)</u>	<u>-</u>	<u>13,142</u>
Other financing sources (uses):					
Transfers in	152	6,586	-	(6,586)	152
Transfers out	(16,392)	-	(6)	6,586	(9,812)
Total other financing sources (uses)	<u>(16,240)</u>	<u>6,586</u>	<u>(6)</u>	<u>-</u>	<u>(9,660)</u>
Net change in fund balances	3,618	(11)	(125)	-	3,482
Fund balances, beginning of year	<u>44,054</u>	<u>2,061</u>	<u>4,957</u>	<u>-</u>	<u>51,072</u>
Fund balances, end of year	<u>\$ 47,672</u>	<u>\$ 2,050</u>	<u>\$ 4,832</u>	<u>\$ -</u>	<u>\$ 54,554</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, 2015

(Amounts in 000's)

	Budgeted amounts		Actual	Variance with
	<u>Original</u>	<u>Final</u>	<u>amounts</u>	final budget - Positive (Negative)
Revenues:				
Taxes:				
Sales and use taxes	\$ 54,634	\$ 56,134	\$ 58,108	\$ 1,974
General property taxes	26,216	26,216	25,493	(723)
Accommodations taxes	6,355	6,355	7,019	664
Franchise taxes	10,915	10,988	10,959	(29)
Specific ownership & tobacco taxes	1,734	1,734	2,109	375
Excise taxes	-	-	969	969
Charges for services	4,734	4,906	4,584	(322)
Sale of goods	92	92	61	(31)
Licenses, permits and fines	6,106	6,106	6,002	(104)
Intergovernmental	1,129	1,964	2,925	961
Leases, rents and royalties	169	250	288	38
Interest and investment earnings	255	255	367	112
Other	47	153	948	795
Total revenues	<u>112,386</u>	<u>115,153</u>	<u>119,832</u>	<u>4,679</u>
Expenditures:				
Current:				
General Government	23,253	27,218	9,587	17,631
Administrative Services	12,216	14,124	12,618	1,506
Public Safety	52,106	54,318	51,828	2,490
Public Works	5,836	6,706	6,128	578
Planning & Development Services	2,341	4,263	2,757	1,506
Culture and Recreation	5,221	5,541	5,417	124
Open Space and Mountain Parks	149	149	149	-
Housing and Human Services	6,806	8,281	6,793	1,488
Debt service payments:				
Principal	2,995	2,995	2,995	-
Interest	2,110	2,284	2,110	174
Total expenditures	<u>113,033</u>	<u>125,879</u>	<u>100,382</u>	<u>25,497</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(647)</u>	<u>(10,726)</u>	<u>19,450</u>	<u>30,176</u>

	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	8,189	8,143	177	(7,966)
Transfers out	<u>(15,450)</u>	<u>(15,663)</u>	<u>(15,687)</u>	<u>(24)</u>
Total other financing sources (uses)	(7,261)	(7,520)	(15,510)	(7,990)
Net change in fund balance	\$ <u><u>(7,908)</u></u>	\$ <u><u>(18,246)</u></u>	3,940	\$ <u><u>22,186</u></u>
Encumbrances, end of year			1,398	
Fund balance, beginning of year, basis of budgeting			<u>46,320</u>	
Fund balance, end of year, basis of budgeting			51,658	
Basis of budgeting to GAAP basis reconciliation:				
Fair market value adjustment to investments			(62)	
Accrued salaries, wages and amounts				
withheld from employees			(2,691)	
Advances to other funds			210	
Advances from other funds			<u>(1,443)</u>	
Fund balance, end of year, GAAP basis			\$ <u><u>47,672</u></u>	

CITY OF BOULDER, COLORADO

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

Year ended December 31, 2015

(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	\$ 866	\$ 866	\$ 853	\$ (13)
Charges for services	120	123	155	32
Sale of goods	-	16	22	6
Intergovernmental	-	26	26	-
Leases, rents and royalties	8	8	2	(6)
Interest and investment earnings	7	7	15	8
Other	<u>61</u>	<u>348</u>	<u>333</u>	<u>(15)</u>
Total revenues	1,062	1,394	1,406	12
Expenditures:				
Current:				
Culture and Recreation	<u>7,648</u>	<u>8,952</u>	<u>8,056</u>	<u>896</u>
Total expenditures	<u>7,648</u>	<u>8,952</u>	<u>8,056</u>	<u>896</u>
Excess (deficiency) of revenues over (under) expenditures	(6,586)	(7,558)	(6,650)	908
Other financing sources:				
Transfers in	<u>6,586</u>	<u>6,586</u>	<u>6,586</u>	<u>-</u>
Total other financing sources (uses)	<u>6,586</u>	<u>6,586</u>	<u>6,586</u>	<u>-</u>
Net change in fund balance	\$ <u>-</u>	\$ <u>(972)</u>	(64)	\$ <u>908</u>
Encumbrances, end of year			97	
Fund balance, beginning of year, basis of budgeting			<u>2,207</u>	
Fund balance, end of year, basis of budgeting			2,240	
Basis of budgeting to GAAP basis reconciliation:				
Fair market value adjustment to investments			(1)	
Accrued salaries, wages and amounts withheld from employees			<u>(189)</u>	
Fund balance, end of year, GAAP basis			\$ <u>2,050</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, 2015

(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	\$ 2,080	\$ 2,080	\$ 2,048	\$ (32)
Excise taxes	150	150	413	263
Charges for services	-	-	4	4
Interest and investment earnings	136	136	36	(100)
Other	-	-	407	407
Total revenues	<u>2,366</u>	<u>2,366</u>	<u>2,908</u>	<u>542</u>
Expenditures:				
Current:				
Housing and Human Services	<u>2,323</u>	<u>5,771</u>	<u>2,200</u>	<u>3,571</u>
Total expenditures	<u>2,323</u>	<u>5,771</u>	<u>2,200</u>	<u>3,571</u>
Excess (deficiency) of revenues over (under) expenditures	43	(3,405)	708	4,113
Other financing uses:				
Transfers out	<u>(63)</u>	<u>(63)</u>	<u>(6)</u>	<u>57</u>
Total other financing sources (uses)	<u>(63)</u>	<u>(63)</u>	<u>(6)</u>	<u>57</u>
Net change in fund balance	\$ <u><u>(20)</u></u>	\$ <u><u>(3,468)</u></u>	702	\$ <u><u>4,170</u></u>
Encumbrances, end of year			-	
Fund balance, beginning of year, basis of budgeting			4,149	
Prior year correction of budgetary Fund balance			-	
Fund balance, end of year, basis of budgeting			<u>4,851</u>	
Basis of budgeting to GAAP basis reconciliation:				
Fair market value adjustment to investments			(5)	
Accrued salaries, wages and amounts withheld from employees			<u>(14)</u>	
Fund balance, end of year, GAAP basis			\$ <u><u>4,832</u></u>	

NONMAJOR SPECIAL REVENUE FUNDS

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

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

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

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

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

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

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.

Gifts and Contributions Fund - to account for funds received from the Boulder Library Foundation for programs benefiting the city-owned library.

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

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

NONMAJOR CAPITAL PROJECT FUNDS

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

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

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

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

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

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

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CITY OF BOULDER, COLORADO

Combining Balance Sheet

Nonmajor Governmental Funds

December 31, 2015

(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	\$ 4,779	\$ 2,118	\$ 6,897
Investments	36,524	11,588	48,112
Receivables:			
General property taxes	85	2,816	2,901
Sales and use taxes	853	1,024	1,877
Accounts	145	-	145
Notes	-	-	-
Accrued interest	103	18	121
Intergovernmental	129	28	157
Total receivables	<u>1,315</u>	<u>3,886</u>	<u>5,201</u>
Inventory of materials and supplies	51	-	51
Restricted assets:			
Investments for special purposes	851	-	851
Investments for capital projects	-	2,002	2,002
Total restricted assets	<u>851</u>	<u>2,002</u>	<u>2,853</u>
Other assets	<u>11</u>	<u>-</u>	<u>11</u>
Total assets	<u>43,531</u>	<u>19,594</u>	<u>63,125</u>
Deferred outflows of resources	<u>-</u>	<u>-</u>	<u>-</u>
Total assets and deferred outflows of resources	<u>\$ 43,531</u>	<u>\$ 19,594</u>	<u>\$ 63,125</u>
<u>Liabilities, Deferred Inflows of Resources and Fund Balances</u>			
Liabilities:			
Accounts and accrued liabilities:			
Vouchers and accounts payable	\$ 1,029	\$ 1,280	\$ 2,309
Contracts and retainage payable	74	606	680
Accrued salaries, wages and amounts withheld from employees	629	42	671
Advances from other funds	210	-	210
Other liabilities	501	-	501
Unearned revenue	32	-	32
Total liabilities	<u>2,475</u>	<u>1,928</u>	<u>4,403</u>
Deferred inflow of resources	<u>210</u>	<u>2,837</u>	<u>3,047</u>
Fund balances:			
Nonspendable:			
Prepaid/receivable	11	-	11
Inventory	51	-	51
Restricted:			
Legally restricted	4,294	-	4,294
Capital projects	-	12,490	12,490
Development fees	7,305	-	7,305
Lottery funds	2,497	-	2,497
Donor restrictions	539	-	539
Committed:			
Affordable housing	7,468	-	7,468
Transportation projects	2,884	-	2,884
Assigned:			
Special purposes	15,797	2,339	18,136
Total fund balances	<u>40,846</u>	<u>14,829</u>	<u>55,675</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 43,531</u>	<u>\$ 19,594</u>	<u>\$ 63,125</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, 2015

(Amounts in 000's)

	Special Revenue	Capital Project	Total
Revenues:			
Taxes:			
Sales and use taxes	\$ 8,384	\$ 10,172	\$ 18,556
General property taxes	146	2,306	2,452
Franchise taxes	1,813	-	1,813
Excise taxes	2,134	937	3,071
Charges for services	15,985	-	15,985
Sale of goods	1,152	-	1,152
License, permits and fines	6,817	-	6,817
Intergovernmental	2,016	29	2,045
Leases, rents and royalties	1,834	10	1,844
Interest and investment earnings	218	45	263
Other	525	58	583
Total revenues	<u>41,024</u>	<u>13,557</u>	<u>54,581</u>
Expenditures:			
Current:			
General Government	102	-	102
Public Works	3,896	1,092	4,988
Planning & Development Services	11,562	-	11,562
Culture and Recreation	16,544	2,959	19,503
Open Space and Mountain Parks	165	-	165
Housing and Human Services	13,762	-	13,762
Capital outlay	-	9,750	9,750
Debt service payments:			
Principal	2,166	-	2,166
Interest	65	-	65
Total expenditures	<u>48,262</u>	<u>13,801</u>	<u>62,063</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(7,238)</u>	<u>(244)</u>	<u>(7,482)</u>
Other financing sources (uses):			
Transfers in	5,575	-	5,575
Transfers out	<u>(26)</u>	<u>(6)</u>	<u>(32)</u>
Total other financing sources (uses)	<u>5,549</u>	<u>(6)</u>	<u>5,543</u>
Net change in fund balances	(1,689)	(250)	(1,939)
Fund balances, beginning of year, as restated	<u>42,535</u>	<u>15,079</u>	<u>57,614</u>
Fund balances, end of year	<u>\$ 40,846</u>	<u>\$ 14,829</u>	<u>\$ 55,675</u>

CITY OF BOULDER, COLORADO

Combining Balance Sheet

Nonmajor Special Revenue Funds

December 31, 2015

(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>Recreation Activity Fund</u>
Equity in pooled cash and cash equivalents	\$ 1,767	\$ 583	\$ 289	\$ -	\$ 105	\$ 7
Investments	8,921	1,916	8,873	7,488	2,344	2,070
Receivables:						
General property taxes	-	-	-	-	-	-
Sales and use taxes	-	-	-	-	853	-
Accounts	-	-	68	-	5	9
Notes	-	-	-	-	-	-
Accrued interest	15	4	21	38	7	5
Intergovernmental	-	-	3	-	96	-
Total receivables	15	4	92	38	961	14
Inventory of materials and supplies	-	-	-	-	-	51
Restricted assets:						
Investments for special purposes	-	-	12	-	304	60
Investments for capital projects	-	-	-	-	-	-
Total restricted assets	-	-	12	-	304	60
Other assets	-	-	-	-	-	-
Total assets	10,703	2,503	9,266	7,526	3,714	2,202
Deferred outflows of resources	-	-	-	-	-	-
Total assets and deferred outflows of resources	\$ 10,703	\$ 2,503	\$ 9,266	\$ 7,526	\$ 3,714	\$ 2,202
<u>Liabilities, Deferred Inflows of Resources and Fund Balances</u>						
Liabilities:						
Accounts and accrued liabilities:						
Vouchers and accounts payable	\$ 40	\$ 5	\$ 89	\$ 35	\$ 117	\$ 62
Contracts and retainage payable	-	-	-	-	5	-
Accrued salaries, wages and amounts withheld from employees	-	1	274	16	117	188
Advances from other funds	-	-	-	-	-	-
Other liabilities	-	-	464	7	24	-
Unearned revenue	-	-	-	-	-	32
Total liabilities	40	6	827	58	263	282
Deferred inflows of resources	-	-	28	-	81	-
Fund balances:						
Nonspendable:						
Prepaid/Receivable	-	-	-	-	-	-
Inventory	-	-	-	-	-	51
Restricted:						
Legally restricted	-	-	11	-	3,118	-
Development fees	7,305	-	-	-	-	-
Lottery funds	-	2,497	-	-	-	-
Donor restrictions	-	-	-	-	252	62
Committed:						
Affordable housing	-	-	-	7,468	-	-
Transportation projects	-	-	-	-	-	-
Assigned:						
Special purposes	3,358	-	8,400	-	-	1,807
Unassigned	-	-	-	-	-	-
Total fund balances	10,663	2,497	8,411	7,468	3,370	1,920
Total liabilities, deferred inflows from resources and fund balances	\$ 10,703	\$ 2,503	\$ 9,266	\$ 7,526	\$ 3,714	\$ 2,202

(continued)

Climate Action Plan Tax Fund	Airport Fund	Trans- portation Development Fund	Transit Pass General Improvement District	Boulder Junction Access GID - TDM	Gifts and Contributions Fund	Community Development Fund	HOME Fund	Total
\$ 264	\$ 144	\$ 1,546	\$ -	\$ 69	\$ 5	\$ -	\$ -	\$ 4,779
1,075	281	3,550	16	14	(1)	(23)	-	36,524
-	-	-	10	75	-	-	-	85
-	-	-	-	-	-	-	-	853
-	40	-	-	-	-	23	-	145
-	-	-	-	-	-	-	-	-
3	1	7	-	-	2	-	-	103
1	-	-	-	-	-	5	24	129
4	41	7	10	75	2	28	24	1,315
-	-	-	-	-	-	-	-	51
-	-	-	-	-	475	-	-	851
-	-	-	-	-	-	-	-	-
-	-	-	-	-	475	-	-	851
-	-	-	11	-	-	-	-	11
1,343	466	5,103	37	158	481	5	24	43,531
-	-	-	-	-	-	-	-	-
\$ 1,343	\$ 466	\$ 5,103	\$ 37	\$ 158	\$ 481	\$ 5	\$ 24	\$ 43,531
\$ 319	\$ 14	\$ 299	\$ 11	\$ -	\$ 16	\$ -	\$ 22	\$ 1,029
-	54	15	-	-	-	-	-	74
19	6	1	-	-	-	5	2	629
-	210	-	-	-	-	-	-	210
-	6	-	-	-	-	-	-	501
-	-	-	-	-	-	-	-	32
338	290	315	11	-	16	5	24	2,475
1	15	-	10	75	-	-	-	210
-	-	-	11	-	-	-	-	11
-	-	-	-	-	-	-	-	51
1,004	161	-	-	-	-	-	-	4,294
-	-	-	-	-	-	-	-	7,305
-	-	-	-	-	-	-	-	2,497
-	-	-	-	-	225	-	-	539
-	-	-	-	-	-	-	-	7,468
-	-	2,884	-	-	-	-	-	2,884
-	-	1,904	5	83	240	-	-	15,797
-	-	-	-	-	-	-	-	-
1,004	161	4,788	16	83	465	-	-	40,846
\$ 1,343	\$ 466	\$ 5,103	\$ 37	\$ 158	\$ 481	\$ 5	\$ 24	\$ 43,531

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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, 2015

(Amounts in 000's)

	Capital Development <u>Fund</u>	Lottery <u>Fund</u>	Planning & Development Services <u>Fund</u>	Affordable Housing <u>Fund</u>
Revenues:				
Taxes:				
Sales and use taxes	\$ -	\$ -	\$ -	\$ -
General property taxes	-	-	-	-
Franchise taxes	-	-	-	-
Excise taxes	-	-	-	-
Charges for services	3,607	-	1,861	4,364
Sale of goods	-	-	-	-
Licenses, permits and fines	-	-	6,766	-
Intergovernmental	-	1,030	1	-
Leases, rents and royalties	-	-	-	-
Interest and investment earnings	31	10	52	69
Other	-	-	152	35
Total revenues	<u>3,638</u>	<u>1,040</u>	<u>8,832</u>	<u>4,468</u>
Expenditures:				
Current:				
General Government	-	-	-	-
Public Works	111	176	-	-
Planning & Development Services	-	-	11,562	-
Culture and Recreation	-	2	-	-
Open Space and Mountain Parks	-	165	-	-
Housing and Human Services	-	-	-	13,108
Debt service payments:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	<u>111</u>	<u>343</u>	<u>11,562</u>	<u>13,108</u>
Excess (deficiency) of revenues over (under) expenditures	<u>3,527</u>	<u>697</u>	<u>(2,730)</u>	<u>(8,640)</u>
Other financing sources (uses):				
Premium on bonds issued	-	-	-	-
Long-term loans issued	-	-	-	-
Transfers in	811	12	3,022	240
Transfers out	(6)	-	-	-
Total other financing sources (uses)	<u>805</u>	<u>12</u>	<u>3,022</u>	<u>240</u>
Net change in fund balances	4,332	709	292	(8,400)
Fund balances, beginning of year, as restated	<u>6,331</u>	<u>1,788</u>	<u>8,119</u>	<u>15,868</u>
Fund balances, end of year	\$ <u>10,663</u>	\$ <u>2,497</u>	\$ <u>8,411</u>	\$ <u>7,468</u>

CITY OF BOULDER, COLORADO

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

Year ended December 31, 2015

(Amounts in 000's)

	<u>.25 Cent Sales Tax 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	\$ 8,384	\$ -	\$ -	\$ -	\$ -
General property taxes	-	-	-	-	-
Franchise taxes	-	-	1,813	-	-
Excise taxes	-	-	-	-	2,134
Charges for services	9	6,132	-	12	-
Sale of goods	-	1,152	-	-	-
Licenses, permits and fines	2	49	-	-	-
Intergovernmental	99	27	16	182	-
Leases, rents and royalties	69	1,251	-	514	-
Interest and investment earnings	12	11	7	1	21
Other	138	79	-	-	100
Total revenues	<u>8,713</u>	<u>8,701</u>	<u>1,836</u>	<u>709</u>	<u>2,255</u>
Expenditures:					
Current:					
General Government	-	-	-	-	-
Public Works	445	-	2,048	535	571
Planning & Development Services	-	-	-	-	-
Culture and Recreation	6,275	10,019	-	-	-
Open Space and Mountain Parks	-	-	-	-	-
Housing and Human Services	-	-	-	-	-
Debt service payments:					
Principal	2,166	-	-	-	-
Interest	65	-	-	-	-
Total expenditures	<u>8,951</u>	<u>10,019</u>	<u>2,048</u>	<u>535</u>	<u>571</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(238)</u>	<u>(1,318)</u>	<u>(212)</u>	<u>174</u>	<u>1,684</u>
Other financing sources (uses):					
Premium on bonds issued	-	-	-	-	-
Long-term loans issued	-	-	-	-	-
Transfers in	-	1,485	-	-	-
Transfers out	-	-	-	-	(6)
Total other financing sources (uses)	<u>-</u>	<u>1,485</u>	<u>-</u>	<u>-</u>	<u>(6)</u>
Net change in fund balances	(238)	167	(212)	174	1,678
Fund balances, beginning of year, as restated	<u>3,608</u>	<u>1,753</u>	<u>1,216</u>	<u>(13)</u>	<u>3,110</u>
Fund balances, end of year	<u>\$ 3,370</u>	<u>\$ 1,920</u>	<u>\$ 1,004</u>	<u>\$ 161</u>	<u>\$ 4,788</u>

Transit Pass General Improvement District	Boulder Junction Access GID- TDM	Gifts and Contributions Fund	Community Development Fund	HOME Fund	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,384
9	137	-	-	-	146
-	-	-	-	-	1,813
-	-	-	-	-	2,134
-	-	-	-	-	15,985
-	-	-	-	-	1,152
-	-	-	-	-	6,817
-	-	-	361	300	2,016
-	-	-	-	-	1,834
-	-	4	-	-	218
-	-	21	-	-	525
<u>9</u>	<u>137</u>	<u>25</u>	<u>361</u>	<u>300</u>	<u>41,024</u>
-	102	-	-	-	102
10	-	-	-	-	3,896
-	-	-	-	-	11,562
-	-	248	-	-	16,544
-	-	-	-	-	165
-	-	-	356	298	13,762
-	-	-	-	-	2,166
-	-	-	-	-	65
<u>10</u>	<u>102</u>	<u>248</u>	<u>356</u>	<u>298</u>	<u>48,262</u>
<u>(1)</u>	<u>35</u>	<u>(223)</u>	<u>5</u>	<u>2</u>	<u>(7,238)</u>
-	-	-	-	-	-
-	-	-	-	-	-
5	-	-	-	-	5,575
<u>(14)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(26)</u>
<u>(9)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,549</u>
(10)	35	(223)	5	2	(1,689)
<u>26</u>	<u>48</u>	<u>688</u>	<u>(5)</u>	<u>(2)</u>	<u>42,535</u>
<u>\$ 16</u>	<u>\$ 83</u>	<u>\$ 465</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 40,846</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, 2015

(Amounts in 000's)

	<u>Budgeted amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>amounts</u>	<u>final budget -</u>
				<u>Positive</u>
				<u>(Negative)</u>
Revenues:				
Taxes:				
Excise taxes	\$ 126	\$ 126	\$ -	\$ (126)
Charges for services	486	486	3,607	3,121
Interest and investment earnings	30	30	47	17
Total revenues	<u>642</u>	<u>642</u>	<u>3,654</u>	<u>3,012</u>
Expenditures:				
Current:				
Public Works	<u>170</u>	<u>261</u>	<u>155</u>	<u>106</u>
Total expenditures	<u>170</u>	<u>261</u>	<u>155</u>	<u>106</u>
Excess (deficiency) of revenues				
over (under) expenditures	472	381	3,499	3,118
Other financing uses:				
Transfers in	811	811	811	-
Transfers out	<u>(10)</u>	<u>(10)</u>	<u>(6)</u>	<u>4</u>
Total other financing sources (uses)	<u>801</u>	<u>801</u>	<u>805</u>	<u>4</u>
Net change in fund balance	\$ <u>1,273</u>	\$ <u>1,182</u>	4,304	\$ <u>3,122</u>
Encumbrances, end of year			44	
Fund balance, beginning of year, basis of budgeting			<u>6,322</u>	
Fund balance, end of year, basis of budgeting			10,670	
Basis of budgeting to GAAP basis reconciliation:				
Fair market value adjustment to investments			<u>(7)</u>	
Fund balance, end of year, GAAP basis			\$ <u>10,663</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, 2015

(Amounts in 000's)

	Budgeted amounts		Actual	Variance with
	<u>Original</u>	<u>Final</u>	<u>amounts</u>	final budget - Positive (Negative)
Revenues:				
Intergovernmental	\$ 836	\$ 836	\$ 1,030	\$ 194
Interest and investment earnings	<u>3</u>	<u>3</u>	<u>15</u>	<u>12</u>
Total revenues	<u>839</u>	<u>839</u>	<u>1,045</u>	<u>206</u>
Expenditures:				
Current:				
Public Works	125	857	2	855
Culture and Recreation	355	454	176	278
Open Space and Mountain Parks	<u>355</u>	<u>886</u>	<u>183</u>	<u>703</u>
Total expenditures	<u>835</u>	<u>2,197</u>	<u>361</u>	<u>1,836</u>
Excess (deficiency) of				
revenues over expenditures	<u>4</u>	<u>(1,358)</u>	<u>684</u>	<u>2,042</u>
Other financing uses -				
Transfers in	<u>-</u>	<u>12</u>	<u>12</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>12</u>	<u>12</u>	<u>-</u>
Net change in fund balance	\$ <u>4</u>	\$ <u>(1,346)</u>	696	\$ <u>2,042</u>
Encumbrances, end of year			18	
Fund balance, beginning of year, basis of budgeting			<u>1,787</u>	
Fund balance, end of year, basis of budgeting			2,501	
Basis of budgeting to GAAP basis reconciliation:				
Fair market value adjustment to investments			(5)	
Accrued salaries, wages and amounts				
withheld from employees			<u>1</u>	
Fund balance, end of year, GAAP basis			\$ <u>2,497</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, 2015

(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	\$ 1,756	\$ 1,756	\$ 1,861	\$ 105
Sale of goods	3	3	-	(3)
Licenses, permits and fines	5,003	5,003	6,766	1,763
Intergovernmental	-	12	1	(11)
Interest and investment earnings	31	31	74	43
Other	-	76	152	76
Total revenues	<u>6,793</u>	<u>6,881</u>	<u>8,854</u>	<u>1,973</u>
Expenditures:				
Current:				
Planning & Development Services	<u>9,977</u>	<u>12,633</u>	<u>11,804</u>	<u>829</u>
Total expenditures	<u>9,977</u>	<u>12,633</u>	<u>11,804</u>	<u>829</u>
Excess (deficiency) of revenues over (under) expenditures	(3,184)	(5,752)	(2,950)	2,802
Other financing sources (uses):				
Transfers in	3,022	3,022	3,022	-
Transfers out	<u>(1,232)</u>	<u>(1,161)</u>	<u>-</u>	<u>1,161</u>
Total other financing sources (uses)	<u>1,790</u>	<u>1,861</u>	<u>3,022</u>	<u>1,161</u>
Net change in fund balance	\$ <u>(1,394)</u>	\$ <u>(3,891)</u>	72	\$ <u>3,963</u>
Encumbrances, end of year			305	
Fund balance, beginning of year, basis of budgeting			<u>8,319</u>	
Fund balance, end of year, basis of budgeting			8,696	
Basis of budgeting to GAAP basis reconciliation:				
Fair market value adjustment to investments			(11)	
Accrued salaries, wages and amounts withheld from employees			<u>(274)</u>	
Fund balance, end of year, GAAP basis			\$ <u>8,411</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, 2015

(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	\$ 1,004	\$ 3,638	\$ 4,364	\$ 726
Interest and investment earnings	20	20	99	79
Other	-	-	80	80
Total revenues	<u>1,024</u>	<u>3,658</u>	<u>4,543</u>	<u>885</u>
Expenditures:				
Current:				
Housing and Human Services	<u>1,092</u>	<u>19,326</u>	<u>13,116</u>	<u>6,210</u>
Total expenditures	<u>1,092</u>	<u>19,326</u>	<u>13,116</u>	<u>6,210</u>
Excess (deficiency) of revenues over (under) expenditures	(68)	(15,668)	(8,573)	7,095
Other financing sources (uses):				
Transfers in	240	240	240	-
Transfers out	<u>(129)</u>	<u>(129)</u>	<u>-</u>	<u>129</u>
Total other financing sources (uses)	<u>111</u>	<u>111</u>	<u>240</u>	<u>129</u>
Net change in fund balance	\$ <u>43</u>	\$ <u>(15,557)</u>	(8,333)	\$ <u>7,224</u>
Encumbrances, end of year			59	
Fund balance, beginning of year, basis of budgeting			<u>15,769</u>	
Fund balance, end of year, basis of budgeting			7,495	
Basis of budgeting to GAAP basis reconciliation:				
Fair market value adjustment to investments			(11)	
Accrued salaries, wages and amounts withheld from employees			<u>(16)</u>	
Fund balance, end of year, GAAP basis			\$ <u>7,468</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, 2015

(Amounts in 000's)

	Budgeted amounts		Actual	Variance with
	<u>Original</u>	<u>Final</u>	<u>amounts</u>	final budget - Positive (Negative)
Revenues:				
Taxes:				
Sales and use taxes	\$ 8,059	\$ 8,059	\$ 8,384	\$ 325
Charges for services	-	-	9	9
Licenses, permits and fines	-	-	2	2
Intergovernmental	-	100	99	(1)
Leases, rents and royalties	-	-	69	69
Interest and investment earnings	20	20	24	4
Other	150	161	138	(23)
Total revenues	<u>8,229</u>	<u>8,340</u>	<u>8,725</u>	<u>385</u>
Expenditures:				
Current:				
Public Works	450	460	446	14
Culture and Recreation	7,531	9,752	6,565	3,187
Debt service payments:				
Principal	-	-	2,166	(2,166)
Interest	-	-	65	(65)
Total expenditures	<u>7,981</u>	<u>10,212</u>	<u>9,242</u>	<u>970</u>
Excess (deficiency) of revenues over (under) expenditures	<u>248</u>	<u>(1,872)</u>	<u>(517)</u>	<u>1,355</u>
Other financing uses -				
Transfers out	<u>(427)</u>	<u>(427)</u>	<u>-</u>	<u>427</u>
Total other financing sources (uses)	<u>(427)</u>	<u>(427)</u>	<u>-</u>	<u>427</u>
Net change in fund balance	\$ <u>(179)</u>	\$ <u>(2,299)</u>	(517)	\$ <u>1,782</u>
Encumbrances, end of year			349	
Fund balance, beginning of year, basis of budgeting			<u>3,665</u>	
Fund balance, end of year, basis of budgeting			3,497	
Basis of budgeting to GAAP basis reconciliation:				
Fair market value adjustment to investments			(10)	
Accrued salaries, wages and amounts withheld from employees			<u>(117)</u>	
Fund balance, end of year, GAAP basis			\$ <u>3,370</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, 2015

(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	\$ 6,813	\$ 6,813	\$ 6,132	\$ (681)
Sale of goods	181	181	1,152	971
Licenses, permits and fines	185	185	49	(136)
Intergovernmental	-	35	27	(8)
Leases, rents and royalties	1,092	1,092	1,251	159
Interest and investment earnings	11	11	16	5
Other	34	105	79	(26)
Total revenues	<u>8,316</u>	<u>8,422</u>	<u>8,706</u>	<u>284</u>
Expenditures:				
Current:				
Culture and Recreation	<u>10,180</u>	<u>10,292</u>	<u>10,081</u>	<u>211</u>
Total expenditures	<u>10,180</u>	<u>10,292</u>	<u>10,081</u>	<u>211</u>
Excess (deficiency) of revenues over (under) expenditures	(1,864)	(1,870)	(1,375)	495
Other financing sources (uses):				
Transfers in	<u>1,486</u>	<u>1,486</u>	<u>1,485</u>	<u>(1)</u>
Total other financing sources (uses)	<u>1,486</u>	<u>1,486</u>	<u>1,485</u>	<u>(1)</u>
Net change in fund balance	\$ <u>(378)</u>	\$ <u>(384)</u>	110	\$ <u>494</u>
Encumbrances, end of year			42	
Fund balance, beginning of year, basis of budgeting			<u>1,960</u>	
Fund balance, end of year, basis of budgeting			2,112	
Basis of budgeting to GAAP basis reconciliation:				
Fair market value adjustment to investments			(4)	
Accrued salaries, wages and amounts withheld from employees			<u>(188)</u>	
Fund balance, end of year, GAAP basis			\$ <u>1,920</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, 2015

(Amounts in 000's)

	Budgeted amounts		Actual	Variance with
	<u>Original</u>	<u>Final</u>	<u>amounts</u>	final budget - Positive (Negative)
Revenues:				
Taxes:				
Franchise taxes	\$ 1,853	\$ 1,853	\$ 1,813	\$ (40)
Intergovernmental	-	-	16	16
Interest and investment earnings	6	6	10	4
Other	-	200	-	(200)
Total revenues	<u>1,859</u>	<u>2,059</u>	<u>1,839</u>	<u>(220)</u>
Expenditures:				
Current:				
Planning & Development Services	<u>1,802</u>	<u>3,003</u>	<u>2,324</u>	<u>679</u>
Total expenditures	<u>1,802</u>	<u>3,003</u>	<u>2,324</u>	<u>679</u>
Excess (deficiency) of revenues over (under) expenditures	<u>57</u>	<u>(944)</u>	<u>(485)</u>	<u>459</u>
Other financing sources -				
Transfers out	<u>(98)</u>	<u>(98)</u>	<u>-</u>	<u>98</u>
Total other financing sources (uses)	<u>(98)</u>	<u>(98)</u>	<u>-</u>	<u>98</u>
Net change in fund balance	<u>\$ (41)</u>	<u>\$ (1,042)</u>	(485)	<u>\$ 557</u>
Encumbrances, end of year			279	
Fund balance, beginning of year, basis of budgeting			<u>1,231</u>	
Fund balance, end of year, basis of budgeting			<u>1,025</u>	
Basis of budgeting to GAAP basis reconciliation:				
Fair market value adjustment to investments			(2)	
Accrued salaries, wages and amounts withheld from employees			<u>(19)</u>	
Fund balance, end of year, GAAP basis			<u>\$ 1,004</u>	

CITY OF BOULDER, COLORADO

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

Year ended December 31, 2015

(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	\$ 11	\$ 11	\$ 12	\$ 1
Intergovernmental	-	45	182	137
Leases, rents and royalties	549	550	514	(36)
Interest and investment earnings	2	2	2	-
Other	500	500	-	(500)
Total revenues	1,062	1,108	710	(398)
Expenditures:				
Current:				
Public Works	371	674	652	22
Total expenditures	371	674	652	22
Excess (deficiency) of revenues over (under) expenditures	691	434	58	(376)
Other financing uses:				
Transfers out	(61)	(61)	(25)	36
Total other financing sources (uses)	(61)	(61)	(25)	36
Net change in fund balance	\$ <u>630</u>	\$ <u>373</u>	33	\$ <u>(340)</u>
Encumbrances, end of year			118	
Fund balance, beginning of year, basis of budgeting			<u>226</u>	
Fund balance, end of year, basis of budgeting			377	
Basis of budgeting to GAAP basis reconciliation:				
Fair market value adjustment to investments			-	
Accrued salaries, wages and amounts withheld from employees			(6)	
Advances from other funds			<u>(210)</u>	
Fund balance, end of year, GAAP basis			\$ <u>161</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, 2015

(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	\$ 572	\$ 572	\$ 2,134	\$ 1,562
Interest and investment earnings	2	2	25	23
Other	<u>100</u>	<u>200</u>	<u>100</u>	<u>(100)</u>
Total revenues	674	774	2,259	1,485
Expenditures:				
Current:				
Public Works	<u>702</u>	<u>2,842</u>	<u>1,261</u>	<u>1,581</u>
Total expenditures	<u>702</u>	<u>2,842</u>	<u>1,261</u>	<u>1,581</u>
Excess (deficiency) of revenues over (under) expenditures	(28)	(2,068)	998	3,066
Other financing uses:				
Transfers out	<u>(9)</u>	<u>(9)</u>	<u>(6)</u>	<u>3</u>
Total other financing sources (uses)	<u>(9)</u>	<u>(9)</u>	<u>(6)</u>	<u>3</u>
Net change in fund balance	\$ <u>(37)</u>	\$ <u>(2,077)</u>	992	\$ <u>3,069</u>
Encumbrances, end of year			691	
Fund balance, beginning of year, basis of budgeting			<u>3,107</u>	
Fund balance, end of year, basis of budgeting			4,790	
Basis of budgeting to GAAP basis reconciliation:				
Fair market value adjustment to investments			(1)	
Accrued salaries, wages and amounts withheld from employees			<u>(1)</u>	
Fund balance, end of year, GAAP basis			\$ <u>4,788</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, 2015

(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	\$ <u>10</u>	\$ <u>10</u>	\$ <u>9</u>	\$ <u>(1)</u>
Total revenues	<u>10</u>	<u>10</u>	<u>9</u>	<u>(1)</u>
Expenditures:				
Current:				
Public Works	<u>15</u>	<u>15</u>	<u>10</u>	<u>5</u>
Total expenditures	<u>15</u>	<u>15</u>	<u>10</u>	<u>5</u>
Excess (deficiency) of revenues over (under) expenditures	(5)	(5)	(1)	4
Other financing sources -				
Transfers in	5	5	5	-
Transfers out	<u>-</u>	<u>-</u>	<u>(14)</u>	<u>(14)</u>
Total other financing sources (uses)	<u>5</u>	<u>5</u>	<u>(9)</u>	<u>(14)</u>
Net change in fund balance	\$ <u>-</u>	\$ <u>-</u>	(10)	\$ <u>(10)</u>
Fund balance, beginning of year, basis of budgeting			<u>26</u>	
Fund balance, end of year, basis of budgeting			16	
Basis of budgeting to GAAP basis reconciliation			<u>-</u>	
Fund balance, end of year, GAAP basis			\$ <u>16</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, 2015

(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	\$ 81	\$ 123	\$ 136	\$ 13
Specific ownership & tobacco taxes	<u>1</u>	<u>1</u>	<u>1</u>	<u>-</u>
Total revenues	<u>82</u>	<u>124</u>	<u>137</u>	<u>13</u>
Expenditures:				
Current:				
General Government	<u>145</u>	<u>145</u>	<u>102</u>	<u>43</u>
Total expenditures	<u>145</u>	<u>145</u>	<u>102</u>	<u>43</u>
Excess (deficiency) of revenues				
over (under) expenditures	<u>(63)</u>	<u>(21)</u>	<u>35</u>	<u>56</u>
Other financing sources -				
Transfers out	<u>(3)</u>	<u>(3)</u>	<u>-</u>	<u>3</u>
Total other financing sources (uses)	<u>(3)</u>	<u>(3)</u>	<u>-</u>	<u>3</u>
Net change in fund balance	\$ <u>(66)</u>	\$ <u>(24)</u>	35	\$ <u>59</u>
Fund balance, beginning of year, basis of budgeting			<u>48</u>	
Fund balance, end of year, GAAP basis			\$ <u>83</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, 2015

(Amounts in 000's)

	<u>Budgeted amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>amounts</u>	<u>final budget -</u>
				<u>Positive</u>
				<u>(Negative)</u>
Revenues:				
Intergovernmental	\$ 649	\$ 1,436	\$ 361	\$ (1,075)
Total revenues	649	1,436	361	(1,075)
Expenditures:				
Current:				
Housing and Human Services	634	1,421	356	1,065
Total expenditures	634	1,421	356	1,065
Excess (deficiency) of revenues				
over (under) expenditures	15	15	5	(10)
Other financing uses:				
Transfers out	(15)	(15)	-	15
Total other financing sources (uses)	(15)	(15)	-	15
Net change in fund balance	\$ -	\$ -	5	\$ 5
Encumbrances, end of year			-	
Fund balance, beginning of year, basis of budgeting			(5)	
Fund balance, end of year, basis of budgeting			-	
Basis of budgeting to GAAP basis reconciliation				
Accrued salaries, wages and amounts withheld from employees			(5)	
Grant receivable			5	
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, 2015

(Amounts in 000's)

	<u>Budgeted amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>amounts</u>	<u>final budget -</u>
				<u>Positive</u>
				<u>(Negative)</u>
Revenues:				
Intergovernmental	\$ 846	\$ 2,165	\$ 300	\$ (1,865)
Total revenues	<u>846</u>	<u>2,165</u>	<u>300</u>	<u>(1,865)</u>
Expenditures:				
Current:				
Housing and Human Services	829	2,148	298	1,850
Total expenditures	<u>829</u>	<u>2,148</u>	<u>298</u>	<u>1,850</u>
Excess (deficiency) of revenues				
over (under) expenditures	<u>17</u>	<u>17</u>	<u>2</u>	<u>(15)</u>
Transfers out	<u>(17)</u>	<u>(17)</u>	<u>-</u>	<u>17</u>
Total other financing sources (uses)	<u>(17)</u>	<u>(17)</u>	<u>-</u>	<u>17</u>
Net change in fund balance	\$ <u>-</u>	\$ <u>-</u>	2	\$ <u>2</u>
Fund balance, beginning of year, basis of budgeting			<u>(2)</u>	
Fund balance, end of year, basis of budgeting			-	
Accrued salaries, wages			<u>(2)</u>	
Grant receivable			<u>2</u>	
Fund balance, end of year, GAAP basis			\$ <u>-</u>	

CITY OF BOULDER, COLORADO

Combining Balance Sheet

Nonmajor Capital Project Funds

December 31, 2015

(Amounts in 000's)

<u>Assets and Deferred Outflows of Resources</u>	Permanent Parks and Recreation Fund	Fire Training Center Construction Fund	Boulder Junction Improvement Fund	2011 Capital Improvement Fund	Capital Improvement CCS Fund	Total
Equity in pooled cash and cash equivalents	\$ 31	\$ -	\$ 735	\$ -	\$ 1,352	\$ 2,118
Investments	1,243	4	1,643	2,538	6,160	11,588
Receivables:						
General property taxes	2,816	-	-	-	-	2,816
Sales and use taxes	-	-	-	-	1,024	1,024
Accrued interest	3	-	7	8	-	18
Intergovernmental	28	-	-	-	-	28
Total receivables	2,847	-	7	8	1,024	3,886
Investments for capital projects	-	-	-	2,002	-	2,002
Total restricted assets	-	-	-	2,002	-	2,002
Total assets	4,121	4	2,385	4,548	8,536	19,594
Deferred outflows of resources	-	-	-	-	-	-
Total assets and deferred outflows of resources	\$ 4,121	\$ 4	\$ 2,385	\$ 4,548	\$ 8,536	\$ 19,594
<u>Liabilities, Deferred Inflows of Resources and Fund Balance</u>						
Liabilities:						
Accounts and accrued liabilities:						
Vouchers and accounts payable	\$ 11	\$ -	\$ 31	\$ 775	\$ 463	\$ 1,280
Contracts and retainage payable	29	-	18	555	4	606
Accrued salaries, wages and amounts withheld from employees	32	-	1	6	3	42
Total liabilities	72	-	50	1,336	470	1,928
Deferred inflows of resources	2,837	-	-	-	-	2,837
Fund balances:						
Capital projects	1,212	-	-	3,212	8,066	12,490
Assigned:						
Special purposes	-	4	2,335	-	-	2,339
Total fund balances	1,212	4	2,335	3,212	8,066	14,829
Total liabilities, deferred inflows of resources and fund balances	\$ 4,121	\$ 4	\$ 2,385	\$ 4,548	\$ 8,536	\$ 19,594

CITY OF BOULDER, COLORADO

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Capital Project Funds

Year ended December 31, 2015

(Amounts in 000's)

	Permanent Parks and Recreation <u>Fund</u>	Fire Training Center Construction <u>Fund</u>	Boulder Junction Improvement <u>Fund</u>	2011 Capital Improvement <u>Fund</u>	Capital Improvement CCS Fund	<u>Total</u>
Revenues:						
Taxes:						
Sales and use taxes	\$ -	\$ -	\$ 7	\$ -	\$ 10,165	\$ 10,172
General property taxes	2,306	-	-	-	-	2,306
Excise taxes	-	-	937	-	-	937
Intergovernmental	29	-	-	-	-	29
Leases, rents and royalties	10	-	-	-	-	10
Interest and investment earnings	7	-	15	31	(8)	45
Other	53	-	-	-	5	58
Total revenues	<u>2,405</u>	<u>-</u>	<u>959</u>	<u>31</u>	<u>10,162</u>	<u>13,557</u>
Expenditures:						
Current:						
Capital Outlay	-	-	-	7,654	2,096	9,750
Culture and Recreation	2,458	-	501	-	-	2,959
Public Works	-	-	1,092	-	-	1,092
Total expenditures	<u>2,458</u>	<u>-</u>	<u>1,593</u>	<u>7,654</u>	<u>2,096</u>	<u>13,801</u>
Excess (deficiency) of revenues over (under) expenditures	(53)	-	(634)	(7,623)	8,066	(244)
Other financing sources (uses)						
Transfers out	(6)	-	-	-	-	(6)
Total other financing sources (uses)	<u>(6)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(6)</u>
Net change in fund balances	<u>(59)</u>	<u>-</u>	<u>(634)</u>	<u>(7,623)</u>	<u>8,066</u>	<u>(250)</u>
Fund balances, beginning of year	<u>1,271</u>	<u>4</u>	<u>2,969</u>	<u>10,835</u>	<u>-</u>	<u>15,079</u>
Fund balances, end of year	<u>\$ 1,212</u>	<u>\$ 4</u>	<u>\$ 2,335</u>	<u>\$ 3,212</u>	<u>\$ 8,066</u>	<u>\$ 14,829</u>

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, 2015

(Amounts in 000's)

	Budgeted amounts		Actual	Variance with
	Original	Final	amounts	final budget - Positive (Negative)
Revenues:				
Taxes:				
General property taxes	\$ 2,340	\$ 2,340	\$ 2,306	\$ (34)
Intergovernmental	-	-	29	29
Leases, rents and royalties	-	-	10	10
Interest and investment earnings	15	15	11	(4)
Other	13	56	53	(3)
Total revenues	2,368	2,411	2,409	(2)
Expenditures:				
Culture and Recreation	2,242	3,125	2,575	550
Total expenditures	2,242	3,125	2,575	550
Excess (deficiency) of revenues over (under) expenditures	126	(714)	(166)	548
Other financing sources (uses)				
Transfers out	(87)	(87)	(6)	81
Total other financing sources (uses)	(87)	(87)	(6)	81
Net change in fund balance	\$ 39	\$ (801)	(172)	\$ 629
Encumbrances, end of year			125	
Fund balance, beginning of year, basis of budgeting			1,293	
Fund balance, end of year, basis of budgeting			1,246	
Basis of budgeting to GAAP basis reconciliation:				
Fair market value adjustment to investments			(2)	
Accrued salaries, wages and amounts withheld from employees			(32)	
Fund balance, end of year, GAAP basis			\$ 1,212	

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, 2015

(Amounts in 000's)

	Budgeted amounts		Actual	Variance with
	<u>Original</u>	<u>Final</u>	<u>amounts</u>	final budget - Positive (Negative)
Revenues:				
Taxes:				
Sales and use taxes	\$ 301	\$ 301	\$ 7	\$ (294)
Excise taxes	529	529	937	408
Charges for services	208	208	-	(208)
Interest and investment earnings	-	-	20	20
Total revenues	<u>1,038</u>	<u>1,038</u>	<u>964</u>	<u>(74)</u>
Expenditures:				
Culture and Recreation	-	1,288	501	787
Public Works	<u>652</u>	<u>2,086</u>	<u>1,106</u>	<u>980</u>
Total expenditures	<u>652</u>	<u>3,374</u>	<u>1,607</u>	<u>1,767</u>
Excess (deficiency) of revenues over (under) expenditures	<u>386</u>	<u>(2,336)</u>	<u>(643)</u>	<u>1,693</u>
Net change in fund balance	\$ <u>386</u>	\$ <u>(2,336)</u>	(643)	\$ <u>1,693</u>
Encumbrances, end of year			15	
Fund balance, beginning of year, basis of budgeting			<u>2,966</u>	
Fund balance, end of year, basis of budgeting			<u>2,338</u>	
Basis of budgeting to GAAP basis reconciliation:				
Fair market value adjustment to investments			(2)	
Transfer for budgetary basis only				
Accrued salaries, wages and amounts withheld from employees			<u>(1)</u>	
Fund balance, end of year, GAAP basis			\$ <u>2,335</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, 2015

(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:				
Interest and investment earnings	\$ 8	\$ 8	\$ 39	\$ 31
Total revenues	8	8	39	31
Expenditures:				
Capital outlay	-	11,186	9,618	1,568
Total expenditures	-	11,186	9,618	1,568
Excess (deficiency) of revenues				
over (under) expenditures	8	(11,178)	(9,579)	1,599
Other financing uses -				
Net change in fund balance	\$ 8	\$ (11,178)	(9,579)	\$ 1,599
Encumbrances, end of year			1,942	
Fund balance, beginning of year, basis of budgeting			10,856	
Fund balance, end of year, basis of budgeting			3,219	
Basis of budgeting to GAAP basis reconciliation:				
Fair market value adjustment to investments			(1)	
Accrued salaries, wages and amounts				
withheld from employees			(6)	
Fund balance, end of year, GAAP basis			\$ 3,212	

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, 2015

(Amounts in 000's)

	Budgeted amounts		Actual	Variance with
	<u>Original</u>	<u>Final</u>	<u>amounts</u>	final budget -
				Positive
				<u>(Negative)</u>
Revenues:				
Taxes:				
Sales and use taxes	\$ -	\$ 8,899	\$ 10,165	\$ 1,266
Interest and investment earnings	-	-	(7)	(7)
Other	-	5	5	-
Total revenues	-	8,904	10,163	1,259
Expenditures:				
Capital outlay	-	8,904	3,632	5,272
Total expenditures	-	8,904	3,632	5,272
Excess (deficiency) of revenues				
over (under) expenditures	-	-	6,531	6,531
Other financing uses -				
Net change in fund balance	\$ -	\$ -	6,531	\$ 6,531
Encumbrances, end of year			1,539	
Fund balance, beginning of year, basis of budgeting			-	
Fund balance, end of year, basis of budgeting			8,070	
Basis of budgeting to GAAP basis reconciliation:				
Fair market value adjustment to investments			(1)	
Accrued salaries, wages and amounts				
withheld from employees			(3)	
Fund balance, end of year, GAAP basis			\$ 8,066	

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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, 2015

(Amounts in 000's)

	University Hill Commercial District	Boulder Junction Access GID - Parking	Total Nonmajor Enterprise Funds
Assets:			
Current assets:			
Equity in pooled cash and cash equivalents	\$ 601	\$ 306	\$ 907
Investments	249	106	355
Receivables:			
General property taxes	33	136	169
Accrued interest	2	-	2
Total receivables	35	136	171
Total current assets	885	548	1,433
Noncurrent assets:			
Capital assets:			
Land and easements	444	-	444
Improvements other than buildings	58	-	58
Vehicles	90	-	90
Machinery and equipment	247	-	247
	839	-	839
Less accumulated depreciation	(292)	-	(292)
Total capital assets, net of accumulated depreciation	547	-	547
Total noncurrent assets	547	-	547
Total assets	1,432	548	1,980
Deferred outflows of resources	43	-	43
Total assets and deferred outflows of resources	\$ 1,475	\$ 548	\$ 2,023

CITY OF BOULDER, COLORADO

Combining Statement of Net Position
continuedNonmajor Enterprise Funds

December 31, 2015

(Amounts in 000's)

	University Hill Commercial <u>District</u>	Boulder Junction Access GID - <u>Parking</u>	Total Nonmajor Enterprise <u>Funds</u>
Liabilities:			
Current liabilities:			
Accounts and accrued liabilities:			
Vouchers and accounts payable	\$ 13	\$ -	\$ 13
Accrued salaries, wages and amounts withheld from employees	13	-	13
Advances from other funds	-	2	2
Other liabilities	10	-	10
Total current liabilities	<u>36</u>	<u>2</u>	<u>38</u>
Non-current liabilities:			
Advances from other funds	-	10	10
Compensated absences payable	7	-	7
Net Pension Liability	311	-	311
Retiree health care benefit	6	-	6
Total non-current liabilities	<u>324</u>	<u>10</u>	<u>334</u>
Total liabilities	<u>360</u>	<u>12</u>	<u>372</u>
Deferred inflows of resources:			
Property tax	<u>33</u>	<u>136</u>	<u>169</u>
Net position:			
Net investment in capital assets	546	-	546
Restricted for:			
Legally restricted	6	-	6
Unrestricted	<u>530</u>	<u>400</u>	<u>930</u>
Total net position	<u>\$ 1,082</u>	<u>\$ 400</u>	<u>\$ 1,482</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, 2015

(Amounts in 000's)

	University Hill Commercial <u>District</u>	Boulder Junction Access GID - <u>Parking</u>	Total Nonmajor Enterprise <u>Funds</u>
Operating revenues:			
Charges for services	\$ <u>157</u>	\$ <u>-</u>	\$ <u>157</u>
Total operating revenues	<u>157</u>	<u>-</u>	<u>157</u>
Operating expenses:			
Personnel	257	-	257
Non-personnel	323	8	331
Depreciation	<u>30</u>	<u>-</u>	<u>30</u>
Total operating expenses	<u>610</u>	<u>8</u>	<u>618</u>
Operating income (loss)	<u>(453)</u>	<u>(8)</u>	<u>(461)</u>
Nonoperating revenues (expenses):			
Interest and investment earnings	4	-	4
General property taxes	30	48	78
Specific ownership & tobacco taxes	<u>2</u>	<u>2</u>	<u>4</u>
Total nonoperating revenues (expenses)	<u>36</u>	<u>50</u>	<u>86</u>
Income (loss) before capital contributions and transfers	(417)	42	(375)
Transfers in	<u>425</u>	<u>324</u>	<u>749</u>
Changes in net position	8	366	374
Total net position, beginning of year, as restated	<u>1,074</u>	<u>34</u>	<u>1,108</u>
Total net position, end of year	\$ <u><u>1,082</u></u>	\$ <u><u>400</u></u>	\$ <u><u>1,482</u></u>

CITY OF BOULDER, COLORADO

Combining Statement of Cash Flows

Nonmajor Enterprise Funds

Year ended December 31, 2015

(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	\$ 157	\$ -	\$ 157
Other payments	2	-	2
Payments to suppliers	(318)	-	(318)
Payments to employees	(269)	(8)	(277)
Net cash provided (used) by operating activities	<u>(428)</u>	<u>(8)</u>	<u>(436)</u>
Cash flows from noncapital financing activities:			
Payments to other funds on advances	-	(3)	(3)
General property taxes	31	48	79
Specific ownership & tobacco taxes	2	2	4
Transfers in	425	324	749
Net cash provided (used) by noncapital financing activities	<u>458</u>	<u>371</u>	<u>829</u>
Cash flows from capital and related financing activities:			
Acquisition and construction of capital assets	<u>(7)</u>	<u>-</u>	<u>(7)</u>
Net cash provided (used) for capital related financing activities	<u>(7)</u>	<u>-</u>	<u>(7)</u>
Cash flows from investing activities:			
Purchase of investment securities	(92)	(59)	(151)
Proceeds from sale and maturities of investment securities	626	-	626
Interest on investments	4	-	4
Net cash provided (used) in investing activities	<u>538</u>	<u>(59)</u>	<u>479</u>
Net (decrease) in cash and cash equivalents	561	304	865
Cash and cash equivalents, January 1	<u>40</u>	<u>2</u>	<u>42</u>
Cash and cash equivalents, December 31	\$ <u><u>601</u></u>	\$ <u><u>306</u></u>	\$ <u><u>907</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, 2015

(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>(453)</u>	\$ <u>(8)</u>	\$ <u>(461)</u>
Adjustments to reconcile net operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	30	-	30
Other nonoperating revenues (expenses)	2	-	2
Change in assets and liabilities:			
Increase (decrease) in liabilities:			
Vouchers and accounts payable	5	-	5
Accrued salaries, wages and amounts withheld from employees	6	-	6
Pension Liability	8	-	8
Compensated absences	(27)	-	(27)
Retiree health care benefit	<u>1</u>	<u>-</u>	<u>1</u>
Total adjustments	<u>25</u>	<u>-</u>	<u>25</u>
Net cash provided (used) by operating activities	\$ <u><u>(428)</u></u>	\$ <u><u>(8)</u></u>	\$ <u><u>(436)</u></u>
Noncash investing, capital and financing activities:			
Increase (decrease) in fair value of investments	\$ <u>(1)</u>	\$ <u>-</u>	\$ <u>(1)</u>
	\$ <u><u>(1)</u></u>	\$ <u><u>-</u></u>	\$ <u><u>(1)</u></u>

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INTERNAL SERVICE FUNDS

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

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

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

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

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

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

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

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

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

CITY OF BOULDER, COLORADO

Combining Statement of Net Position

Internal Service Funds

December 31, 2015

(Amounts in 000's)

	Telecom- munications Fund	Property and Casualty Insurance Fund	Workers' Compensation Insurance Fund	Compensated Absences Fund
Assets:				
Current assets:				
Equity in pooled cash and cash equivalents	\$ 693	\$ 1,575	\$ 18	\$ 484
Investments	941	4,241	2,841	1,398
Receivables, net:				
Accounts	-	-	-	-
Accrued interest	3	15	7	4
Intergovernmental	-	-	-	-
Total receivables	3	15	7	4
Advances to other funds	-	-	-	-
Other assets - prepaid expenses	-	304	-	-
Total current assets	1,637	6,135	2,866	1,886
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	(2,297)	(9)	-	-
	1,016	4	-	-
Construction in progress	-	-	-	-
Total capital assets, net of accumulated depreciation	1,016	4	-	-
Total noncurrent assets	1,016	4	-	-
Total assets	2,653	6,139	2,866	1,886
Deferred outflows of resources:				
Total deferred outflow of resources	24	66	11	84
Total assets and deferred outflows of resources	2,677	6,205	2,877	1,970

<u>Fleet Fund</u>	<u>Computer Replacement Fund</u>	<u>Equipment Replacement Fund</u>	<u>Facility Renovation and Replacement Fund</u>	<u>Total</u>
\$ 1,430	\$ 2,235	\$ 679	\$ 144	\$ 7,258
14,783	5,835	5,020	10,191	45,250
16	-	-	48	64
30	18	11	25	113
3	-	-	124	127
<u>49</u>	<u>18</u>	<u>11</u>	<u>197</u>	<u>304</u>
149	-	-	-	149
-	-	-	-	304
<u>16,411</u>	<u>8,088</u>	<u>5,710</u>	<u>10,532</u>	<u>53,265</u>
699	-	-	-	699
-	-	-	117	117
2,381	-	108	86,554	89,250
1,437	-	-	7,184	8,621
-	-	-	468	468
31,830	-	-	-	31,830
47	4,122	3,281	314	10,883
35,695	4,122	3,389	94,637	141,169
<u>(18,802)</u>	<u>(3,281)</u>	<u>(2,729)</u>	<u>(56,841)</u>	<u>(83,959)</u>
16,893	841	660	37,796	57,210
974	-	-	192	1,166
<u>17,867</u>	<u>841</u>	<u>660</u>	<u>37,988</u>	<u>58,376</u>
<u>18,566</u>	<u>841</u>	<u>660</u>	<u>37,988</u>	<u>59,075</u>
<u>34,977</u>	<u>8,929</u>	<u>6,370</u>	<u>48,520</u>	<u>112,340</u>
156	1	4	114	460
<u>35,133</u>	<u>8,930</u>	<u>6,374</u>	<u>48,634</u>	<u>112,800</u>

CITY OF BOULDER, COLORADO

Combining Statement of Net Position
continuedInternal Service Funds

December 31, 2015

(Amounts in 000's)

	Telecom- munications <u>Fund</u>	Property and Casualty Insurance <u>Fund</u>	Workers' Compensation Insurance <u>Fund</u>	Compensated Absences <u>Fund</u>
Liabilities:				
Current liabilities:				
Accounts and accrued liabilities:				
Vouchers and accounts payable	47	13	132	-
Contracts and retainage payable	-	-	-	-
Accrued salaries, wages and amounts withheld from employees	-	11	5	34
Accrued claims liability (current portion)	-	202	845	-
Other liabilities	-	-	-	-
Compensated absences payable (current portion)	-	-	-	-
Capitalized lease obligations (current portion)	-	-	-	-
Total current liabilities	<u>47</u>	<u>226</u>	<u>982</u>	<u>34</u>
Non-current liabilities:				
Capitalized lease obligations	-	-	-	-
Compensated absences payable	13	7	11	-
Accrued claims liability	-	372	762	-
Net Pension Liability	173	488	82	616
Retiree health care benefit	2	4	3	-
Total non-current liabilities	<u>188</u>	<u>871</u>	<u>858</u>	<u>616</u>
Total liabilities	<u>235</u>	<u>1,097</u>	<u>1,840</u>	<u>650</u>
Net position:				
Net investment in capital assets	1,016	4	-	-
Unrestricted	<u>1,426</u>	<u>5,104</u>	<u>1,037</u>	<u>1,320</u>
Total net position	\$ <u><u>2,442</u></u>	\$ <u><u>5,108</u></u>	\$ <u><u>1,037</u></u>	\$ <u><u>1,320</u></u>

<u>Fleet Fund</u>	<u>Computer Replacement Fund</u>	<u>Equipment Replacement Fund</u>	<u>Facility Renovation and Replacement Fund</u>	<u>Total</u>
607	29	4	255	1,087
-	-	-	75	75
33	2	1	5	91
-	-	-	-	1,047
-	-	-	245	245
31	-	-	-	31
-	-	-	585	585
<u>671</u>	<u>31</u>	<u>5</u>	<u>1,165</u>	<u>3,161</u>
-	-	-	8,242	8,242
16	-	-	13	60
-	-	-	-	1,134
1,141	10	29	78	2,617
22	-	1	2	34
<u>1,179</u>	<u>10</u>	<u>30</u>	<u>8,335</u>	<u>12,087</u>
<u>1,850</u>	<u>41</u>	<u>35</u>	<u>9,500</u>	<u>15,248</u>
17,867	841	660	29,162	49,550
<u>15,416</u>	<u>8,048</u>	<u>5,679</u>	<u>9,972</u>	<u>48,002</u>
\$ <u><u>33,283</u></u>	\$ <u><u>8,889</u></u>	\$ <u><u>6,339</u></u>	\$ <u><u>39,134</u></u>	\$ <u><u>97,552</u></u>

CITY OF BOULDER, COLORADO

Combining Statement of Revenues, Expenses and Changes in Net Position

Internal Service Funds

Year ended December 31, 2015

(Amounts in 000's)

	Telecom- munications Fund	Property and Casualty Insurance Fund	Workers' Compensation Insurance Fund	Compensated Absences Fund
Operating revenues:				
Charges for services	\$ 671	\$ 1,658	\$ 1,606	\$ 764
Sales of goods	-	-	-	-
Total operating revenues	<u>671</u>	<u>1,658</u>	<u>1,606</u>	<u>764</u>
Operating expenses:				
Personnel	156	433	99	474
Non-personnel	635	1,411	2,180	8
Depreciation	267	3	-	-
Total operating expenses	<u>1,058</u>	<u>1,847</u>	<u>2,279</u>	<u>482</u>
Operating income (loss)	<u>(387)</u>	<u>(189)</u>	<u>(673)</u>	<u>282</u>
Nonoperating revenues (expenses):				
Interest and investment earnings	8	29	17	8
Leases, rents and royalties	-	-	-	-
Intergovernmental revenue	-	-	-	-
Interest expense	-	-	-	-
Gain (loss) on sale of capital assets	-	-	-	-
Other (net)	<u>-</u>	<u>10</u>	<u>134</u>	<u>-</u>
Total nonoperating revenues (expenses)	<u>8</u>	<u>39</u>	<u>151</u>	<u>8</u>
Income (loss) before capital contributions, extraordinary items, and transfers	(379)	(150)	(522)	290
Capital contributions	-	-	-	-
Transfers in	97	-	-	-
Transfers out	<u>-</u>	<u>-</u>	<u>(95)</u>	<u>-</u>
Changes in net position	(282)	(150)	(617)	290
Total net position, beginning of year, as restated	<u>2,724</u>	<u>5,258</u>	<u>1,654</u>	<u>1,030</u>
Total net position, end of year	<u>\$ 2,442</u>	<u>\$ 5,108</u>	<u>\$ 1,037</u>	<u>\$ 1,320</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>
\$ 8,006	\$ 1,983	\$ 882	\$ 2,966	\$ 18,536
113	-	-	-	113
<u>8,119</u>	<u>1,983</u>	<u>882</u>	<u>2,966</u>	<u>18,649</u>
1,066	10	36	87	2,361
1,905	1,448	173	1,342	9,102
2,432	431	200	2,927	6,260
<u>5,403</u>	<u>1,889</u>	<u>409</u>	<u>4,356</u>	<u>17,723</u>
<u>2,716</u>	<u>94</u>	<u>473</u>	<u>(1,390)</u>	<u>926</u>
103	17	27	61	270
-	-	-	140	140
-	-	-	35	35
-	-	-	(276)	(276)
324	18	1	-	343
<u>37</u>	<u>-</u>	<u>-</u>	<u>93</u>	<u>274</u>
<u>464</u>	<u>35</u>	<u>28</u>	<u>53</u>	<u>786</u>
3,180	129	501	(1,337)	1,712
-	-	-	124	124
-	-	275	-	372
<u>-</u>	<u>-</u>	<u>-</u>	<u>(24)</u>	<u>(119)</u>
3,180	129	776	(1,237)	2,089
<u>30,103</u>	<u>8,760</u>	<u>5,563</u>	<u>40,371</u>	<u>95,463</u>
\$ <u><u>33,283</u></u>	\$ <u><u>8,889</u></u>	\$ <u><u>6,339</u></u>	\$ <u><u>39,134</u></u>	\$ <u><u>97,552</u></u>

CITY OF BOULDER, COLORADO

Combining Statement of Cash Flows

Internal Service Funds

Year ended December 31, 2015

(Amount in 000's)

	Telecom- munications Fund	Property and Casualty Insurance Fund	Workers' Compensation Insurance Fund	Compensated Absences Fund
Cash flows from operating activities:				
Receipts from customers and users	\$ 671	\$ -	\$ -	\$ -
Receipts from interfund services provided	-	1,658	1,606	764
Other receipts	-	-	134	-
Refundable deposits receipts (payments)	-	-	-	-
Payments to suppliers	(626)	(1,667)	(1,710)	(423)
Payments to employees	(142)	(411)	(86)	(8)
Payments for interfund services used	-	(1)	-	-
Net cash provided (used) by operating activities	(97)	(421)	(56)	333
Cash flows from noncapital financing activities:				
Payments from other funds				
on due from (due to) balances	-	-	-	-
Payments to other funds				
on due from (due to) balances	-	(41)	-	-
Payments from other funds on advances	-	-	-	-
Leases, rents and royalties	-	-	-	-
Intergovernmental revenue	-	-	-	-
Transfers in	97	-	-	-
Transfers out	-	-	(95)	-
Net cash provided (used) by noncapital financing activities	97	(41)	(95)	-
Cash flows from capital and related financing activities:				
Acquisition and construction of capital assets	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
Proceeds from insurance claims	-	-	-	-
Principal paid on capitalized lease obligation	-	-	-	-
Interest paid on capitalized lease obligation	-	-	-	-
Capital contributions	-	-	-	-
Other	-	10	-	-
Net cash provided (used) for capital and related financing activities	-	10	-	-
Cash flows from investing activities:				
Purchase of investment securities	(346)	(1,559)	(1,044)	(514)
Proceeds from sale and maturities of investment securities	951	3,254	1,050	582
Interest on investments	8	26	16	7
Net cash provided in investing activities	613	1,721	22	75
Net (decrease) in cash and cash equivalents	613	1,269	(129)	408
Equity in pooled cash and cash equivalents, January 1	80	306	147	76
Equity in pooled cash and cash equivalents, December 31	\$ 693	\$ 1,575	\$ 18	\$ 484

<u>Fleet Fund</u>	<u>Computer Replacement Fund</u>	<u>Equipment Replacement Fund</u>	<u>Facility Renovation and Replacement Fund</u>	<u>Total</u>
\$ 8,009	\$ -	\$ -	\$ 2,919	\$ 11,599
	1,983	882	-	6,893
150	-	-	93	377
-	-	-	(3)	(3)
(1,887)	(1,461)	(172)	(1,715)	(9,661)
(1,054)	(6)	(34)	(52)	(1,793)
	-		-	(1)
<u>5,218</u>	<u>516</u>	<u>676</u>	<u>1,242</u>	<u>7,411</u>
(360)	-	-	(24)	(384)
-	-	-	22	(19)
293	-	-	-	293
-	-	-	140	140
-	-	-	(66)	(66)
-	-	275	-	372
-	-	-	-	(95)
<u>(67)</u>	<u>-</u>	<u>275</u>	<u>72</u>	<u>241</u>
(2,460)	(32)	(143)	(844)	(3,479)
584	18	1	46	649
-	-	-	-	-
-	-	-	(547)	(547)
-	-	-	(330)	(330)
-	-	-	124	124
-	-	-	-	10
<u>(1,876)</u>	<u>(14)</u>	<u>(142)</u>	<u>(1,551)</u>	<u>(3,573)</u>
(5,433)	(2,145)	(1,845)	(3,746)	(16,632)
2,861	3,494	1,452	3,556	17,200
<u>98</u>	<u>14</u>	<u>25</u>	<u>56</u>	<u>250</u>
<u>(2,474)</u>	<u>1,363</u>	<u>(368)</u>	<u>(134)</u>	<u>818</u>
801	1,865	441	(371)	4,897
<u>629</u>	<u>370</u>	<u>238</u>	<u>515</u>	<u>2,361</u>
\$ <u><u>1,430</u></u>	\$ <u><u>2,235</u></u>	\$ <u><u>679</u></u>	\$ <u><u>144</u></u>	\$ <u><u>7,258</u></u>

(continued)

CITY OF BOULDER, COLORADO

Combining Statement of Cash Flows,
continuedInternal Service Funds

Year ended December 31, 2015

(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)	\$ (387)	\$ (189)	\$ (673)	\$ 282
Adjustments to reconcile net operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	267	3	-	-
Other nonoperating revenues (expenses)		-	134	-
Change in assets and liabilities:				
(Increase) decrease in assets:				
Accounts receivable	-	-	-	-
Intergovernmental receivables	-	-	-	-
Other assets - prepaid expenses	(24)	(73)	(11)	(84)
Increase (decrease) in liabilities:				
Vouchers and accounts payable	9	10	112	-
Accrued salaries, wages and amounts withheld from employees		-	(1)	34
Pension Liability	29	80	14	101
Other liabilities - refundable deposits	-	-	-	-
Accrued claims liability	(4)	(259)	358	-
Compensated absences	13	7	11	-
Retiree health care benefit			-	-
Total adjustments	<u>290</u>	<u>(232)</u>	<u>617</u>	<u>51</u>
Net cash provided (used) by operating activities	\$ <u>(97)</u>	\$ <u>(421)</u>	\$ <u>(56)</u>	\$ <u>333</u>
Noncash investing, capital and financing activities:				
Assets acquired through:				
Capital contributions:				
From governmental funds	\$ -	\$ -	\$ -	\$ -
Financed through accounts, contracts and retainage payable	-	-	-	-
Increase (decrease) in fair value of investments	<u>(3)</u>	<u>(13)</u>	<u>(7)</u>	<u>(3)</u>
	\$ <u>(3)</u>	\$ <u>(13)</u>	\$ <u>(7)</u>	\$ <u>(3)</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>
\$ 2,716	\$ 94	\$ 473	\$ (1,390)	\$ 926
2,432	431	200	2,927	6,260
37	-	-	-	171
(12)	-	-	(47)	(59)
15	-	-	-	15
(156)	(1)	(4)	93	(260)
18	(13)	1	(373)	(236)
5	2	1	3	44
185	3	5	13	430
-	-	-	(3)	(3)
-	-	-	-	95
(22)	-	-	13	22
-	-	-	6	6
<u>2,502</u>	<u>422</u>	<u>203</u>	<u>2,632</u>	<u>6,485</u>
\$ <u>5,218</u>	\$ <u>516</u>	\$ <u>676</u>	\$ <u>1,242</u>	\$ <u>7,411</u>
\$ -	\$ -	\$ -	\$ 124	\$ 124
510	-	-	59	569
<u>(32)</u>	<u>(14)</u>	<u>(12)</u>	<u>(25)</u>	<u>(109)</u>
\$ <u>478</u>	\$ <u>(14)</u>	\$ <u>(12)</u>	\$ <u>158</u>	\$ <u>584</u>

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SUPPLEMENTARY SCHEDULE

CITY OF BOULDER, COLORADO

Supplementary Schedule

Combined Schedule of Long-Term Debt Payable

December 31, 2015

(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	\$ 7,320	\$ 1,720
Premium on Bonds				-	36	-
Open Space Acquisition Refunding	3.50 - 4.00	6/26/07	8/15/18	12,345	4,930	1,575
Premium on Refunding Bonds				-	6	-
Open Space Acquisition Bonds	2.00 - 3.00	10/9/14	8/15/34	10,000	9,630	435
Premium on Bonds				-	111	-
Parks, Recreation, Muni., Cap., Imp., Ref.	2.00 - 3.00	9/16/09	12/15/15	11,895	-	-
Premium on Refunding Bonds				-	-	-
Waste Reduction Bonds	2.00 - 4.00	12/15/09	12/01/29	6,000	4,500	255
Premium on Waste Reduction Bonds				-	40	-
General Fund Cap. Imp. Projects Bonds	2.00 - 4.00	3/22/12	10/01/31	49,000	40,200	2,455
Premium on Cap. Imp. Projects Bonds				-	4,020	-
				<u>109,355</u>	<u>70,793</u>	<u>6,440</u>
Supported by base rentals:						
Certificates Of Participation Series 2015	2.00 - 3.80	11/17/2015	10/01/32	41,000	41,000	1,340
Premium on COPS				-	561	-
				<u>41,000</u>	<u>41,561</u>	<u>1,340</u>
Lease Purchase Revenue Notes:						
Boulder Municipal Property Authority:						
Open space acquisition:						
Foothills Note 1997G	7.00	7/16/97	7/16/17	1,095	187	90
Gisle Note 2005A	4.75	2/18/05	2/18/17	1,180	245	120
Hill Note 2005B	4.75	4/05/05	4/05/15	910	-	-
Luchetta Note 2005C	5.00	8/05/05	8/05/20	720	300	54
Boulder Valley Note 2006A	5.00	6/16/06	6/16/16	3,550	438	438
Eisenberg Note 2006B	5.00	6/07/06	6/07/16	1,206	148	149
Kolb, Edward H. Note 2008AR-1	5.00	4/22/08	4/22/18	404	143	45
Vigil Note 2008AR-2	5.00	4/22/08	4/22/18	404	143	45
E.R.T.L. Note 2013A	3.25	10/31/13	10/31/23	5,000	4,123	460
				<u>14,469</u>	<u>5,727</u>	<u>1,401</u>
Taxable Pension Obligation Bonds	2.00 - 5.00	10/26/10	10/01/30	9,070	7,360	370
Premium on Pension Obligation Bonds				-	83	-
				<u>9,070</u>	<u>7,443</u>	<u>370</u>
Capital Lease Purchase Agreements						
Banc of America Leasing & Capital, LLC	4.93	9/27/10	11/27/23	1,500	1,041	109
Suntrust Equipment Finance & Leasing Corp.	2.65	1/25/12	7/25/27	9,250	7,786	476
Bank of the West Equipment Lease	3.25	2/05/13	3/15/16	107	10	9
				<u>10,857</u>	<u>8,837</u>	<u>594</u>
Compensated Absences				-	12,477	-
Retiree Health Care Benefit (OPEB)				-	1,855	-
Estimated Claims Payable				-	2,082	-
Total Governmental Activities and total supported by sales tax revenues and other financing sources				<u>\$ 184,751</u>	<u>\$ 150,775</u>	<u>\$ 10,145</u>

CITY OF BOULDER, COLORADO

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

December 31, 2015

(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	10,910	1,635
Premium on Bonds				-	316	-
Water and Sewer Revenue Refunding Bonds	3.00 - 3.75	5/01/05	12/01/16	7,900	830	830
Water and Sewer Revenue Refunding Bonds	4.00 - 4.125	7/10/07	12/01/19	25,935	8,180	2,190
Water and Sewer	3.50 - 5.00	11/15/05	12/01/15	45,245	-	-
Premium on Bonds				-	-	-
Water and Sewer Revenue Refunding Bonds	4.00 - 5.00	11/20/12	12/01/25	24,325	24,325	2,010
Premium on Bonds				-	4,303	-
Water and Sewer Revenue Bonds	2.00 - 3.00	10/12/10	12/01/30	9,980	7,960	430
Premium on Bonds				-	138	-
Storm Water & Flood Mgmt Rev. Rfdg.	2.00 - 3.00	6/08/10	12/01/18	3,165	1,085	350
Premium on Bonds				-	14	-
Storm Water & Flood Mgmt Revenue Bond	2.00 - 3.50	7/20/2015	12/01/34	22,845	22,520	895
Premium on Bonds				-	458	-
Water and Sewer Revenue Bonds	2.00 - 3.25	10/1/2015	12/01/35	10,075	10,075	395
Premium on Bonds				-	180	-
				<u>167,805</u>	<u>91,294</u>	<u>8,735</u>
Compensated Absences (estimated)				-	1,127	-
Retiree Health Care Benefit (OPEB) (estimated)				-	220	-
Total supported by utility revenues				<u>167,805</u>	<u>92,641</u>	<u>8,735</u>
Supported by parking revenues:						
General Obligation General Improvement District Bonds:						
Downtown Commercial District:						
Parking Facilities	2.00 - 3.00	11/28/12	8/15/23	7,275	5,890	920
Premium on Bonds				-	310	-
Parking Facilities	3.00 - 4.00	5/14/09	8/15/18	7,730	2,885	670
Premium on Bonds				-	48	-
				<u>15,005</u>	<u>9,133</u>	<u>1,590</u>
Compensated Absences				-	181	-
Retiree Health Care Benefit (OPEB)				-	57	-
Total supported by parking revenues				<u>15,005</u>	<u>9,371</u>	<u>1,590</u>
Total Business-type Activities				<u>\$ 182,810</u>	<u>\$ 102,012</u>	<u>\$ 10,325</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, 2015

(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.	
Net Position by Component	238
Changes in Net Position	240
Fund Balances - Governmental Funds	244
Changes in Fund Balances - Governmental Funds	246
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).	
Taxable Sales by Market Sector	248
Direct and Overlapping Sales Tax Rates	250
Largest Sales Tax Remitters by Market Sector	253
Debt Capacity	
These schedules present information to help the reader assess the affordability of the City's current level of outstanding debt and the City's ability to issue additional debt in the future.	
Ratios of Net Outstanding Debt by Type	254
Ratios of General Bonded Debt Outstanding	256
Direct and Overlapping Debt	257
Legal Debt Margin Information	258
Pledged Revenue Coverage	260
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.	
Demographic and Economic Statistics	262
Principal Employers	263
Operating Information	
These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	
Full Time Equivalent City Employees by Functions/Programs	264
Operating Indicators by Function/Program	266
Capital Asset Statistics by Function/Program	268

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				
	2006	2007	2008	2009	2010
Governmental activities:					
Net Investment in capital assets	\$ 343,319	\$ 350,644	\$ 363,896	\$ 379,461	\$ 395,174
Restricted	63,452	56,833	59,456	58,197	51,815
Unrestricted	20,955	45,771	51,761	51,266	69,024
Total governmental activities net position	\$ 427,726	\$ 453,248	\$ 475,113	\$ 488,924	\$ 516,013
Business-type activities:					
Net Investment in capital assets	\$ 269,527	\$ 283,633	\$ 295,936	\$ 313,583	\$ 310,791
Restricted	220	228	234	242	249
Unrestricted	53,147	57,233	65,263	59,917	65,547
Total business-type activities net position	\$ 322,894	\$ 341,094	\$ 361,433	\$ 373,742	\$ 376,587
Primary government:					
Net Investment in capital assets	\$ 612,846	\$ 634,277	\$ 659,832	\$ 693,044	\$ 705,965
Restricted	63,672	57,061	59,690	58,439	52,064
Unrestricted	74,102	103,004	117,024	111,183	134,571
Total primary government net position	\$ 750,620	\$ 794,342	\$ 836,546	\$ 862,666	\$ 892,600

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

Fiscal Year				
2011	2012	2013	2014	2015
\$ 418,691	\$ 458,372	\$ 480,321	\$ 494,209	\$ 521,402
30,256	35,096	33,822	61,410	65,690
86,439	102,519	113,701	112,637	45,565
<u>\$ 535,386</u>	<u>\$ 595,987</u>	<u>\$ 627,844</u>	<u>\$ 668,256</u>	<u>\$ 632,657</u>
\$ 325,861	\$ 325,883	\$ 331,096	\$ 345,149	\$ 343,555
254	257	265	269	273
67,166	61,583	67,747	72,770	68,100
<u>\$ 393,281</u>	<u>\$ 387,723</u>	<u>\$ 399,108</u>	<u>\$ 418,188</u>	<u>\$ 411,928</u>
\$ 744,552	\$ 727,155	\$ 811,417	\$ 839,358	\$ 864,957
30,510	81,581	34,087	61,679	65,963
153,605	174,974	181,448	185,407	113,665
<u>\$ 928,667</u>	<u>\$ 983,710</u>	<u>\$ 1,026,952</u>	<u>\$ 1,086,444</u>	<u>\$ 1,044,585</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				
	2006	2007	2008	2009	2010
Expenses:					
Governmental activities:					
General Government	\$ 8,429	\$ 9,846	\$ 10,227	\$ 9,945	\$ 12,431
Administrative Services	3,337	3,182	2,951	2,139	1,678
Public Safety	37,942	42,221	44,479	45,506	45,819
Public Works	32,657	36,030	30,966	32,634	30,542
Planning & Development Services	7,476	7,657	8,966	8,619	8,248
Culture and Recreation	25,901	26,573	27,961	27,478	27,200
Open Space and Mountain Parks	12,299	13,156	13,360	13,043	13,548
Housing and Human Services	14,720	10,420	13,983	14,745	16,580
Interest on long-term debt	4,137	3,872	3,530	2,820	2,285
Total governmental activities expenses	146,898	152,957	156,423	156,929	158,331
Business-type activities:					
Water utility	21,711	20,767	21,713	21,051	20,921
Wastewater utility	10,362	10,849	11,693	13,458	12,885
Stormwater and flood management	3,963	4,197	4,407	4,011	4,454
Parking facilities and services	5,374	5,549	6,228	7,385	7,602
Property and facility acquisition	1,411	1,316	1,150	1,009	860
Total business-type activities expenses	42,821	42,678	45,191	46,914	46,722
Total primary government expenses	189,719	195,635	201,614	203,843	205,053
Program revenue:					
Governmental activities:					
Charges for services:					
General Government	1,783	2,009	2,832	2,819	3,512
Administrative Services	98	112	268	205	191
Public Safety	990	1,426	1,640	1,706	1,874
Public works	719	890	909	803	1,122
Planning & Development Services	6,289	6,803	6,327	4,587	5,421
Culture and Recreation	8,057	8,589	9,069	8,448	8,121
Open Space and Mountain Parks	405	374	367	384	425
Housing and Human Services	1,527	1,328	3,671	2,608	5,775
Operating grants and contributions:	7,039	7,522	8,500	6,607	7,338
Capital grants and contributions	6,514	13,521	6,886	11,950	8,381
Total governmental activities program revenue	33,421	42,574	40,469	40,117	42,160
Business-type activities:					
Charges for services:					
Water utility	23,570	21,175	21,123	20,201	21,633
Wastewater utility	12,126	12,596	12,606	12,748	12,688
Stormwater and flood management	4,607	4,796	4,959	5,084	5,080
Parking facilities and services	3,808	4,231	4,319	3,939	4,162
Property and facility acquisition	4,444	4,540	4,042	3,455	3,447
Operating grants and contributions:	140	210	168	136	169
Capital grants and contributions:	6,618	4,812	10,703	8,408	5,610
Total business-type activities program revenues	55,313	52,360	57,920	53,971	52,789
Total primary government program revenues	88,734	94,934	98,389	94,088	94,949
Net (expense) revenue:					
Governmental activities	(113,477)	(110,383)	(115,954)	(116,812)	(116,171)
Business-type activities	12,492	9,682	12,729	7,057	6,067
Total primary government net expense	<u>\$(100,985)</u>	<u>\$(100,701)</u>	<u>\$(103,225)</u>	<u>\$(109,755)</u>	<u>\$(110,104)</u>

Fiscal Year				
2011	2012	2013	2014	2015
\$ 19,509	\$ 16,625	\$ 22,857	\$ 22,406	\$ 13,436
1,892	2,627	4,387	7,655	6,742
47,391	49,693	50,468	50,662	50,190
30,844	33,110	27,558	37,406	39,117
5,665	5,555	6,087	6,041	14,033
28,140	28,112	30,749	30,819	32,247
14,863	13,040	16,023	16,774	20,922
13,060	14,431	17,937	19,795	23,400
2,290	2,984	3,532	2,679	9,750
<u>163,654</u>	<u>166,177</u>	<u>179,598</u>	<u>194,237</u>	<u>209,837</u>
21,223	21,925	22,599	22,644	22,546
13,948	13,776	13,916	14,703	13,550
4,790	4,523	4,461	6,812	6,873
6,570	7,303	6,853	6,892	6,583
724	479	1,118	463	618
<u>47,255</u>	<u>48,006</u>	<u>48,947</u>	<u>51,514</u>	<u>50,170</u>
<u>210,909</u>	<u>214,183</u>	<u>228,545</u>	<u>245,751</u>	<u>260,007</u>
2,941	7,593	7,546	7,262	9,563
142	548	1,163	676	1,039
1,748	1,629	1,652	2,273	675
2,095	1,730	2,070	4,474	1,658
5,862	7,473	7,710	8,640	8,654
8,386	9,041	9,015	9,358	11,576
479	506	423	475	798
1,401	13,303	7,859	6,458	4,825
6,154	6,911	5,824	12,213	11,400
7,679	9,260	7,630	8,906	6,175
<u>36,887</u>	<u>57,994</u>	<u>50,892</u>	<u>60,735</u>	<u>56,363</u>
22,940	24,592	23,269	22,950	28,813
12,955	13,013	14,267	13,979	19,583
4,896	5,167	5,537	5,637	10,530
4,324	4,483	4,905	5,475	6,216
5,178	2,336	1,625	2,091	-
151	181	138	-	1,931
8,411	5,175	6,498	17,983	5,665
<u>58,855</u>	<u>54,947</u>	<u>56,239</u>	<u>68,115</u>	<u>72,738</u>
<u>95,742</u>	<u>112,941</u>	<u>107,131</u>	<u>128,850</u>	<u>129,101</u>
(126,767)	(108,183)	(128,706)	(133,502)	(153,474)
11,600	6,941	7,292	16,601	22,568
<u>\$(115,167)</u>	<u>\$(101,242)</u>	<u>\$(121,414)</u>	<u>\$(116,901)</u>	<u>\$(130,906)</u>

CITY OF BOULDER, COLORADO

Statistical Data

Changes In Net Position (Continued)

Last Ten Fiscal Years
(Unaudited)

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

	Fiscal Year				
	2006	2007	2008	2009	2010
General revenues and other changes in net position:					
Governmental activities:					
Taxes:					
Sales and use taxes (a)	\$ 80,057	\$ 88,403	\$ 84,867	\$ 85,457	\$ 87,802
Property taxes (a)	19,854	20,475	21,865	23,526	26,022
Other taxes (b)	14,053	14,791	-	-	-
Accommodation taxes	-	-	3,389	3,049	3,199
Franchise Taxes	-	-	9,131	9,121	10,868
Specific Ownership & Tobacco taxes	-	-	1,705	1,587	1,587
Excise Taxes	-	-	2,748	1,847	837
Interest and investment earnings	4,869	6,594	7,875	2,088	2,060
Miscellaneous (c)	5,002	6,752	5,025	5,286	5,633
Gain on Sale of Capital Assets	-	-	627	130	805
Transfers	663	(1,110)	587	(1,468)	5,982
Extraordinary Item	-	-	-	-	(1,535)
Total governmental activities	<u>124,498</u>	<u>135,905</u>	<u>137,819</u>	<u>130,623</u>	<u>143,260</u>
Business-type activities:					
Taxes:					
Sales and use tax increment (a)	85	99	94	83	87
Property taxes (a)	874	912	1,578	1,627	1,704
Property tax increment (a)	500	563	-	-	-
Other taxes (b)	664	766	-	-	-
Accommodation taxes	-	-	714	604	635
Specific Ownership & Tobacco taxes	-	-	63	55	51
Excess tax increment	(245)	(703)	-	-	-
Interest and investment earnings	5,215	5,796	5,583	1,257	1,226
Miscellaneous (c)	(159)	(25)	165	78	81
Gain on Sale of Capital Assets	-	-	-	80	-
Transfers	(663)	1,110	(587)	1,468	(5,982)
Extraordinary item	3,754	-	-	-	(1,024)
Total business-type activities	<u>10,025</u>	<u>8,518</u>	<u>7,610</u>	<u>5,252</u>	<u>(3,222)</u>
Total primary government	<u>134,523</u>	<u>144,423</u>	<u>145,429</u>	<u>135,875</u>	<u>140,038</u>
Changes in net position:					
Governmental activities	14,115	25,522	21,865	13,811	27,089
Business-type activities	19,707	18,200	20,339	12,309	2,845
Total primary government	<u>\$ 33,822</u>	<u>\$ 43,722</u>	<u>\$ 42,204</u>	<u>\$ 26,120</u>	<u>\$ 29,934</u>

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

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

Fiscal Year				
2011	2012	2013	2014	2015
\$ 92,627	\$ 97,397	\$ 104,136	\$ 116,316	\$ 131,323
27,462	29,474	29,434	30,353	30,846
-	-	-	-	-
4,668	4,890	5,192	6,443	7,019
10,282	12,310	12,815	12,226	12,777
1,578	1,789	1,839	1,954	2,109
1,927	1,290	1,338	3,235	4,453
1,895	1,052	755	906	1,097
6,418	1,645	1,678	1,437	1,008
456	2,173	3,878	99	2,313
(1,208)	16,764	(1,630)	(11)	(2,711)
35	-	1,888	956	-
146,140	168,784	161,323	173,914	190,234
94	119	118	-	-
1,782	1,952	1,976	2,013	1,178
-	-	-	-	-
-	-	-	-	-
715	781	844	-	-
51	55	60	66	69
-	-	-	-	-
1,156	384	301	324	486
64	974	91	65	45
-	-	-	-	562
1,208	(16,764)	1,630	11	2,711
24	-	-	-	-
5,094	(12,499)	5,020	2,479	5,051
151,234	156,285	166,343	176,393	195,285
19,373	60,601	27,821	173,914	36,760
16,694	(5,558)	21,621	2,479	27,619
\$ 36,067	\$ 55,043	\$ 49,442	\$ 176,393	\$ 64,379

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				
	2006	2007	2008	2009	2010
General Fund:					
Reserved	\$ 2,784	\$ 2,953	\$ 2,928	\$ 3,934	\$ 4,179
Unreserved	18,466	17,600	18,524	19,399	22,103
Nonspendable	-	-	-	-	-
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total General Fund	<u>\$ 21,250</u>	<u>\$ 20,553</u>	<u>\$ 21,452</u>	<u>\$ 23,333</u>	<u>\$ 26,282</u>
All Other Governmental Funds:					
Reserved	\$ 32,671	\$ 10,662	\$ 9,857	\$ 17,774	\$ 11,338
Unreserved, reported in:					
Special revenue funds	29,772	38,995	57,409	38,605	45,123
Debt service funds	303	334	356	418	446
Capital projects funds	4,675	13,112	14,449	4,568	1,125
Nonspendable	-	-	-	-	-
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total all other government funds	<u>\$ 67,421</u>	<u>\$ 63,103</u>	<u>\$ 82,071</u>	<u>\$ 61,365</u>	<u>\$ 58,032</u>

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

Fiscal Year				
2011 (a)	2012	2013	2014	2015
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
297	276	1,646	260	115
3,468	2,492	1,694	1,481	2,315
-	-	-	-	-
7,711	10,016	10,886	10,202	9,450
20,209	25,471	28,216	39,129	42,674
<u>\$ 31,685</u>	<u>\$ 38,255</u>	<u>\$ 42,442</u>	<u>\$ 51,072</u>	<u>\$ 54,554</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
63	47	50	46	63
26,688	78,732	63,649	59,829	68,445
4,174	15,399	19,376	17,195	10,352
21,949	21,964	23,754	26,996	29,020
-	-	-	(20)	-
<u>\$ 52,874</u>	<u>\$ 116,142</u>	<u>\$ 106,829</u>	<u>\$ 104,046</u>	<u>\$ 107,880</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			
	2006	2007	2008	2009
Revenues:				
Taxes:				
Sales and use taxes	\$ 80,057	\$ 88,403	\$ 84,867	\$ 85,457
General property taxes	19,854	20,475	21,865	23,526
Other taxes (a)	14,053	14,791	-	-
Accommodation taxes	-	-	3,389	3,049
Franchise taxes	-	-	9,131	9,121
Specific Ownership & Tobacco taxes	-	-	1,705	1,587
Excise taxes	-	-	2,748	1,847
Charges for services	11,375	12,080	16,115	13,982
Sale of goods	738	2,993	329	318
License, permits and fines	9,830	10,259	9,910	8,716
Intergovernmental	14,252	19,842	15,192	15,589
Leases, rents and royalties	1,976	329	2,278	2,148
Interest and investment earnings	3,760	9,910	5,698	1,392
Other	1,335	15,192	1,567	1,914
Total revenues	157,230	194,274	174,794	168,646
Expenditures:				
General Government	9,722	11,705	11,838	11,294
Administrative Services	8,473	8,599	8,773	8,749
Public Safety	36,738	40,327	42,882	43,273
Public Works	27,950	34,479	29,204	32,276
Planning & Development Services	6,352	6,796	7,849	7,460
Culture and Recreation	23,412	24,179	26,195	27,029
Open Space and Mountain Parks	17,616	29,919	13,579	10,396
Housing and Human Services	13,602	10,431	12,736	13,443
Capital outlay	1,729	1,254	1,840	12,417
Debt service payments:				
Principal	8,439	8,899	10,331	11,561
Interest	4,102	3,817	2,552	2,930
Base rentals to Boulder Municipal				
Property Authority Debt Service Fund	4,444	4,540	4,042	3,454
Cost of issuance - refunding bonds	-	-	-	-
Total expenditures	162,579	184,945	171,821	184,282
Excess of revenues (under)				
expenditures	(5,349)	9,329	2,973	(15,636)
Other financing sources (uses):				
Sale of capital assets	-	-	-	84
Capital lease financing	-	-	-	-
Notes / loans payable issued	-	-	-	5,441
Bonds issued (including refunding bonds)	20,482	12,416	-	30,685
Premium on bonds issued	-	-	-	1,016
Transfers in	18,540	20,259	20,795	20,745
Transfers out	(16,354)	(17,948)	(18,706)	(18,410)
Payment to refunding bond escrow agent	-	(12,311)	-	(27,945)
Total other financing sources	22,668	2,416	2,089	11,616
(uses)				
Extraordinary Item				
Flood insurance recoveries	-	-	-	-
Net changes in fund balance	\$ 17,319	\$ 11,745	\$ 5,062	\$ (4,020)
Debt service as a percentage of noncapital				
expenditures (b)	8.8%	8.5%	8.3%	8.7%

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

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

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

Fiscal Year					
2010	2011	2012	2013	2014	2015
\$ 87,802	\$ 92,627	\$ 97,397	\$ 104,136	\$ 116,316	\$ 131,323
26,022	27,462	29,474	29,434	30,353	30,846
-	-	-	-	-	-
3,199	4,668	4,890	5,192	6,443	7,019
10,858	10,295	12,310	12,815	12,218	12,772
1,587	1,578	1,788	1,839	1,954	2,109
837	1,927	1,290	1,338	3,235	4,453
17,239	14,015	27,030	22,670	22,946	20,880
812	368	628	863	593	1,269
10,956	10,518	11,918	12,156	12,813	13,005
17,043	13,647	16,420	13,348	18,188	12,347
2,240	2,346	2,433	2,365	2,651	4,140
1,445	1,416	879	563	686	827
1,208	2,869	1,792	1,556	2,069	2,596
181,248	183,736	208,249	208,275	230,465	243,586
13,852	18,122	18,568	20,161	16,556	53,077
8,597	8,504	9,149	10,024	6,773	8,480
53,972	45,123	47,825	48,202	50,280	52,915
31,970	29,558	22,178	27,896	38,322	46,114
7,118	7,551	4,370	4,659	6,014	14,263
26,352	26,839	25,677	28,089	30,423	32,965
11,199	15,978	12,055	22,521	20,433	20,999
15,308	12,022	13,384	20,226	24,564	23,279
9,785	4,077	29,111	19,218	27,130	9,750
9,895	9,715	10,549	11,201	9,425	10,142
2,406	2,398	3,025	3,549	3,205	3,266
3,452	5,178	3,452	1,625	2,091	1,701
28	104	28	-	-	-
193,934	185,169	193,934	217,371	235,216	276,951
(12,686)	(1,433)	(12,686)	(9,096)	(4,751)	(33,365)
24	17	24	257	7	1,970
-	-	-	-	-	-
-	-	-	-	-	-
9,203	-	9,203	-	10,000	41,000
-	-	-	-	123	561
21,638	22,576	21,638	20,371	8,334	7,333
(18,563)	(19,415)	(18,563)	(18,653)	(8,822)	-
-	-	-	-	-	(10,296)
12,302	3,178	12,302	2,082	9,642	40,568
-	(1,500)	-	1,888	956	-
\$ (384)	\$ 245	\$ (384)	\$ (5,126)	\$ 5,847	\$ 7,203
7.8%	8.6%	9.2%	8.1%	6.6%	6.5%

CITY OF BOULDER, COLORADO

Statistical Data

Taxable Sales by Market Sector

Last Ten Fiscal Years
(Unaudited)

(Amounts in 000's)

Market Sector	2006	2007	2008	2009
Food Stores	\$ 305,797	\$ 315,876	\$ 329,727	\$ 328,338
Eating Places	281,966	306,927	321,062	311,060
Apparel Stores	71,349	79,051	82,966	77,259
Home Furnishings	80,872	85,709	80,115	75,883
General Retail	453,235	508,536	532,688	515,305
Transportation/Utilities	211,510	208,719	231,463	215,137
Automotive Trade	161,209	173,982	151,612	145,333
Building Material-Retail	87,678	91,274	90,428	82,342
Construction Use Tax	133,395	136,291	103,986	142,739
Construction Sales Tax	8,602	11,751	11,960	11,263
Constructions Firms Sales/Use Tax	-	-	-	-
Consumer Electronics	54,812	69,954	61,953	50,755
Computer Related Business Sector	145,538	153,321	158,410	168,124
All Other	354,847	344,405	335,698	390,880
Refunds	(3,098)	(2,565)	(3,300)	(8,349)
Total Sales and Use Tax	<u>\$ 2,347,712</u>	<u>\$ 2,483,231</u>	<u>\$ 2,488,768</u>	<u>\$ 2,506,069</u>
Direct city sales tax rate	3.41%	3.56%	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>3.56%</u>	<u>3.71%</u>	<u>3.56%</u>	<u>3.56%</u>

Source: Annual Sales and Use Tax Revenue Reports prepared by the City of Boulder Sales Tax

Note: The City has an additional .15% sales tax on food service establishment collections. The food service sales tax is deposited into the General Fund and then the total is distributed to the Boulder for Conference Services and Cultural

	2010	2011	2012	2013	2014	2015
\$	327,796	\$ 359,707	\$ 388,154	\$ 397,482	\$ 418,373	\$ 440,661
	321,904	347,871	384,485	389,207	411,710	437,428
	79,232	100,696	110,467	111,504	119,125	122,977
	76,487	81,304	81,243	80,077	88,116	89,689
	567,786	586,189	606,359	613,769	630,457	658,659
	220,981	215,462	208,713	227,916	244,471	229,281
	157,930	174,631	187,675	206,196	224,224	235,029
	87,238	85,319	94,886	109,136	111,777	114,560
	173,534	153,438	171,106	254,550	240,872	-
	14,922	16,147	12,006	12,695	11,617	-
	-	-	-	-	-	276,746
	54,843	73,237	62,924	58,542	67,918	66,687
	146,311	167,503	188,876	209,218	201,225	205,890
	351,272	359,612	359,324	383,549	497,419	524,543
	(5,396)	(4,781)	-	-	-	-
	<u>\$ 2,574,840</u>	<u>\$ 2,716,335</u>	<u>\$ 2,856,218</u>	<u>\$ 3,053,841</u>	<u>\$ 3,267,304</u>	<u>\$ 3,402,150</u>
	3.41%	3.41%	3.41%	3.41%	3.56%	3.86%
	<u>0.15%</u>	<u>0.15%</u>	<u>0.15%</u>	<u>0.15%</u>	<u>0.15%</u>	<u>0.15%</u>
	<u>3.56%</u>	<u>3.56%</u>	<u>3.56%</u>	<u>3.56%</u>	<u>3.71%</u>	<u>4.01%</u>

CITY OF BOULDER, COLORADO

Statistical Data

Direct and Overlapping Sales Tax Rates

Last Ten Fiscal Years
(Unaudited)

City Direct Rates										Parks & Rec
Tax	General Fund	General Fund	General Fund	Open Space	Open Space	Open Space	Transportation	Transportation	& General Muni	
Year 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	Sales Tax Expires 12/31/39
2006	1.00%	0.38%	0.15%	0.40%	0.33%	0.15%	0.60%	-		0.15%
2007	1.00%	0.38%	0.15%	0.40%	0.33%	0.15%	0.60%	-		0.15%
2008	1.00%	0.38%	0.15%	0.40%	0.33%	0.15%	0.60%	-		0.15%
2009	1.00%	0.38%	0.15%	0.40%	0.33%	0.15%	0.60%	-		0.15%
2010	1.00%	0.38%	0.15%	0.40%	0.33%	0.15%	0.60%	-		0.15%
2011	1.00%	0.38%	0.15%	0.40%	0.33%	0.15%	0.60%	-		0.15%
2012	1.00%	0.38%	0.15%	0.40%	0.33%	0.15%	0.60%	-		0.15%
2013	1.00%	0.38%	0.15%	0.40%	0.33%	0.15%	0.60%	-		0.15%
2014	1.00%	0.38%	0.15%	0.40%	0.33%	0.15%	0.60%	0.15%		0.15%
2015	1.00%	0.38%	0.15%	0.40%	0.33%	0.15%	0.60%	0.15%		0.15%

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

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

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

					Overlapping Rates						
Parks Acquisition	Food Service	Fire Training	Capital Projects for								
& Recreation	Establishments	Center	Community, Safety, and Culture		Regional		Ball			Total	
Sales Tax Expires 12/31/35	Sales Tax No Expiration	Sales Tax 2007 only	Sales Tax Expires 2017	Total Direct	State of Colorado	Transportation District	Cultural District	Stadium District	Boulder County	Total Overlapping	Direct and Overlapping
0.25%	0.15%	-	-	3.56%	2.90%	1.00%	0.10%	0.10%	0.65%	4.75%	8.31%
0.25%	0.15%	0.15%	-	3.71%	2.90%	1.00%	0.10%	0.10%	0.65%	4.75%	8.46%
0.25%	0.15%	-	-	3.56%	2.90%	1.00%	0.10%	0.10%	0.65%	4.75%	8.31%
0.25%	0.15%	-	-	3.56%	2.90%	1.00%	0.10%	0.10%	0.65%	4.75%	8.31%
0.25%	0.15%	-	-	3.56%	2.90%	1.00%	0.10%	0.10%	0.80%	4.90%	8.46%
0.25%	0.15%	-	-	3.56%	2.90%	1.00%	0.10%	0.10%	0.80%	4.90%	8.46%
0.25%	0.15%	-	-	3.56%	2.90%	1.00%	0.10%	-	0.80%	4.80%	8.36%
0.25%	0.15%	-	-	3.56%	2.90%	1.00%	0.10%	-	0.80%	4.80%	8.36%
0.25%	0.15%	-	-	3.71%	2.90%	1.00%	0.10%	-	0.80%	4.80%	8.51%
0.25%	0.15%	-	0.30%	4.01%	2.90%	1.00%	0.10%	-	0.985%	4.99%	9.00%

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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	2006			2015		
	Number Of Filers	Tax Liability	Percentage Of Total	Number Of Filers	Tax Liability	Percentage Of Total
Food Stores	4	\$ 5,948	7.43%	4	\$ 8,494	6.47%
Automotive Trade	1	1,919	2.40%	1	3,802	2.90%
Computer Related Business Sector	2	3,270	4.08%	1	2,385	1.82%
General Retail, Utilities, & Other	3	6,870	8.58%	4	11,224	8.55%
Total	10	\$ 18,007	22.49%	10	\$ 25,905	19.74%

Source: City of Boulder Sales Tax Division

Note: Individual sales tax payer information is confidential under Boulder Revised Code. Due to this, the names of the ten largest revenue payers are not available. Taxpayer information by industry for the ten largest payers is provided to present alternative information regarding the concentration of the city's sales tax revenue sources by industry.

CITY OF BOULDER, COLORADO

Statistical Data

Ratios of Net Outstanding Debt by Type

Last Ten Fiscal Years
(Unaudited)

(Amounts in 000's)

Fiscal Year	Governmental Activities							Business-Type Activities	
	General Obligation Bonds	Taxable Pension Obligation Bonds	Revenue Bonds	Revenue Notes Payable	Lease Purchase Revenue Notes	Capitalized Lease Obligations	Loans Payable	General Obligation Bonds	Revenue Bonds
2006	75,082	-	9,855	-	-	-	1,920	23,143	111,120
2007	67,755	-	8,810	-	-	-	1,536	20,431	101,792
2008	60,120	-	7,720	-	-	-	-	19,259	95,393
2009	58,410	-	6,614	-	-	-	500	18,071	88,780
2010	49,683	9,201	5,350	-	-	7,957	500	16,753	91,429
2011	41,746	8,881	4,054	-	-	7,763	250	15,350	84,861
2012 (b)	87,577	8,531	2,739	-	-	10,391	250	14,046	82,204
2013	77,717	8,176	1,378	-	-	9,969	-	12,390	74,385
2014	79,610	7,812	-	-	-	9,420	-	10,778	66,341
2015	70,793	7,443	-	41,561	5,727	8,837	-	9,133	91,294

(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				
-	3,055	19,787	243,962	15,963,605	1.53%	2,391.78
-	2,605	16,869	219,798	16,088,279	1.37%	2,133.96
-	2,130	15,118	199,740	18,494,895	1.08%	1,920.58
-	1,635	13,024	187,034	18,685,545	1.00%	1,798.40
-	1,120	10,809	192,802	19,851,162	0.97%	1,987.65
-	575	6,739	170,219	19,992,416	0.85%	1,736.93
-	-	5,313	211,051	19,602,390	1.08%	2,089.61
-	-	8,949	192,964	19,676,353	0.98%	1,891.80
-	-	7,178	181,139	20,278,600	0.89%	1,725.13
-	-	-	234,788	20,434,242	1.15%	2,236.08

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				
2005	60,375	25,643	86,018	2,247,037	3.83%	843.31
2006	75,082	23,143	98,225	2,347,712	4.18%	962.99
2007	67,755	20,431	88,186	2,483,231	3.55%	856.17
2008	60,120	19,259	79,379	2,488,768	3.19%	763.26
2009	58,410	18,071	76,481	2,506,069	3.05%	735.39
2010	58,884	16,753	75,637	2,574,840	2.94%	779.76
2011	50,627	15,350	65,977	2,716,335	2.43%	673.23
2012 (c)	95,773	14,046	109,819	2,856,218	3.84%	1,087.32
2013	85,893	12,390	98,283	3,053,841	3.22%	963.56
2014	87,422	10,778	98,200	3,267,304	3.01%	935.24
2015	78,236	9,133	87,369	3,402,150	2.57%	832.09

(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, 2015
(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	\$ 560,290	62.08 %	\$ 347,819
Boulder Central Area General Improvement District	9,133	100.00	9,133
Northern Colorado Water Conservancy District (NCWCD)	4,124	20.98	865
Boulder County	-	46.08	-
Urban Drainage and Flood Control District	-	7.02	-
Total Overlapping Debt			357,817
City Direct Governmental Activity Debt			96,842
Total Direct and Overlapping Debt			<u>\$ 454,659</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 2014, each jurisdiction had the following valuations (in 000's):

The City of Boulder	\$ 3,160,450
Boulder Valley School District	5,091,057
NCWCD	15,066,440
Boulder County	6,858,961
Urban Drainage & Flood Control	44,997,077

CITY OF BOULDER, COLORADO

Statistical Data

Legal Debt Margin Information

Last Ten Fiscal Years
(Unaudited)

(Amounts in 000's)

	2006	2007	2008
Debt limit	\$ 62,759	\$ 62,838	\$ 72,496
Total net debt applicable to limit	-	-	-
Legal debt margin	<u>\$ 62,759</u>	<u>\$ 62,838</u>	<u>\$ 72,496</u>
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	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 2015

Assessed value	\$ 3,160,450
Debt limit - 3% of assessed value	<u>94,814</u>
Debt applicable to limit:	
Total bonded debt	87,369
Deductions allowed by law:	
Self-supporting General Obligation bonds	(87,369)
Total net debt applicable to limit	<u>-</u>
Legal debt margin	<u><u>\$ 94,814</u></u>

2009	2010	2011	2012 (a)	2013	2014	2015
\$ 76,882	\$ 76,981	\$ 74,943	\$ 75,021	\$ 77,024	\$ 77,981	\$ 94,814
-	-	-	-	-	-	-
<u>\$ 76,882</u>	<u>\$ 76,981</u>	<u>\$ 74,943</u>	<u>\$ 75,021</u>	<u>\$ 77,024</u>	<u>\$ 77,981</u>	<u>\$ 94,814</u>
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>
2006	43,761	20,657	23,104	10,325	2.24
2007	42,081	21,205	20,876	10,037	2.08
2008	43,394	23,340	20,054	10,029	2.00
2009	39,151	21,633	17,518	10,029	1.75
2010	38,626	20,199	18,427	10,704	1.72
2011	41,412	23,026	18,386	10,615	1.73
2012	41,390	23,503	17,887	12,550	1.43
2013	42,526	24,347	18,179	12,379	1.47
2014	46,519	27,657	18,862	12,379	1.52
2015	58,216	28,220	29,996	11,741	2.55

- (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>
2006	5,215	2,751	2,464	625	3.94
2007	5,537	2,969	2,568	625	4.11
2008	5,988	3,237	2,751	608	4.52
2009	5,362	2,945	2,417	563	4.29
2010	6,590	3,261	3,329	386	8.62
2011	5,185	3,341	1,844	386	4.78
2012	5,386	3,161	2,225	386	5.76
2013	5,708	3,279	2,429	386	6.29
2014	5,642	3,737	1,905	385	4.95
2015	12,232	6,044	6,188	385	16.07

(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)
2006	102	291	14,267	48.954	4.3%
2007	103	296	14,784	49.999	3.9%
2008	104	300	15,237	50.714	4.6%
2009	104	303	14,334	48.891	5.3%
2010	97	296	14,768	50.031	6.5%
2011	98	300	15,536	51.893	5.9%
2012	101	305	16,639	54.502	5.6%
2013	102	310	17,042	54.968	4.7%
2014	105	314	18,370	58,627	3.2%
2015	105	*	*	*	2.8%

(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. Annual 2013 rate not yet available so October 2013 rate was used.

* 2015 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	2006			2015		
	Employees	Rank	Percentage of Total County Employment (a)	Employees	Rank	Percentage of Total County Employment (a)
University of Colorado at Boulder	7,050	1	4.32%	7,964	1	3.77%
St. Vrain Valley School District	1,463	10	0.90%	4,661	2	2.20%
Boulder Valley School District	3,600	4	2.21%	4,381	3	2.07%
IBM Corporation	4,200	2	2.58%	2,800	4	1.32%
Boulder County	1,600	9	0.98%	1,957	5	0.93%
SCL Health System	-	-	-	1,900	6	0.90%
Ball Corporation	3,000	5	1.84%	1,865	7	0.88%
Covidien	-	-	-	1,800	8	0.85%
Boulder Community Hospital	1,907	8	1.17%	1,796	9	0.85%
City of Boulder	-	-	-	1,359	10	0.64%
Level 3 Communications Inc.	2,000	7	1.23%	-	-	-
State of Colorado	2,820	6	1.73%	-	-	-
Sun Microsystems Inc	3,800	3	2.33%	-	-	-
	<u>31,440</u>		<u>19.29%</u>	<u>30,483</u>		<u>14.41%</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

CITY OF BOULDER, COLORADO

Statistical Data

Full-Time Equivalent City Employees By Functions/Programs

Last Ten Fiscal Years
(Unaudited)

<u>Functions/Program</u>	<u>Full-Time Equivalent Employees</u>			
	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
General Government:				
City Council	1.00	1.00	1.00	1.00
Municipal Court	17.00	18.50	18.50	18.00
City Attorney	18.75	19.70	18.65	18.65
City Manager- Administration	10.00	10.00	16.50	16.50
City Manager- Downtown & University Hill Mgt	40.50	42.25	42.25	42.25
City Manager- Communications	11.50	11.50	6.00	6.00
Administrative Services:				
Human Resources	14.25	14.63	16.38	16.63
Finance	27.25	28.87	29.37	28.37
Information Technology	32.75	32.75	35.25	35.25
Public Safety:				
Police	263.25	269.25	273.25	273.25
Fire	111.33	111.33	111.33	112.33
Planning & Development Services:	64.74	69.36	72.56	76.56
Environmental Affairs:	6.00	5.50	9.50	10.50
Public Works:				
Administration	-	-	-	-
Fleet	16.90	16.87	16.87	16.87
Transportation	62.97	65.99	68.24	68.69
Utilities	150.44	154.93	155.18	156.23
Facility / Asset Management	13.51	13.58	14.58	14.58
Culture and Recreation:				
Parks and Recreation	145.25	144.62	145.82	146.99
Library	78.95	79.45	80.20	79.95
Arts	1.50	1.50	1.50	1.50
Open Space / Mountain Parks:	77.58	83.25	92.00	91.00
Housing and Human Services:	53.42	56.51	56.24	57.42
Total	<u>1,218.84</u>	<u>1,251.34</u>	<u>1,281.17</u>	<u>1,288.52</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					
2010	2011	2012	2013	2014	2015
-	-	-	-	-	-
16.25	16.25	16.25	18.16	18.13	21.13
18.65	18.65	20.15	20.20	21.20	19.20
14.30	11.80	12.68	12.00	12.00	19.50
42.25	42.25	42.25	42.25	42.25	44.50
4.00	5.50	6.50	6.50	6.50	6.50
14.88	14.88	15.38	15.63	18.63	24.63
26.37	33.50	34.00	34.00	36.00	38.67
33.50	34.50	34.50	34.00	36.85	37.18
269.50	276.50	279.50	279.50	282.50	288.00
112.33	112.33	115.33	118.33	120.33	121.33
79.47	78.66	82.97	88.74	93.87	105.92
-	-	-	-	-	-
-	-	-	2.74	2.74	3.74
14.87	14.82	14.82	14.77	14.77	14.77
67.10	59.28	59.52	59.78	60.09	70.34
155.90	154.84	154.84	153.59	154.17	166.92
14.58	14.68	14.68	14.73	14.84	14.84
139.24	126.12	126.37	128.37	127.37	130.35
76.95	75.45	75.13	74.14	76.26	76.26
1.50	1.50	2.00	3.25	3.25	2.25
90.50	85.60	89.60	91.60	95.35	102.35
56.10	53.39	46.73	48.34	48.91	50.39
<u>1,248.24</u>	<u>1,230.50</u>	<u>1,243.20</u>	<u>1,260.62</u>	<u>1,286.01</u>	<u>1,358.77</u>

CITY OF BOULDER, COLORADO

Statistical Data

Operating Indicators By Function/Program

Last Ten Fiscal Years
(Unaudited)

Function/Program	2006	2007	2008	2009
General Government:				
Municipal Court				
Traffic tickets processed	12,554	11,204	13,782	13,260
General summons processed	4,249	3,760	4,099	4,510
Animal summons processed	1,459	1,366	986	1,055
Arraignments	5,030	3,974	4,716	5,543
Court trials	150	114	93	98
Jury trials	4	6	9	8
Public Safety:				
Police				
Number of police officers	171	171	171	171
DUI arrests	1,163	989	1,089	781
Traffic summons	17,914	19,554	21,205	15,304
Total traffic accidents	3,552	3,641	3,242	3,405
Total calls for service	84,747	87,320	78,204	77,745
Fire				
Number of firefighters	95	95	95	96
Total annual responses	8,679	8,943	8,943	9,730
Percentage of responses within 6 minutes	69%	80%	80%	72%
Planning & Development Services:				
Number of applications received	5,642	5,920	5,781	5,532
Number of zoning and environmental code enforcement cases	3,260	4,515	3,000	2,821
Public Works				
Transportation				
Daily vehicle miles of travel in Boulder Valley	2.61 million	2.57 million	2.49 million	2.46 million
Culture and Recreation:				
Parks and Recreation				
Recreation center attendance	432,901	464,432	453,248	428,682
Outdoor pool attendance	41,558	58,954	58,643	83,335
Adult athletics participation	201,040	216,550	234,567	237,292
Recreation class enrollment	25,818	27,791	26,583	26,671
Reservoir attendance	91,207	57,408	48,713	36,582
Rounds of golf	47,966	48,384	49,360	43,348
Library				
Circulation of books, videos, tapes	1,109,619	1,183,717	1,274,299	1,354,742
Remote use of library resources online	1,630,945	2,028,526	1,792,633	669,217
Adults participating in cultural and educational programs	62,211	65,455	66,994	37,319
Attendance at outreach program activities	8,647	7,554	14,569	5,796
Arts				
Participants in Boulder Arts Resource	523	555	625	677
Housing Division:				
Number of permanently affordable housing units added on an annual basis	117	147	163	84

Source: City of Boulder departmental records.

2010	2011	2012	2013	2014	2015
17,433	17,181	15,681	12,464	10,998	8,273
4,351	6,028	6,498	5,871	4,466	4,886
870	1,318	1,635	1,340	1,074	2,016
5,218	5,437	5,810	5,049	4,341	4,459
87	69	63	84	61	54
8	20	12	16	23	12
171	173	173	173	176	179
767	674	706	592	583	568
18,394	17,530	16,547	18,438	12,530	13,106
3,222	3,328	3,183	3,598	3,449	3,593
76,383	81,218	91,675	107,519	108,279	105,315
96	96	96	96	96	96
9,535	10,111	10,293	11,203	9,910	10,669
77%	76%	74%	78%	47%	66%
6,309	5,888	6,488	7,727	6,115	6,170
1,995	2,145	706	809	821	1,178
2.49 million	2.34 million	2.34 million	2.40 million	2.89 million	2.46 million
422,200	628,639	725,000	736,138	727,531	488,707
88,303	83,707	77,441	74,175	75,597	64,638
236,950	250,372	175,543	181,752	161,652	176,404
22,201	21,794	23,092	23,417	29,451	31,223
42,688	330,205	238,265	227,935	156,034	139,396
38,293	39,440	43,974	36,872	41,494	37,174
1,363,545	1,384,900	1,446,816	1,449,679	1,305,894	1,350,156
806,770	804,998	748,917	752,629	840,954	757,918
33,175	33,298	31,063	23,999	25,737	36,203
4,525	4,185	5,312	4,429	4,650	3,282
678	718	737	NA	NA	NA
100	24	18	236	141	205

CITY OF BOULDER, COLORADO

Statistical Data

Capital Asset Statistics By Function/Program

Last Ten Fiscal Years
(Unaudited)

Function/Program	2006	2007	2008
Public Safety:			
Police			
Number of stations and annexes	3	3	3
Fire			
Number of stations	7	7	7
Public Works:			
Fleet Services			
Cars, Pickups, Vans, and Motorcycles	281	297	311
Fire Apparatus	11	11	11
Other Heavy Trucks and Equipment	490	477	658
Total Vehicles/Equipment in Fleet	782	785	980
Transportation			
Miles of streets	287	288	289
Number of street lights	4,562	4,567	4,608
Utilities - Water			
Number of water accounts	28,555	28,578	28,359
Average daily water production (000's)	18,187	16,458	16,900
Miles of water mains	449	451	451
Utilities - Sewer			
Miles of sanitary sewer mains	349	349	351
Miles of storm sewers	138	138	150
Culture and Recreation:			
Parks and Recreation			
Acres of urban parks	1,880	1,880	1,880
Library			
Number of libraries	4	4	4
Number of library items in collection	419,339	389,805	389,805
Open Space / Mountain Parks:			
Acres of mountain parks and open space	43,497	44,921	45,090

Source: City of Boulder departmental records.

2009	2010	2011	2012	2013	2014	2015
4	3	4	4	5	5	5
7	7	7	7	7	7	7
343	355	347	312	328	377	377
22	15	14	14	14	14	14
594	585	607	677	720	704	713
959	955	968	1,003	1,062	1,095	1,104
292	293	293	295	295	295	300
4,638	4,678	4,689	4,742	4,766	4,811	4,822
28,458	28,519	28,619	28,759	28,747	28,829	28,944
15,400	17,300	17,000	17,600	15,737	15,692	15,800
458	461	463	463	462	463	463
350	375	355	355	355	356	356
124	183	186	153	152	153	144
1,880	1,880	1,800	1,800	1,800	1,800	1,800
4	4	4	4	4	5	5
403,960	405,034	392,506	390,427	413,740	412,824	473,716
45,091	45,130	45,405	45,591	46,632	45,518	45,606

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CITY OF BOULDER, COLORADO
Schedule of Expenditures of Federal Awards
Year Ended December 31, 2015

Federal Grantor, Program Title, Project/Grant Number, and Program Year	Federal CFDA Number	Pass thru Entity Identifying Number	Amount Provided to Subrecipient	Federal Expenditures 1/1/15-12/31/15
Department of Housing and Urban Development:				
Direct Programs:				
Community Development Block Grants/Entitlement Grants	14.218	N/A	\$ 159,714	\$ 327,342
Home Investment Partnerships Program	14.239	N/A	236,146	195,235
CDBG – Disaster Recovery	14.269	N/A	-	70,377
Total Department of Housing and Urban Development			<u>395,860</u>	<u>592,954</u>
Department of Justice:				
Direct Programs:				
Missing Children's Assistance	16.543	N/A	-	8,044
Public Safety Partnership and Community Policing Grants	16.710	N/A	-	89,588
Edward Byrne Memorial Justice Assistance Grant Program	16.738	N/A	31,705	51,344
Total Department of Justice			<u>31,705</u>	<u>148,976</u>
Department of Transportation:				
Passed through Colorado Department of Transportation:				
Highway Planning and Construction	20.205	None provided	-	6,605,100
Passed through Regional Air Quality Council:				
Highway Planning and Construction	20.205	None provided	-	32,471
Total Department of Transportation			<u>-</u>	<u>6,637,571</u>
Department of Veterans Affairs:				
Direct Programs:				
United States Olympic Committee	64.034	N/A	-	8,807
Environmental Protection Agency:				
Passed through Colorado Department of Public Health and Environment:				
Nonpoint Source Implementation Grants	66.460	13 FAA 56804	-	39,478
Department of Education:				
Passed through Boulder Valley School District:				
Twenty-First Century Community Learning Centers	84.287	None provided	-	20,723
Department of Health and Human Services:				
Passed through Qualistar Colorado:				
Child Care and Development Block Grant	93.575	None provided	-	56,507
Total Department of Health and Human Services				
Department of Public Safety:				
Passed through Colorado Department of Public Safety:				
Disaster Grants - Public Assistance	97.036	See Note 3	-	1,407,106
Passed through Colorado Department of Public Works:				
Flood Mitigation Assistance	97.039	N/A	-	39,987
Total Department of Public Safety			<u>-</u>	<u>1,447,093</u>
Total Federal Expenditures			<u>\$ 427,565</u>	<u>\$ 8,952,109</u>

See Notes to Schedule of Expenditures of Federal Awards

CITY OF BOULDER, COLORADO
Schedule of Expenditures of Federal Awards
Year Ended December 31, 2015

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, 2015. 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. Pass Through Entity Identifying Numbers

The pass through award numbers for the Disaster Grants - Public Assistance program were PW-00564, PW-00590, PW-00827, PW-00840, PW-00889, PW-00915, PW-00918, PW-00939, PW-00949, PW-00963, PW-01019, PW-01032, PW-01034, PW-01041, PW-01068, PW-01070, PW-01073, PW-01093, PW-01136, PW-01139, PW-01140, PW-01141, PW-01142, PW-01155, PW-01168, PW-01171, PW-01175, PW-01176, PW-01180, PW-01211 PW-00065, PW-00092, PW-00118, PW-00126, PW-00141, PW-00147, DR1P14-003, DR2P15-058.

**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, 2015, 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 July 11, 2016.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2015-001 and 2015-002 that we consider to be significant deficiencies.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether 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
July 11, 2016

**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 City of Boulder, Colorado's major federal programs for the year ended December 31, 2015. City of Boulder'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 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 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 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, 2015.

Report on Internal Control Over Compliance

Management of the City of Boulder, Colorado is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City of Boulder, Colorado's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Boulder, Colorado's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. 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
July 11, 2016

**CITY OF BOULDER, COLORADO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2015**

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)

97.036

Name of Federal Program or Cluster

Disaster Grants – Public Assistance (Presidentially Declared Disasters)

20.205

Highway Planning and Construction (Federal-Aid Highway Program)

Dollar threshold used to distinguish between Type A and Type B programs:

\$ 750,000

Auditee qualified as low-risk auditee?

_____ yes x no

**CITY OF BOULDER, COLORADO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2015**

Section II – Financial Statement Findings

2015 – 001

Type of Finding:

- Significant Deficiency in Internal Control over Financial Reporting

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

Criteria or specific requirement:

- During our search for unrecorded liabilities, we noted an invoice relating to 2015 that was not accrued during year-end closing procedures. This related to the Transportation Fund for approximately \$240,000. The City agreed with the adjustment and posted the audit adjustment to record this amount as of December 31, 2015.
- The City restated its beginning fund balance for the Boulder Municipal Property Authority (BMPA) Fund to properly present the Fund as a special revenue fund (a governmental fund) as of January 1, 2015. As part of the restatement adjustments to properly record this fund, the City incorrectly recognized the revenue relating to a note receivable for the year ended December 31, 2015 at the modified accrual fund level. Due to the revenue recognition policy for governmental funds, this note receivable balance should have been offset by a deferred inflow of resources balance and the City should not have recognized the revenue in 2015. The City agreed with the adjustment and posted the audit adjustment to record the deferred inflow of resources and remove the revenue for approximately \$153,000 for the year ended December 31, 2015.

Context: Accounts payable and related expenditures for the Transportation Fund were understated by approximately \$240,000 as of December 31, 2015. Revenues were overstated and related deferred inflows of resources were understated for the BMPA Fund by approximately \$153,000 as of December 31, 2015.

Effect: The City's financial statements were misstated due to the errors noted. Audit adjustments totaling approximately \$393,000 were recorded by management to properly reflect this activity as of December 31, 2015.

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.

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

Views of responsible officials and planned corrective actions:

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

**CITY OF BOULDER, COLORADO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2015**

Actions planned in response to finding:

The City agrees that the revenue which was reported by the BMPA fund in 2015 as stated in this finding was the result of not using the accounting rules for revenue recognition of a governmental fund. Going forward, the City will ensure all fund restatement and prior period adjustment work papers are reviewed by either the Controller or Assistant Controller. In addition, all financial reporting accountants will continue to take relevant governmental accounting courses to make sure they are up to date with all governmental accounting rules.

The understatement of expenditures in the Transportation Fund was the result of a 2016 invoice that was not properly recorded in 2015. This invoice went through the City's new workflow process implemented in 2015 and the error went undetected. The wording on this invoice led all reviewers to believe the services were related to a contract that extended into 2016. Upon further review, it was determined that the services actually occurred in 2015. The City agrees that the reviewers should have spent more time questioning this particular invoice before determining the year to report. Each year-end, the City provides training to all City staff on year-end procedures including the correct method of recording invoices into a prior year. The City will use this invoice as an example during the next training session to point out to staff when further investigation and questioning is needed in order to determine the correct year an invoice should be reported in.

Responsible Parties: Ronnie Gilbert, Assistant Controller, 303-441-1958

Planned completion date for corrective action plan: 11/30/2016

Plan to monitor completion of corrective action plan: The Controller and the Assistant Controller will work together to ensure all staff members are taking relevant governmental accounting classes and verify all work papers prepared by staff have been reviewed. In addition, the city wide year-end training classes will be conducted by the Controller and the Assistant Controller.

2015 – 002

Type of Finding:

- Significant Deficiency in Internal Control over Financial Reporting

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

Criteria or specific requirement: During our testing of grant revenues and expenditures, we noted that a federal grant did not have a proper amount recorded as an account receivable at year-end. This amount was not paid to the City until after the City's sixty day revenue recognition policy and thus needed to be offset by a deferred inflow of resources for this same amount at the fund level for the Transportation Fund. This amount also should have been recorded as an account receivable and grant revenue at the government-wide level.

Context: Accounts receivable and deferred inflows of resources for the Transportation Fund were understated by approximately \$2.2 million as of December 31, 2015. Accounts receivable and grants revenue were also understated by this same amount for the government-wide statements.

**CITY OF BOULDER, COLORADO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2015**

Effect: The City's financial statements were misstated due to the error noted. An audit adjustment totaling approximately \$2.2 million was recorded by management to properly reflect this activity as of December 31, 2015.

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

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

Views of responsible officials and planned corrective actions:

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

Actions planned in response to finding:

This finding was a result of an incorrect cell reference when transferring an Excel file with grant details to another Excel file, which summarize the detail. This incorrect cell reference transferred incorrect data, which was used to record the entries for accounts receivable and deferred revenue for this grant. Going forward, the Controller or Assistant Controller will review the spreadsheets to ensure the correct data is transferred from detail to summary format. This review will be done before any entries are entered into the financial system and will be documented as one of the steps in the year-end process.

Responsible Parties: Ronnie Gilbert, Assistant Controller, 303-441-1958

Planned completion date for corrective action plan: 12/31/2016

Plan to monitor completion of corrective action plan: The Assistant Controller will add this review process to the year-end process checklists to ensure this step is completed. The year-end checklist is a document that gets reviewed frequently by the Controller and Assistant Controller. This checklist is also reviewed by the Director of Finance during a weekly briefing of the status of the audit by the Controller and Assistant Controller.

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).

Section IV – Prior Year Findings

2014 – 001

Condition: During the search for unrecorded liabilities, it was noted that several invoices pertaining to 2014 were not accrued during year-end closing procedures. Per testing performed, approximately \$798,000 of invoices were identified as not accrued, which affected multiple funds as well as government-wide statements. The City posted an audit adjustment to the Transportation and 2011 Capital Improvement Funds, which represented approximately \$651,000 of the invoices identified.

**CITY OF BOULDER, COLORADO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2015**

Recommendation: It was recommended that the City ensure that system controls exist within the new system to assist in the proper accrual of invoices received after year-end. In addition, in situations in which system controls cannot be relied upon, an alternative system of controls should be properly designed and operating to prevent potential material misstatements in the financial statements.

Current Year Status: Not implemented. See current year finding 2015-001.

Reason for finding's recurrence: On January 1st, 2015 the City implemented a new financial software system which provides the ability to electronically review all accounts payable invoices. This review process is referred to as "workflow". During the year, the workflow process normally requires an invoice to be electronically approved by the supervisor or manager of the department who initiated the invoice and a member of central finance. If an invoice is part of a previously approved purchase order or contract, the invoice does not go through workflow a second time. For year-end processing of accounts payable, workflow was set up to route all invoices processed in 2016 to central finance staff to review. This included regular invoices and invoices associated with purchase orders and contracts. The purpose of this review was to help identify any 2016 invoices, which should be accrued back to 2015. This new control was in response to the 2014 finding and thought to be very effective during the 2015 year-end in identifying the proper accounting treatment of many invoices. The City acknowledges one invoice was identified incorrectly as per the above finding and will continue to educate its staff on this important issue and work to ensure all accounts payable invoices are recorded in the correct fiscal year.

2014 – 002

Federal Agency:	Department of Homeland Security
CFDA Number – Federal Program:	97.036 – Disaster Grants – Public Assistance (Presidentially Declared Disasters)
Pass-Through Agency:	Colorado Department of Public Safety, Division of Homeland Security and Emergency Management
Pass-Through Number:	Award Number: FEMA-DR-4145-CO: 14-L4145-054
Award Period:	Award Year - 2014
Compliance Requirement:	Reporting
Type of Finding:	Material Weakness in Internal Control, Noncompliance

Condition: It was noted that the amount reported for total funds expended to date during the quarterly reporting process was based on estimates, as opposed to reporting actual amounts based on expenditures recorded in the general ledger. In addition, the process of identifying and reconciling expenditures to project worksheets is a very manual and time-consuming process undertaken by City staff in an attempt to identify amounts for reimbursement and reporting in the schedule of expenditures of federal awards.

Recommendation: It was recommended that the new accounting system be utilized to the maximum extent possible to better identify federal expenditures within the chart of accounts. The Finance Department should implement policies and procedures to ensure that reports are reviewed prior to submission by an individual independent of the preparation process. In addition, financial fields of the report should be based on information that is either derived from, or supported by, the general ledger.

Current Year Status: Implemented.

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

LOCAL HIGHWAY FINANCE REPORT		City or County:
		City of Boulder
		YEAR ENDING : December 2015
This Information From The Records Of: City of Boulder		Prepared By: Jenna Pratt, Budget & Finance Analyst Phone: 303-441-3001

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

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Receipts from local sources:	
1. Local highway-user taxes	
a. Motor Fuel (from Item I.A.5.)	
b. Motor Vehicle (from Item I.B.5.)	
c. Total (a.+b.)	
2. General fund appropriations	3,974,799
3. Other local imposts (from page 2)	18,997,226
4. Miscellaneous local receipts (from page 2)	1,638,605
5. Transfers from toll facilities	0
6. Proceeds of sale of bonds and notes:	
a. Bonds - Original Issues	0
b. Bonds - Refunding Issues	0
c. Notes	0
d. Total (a. + b. + c.)	0
7. Total (1 through 6)	24,610,629
B. Private Contributions	0
C. Receipts from State government (from page 2)	3,275,670
D. Receipts from Federal Government (from page 2)	1,467,404
E. Total receipts (A.7 + B + C + D)	29,353,703

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Local highway disbursements:	
1. Capital outlay (from page 2)	12,906,429
2. Maintenance:	2,074,999
3. Road and street services:	
a. Traffic control operations	2,542,877
b. Snow and ice removal	1,646,485
c. Other	2,741,722
d. Total (a. through c.)	6,931,084
4. General administration & miscellaneous	4,064,969
5. Highway law enforcement and safety	3,378,798
6. Total (1 through 5)	29,356,279
B. Debt service on local obligations:	
1. Bonds:	
a. Interest	751,231
b. Redemption	1,080,018
c. Total (a. + b.)	1,831,249
2. Notes:	
a. Interest	0
b. Redemption	0
c. Total (a. + b.)	0
3. Total (1.c + 2.c)	1,831,249
C. Payments to State for highways	0
D. Payments to toll facilities	0
E. Total disbursements (A.6 + B.3 + C + D)	31,187,528

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

	Opening Debt	Amount Issued	Redemptions	Closing Debt
A. Bonds (Total)	20,947,224	0	1,080,018	19,867,206
1. Bonds (Refunding Portion)		0	0	
B. Notes (Total)				0

V. LOCAL ROAD AND STREET FUND BALANCE

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
Transportation Funds	22,643,869	24,298,886	24,641,592	22,301,163	0
Capital Improvement Bond Fund (Street & Road)	1,491,120	0	1,491,120	0	0
General Fund (Street & Road)	0	5,054,817	5,054,817	0	0
Totals	24,134,989	29,353,703	31,187,528	22,301,164	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 2015	

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	49,991	a. Interest on investments	188,907
b. Other local imposts:		b. Traffic Fines & Penalties	135,719
1. Sales Taxes	16,271,100	c. Parking Garage Fees	0
2. Infrastructure & Impact Fees	2,432,840	d. Parking Meter Fees	0
3. Liens	0	e. Sale of Surplus Property	1,213,979
4. Licenses	0	f. Charges for Services	0
5. Specific Ownership &/or Other	243,295	g. Other Misc. Receipts	100,000
6. Total (1. through 5.)	18,947,235	h. Other	0
c. Total (a. + b.)	18,997,226	i. Total (a. through h.)	1,638,605
	(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	2,535,993	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	273,581	d. Federal Transit Admin	0
d. Other - Hwy/Signal Maint Contract	153,240	e. U.S. Corps of Engineers	0
e. Other - CDOT	312,856	f. Other Federal (FHWA)	1,467,404
f. Total (a. through e.)	739,677	g. Total (a. through f.)	1,467,404
4. Total (1. + 2. + 3.f)	3,275,670	3. Total (1. + 2.g)	
			(Carry forward to page 1)

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL			
	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs	0	0	0
b. Engineering Costs	5,204,549	2,566,557	7,771,106
c. Construction:			
(1). New Facilities	0	0	0
(2). Capacity Improvements	0	340,669	340,669
(3). System Preservation	113,558	3,076,896	3,190,454
(4). System Enhancement & Operation	571,113	1,033,087	1,604,200
(5). Total Construction (1) + (2) + (3) + (4)	684,671	4,450,652	5,135,323
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	5,889,220	7,017,209	12,906,429
			(Carry forward to page 1)

Notes and Comments: